

Edelweiss Board of Directors Meeting
January 16, 2010, 3pm

Board Members in Attendance: Pat Leigh, Tom Lasater, Kelli Rotstan, Mary Kiesau, Karen Reneau; and via phone Leonard Yerkes, Stan Wentzel, Bruce Firestone and Kris McMullen

Staff in Attendance: Craig Hook & Dick Volckmann

Minutes Taken by: Mary Kiesau

Long Range Planning Committee (LRPC) Report – Special Assessment for Water Line Upgrades
Tom Lasater, speaking on behalf of the LRPC, presented the Committee's recent discussions and proposal.

- The LRPC had a meeting recently to further discuss the need for a special assessment and to revisit the Board's vote from the last Board meeting.
- From the Comprehensive Plan we completed last year, we know there is much work to be done on water lines. However, the most critical work that really must be done in 2010 is just one line – the line that goes from the Booster Pump to the Reservoir. The LRPC discussed and agreed on a proposal for a one-year special assessment to specifically fund this one project.
- The LRPC asked Dick to get an estimate for this one project. He received a bid for \$66K.
- The LRPC would like to go forward with a special assessment for 2010 only, then re-assess what the needs and costs will be to complete further, future work – work that needs to be done but that can wait beyond this year.
- The LRPC's final recommendation is to scratch the earlier proposal of \$200/year for 10 years, and to instead request a one-time \$225 assessment for 2010. This assessment would bring in \$70,650 (from 314 lots).
- Some discussion. We wouldn't be using any water budget reserves for this project as there are very little reserves now. Two of the reasons we are talking about an assessment are (1) there is a lot of work to do, and (2) the water fees alone do not bring in enough funds to build a solid reserve annually to maintain and repair the water system.
- It was noted that an assessment is billed per lot; and that water fees are billed only to landowners who are on the water system. (Many lot-owners are not yet hooked into water)
- We discussed what percentage of water dues to put into a reserve account. We discussed what and how expenses were charged to this account, and what expense weren't but possibly could be. Some Board members wanted any and all water expenses to be charged to this account so that "water fees were used for water." Other Board members explained that the various invoices and billing of staff time wasn't that easy to break-out; that some "water" work – whether it's general maintenance or emergency repairs - is mixed in with a variety of other work.
- It was agreed that we'd like to set-aside as much of the water fees as possible for future water line work, but there is no accurate way to know how much we can allocate to upgrades until the end of the year. The Board agreed to stick with 15% as a minimum for now.
- There was some discussion on when to have the membership vote on the special assessment. We would typically hold the vote at the annual meeting on Memorial Day weekend. Staff expressed concern that this may not give enough time to collect the fees and get the work started and finished before winter weather. The work should only take one to two months though. The Board agreed to spend the months prior to the annual meeting giving information to members, preparing a Q&A for the website, addressing members questions, etc. so that everyone was informed by late May.

- We also noted that we should make a special effort to ask all lot owners on this particular line who aren't yet hooked up to water to hook in while the line is being replaced.

Motion to retract the Board's special assessment vote from November 1, 2009, and to accept the Long Range Planning Committee's proposal for a one-year (2010) \$225 special assessment of the Edelweiss membership (lot owners).

Moved by Tom, seconded by Bruce

Passed Unanimously

2010 Edelweiss Budget

Dick led a discussion of the proposed budget, which he and several Board members have worked on for the last few months.

- We paid special attention to line items that needed further discussion by the whole Board. The Board and staff were able to come to agreement on all the line items.
- We also had a discussion about staffing changes, compensation and 2010 staff contracts (Dick & Craig left the meeting during this discussion).
- The Budget will be available on the Edelweiss website and to any member upon request.
- Some specific areas of note include:
 - Repairs needed for the Campground water system and the Pumphouse will be done by Dick & Craig instead of contracting the work out.
 - Linda McWhirter will be retiring in April. We will contract with Bart Bradshaw, CPA for the bookkeeping work. We will hire a local cleaning service for the campground bathhouse. We've set aside a small budget for casual labor to cover other odds and ends. And Dick will fully take over any and all other administrative and member-communication duties as needed.
 - Our Maintenance Manager position will now be salaried. (Our General Manager position already was salaried.)
 - Our "Net Ordinary Income" does not include or account for the \$10K principal loan repayment (see line 129) that we must pay annually. We had some discussion about where to list this item. Its placement in the budget is problematic because Quickbooks won't list it as an expense. Still, we need members to know that it exists, otherwise it looks like we have \$10K more dollars than we actually have.

Motion to accept the budget as revised and finalized

Moved by Leonard Yerkes; seconded by Kris McMullen

7 Yeas, 1 Nay, 1 absent

Adjourned at 6pm