

**Carlyon Beach Homeowners Association
Annual Meeting
June 9, 2018**

I. Call to Order:

Meeting was called to order at 10 a.m. by Rick Gamas, President, and was followed by the Flag Salute.

Board Present: Rick Gamas, Mike Cooper, Robynne McWayne, Marv Harris, Lisa Krupp, Sandi Allen, Dick Morton.

II. Members Comments:

Rick began with an introduction of Operations Manager Chuck Toler, Attorney Skip Houser, the board members. Skip Houser read from Robert's Rules of Order on decorum and debate. Members did not have additional comments.

III. Approval of the Minutes

Skip said we could continue with the meeting but we could not conduct business until we verify we have a quorum. The ballot committee were busy counting & would report soon. While we waited for the news of a quorum we skipped the minutes and moved to the Treasurer's report.

IV. Treasurer's Report

Lisa went over the budget and answered questions as she went.

Capital Funds

Balance sheet as of May 31, 2018	\$263,880
additional allotment for June	<u>+12,700</u>
Estimated capital fund balance on June 30	276,580
Subtract balance owed on new Peterbilt	<u>-145,800</u>
	130,780
subtract local tax and license	<u>-14,000</u>
	116,780
subtract clubhouse repairs (estimated)	<u>-16,000</u>
Estimated capital fund balance	\$100,780

She mentioned the \$11,000 in fees it cost us each year for credit card payments for dues and other charges. In the future we will have to decide if those fees need to be added on to the members' bills so the HOA isn't covering that expense. Someone asked about legal fees, which Lisa said go up & down each year, averaging roughly \$1,000 a month, and that was the amount budgeted, but this year was only at \$4,000. We'd had 1 small claims suit we had to cover, which was \$4,200. Lisa said the last 2 years she's been on the board we haven't had anything bigger than that.

Skip Houser confirmed that was accurate and added that we have no pending lawsuits or litigations, and it's been a number of years since we've actually had a lawsuit. Skip added that we've only had to use the insurance company twice in the past 20 years he's been providing services for the community: 1 was for an embezzlement issue, and another was on a claim for a bioswale encroachment of sorts, which was ultimately resolved without fees.

Skip added that the best way to handle those credit card fees is to pass them on to the people using them.

Another member mentioned something discussed on NextDoor about the audit commenting about the rental house. Lisa went over the income figures versus the expenses to answer the question. Another person asked about salaries for the employees. Lisa said the permanent employees ranged from \$15 an hour up to about \$25 an hour for the manager, though he's not hourly. Rick added that medical, dental, vacation is also in the personnel cost. Payroll taxes, etc. Another member said she was familiar with budgets and you want to be competitive with your salaries so you keep good people and said the salary portion of the budget seems very much in line with a budget of this size. She said she was actually delighted to see how it is managed. Lisa responded that we really try to be competitive because it's a tight job market, and good employees take a lot of knowledge with them when they leave, and then we are training all over again. We are at the low end of competitive salaries, but we want our employees to know we value them.

Someone asked about the rental house not being on this second ballot. Lisa explained that with no clear winner except to order the truck, we ordered the truck and decided how to go forward. Skip Houser said the ballot resulted in a majority vote to buy the pump truck but did not result in the needed majority on the other options which our By-Laws require. He recommended that it be viewed as an advisory ballot and going forward to simplify the current ballot. Rick added that the reserve fund recommended amount is not random. Our Reserve Study states what it should be to keep the neighborhood funded for an emergency. Since the majority of the members voted to fund the truck rather than sell the rental house asset, we went for the smallest amount needed to replenish the fund to cover what may come. Almost two years ago when a winter freeze made Whitecap and Seaview buckle, emergency repairs were needed that totaled \$47,000 for both roads, totally unplanned (See the motions in January 24, 2017 minutes).

A member stated that she was particularly concerned about the Reserve, in that before she bought her property she looked at the state of the finances because it's a fair amount of liability with a marina, a water system, & a sewer system. There is a ranking as to the risk of an HOA that is not

well enough funded, of loss from natural catastrophe or not being maintained. She was especially concerned about the ancient generator that is needed to keep water flowing in an emergency, but parts are difficult to come by. She felt \$8.00 a month is little risk to avoid a bigger risk coming up unexpectedly. Rick said Chuck would cover that generator in his report, coming up soon.

Lisa steered the conversation back to the financials, answering questions about the ballot choices, and going on with the rest of her report, explaining the expected amounts coming into the accounts by fiscal year end. She explained every category was within or under budget except contractual services & the sewer funds, which includes unexpected items like sludge hauling and vehicle repairs.

A member asked if road repairs would ever end. The answer was that those repairs would be ongoing as long as cars and trucks were driving on them.

Skip came in to announce we had 601 members who could vote in this election; 74 could not vote because they are not current with their dues. That leaves 527 members eligible to vote. 164 ballots have been received. That is greater than the 12% required in Article 4 Section 8 to have a quorum. This does not yet count anyone that will be picking up a ballot and voting here at the meeting, so Mr. President, this is up considerably from last year. So, we could conduct business, and approve the minutes.

Sandi then moved to approve the minutes from last year's Annual Meeting. **See motion below.**

Final call for ballots

V. Manager's Report:

A slideshow showing all the highlights of the year was next. Rick shared the part of a slideshow from Bill's time as manager and the interim when Rick had to fill in. Then Chuck finished with slides of what he's accomplished in the 4 months he's been here. These slides included pictures of the waste water treatment plant with all the replacements and upgrades, the new carport at the maintenance shop, the clubhouse painting.

