

Edelweiss Maintenance Commission
2016 Annual Meeting Minutes of 5/28/16

1. Purpose: The annual general meeting of community members was held at the nearly-finished-pool facility. It was called to order by Board Chair, John Kirner at ~ 1:00 PM. Secretary Steve Ralph took meeting minutes. A meeting agenda was distributed. A membership quorum was verified by count of Hands. Board members (7) in attendance included Will Fohrell, Steve Ralph, John Kirner, Josh Jankowski, Jim McDonald, Alan Fahnestock, and Kirk Schumacher. Also in attendance were Dick Volckmann (General Manager) and Craig Hook (Operations Manager).
3. Minutes of the 2015 Annual Meeting of 5/23/15 as previously posted on the EMC website, were quickly reviewed and approved by a show of hands.
4. President's Report: John Kirner presented the report of the Board Chair which was an overview of highlights of the last year as provided by staff and Board members.
5. Report from the General Manager: Dick Volckmann provided highlights of his combined reports for the last year noting topics including the continuing consequences of winter snowmelt on roads and corrective work required, water system infrastructure improvements, near-completion of the new swimming pool, update on the nearly completed installation of water meters at individual lots, re-paving of the entrance to Edelweiss, suspension of lignin application to control dust this summer, and actions to stop the use of homes for transient "nightly rentals", and the annual financial report.
6. Current Financial Condition of EMC: Outgoing Treasurer Jim McDonald presented an overview of the financial status of community funds in the form of a budget report. He reports on our community income and expenses. His report is available to members upon request. Our current *Balance Sheet* shows that we ended the year with about \$7350 in our operating fund (checking account). However, we actually ended up with a negative balance of \$2650. He subsequently transferred \$10,000 from our primary savings account to cover year-end and first of the year expenses before some of our dues arrived. He has since transferred the funds back to our savings account. Current balances are listed in his financial report, available upon request.

Our variable income includes Building Fees (\$1200) for one new home and \$600 for property transfer fees and \$480 in late fees. The budget kept staff salaries the same and included \$5000 earmarked for an audit (see decision below on ballot results) and over \$8200 for CPA/accounting fees. Our current cash balances as of 14 May 2015 for these accounts at Capital-One are as follows: Savings = \$61,790; Water = \$15,867; Sewer=\$37,671; Pool= \$80,246, and Road = \$18,257; and Legal fund = \$9,012. Our checking account balance at Farmers State Bank was \$83,352.

A. FY 2016 Budget: The 2016 budget does not present many changes except to match expenses were we could. There were no HOA dues increase and annual income will decrease slightly due to lot consolidation. Water fees were increased from \$300 to \$315 per year. Garbage and Recycling rates also increased to match costs: \$200 for full-time; \$90 for part-time; \$75 for Hose-bib lots; and \$25 for campground lots.

B. Audit of Current Budget: In addition to voting on the slate of four candidates for board positions, the ballot also included one item on the vote to conduct an audit of EMC books. Jim MacDonald explained the cost and net benefit of such an audit to the members present. Although an annual audit is required by the State to ensure that record keeping of financial matters conforms to accepted practices, this requirement can be waived if a vote of the membership determines that an audit is not necessary. Jim spoke about the audit, what it would and would not do, and urged the membership to vote against it. Now, due to electronic access and hiring an outside CPA firm to do our books, we have a much better system than in the past. For example, the general manager provides Jim with electronic copies of our expenses; he then reviews and approves them; then forward to our CPA for payment. On the income side, our manager collects the mail (with the checks), and provides them to our CPA for deposit. Jim has electronic access to all our accounts and reviews the checks and deposits. And our books are always open to our members!

7. Results of membership voting on the current ballot: John Kirner reviewed this year's ballot for EMC Board membership, including three vacancies to be filled. There are three board member positions that are subject to this

ballot. Current board members whose terms have expired and are not seeking re-election include Jim McDonald and Larry Halford. Two of these are open due to members not seeking re-election, while John Kirner (present Board member) is seeking re-election for the third position.

A. Ballot Results for Board Membership: There were four candidates vying for election to three vacancies including John Kirner (incumbent, serving as board president), William C. (Chuck) Armstrong, Sern Watt and Neil Rotstan. All candidates were given the opportunity to introduce themselves and state why they wanted to join the board. Neil Rotstan was not able to attend the meeting, but his mother provided some introduction for Neil. The results of the election resulted in the election of John Kirner, Chuck Armstrong and Sern Watt to the EMC Board.

B. Ballot Results for Financial Audit: It was determined by a vote of the members in attendance, that an audit of the EMC financial books would not be required in 2016. This year's budget does include some or all of the funds necessary to conduct such an audit.

8. *General Manager's Report:* Dick Volckmann presented an overview of the issues and concerns faced in management of the community this last year, in his May 2015 Report. Dick gave updates on water quality sampling, water system monitoring, herbicide application to noxious weeds, and the installation of the new pool heat pump system in 2015. Operations Manager Craig Hook provided some details of his work over the last year in his report. Work was completed on the water line for the residents of the Eagles Nest area. New water lines were completed on Lupine and River Roads in concert with the installation of new power lines in those roads.

9. *Fire preparedness:* Board members and Fire District 6 volunteers, Josh Jankowski and Alan Fahnestock provided an overview of fire risk and prevention in the context of the historic wild-land and rural interface fires we experience in the valley these last two years. He urged all lot owners to consider their respective risks and to take decisive action to limit fuels on their property. He noted that the new pool was configured with a functional municipal fire hydrant, to allow fire trucks to quickly refill their water supply from the pool in the event of a community fire. Three current board members are volunteers with Fire District 6 and assigned to the Mazama Fire Station.

10. The meeting was adjourned at ~ 3:15 PM.

11. *Board meeting:* A short board meeting to elect the officers for the coming term was held at the conclusion of the Annual Meeting. The elected officers are: John Kirner – President, Alan Fahnestock – Vice-President, Steve Ralph – Secretary, and William (Chuck) Armstrong – Treasurer.

12. *The Next EMC Board meeting* is scheduled for the 6PM of August 1st, 2016._