Kahler Glen Community Association

Board Meeting Minutes

December 8, 2012 – 9:01 a.m. – by teleconference

The meeting was **called to order** at 8:02 a.m. by President Michael Wandell.

Also **present** were: Carol Pierce, Bud Olson, Nancy Miller, Jim Farmer, Dave Reynolds, Mike Wandell, and John Bennett for the Resort.

Mike Wandell declared that a **quorum** was present.

**Minutes.** Nancy Miller moved that the minutes be adopted as presented. Carol Pierce seconded. Motion passed unanimously.

John Greiner entered the meeting.

**Communication**. Carol Pierce reported that correspondence was received

* From Darren Stober re fire policy and re payment for road clearing and berm removal.
* From Kaye Marks re ice on the road near her residence.

Mike and John B spoke with Glenn about providing services. They stated that plowing and sanding need to take place for safety reasons, as well as at the 4” metric. Carol P added that this is part of the service agreement.

Mike emphasized that community plowing is roads-only. John G explained the physical operation of plows and berm clearing.

Dave Reynolds commented that payment for road clearing is a flat rate, rather than hourly as anticipated in the proposed service agreement, and that the $100 for berm removal goes to the Resort and is the resident’s responsibility. He emphasized safety as our concern. Mike Wandell agreed with those clarifications. Carol P added that even with a set rate, the hours need to be recorded separately in case the contractual hours total is reached. Mike W agreed.

* RE earlier letter from Thom Cook; Carol P explained that he was concerned that paying ahead might put us in a position to lose those funds should the Resort fail: Mike W commented that he had responded, but not received an answer from Thom Cook.

**Treasurer’s Report.** Jim Farmer reported on variances through November: septic, landscaping & grounds, and storm water accounts are over budget; legal, audit and taxes, and road maintenance are under budget.

In response to Carol P’s query as to reason for overages, John Greiner explained that the septic account is hourly and there have been several novel items this year, including meetings with county personnel relative to septic expansion and equipment failures. John G said that storm water was an estimate, and also pointed out that there are 3 road categories in the service agreement, which should be clarified.

John Greiner left the meeting.

Mike W continued the topic of budget overages and infrastructure until the next meeting.

**Service Agreement**. Mike W reported that he and John B have made progress on **MOU process**. They recognize that there will be modifications of the current service agreement, which is currently unsigned, especially with regards to making accounts simpler and defining standard service and extraordinary circumstances more clearly.

Nancy M asked when, if at any time, notice would have to be given to the Resort if the service contract might not be renewed. Mike W answered that the current contract is a handshake agreement for 1 year, since the MOU negotiations have not been completed. Current arrangement is only for one year. Service agreement had language that was sore point for Resort, so was first priority. Service agreement must now be aligned with whole reset of the relationship. Specifically, if the contract had been signed, within the three year agreement there was termination with cause or notice of needed changes 60 days before each anniversary date. Mike spoke of the need to continue to establish improvements through continuing negotiation, to establish new agreements, and to extend the term of the service contract to 5 years. The new agreement would have a termination reasonable cure section for noncompliance or nonperformance.

Nancy M clarified her question, asking for the date to give notice.

Mike said that the renewal date would be May 1, so the last day to notify the Resort would be Feb. 28 or 29.

Nancy M asked to clarify the reference to ‘termination with cause’, contrasted with previous contracts of the notice of intent not to sign. Mike answered that the covenants stipulate an annual agreement, so while we are currently under an annual agreement, the provisions of a multiyear agreement have not yet been established.

Nancy M asked if not having an agreement was sufficient, or if formal notice had to be given. Mike said that we have an annual agreement, and do not intend to forego the opportunity to negotiate changes.

**Treasurer’s Report, cont**. Jim Farmer reported on seven residents whose dues are in arrears. The largest debtor has reached an agreement to settle his account. Three others are discussing payment schedules. There are two pending sales which will settle those two accounts, although liens have not been filed against these properties. Jim F still has one resident in arrears to contact personally. A discussion followed concerning whether offering partial relief in return for payment of arrears was appropriate.

Jim Farmer made a motion regarding reducing the interest and penalty charges to a property owner in arrears; motion died for lack of second and was withdrawn.

Mike asked for consensus for Jim F to proceed with granting the property owner partial relief to a property owner. Nancy M asked concerning precedent, concerning impact on CA income and on the uneven application of fees. Jim F spoke to rewarding a good faith effort. Bud O said that there is no precedent established, but there is the desire to reach a positive outcome for all involved. Mike asked for permission without objection for Jim F to proceed. Hearing no objection, Mike granted him the authority.

