

October 20, 2018 Annual Meeting of Sunset Lake Association Board of Directors-APPROVED

I. Call to Order, President Martin- Meeting called to order by President Martin, 10:13a.m.

II. Pledge of Allegiance, VP Johnson

III. Approval of 2017 Annual Meeting Minutes-

- Motion by J. Munie to approve 2017 Annual Meeting minutes, second by Treasurer Wilken. Motion passes

IV. President's Remarks, President Martin- President Martin prefaced her report by stating much of the information was passed on to her by former President's John Kemp and Dan Duncan and she passed along her appreciation for their help and guidance as she took over as Board President. President Martin also thanked other previous Board members and the current Board for their help during the past difficult year.

V. Finance Report, Treasurer Wilken-

a) 2019 Budget- This budget includes the assumption that the designated funding for Lake Reclamation/Dredging, Dam Tow and Dam Spillway will be approved to be combined into one designated fund and the associated assessment will be increased by \$34 to a total of \$150/lot which brings the assessment to \$494/lot. In addition the Budget includes a \$6/lot increase to cover increased budget items for seasonal maintenance workers and professional services. This bring the total proposed assessment to \$500/lot, which is a \$40/lot increase over 2018. The Budget also provides for annual assessments for all multiple lot owners that are not covered by the "1995 Assessment Consolidation Agreement to Leases". Enforcement of this By-law increases the number of lot lease assessments from 319 to 336. Other 2019 income and expense line items have been adjusted to reflect better estimates based on past history of actual income/expenses. See attachment 1 for description of the Lake and Dam Maintenance Fund and the proposed 2019 Budget

The Financial Report for SLA is as follows:

Lake (Dredging) Escrow:	\$17,871.20
Tower Escrow:	\$35,639.90
Spillway Escrow:	<u>\$19,147.71</u>
TOTAL:	\$72,658.81
Lease Escrow:	\$59,109.91

CASH POSITION

Money Market:	\$80,064.08
Checking Account:	<u>\$11,805.69*</u>
TOTAL:	\$91,869.77

*Includes \$1,587.40 Special Events/Fireworks (add another \$808 for today's breakfast fund raiser)

Certificate of Deposit: \$25,358.50 (11/10/18)

CASH TOTAL: \$117,228.27

Estimated Expenses for October, November, and December: \$36,000

Estimated 12/31/18 Cash Balance: \$81,228.27

Sikich, the firm hired by Sunset Lake Association to perform an audit of our financial standing for the year 2017 a presentation on the process of the audit and our financial standing at the conclusion of 2017. The audit was only conducted on 2017 financials and recommendations were made to the Association during the process. This included getting a comprehensive membership and assessment list. President Martin noted that we are not going back and to try to collect old assessments that may have been due to the Association.

- J Munie moved to suspend rules and allow discussion with SLA members on the audit and budget, second by VP Johnson. Motion carries.

Discussion followed concerning: The audit did not show missing funds; the words embezzlement or fraud were not used in the presentation; purchased items had no documentation; fees and fines being different for the same issue; combined lot assessments; purchasing large items not on the budget; how much was actually lost from SLA accounts in 2017.

- J Munie moves to unsuspend rules, second by VP Johnson. Motion carries.

a) Employee annual reviews- President Martin discussed the process the Board used to evaluate staff members and follow-up meetings with each employee. Evaluations for each employee are kept in their personnel file.

- i. Lake Superintendent: Jim Wilson- Problem areas were identified and discussed with employee. Acknowledged that Mr. Wilson is working for a new Board and has accepted that he will need to address issues identified.
- ii. Book Keeper: Barb Grissom- Ms. Grissom is on a three month probationary time period. So far we have been pleased with her work ethic and knowledge.
- iii. Receptionist: Alicia Mayfield- Ms. Mayfield is also on a three month probationary time period. A few areas have been identified for her to work on such as owning her work and being proactive.

- Motion to approve employee annual reviews made by Treasurer Wilken, second by J Munie. Motion approved.

VII. New Business

a) Election of 2019 Board-

elected to three year term

Gary Wilken, 156

Amy Walkenbach, 128

Mark Severns, 120

elected to two year term

Thane Johnson, 120

Randy Smith, 116

elected to one year term

Sue Muschong, 112

Deb Martin, 108

Joyce Munie, 107

not elected to the Board

John Earley

Annette Scharfenberg

Val Jagiela

b) Proposed By-Law Changes

- Article III Section 5 - Proxies. Members wishing to vote by proxy must sent their proxy to the office to be registered by the Secretary of the Board. Proxies must be received via US Mail service at least 48 hours prior to the annual meeting.

YES: 133

NO: 56

Motion passes

- Article IV Section 10 - Committees. The President of the Board may establish committees and appoint committee chairs as needed. These committees and chairs may begin work upon appointment and shall be ratified by the board at the following regular scheduled meeting.

YES: 103 NO: 82 Motion fails

- Article V Section 1 - Officers. Officers of the Association shall consist of a President, a Vice President, a Secretary, and a Treasurer and must be elected from members of the Board of Directors by the Board of Directors at the first meeting following the annual meeting or in the case of a vacancy, the next meeting following the vacancy. All officers must be in good standing with the Association's Governing Documents.

YES: 143 NO: 43 Motion passes

- Article V Section 2 - Election of Officers. Officers shall be elected at the first regular monthly meeting following the Annual Meeting and must be members of the Board of Directors.

YES: 129 NO: 55 Motion passes

- Article V Section 3 - Executive Board. Officers of the Association, whether members of the Board of Directors or not, shall constitute the executive board of the Association.

YES: 124 NO: 57 Motion fails

- Article V Section 5 - The members of the board may call workshops for purposes of discussing business so long as no votes take place and the workshops are open to the members. Exceptions may only be in cases of executive workshops where items of sensitive nature defined by state and/or federal law dictates (such as employee issues, law suits, etc) but any vote must take place in public.

YES: 140 NO: 42 Motion passes

- Article VII Section 2 - Property Leaseholds: No leaseholder may hold more than four (4) leases (lots) at any given time.

YES: 124 NO: 60 Motion fails

- Section 3 - Lease of Lots Not Directly on Sunset Lake - Property owned by Sunset Lake Association which is not bordering the lake cannot be transferred without prior approval of a majority of membership votig in favor of said transfer at an Annual or Special Called Meeting.

YES: 137 NO: 46 Motion passes

c) Approval of Combining Restricted Lake Funds into One Account

I approve combing the Restricted Lake Funds 111

I DO NOT approve combining the Restricted Lake Funds 71 Motion passes

d) Approval of 2019 Budget

I approve the budget 112

I do NOT approve the budget 58 Motion fails

VIII. Adjourn

- Motion to adjourn made by Bill Urban, second by Treasurer Wilken. Motion passes, 2018 Annual Meeting adjourned at 2:38pm

Respectfully Submitted

Amy Walkenbach, Secretary