

Palmer Lake Beach Club (PLBC)

Spring 2020 General Member Meeting

Meeting Agenda and Minutes

**May 30th, 2020, Longbranch Improvement Club, Longbranch WA
98351**

Meeting commenced at 10:00am, adjourned at 11:30am

**Key discussions and notes are in red, as well as the
recording of votes.**

Attendees

1. Robert Perry (President), Jeffery Prestage (Vice President), Kim Hunsaker (2nd Vice President), Dolores Starr (Treasurer), Sarah Watkins (Secretary), Rosa Velder (PLBC Bookkeeper) Rich Goad (Maintenance).
2. Members: 10 in addition to the above in-person, 12 attended via zoom. Due to Covid 19, zoom was used and membership was advised in advance via the HOA website how to register. Membership was asked in the formal meeting invitation, sent in advance per the Bylaws to check the website prior to the meeting. Outbound communications via the unofficial facebook page for Palmer Lake residents was also used to make members aware. Members attending by zoom were able to make comments, vote and provide input via zoom chat which was monitored during the meeting.
3. 28 total attendees, representing 31 votes.

Agenda

(Robert Perry asked for agenda additions/new business – none was suggested)

- Call to Order **By Robert Perry**
- Pledge of Allegiance **By Jeffery Prestage**
- Agenda Review **By Robert Perry**
- Nominations & Elections for Open Board Seats **By Robert Perry**
- Financial Report **By Dolores Starr**
- Audit Committee Report **By Dolores Starr**
- Formal Audit Waiver **By Dolores Starr & Robert Perry**
- Budget Recommendation & Approvals **By Dolores Starr, Comments by Robert Perry**
- Formal Reserve Study Waiver **By Robert Perry**
- Review of New Property Violations Policy (per Fall General Member Meeting) **By Robert Perry**
- Update on Lake Drainage Project **By Jeffery Prestage**
- New Agenda Items **None – By Robert Perry**

Agenda Review

No objection or disagreement
with the agenda

- Nominations & Elections for Open Board Seats
- Financial Report
- Audit/Audit Committee Report
- Formal Audit Waiver
- Budget Recommendation & Approvals
- Formal Reserve Study Waiver
- Review of New Property Violations Policy (per Fall General Member Meeting)
- Update on Lake Drainage Project
- New Agenda Items

Nominations & Elections for Open Board Seats

Board members serve for two years. There are five board positions, and two alternates.

Current Board Members and Terms:

NAME	TERM	NOTE
Robert Perry	July 2018 ~ June 2020	
Jeffery Prestage	July 2018 ~ June 2020	
Kim Hunsaker	July 2019 ~ June 2021	
Sarah Watkins	July 2019 ~ June 2020	Was an alternate who was appointed to a board vacancy
Dolores Starr	July 2019 ~ June 2020	Was an alternate who was appointed to a board vacancy

Current Alternates:

None

Robert Perry explained the nomination and election process per the Bylaws, as well as how officers are selected. Robert also explained the term of service.

Nominations & Voting

There are four open board seats. Nominees are:

Name	Vote Tally
Robert Perry	
Jeffery Prestage	
Sarah Watkins	
Dolores Starr	

There are two open alternate seats. Nominees are:

Name	Vote Tally
Melinda Head	
Shirley Watson	

No attendee self-nominated or nominated another member for the four open board seats, for addition to the nominees above. Therefore, under the Bylaws, no vote was required, and the nominees for board members were elected. The two alternates were nominated by the membership, and again under the Bylaws no vote was required, and the alternates were elected.

Financial Report (Summary)

Income Statement:

Revenue YTD:	\$103,753	(Estimated to be over \$130,000 at FY end)
Expense YTD:	<u>\$ 87,180</u>	(Estimated to be about \$90,000 at FY end)
Net Result YTD:	<u>+\$16,573</u>	(Estimated to be about +\$40,000 at FY end)

Balance Sheet:

A/R Balance:	\$92,689	(Est. - Estimated to be \$145,000 at FY end)
Cash Balances:	\$208,535	(Estimated to be at \$233,000 at FY end)
Fixed & Other Assets:	\$10,418	(Net of depreciation)
Total Assets:	<u>\$311,642</u>	(Est due to A/R estimate)

Liabilities: \$1,579.00

After some discussion regarding a committee for community betterment and how to join (send an email to the HOA), Marcia Pockat made a motion to accept the financial report. The motion was seconded by Randy Adner, and the motion passed without objection.

Audit/Audit Committee Report

- **Key Points:**
- The books of the Association are maintained by an employee bookkeeper.
- Payroll is managed by outside bookkeepers (Around the Sound Bookkeeping)
- There is a monthly detailed financial review at the Board meetings which are open to all members.
- Our books are reviewed by an external independent CPA annually, who also prepares our tax returns.
- Each year an Audit Committee, independent of the Board of Directors audits the books, and prepares a report.

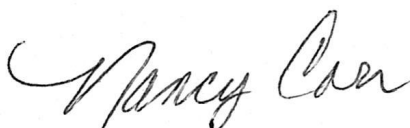
PALMER LAKE BEACH CLUB (PLBC)
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2020-02-29

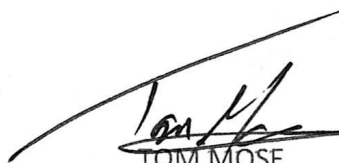
Report of the Audit Committee

On 2020-02-29, the Audit Committee examined the books and records of PLBC, and reports the following:

1. The Audit Committee spot checked the records and found no inconsistencies.
2. The Audit Committee recommends that in the future, the bookkeeper of PLBC be on-hand to make the audit easier and more efficient, so that all the necessary statements and online records are easily on-hand.