Chuck added electrical upgrades in the clubhouse, the termite damage at the clubhouse, the marina showing the new docks, and some "before" pictures that showed why work was needed, all the new posts in the basement of the clubhouse waiting to be installed that will hold the new hose reels, and fire extinguishers, the moss removal from the park buildings, the new kayak racks, the Black Elms in the park that needed to be trimmed for safety, the maintenance boat, the new cover, the new-to-us motor. And the generator repairs for the well that only has 1100 hours, but with analog controls. It's a Cummins Diesel, so it was upgraded with new parts & digital controls, so it is ready to go in a power outage. A member asked if the generator had a power cycle to start itself & test the equipment each month, and Chuck responded that it's a manual cycle for now, with the crew starting it each month.

Waterline repairs just last week complicated with a missing water meter found on a broken line, with both fixed at once, and a retention pond that Thurston County wanted cleared out, and the crew took care of it. The new truck should be here and on the road by the end of July.

He then discussed our employees and what each one does, handling many things for far less than it would cost if we had to call a contractor to drive out for everything.

The meter work was brought up by a member that wondered when that would be completed, so Chuck and Paul explained about the waterline maps we have that don't always show an accurate picture. There are about 35 meters left to done.

VI. Committee Reports:

Roads & Storm Water:

Before Marv gave his roads report Rick announced that Marv had served as long as he was allowed, with the new rule that folks can only serve 3 terms before sitting out for a term, and he would be missed, and we hoped he would still help with the roads. Marv said he was still available to help where he could.

Marv then discussed the status of the roads, after saying it's been an honor to serve and the only reason he didn't run again was because he couldn't.

A member asked if the ban on large trucks during the rainy season was still in effect, and when told it hadn't been for several years, suggested it be re-instated to help save our roads.

Parks & Recreation:

Lisa & Robynne had some volunteers with great ideas, but they were more oriented towards parties. That's great and they have done amazing things for Halloween, Christmas, 4th of July... Also, volunteers stepped up to build kayak racks when asked and they were hard-working and diligent and had them done in no time. Our kayak racks vary in width but all are charged the same. In the future we may have to price them by size to make it more equitable. Kayak racks haven't changed price for quite a while, so that might need adjusting. Bringing in more money would contribute to maintaining that area more. We need a lot more gravel brought in to keep it in good shape, so that would be one item that the funds are used for. So Parks and Rec needs party planners, but also people with great ideas to maintain & improve our parks.

Robynne added that she's enjoyed her time on the board, but her schedule has been too full between work and family needs, and Lisa had to take on Parks and Rec along with Treasurer. Robynne wishes the best for the board and apologized for stepping down early. Rick said we will miss her, and the rest of the board concurred.

Water & Wastewater:

Mike

Marina:

Sandi (1:39:03)

Architecture:

Marv reported a lot of fences built, some outbuildings, and a few new homes being constructed. He reminded folks to go to the office to check on permit issues before starting so they don't get red-tagged in the middle.

Rick announced the board wanted to thank him for his 7 years on the board with a gift card.

VII. New Business:

Rick

CBHA June 9, 2018 Annual Meeting Tally Sheet

FINAL-FINAL

		TOTAL	Pass/Fail
Motion:	For	157	Passed
IRS Tax Return	Against	6	
		TOTAL	Pass/Fail
Motion:	For	137	Passed
2018-2019 Budget	Against	24	
		TOTAL TOTAL	Pass/Fail
Motion:	For	129	Passed
1 year Capital Fund Budget	Against	36	
		TOTAL TOTAL	Pass/Fail
By-Law Proposal #1	For	88	Passed
	Against	73	
		TOTAL TOTAL	Pass/Fail
By-Law Proposal #2	For	137	Passed
	Against	30	

		TOTAL TOTAL	Pass/Fail
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Candidate		TOTAL
Sandi Allen	Board	130
Stephanie Greene	Board	105
Richard Gamas	Board	104
Richard Morton	Board	103
Margaret DesRochers	Board	31
Lars Swartling		18
Bill Relyea		16
Harry Lohne-Luciani		13
Andrea Carlson		12
Lisa Burney		10
Craig Ottivelli		7
Richard Malstead		6
Adam Schade		4
Jason Davenport		2
Deb Peterson		2
Joe Morin		1
Mary Bostwick		1
Julie Frick		1
Pat Thielen		1
Don Loffler		1
Susan Holm		1
Andrew Sawyers		1
Gary Garrity		1
Wendy Hughes		1
Carol Knutson		1
Greg Schade		1
Lynn Schade		1
Chris Wolfe		1
Janet Schade		1
Seth Schade		1
Mary Thompkins		1
Chris McCord		1
Elva Lamp		1

Counted & Signed by the Ballot Committee on 6-9-2018:

Colleen Weston, John Eller, Nancy Eller, Marcia Rugg, Ilona Munson

Lisa moved to adjourn. See motion below.

- 1. Motion: Sandi moved to approve the minutes from the June 10, 2017 Annual Meeting. Wayne Krogseth seconded. Motion passed unanimously.**

Motion: Lisa moved to adjourn, which was seconded by Marv. Motion passed unanimously.

Meeting was adjourned at 12:10 p.m.

Respectfully Submitted By,

A handwritten signature in black ink that reads "Sandi Allen". The signature is written in a cursive, flowing style.

Sandi Allen,
Secretary