

Edelweiss Board of Directors Meeting December 14, 2011

Date: *December 14, 2011*

Present: Kelli Rotstan, Larry Halford, John Kirner, Bruce Firestone (via phone), Tom Lasater (by phone), Don Fitzpatrick, Jr., Coventry Jankowski

Absent: Leonard Yerkes, Lisa Tabbut,

Staff Present: Craig Hook and Dick Volckmann

Guest: Pat Leigh

Chair: John Kirner

Minutes Recorder: Don Fitzpatrick, Jr.

1. Minutes of the previous meeting		ACTION
<p>The meeting started at 6:45 PM. It was held at the home of Coventry Jankowski.</p> <p>Don Fitzpatrick moved that the minutes of the October 13, 2011 Board meeting be approved without reading since they were previously distributed. Second by Larry Halford. Passed unanimously.</p>	<p>Minutes Accepted</p>	
2. Treasurer's Report		ACTION
<p>The treasurer's report was not available due to a computer glitch, but will be attached to these minutes. A very thorough 2011 budget and expense report was provided, in addition to a proposed budget for 2012.</p>		
3. Manager's Report		ACTION
<p>None presented, but the November reports were previously emailed to all board members.</p>		
4. Old Business		ACTION
<p>BUDGET REVIEW</p> <p>The budget came up for review and several suggestions were presented by the budget committee.</p> <p>Don Fitzpatrick moved to change our water contribution to the water fund from 15% to 40% of the water fees. Second by Coventry Jankowski. Following discussion it passed unanimously.</p>	<p>Motion approved increasing water savings</p>	

Kelli Rotstan moved that we create a road fund and put in the \$9000 we got in 2011 to fund it. Any new building fees to cover roads (\$3000 per residence) will go into this road fund. Second by Tom Lasater. Passed unanimously.

Motion approved setting up and funding a road fund.

Kelli Rotstan moved that, if and when we raise dues in future years, we use the Social Security Cost of Living percentage rate adjustment to establish our maximum increase. Second by Coventry Jankowski. During the discussion it was pointed out that our by-laws limit increases in dues in any particular year by the cost of living increase. The purpose of this motion is to consistently use a readily available rate as our standard for the maximum. The Board will still have to determine if we have a raise at all, a raise to the maximum, or something in between. But, the maximum will be consistently established and eliminate figuring out which rate to use each year. The motion passed unanimously.

Motion passed to use SS COL rate for future dues increases.

Note: The Budget Committee recommended to the Board that the Water Reserve, the Road Reserve, and our Savings Account, all be available for emergencies in either area, without restriction. But, our intent be that these reserves will service the specific areas that they are designated for. There was general agreement among the Board members that this was appropriate.

We then reviewed the proposed budget, in detail, line by line. We added expenses totaling \$425.00 (Accounting \$100, Quickbook fee \$25, Campground water R&M \$300). We reduced road R&M by \$2000. We increased the estimate for our use of Mel Hartwig as our water system consultant by \$4000 for a total of \$5000. Dick will get a firm bid from him prior to going forward.

Don Fitzpatrick moved we accept the budget as noted, subject to any changes on wages and the required presentation to our members. Coventry Jankowski seconded. Passed unanimously.

SEWER DRAIN FIELD PROGRESS

Status of proposal to turn over our drain field account and obligations to OK County. The current draft of the Drain Field Agreement between Edelweiss and the County was reviewed. It is currently being reviewed by an attorney. The Drain Field Construction Fund of \$198,827.95 is proposed to be given to the OK County along with the responsibility for drain field maintenance, repairs, and major capital improvements. The benefit to Edelweiss is the relief from all future responsibility for our community wastewater system. This would include fee collections.

Pat Leigh was invited to contribute her comments since she is very familiar with the current arrangement. Pat said, "I think it is a fabulous move to off-load this burden.", however she suggested we have some way to hold the County accountable if they don't perform, or don't require property owners to do proper inspections. Bruce indicated he had similar concerns. The discussion included the relationship between our other existing agreements with the

County and this one. We questioned whether future collections made by our homeowner's also go into the same account. Dick said he thought they did. Since it is in the hands of our attorney, Dick will verify this and discuss our need for accountability with him.

Pat Leigh further suggested that we ask Mr. Richard Benson, State Dept. of Health, to read it and advise us of any issues he thinks we should address. (Mr. Benson is in charge of large on-site sewer systems in Eastern Washington).

PROCEDURES TO COLLECT OVERDUE EDELWEISS BILLINGS.

Coventry Jankowski explained the current proposal that she had previously provided us in writing. (See Collection Policy) She said that now is the perfect time to establish a policy because we have only one delinquent account and it is expected to be current soon. Tom Lasater said he thought the \$20 penalty may be too high. It could cause a hardship on some homeowners. He also said that he felt we should continue to write letters to any delinquent homeowners in order to maintain a good record. Bruce Firestone suggested it would be easier to relieve a person from a penalty fee than to add them later. Larry Halford and Don Fitzpatrick agreed and felt that delinquencies were sometimes the choice of the homeowner and put an undue burden on the rest of the homeowners, as well as costing the association unnecessary expenses for collection work. Our association should not operate as a bank.

Further discussion centered around how a legitimate hardship should be determined and handled. It was agreed that our management would have the authority, when dealing with a delinquent account, to agree to full payment within 30 days of the amount becoming delinquent, prior to charging interest and penalties. He would also be able to provide for the person to petition the Board to have penalties relieved in advance, and establish an alternative payment plan.

Following the presentation and discussion Don Fitzpatrick moved that we accept the plan as written with the ability for management to give the homeowner an opportunity to petition his/her case to the Board if necessary. Second by Kelli Rotstan. Passed unanimously.

OTHER OLD BUSINESS

Circulation of monthly manager's reports to all property owners beginning in January was not discussed due to lack of time..

Water issues, including proposed rate increases, were not discussed due to lack of time, and the need for more information.

Larry Halford had to leave at 9:00.
Bruce Firestone had to leave at 9:30

Motion to accept collection procedures passed.

5. New Business

None	
------	--

6. Executive Session	
-----------------------------	--

<p>At 9:45 management left and John Kirner opened an executive session to discuss job performance reviews and management salaries.</p> <p>During this John Kirner agreed to accomplish the job performance review for Dick Volckmann by Christmas and seek comments from other Board members by January 3rd. He will ask Dick To provide a performance review for Craig Hook, Operations Manager.</p> <p>A pay scale was discussed but no agreement was reached.</p> <p>Coventry Jankowski volunteered to talk to our accountant, Mr. Bradshaw, to see if we can get any help with comparative salaries in the area.</p> <p>John Kirner said we would, with the agreement of the employees, sign new employment contracts at the first of the year, with existing wages, subject to completion of the job performance reviews and any possible future salary increases.</p> <p>The meeting was adjourned at 10:20 PM</p>	<p>John Kirner to do Dick's performance review draft.</p> <p>Coventry will talk to Bradshaw</p> <p>John will handle employment contracts for 2012</p>
---	--

7. Misc. Notes	
-----------------------	--

--	--