NANCY CARR
Member



TOM MOSE
Member



STEVE CHAPMAN
Member

Formal Audit Waiver

- RCW 64.38.045 (3) requires an annual **audit** by an independent CPA, but this requirement can be waived by the members.
- Our books are always **reviewed** by an independent CPA.
- This **audit** requirement has always been waived. A full **audit** will cost about \$8,000.

After discussion of the audit, PLBC's bookkeeping and review processes, Nancy Carr made a motion that PLBC continue to waive the requirement to have a audit as called for under the above RCW. The motion was seconded by Randy Adner, and the motion passed without objection.

Past Due & Collections Update

We continue to make steady progress on our A/R balance – it has been reduced \$23,187 in this FYTD.

For this FY billing cycle, next week we will send FY 2020~2021 invoices. All past due accounts will receive a statement as well.

Due to changes in Washington Law, we will start aggressive collection action after two years of unpaid/partially unpaid dues.

Our attorney recommends we refile our liens every two years. For accounts with past due balances, this means an additional charge of \$244.50 every two years to the past due member.

Per the historical By-laws, we bill all collection expense to the past due member. In this FY, we have been successful in collecting almost 100% of such expenses, including attorney fees.

There was a question from the membership wondering if the Board would be allowing members to not pay their membership dues, because of COVID19. There was a bit of discussion, with Robert Perry pointing out that the Bylaws do not allow this, and that most members who went on unemployment received more than their working wage due to the federal one-time payment and increased UE compensation. It was noted that any member is free to pay another members dues, such payment would be credited to the other members account, and they would be sent a note showing a payment was made on their account.

FY 2020 ~ 2021 Budget

- Our budget cycle is July 1, 2020 to June 30, 2021.
- The Board would like to thank the Committee (Linda Niles, Carol Opalinski and Dolores Starr) for their hard work in creating the budget which was mailed/emailed with the invitation to this meeting.

Some key notes:

- Overall expense budget is \$82,665. Expected revenue is over \$93,600.
- “Perfect Revenue” – if everyone paid on time, and there was no past due would be \$75,300 (\$150 x 502 Lots).
- Our revenue has actually been:

FY 2019 ~ 2020: \$103,753 YTD (and is expected to be over \$130,000 as dues are received in June)

FY 2018 ~ 2019: \$90,791

FY 2017 ~ 2018: \$86,797

FY 2016 ~ 2017: \$87,062

FY 2015 ~ 2016: \$108,191

- Our A/R balance has dropped from \$115,876 on July 1, 2019 to \$92,689 on May 28th, 2020 as our collection efforts improved.

Budget Approval

After discussion of the budget which was distributed with the formal meeting notice, Marcia Pocket made a motion that PLBC adopt the budget which was distributed with the formal meeting notice. The motion was seconded by Donna Denny, and the motion passed without objection.

Formal Reserve Study Waiver

RCW 64.38.065:

“(3) Unless doing so would impose an unreasonable hardship, an association with significant assets shall prepare and update a reserve study, in accordance with the association's governing documents and this chapter. The initial reserve study must be based upon a visual site inspection conducted by a reserve study professional”

“(4) The decisions relating to the preparation and updating of a reserve study must be made by the board of directors in the exercise of the reasonable discretion of the board. The decisions must include whether a reserve study will be prepared or updated, and whether the assistance of a reserve study professional will be utilized.

Historically, this waiver has been reviewed at the Spring General Member Meeting for comment and a motion. The small amount of HOA assets, coupled with our cash balance, and the estimated \$10,000 cost of a reserve study has been the basis to waive this.

After discussion of the Formal Reserve Study waiver, Shirly Watson made a motion that PLBC not perform a Formal Reserve Study. The motion was seconded by Nancy Carr, and the motion passed without objection.

Compliance Policy and Schedule of Fines

Overview:

- Approved as a bylaw change by the membership October 5, 2019.
- Per a motion at that meeting, the Board will submit the first Policy and Schedule of Fines to the next membership meeting for comment prior to implementation.

Board Comments: **(By Robert Perry)**

- The membership asked that we take action to stop lot clear cutting, and to get the most egregious lot conditions corrected.
- We are not attempting to regulate grass cutting, decorating decisions or other “over the top” controls.
- The compliance policy and schedule of fines is structured in most cases to give people time to correct the problem, and to have a method to appeal before a fine is actually levied.

After discussion of the Compliance Policy and schedule of fines, which included a detailed review of the written policy and specific fines, Marcia Pocket made a motion that PLBC adopt the compliance policy and schedule of fines. The motion was seconded by Randy Adner, and the motion passed without objection.

Lake Drainage Project

Final permit should be issued next week, and construction should start within 2 weeks.

Additional Agenda Items

No additional agenda items were suggested.

Thank You!

In the next couple of weeks, the report of this meeting shall be posted to the Palmer Lake Beach Club web site.

www.palmerlakebeachclub.com

The meeting was adjourned at 11:30am