

Edelweiss Board of Directors

Meeting Minutes of December 14, 2015

Present: John Kirner (President), Alan Fahnestock (Vice President), Steve Ralph (Secretary), Jim McDonald (Treasurer), Kirk Schumacher, Larry Halford, Will Fohrell,

Absent: Josh Jankowski, Bill Craven

Staff Present: Craig Hook and Dick Volckmann

Guests: Mike Shirley, Neil Rotstan, Sern Watt

Chair: John Kirner

Minutes Recorder: Steve Ralph

Meeting Agenda

1. **Call to order** by the President (John Kirner) @ 6:00 PM

2. **Review of minutes** of last meeting or ask for a vote to approve minutes as read (Steve Ralph)
The minutes were approved by unanimous voice vote with the stipulation that they be amended to include mention of Board approval to use \$1,500 for securing advice of an outside attorney for the pending CC&R updates. This reference was omitted from the meeting minutes from the previous meeting.

3. **President's report** (John Kirner)

John Kirner asked Board members if they had heard any concerns about the road conditions during the recent series of rain and snowstorms. There were some minor issues and concerns, but generally the roads were passable during most of that period. There are some visibility issues on Homestead due to snow banks obscuring the view on a section of the road.

4. **Treasurer's Report** (Jim McDonald)

- **Balance sheet:** The pool checking account shows over \$147,000. I transferred the full \$150,000 loan proceeds from the Sewer fund when construction had started and assessments had not arrived in time to cover the initial constructions costs. We still are expecting another bill from Brandenburg for backfill and fire hydrant installation. And for some reason, Krisco has only billed us for about 50% of their estimate when they have completed 73% of their project according to their payment schedule. According to the contract, they should have billed us for an additional \$43,500. We have received pool assessments (deposits into our checking) of \$121,440. With the next assessment coming in the first part of next year, I plan on transferring some of our pool funds back to the sewer account to reduce the interest carrying costs for a couple of months.
- Checking account - Due to the excess water capital expenses partially paid from our general checking account, I was concerned that our general fund checking account would be depleted. However, the current balance is almost \$23,000. This is good news. We have deferred some expenses (mostly insurance premiums) to ensure we had funds to get through the end of the year. It will be close because we still have a large (over \$11,000) snowplowing bill, and other bills that will push our balance lower.

Profit and Loss Budget vs. Actual:

- Our income to date has exceeded our budget (which is part of the reason our checkbook balance remains positive). Extra water income fees, sale of property, and extra fees from property sales in our community were the main drivers.
- Expenses under budget include the audit. The requirement was waived at the annual meeting and saved us \$5000 from our budget. We have also have deferred over \$4000 in insurance premiums because of the concern mentioned earlier.
- I have discussed the other variances in the past so I won't discuss those again unless you have questions about them except for the Major Water System Construction line item. We expended over \$107,000 on water capital projects this year. The two major projects were the new pipeline to Eagles Nest and the new water lines around the Edelweiss entrance (which was done in partnership with OCEC).

2016 Proposed Budget:

- The 2016 budget does not present many changes except to match expenses. HOA annual dues have not increased and our budget for HOA dues has actually decreased due to consolidation of individual platted lots. The budget does include a small water rate increase from \$300 to \$315 per year. Our water capital account is depleted and the increase will contribute to our general fund. The other fee increases proposed are for garbage and recycling. These rates were increased to match our costs: \$200 for full-time residents; \$90 for part-time residents; \$75 for hose bibs; and \$25 for campground lots.
- Our variable income includes Building Fees (\$1200) for one new home; Property Transfer Fees (\$600); and Late Fees (\$480).
- The salaries should be shown as \$33,000 for each of the columns.
- The budget includes \$5000 for an audit.
- The budget includes \$5000 for water capital expenses. This is an estimated cost to extend the water line to a new home (if built).
- The budget also is presented mostly in the terms of sources and uses of funds. For example, the document shows the \$10,000 OCEC loan payment and \$4500 for legal expense. The OCEC loan payment and the \$3000 transfer to our legal fund do not show on our P&L statements. These changes occur on our Balance Sheet (i.e., decrease in loan amount and increase in Legal savings account). This is the last full year of our OCEC loan payment. Final payment will occur in the spring of 2017.
- This budget shows a positive cash flow of \$7619 less any O&M water expenses (\$6000 budgeted). In addition, the interest income typically stays in the dedicated account.