Carol Pierce asked about a warning letter to another delinquent; Jim Farmer replied that an additional one will be sent in the near future.

**Infrastructure:**

Having talked with Glenn Week, Mike Wandell suggested that residents be reminded in the Newsletter to the community to contact Glenn directly with problems or requests rather than approaching resort employees directly.

Bud Olson reported that recycling dumpsters are available from Allied Waste in various sizes and prices. Carol Pierce moved that Bud Olson be authorized to arrange for 2- 2 yard recycling dumpsters, one to be placed by the pro shop and one to be placed by the condo garbage dumpster. Second by Nancy Miller; passed unanimously. The question of monitoring the use of the new recycling bins was raised; Nancy Miller volunteered.

Dave Reynolds reported on the **Reserve Study**.

* No new information has been received from John Torrence. Dave will check into progress this week. Mike W said that the report is not urgent, but would be very useful.
* Dave reported that Mark Braegelmann tried to get the financial records from the pro shop office in order to conduct the internal review, but that the office was not open. He will try again, by appointment.
* Dave R reported that letters of appreciation were sent to the other review volunteers, soliciting their time for the coming years.
* Dave reported that he provided the review checklist to one of the volunteers, a CPA, and he found the following possible issues:
  + Esther Christian both writes and signs the checks; this is most convenient in our setting; he recommended that fiduciary insurance should be considered. Jim Farmer will check into that.
* The previous board under Rex Lund considered increasing insurance coverage for officers and directors from $1million to $2million. Last year’s budget included funds for this, although this year’s budget did not. Amount should be individual rather than aggregate. Jim Farmer agreed to determine the individual and aggregate coverage levels, as well as the cost of an increase to $2million per board member.
* From recent financial reports, it isn’t clear whether Cary Eller has billed us for all the work done installing meter on the wellhead and checking the hydrants. Dave Reynolds will check.

**Old Business:**

Bud Olson inquired regarding the plans for the **restaurant**. John Bennett replied that he was hopeful but did not want to raise expectations.

Mike Wandell reported on the **MOU**:

* The Resort brought Glenn and his attorney into the process.
* There have been substantial and significant changes. At the request of the CA, Gary Ackerman, attorney, put together a simplified term sheet and expressed some new concerns. A meeting has been scheduled for Dec. 17.

John B specified several dates on which he feels that the CA introduced substantive changes. His concern is that one side or the other not be burdened with a negative connotation of the word ‘substantive’.

* Nancy M asked how the prospective sale of the Resort interacted with the negotiation of the MOU; Mike W answered that this was one of Mr. Ackerman’s points. Mike feels that time is pressing to complete the negotiation of the MOU.
* **Town Hall**: Mike W suggested that a town hall should be held during the holiday season to give residents a chance to be updated concerning the present standing of the MOU process, since misunderstandings might lead to rejection of an otherwise acceptable document. Several board members spoke in favor of an opportunity to communicate with the community. Dave R spoke about an eventual up-and-down vote, and about the opportunity to suggest changes. Mike W said that explaining what had and had not been agreed is important to communicate. Bud O hoped that communication would dampen speculation. Carol Pierce said that an explanatory document should be sent to residents unable to attend a town hall. Mike W said that a copy of a slide deck used in the presentation could be forwarded, and asked if a Dec 29 meeting would be a suitable date. That date was approved by consensus.

Mike Wandell announced the **Public Forum**. Bill Miller was present.

Bill Miller suggested

* that if the restaurant is not open and the pro shop not renting sports gear, that it would save time and money not to plow the parking area opposite Natapoc, an area that also acts as free alternate parking to skiers avoiding fees charged at the Sno-Park.
* that recent snow had narrowed roads, which was remedied this morning; an approach to the Nason Creek Trail needs to be placed through the snow berm as in previous years; and that approaches to the mail boxes and the garbage dumpsters needed to be regularly cleared of snow.

John Bennett asked that these concerns be sent in writing to Glenn or the resort office. Bill said he would do so.

Meeting adjourned at 11:10 a.m.

Sincerely,

Nancy Miller

Secretary, KGCA Board

Board will announce time and place and teleconference number on the website for the next meeting. Please communicate with the Board if you want the telephone number and password.