5. Manager's Report (Dick Volckmann)

- **Pool construction to date** - The pool vessel has been completed and backfilled. Plastering of the pool and pouring of the pool deck will be done in the spring as soon as weather permits. A dedicated line from an outlet in the deep end has been installed which will feed a new fire hydrant located in the pool parking lot. This line will provide over 40,000 gallons of water, which will aid firefighters in the event of a fire within the community.
- **Pool assessments to date** - There are 24 lots that have not yet paid their first year pool assessment. I will follow up with them individually to encourage them to pay.
- **Pool fence ideas** – I have been researching options for the replacement fence. I suggest we consider using an aluminum fence. I have received a cost estimate from a company that could well meet our needs and meets applicable state and local requirements. The fence would be 5 feet high and can be bolted directly to the concrete to anchor vertical posts. We will need approximately 160 feet of fence. Installation is considerably faster than having a wooden and glass fence installed. The bid for that fence with 2 - 4 foot wide gates, no sales tax, and no shipping cost is just under \$4000. In comparison, a fence made of wood would cost for materials alone ~ \$2200 plus tax; not including construction/installation costs. (***The Board discussed this option. Generally, this was well received. Larry asked that we get a sample and a brochure so we can see the design alternatives. Jim made the motion, passed by unanimous approval, that Dick be authorized to follow up on the aluminum fencing bid, and ask for a sample of the aluminum fence material for closer examination by Board members.***) I will email the link to the company's website so that others can see the options available for the fence posts.
- **Yurt in the Edelweiss Meadows Campground** – The owner of the yurt, Kirk Fraser has signed the revised letter that defines the conditions that must be adhered to if he is to keep the structure in place. The yurt cannot be put up before Labor Day and must be removed by Memorial Day each year. Copies of the letter and the stated conditions can be obtained from me upon request.
- **Letter to USFS District Ranger** – This letter requests discussions with the USFS about surface improvements to East Fawn Road to make for a safer egress route out of the community. The letter is ready to go but still needs the signature of one Board member. John will approach Bill Craven to get his signature.
- **Snowplowing contract** – The contract with Palm Construction has been signed. The cost for this year is \$40K, increasing next year to \$42K. The snowplowing cost for the 2017-2018 winter season will be negotiated prior to that season.

6. Board discussion topics:

- **2016 Budget** – There will be no annual increase in dues, but some utilities will increase, i.e. water service charges will increase to \$315 from \$300/year. Garbage and recycling costs will also increase slightly. We expect one home to be constructed this next year, which will yield some additional fees. The next year's budget does include \$5,000 for an audit, but the need for that to be done was not affirmed at the last general meeting. Jim made a motion for approval of the proposed 2016 Budget as presented, leaving open the possible increase in staff salaries; the budget does allow some flexibility to move money within categories. This motion was approved by voice vote of all those present without dissent.
- **Costs for 2016** - We still have on our "to do list" for next year, the re-paving of Highland Road from Goat Creek Road to Homestead Road. We are about \$14K short on funds to complete this, with the cost anticipated to be ~ \$34K.
Another possible cost next year is for a resident that needs a booster pump to get water to his property. The Board had considerable discussion about water pressure within the community. Several members noted that we need to have some objective criteria of circumstances under which a booster pump is required, i.e. when the water pressure at the residence is less than 25 or 30 psi. Such booster pumps cannot be installed without approval from EMC because of the implications it has for contamination of the main water line. Craig and Dick will draft some

suggestions for specific and objective criteria for when a booster pump is required. A motion was made to direct staff to do this, for review at our next meeting. This motion passed on a unanimous voice vote without debate.

- **Board communication with the Edelweiss community** – Mike Shirley brought up his perspective of the need for improved communication to members, especially getting the EMC meeting minutes posted more quickly after each meeting. There was some discussion on the process we currently use, which is rather loosely defined. The EMC agreed to set a two-week turn-around once the members received the draft minutes from the Secretary. The members will review the notes, suggest changes and approve the revised version within two weeks so that Dick can get them posted to the website.
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- **Voting by Board Directors** - Mike Shirley also asked that the votes on a given motion be recorded as either approved by all, approved with some dissension or not approved. He is interested in understanding how the members generally vote, not individually, but just how much concurrence there is on the Board on a given issue.
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- **Community Notification** - Guest and resident Neil Rotstan also added that he'd like to see a bit more timely communication with members; suggested we set up a twitter account to expedite communication. After discussion, it was agreed to increase the emails on topics of interest.

7. Discussion of any new business. No new business was brought up for discussion. The 2016 Budget has been offered; now the subcommittee will need to meet to give formal approval.

8. Date and time of the next meeting. – April 11, 2016.

9. Adjournment of meeting at 8:00 PM.