

Sept 20 2014 – Unofficial Notes taken by Karen Shaak

These notes include both the board meeting and meet the candidates' forum

Board members in attendance: Ed, Fred, Suzy, Steve, Dustin, Kurt, (Chris showed up late)

Ed read his comments meant to keep members in their place – only members in good standing can speak for 3 minutes each, blah, blah. We are the board and this meeting is for us and not for you...blah, blah, blah. This speech has certainly limited conversation between the board and membership but has also fostered mistrust, limited transparency and increased the prevailing notion that the board dislikes the membership and doesn't understand its role is to work for the membership.

Member pre-forum

- Charles Fugate – spoke in favor of one-owner-one-vote for members with multiple lots. He also indicated non-perk lots should be fully assessed.
- Sid Iverson – indicated that he is looking for background information that would account for \$5k in the proposed 2015 budget that is listed for the Lake. Ed responded that the tide gate is not functioning and the intent for the expenditure would be to investigate fixing the gate so it will function properly
- Maria Chamberlain – wanted to inform the community that she requested a financial statement and it was denied to her. She said that she feels it is important that when there is a change in accountants that members follow the money. Maria questioned the requirement to fill out forms to acquire Club information as the bylaws do not state a written statement of need as is required by the board be given. Ed agreed that the bylaws don't say a form is required but the RCW does so Maria will get it only if she fills out the form. (Limiting access reduces transparency and increases mistrust. This board has the highest mistrust by the neighborhood since the Iverson board)
- Dan Jones - questioned the accounting report not having the expenses reported correctly – reported when incurred not paid. He questioned Steve's ability to produce a report that is called accrual without having those items that are required by an accrual report. He pointed out that the report had some of this and some of that and was a partial accrual and not a cash report. It appears that this type of reporting isn't helping the membership understand the accounting reports as was their stated purpose. The new re-entered report has increased mistrust of the board; a general assumption of hiding expenses seems to now prevail. I heard a fair amount of members in attendance asking where things they were used to seeing were represented in the new report. The mishmash of reported items just isn't resonating with anyone but Steve Morrow.
- Dennis Eagan - Questioned what is being reported financially to the membership. Until this year the actual accounting statement was provided by the accountant and then was provided to members at each meeting. He contends it was never the intention of the budget committee when asked to work on a summary report to not make available the actuals from the accountant available to the community. He contends that we should not have to make a written request for the true accounting report (not the double-entered made up report) should be provided at each meeting. Ed responded that the board would consider it. Dustin chimed in and said he didn't understand the reports from the accountant and neither did the community. This is the likely problem – most of this board has no background working with financial information and they want it dumbed down. It is now dumbed down to being factually incorrect.

President's Report:

Ed talked about how rewarding it was to open the pool.

Vice President's Report:

Suzy said there were 20 or more volunteers that helped with the pool. She acknowledged her friends and gave members cute names like flower-power cheerleader. This was the same speech she gave at the last meeting. Suzy congratulated Fred for eating food really well; I'm not sure this was a compliment or she was saying all Fred did to help the pool was eat? Strange speech to make at a board meeting, considering member comments aren't allowed this was a load of crap that shouldn't have been allowed. Clearly the Vice President needs something to do.

Treasurer's Report:

Board members got the real accounting report which they reviewed while the membership just wondered in the audience what the actuals really were. The membership was not allowed to see the reports produced by the bookkeeper only Steve's strange summary that most of us do not want.

A member informed the board that the members have a right to see tax filings (by law) so the 990's are now public information and have been posted to the website. Why not publish the bookkeeper's reports while you're at it?

Dan Jones said the report indicates the Club is not insured based on how it is presented (Ed said the insurance was paid). Dan asked why the summary report was sort of modified accrual reporting. The new summary report is not well understood and is causing more questions than the actual QuickBooks reports ever did. Dan asked if we were moving to a funds system so each account is reported separately as it was the appropriate way to do it. Steve said that each fund would not be reported as per the convention.

Secretary's Report:

Fred Salmon said he had nothing to report

Committee Reports

Budget and Finance – Dennis Eagan said there were no new meetings. He indicated that the original budget promoted by the committee funded the reserve but the board removed a reserve fund.

Grounds & Buildings – no report

Long Range Planning – no report

Pool Committees – Suzy Palmer

Suzy reported that the swim season consisted of 20 days this year and 46 families took advantage of swimming in the pool. This represents 7.6% of memberships (46/605) that used the pool this year. It is fairly consistent with past records which show that only 10% of the membership uses the pool. Maybe only those families should pay for it?

The pool was closed on the 7th due to financial impact – the cost to open and run it vs income received is 4:1. The cost to run the pool skyrockets as the days get cooler (especially the nights) so it is not cost effective to keep an outdoor pool of this size open much beyond Labor Day.

Nominating

Russ Chamberlain reported that the last meeting happened this week. Committee asked the board for an official candidate forum but the board rejected it in favor of a meet and greet after today's meeting. There will be another meet and greet on Oct 4th. Considering board's desire for structure and not having ad hoc questions asked this surprises me. Russ told me his proposal was to have questions submitted by the membership in advance which would be proposed to all candidates by a moderator.

Ballots are being sent before October 4th. Russ provided the board with an insert promoting the October meet and greet activity.

New Business

Steve Morrow – wanted to re-inform the board that they are changing to a cash accounting method. Ed said we must report that way to the IRS, this is NOT true. The IRS does not have an opinion about which accounting method is chosen, only that reports are filed timely and correctly. It appears the number one reason for this change is because board members understand accrual reporting.

Warrant approval – about \$3,000 in bills were approved.

New Venue for members meeting:

Ed suggested that the annual meeting will be held at Nordic Lodge hall and the cost will be about \$200. Dan Jones tried to interject a statement but Ed admonished him for speaking out loud and he didn't comment. (This board hates the membership.) Nobody knew where the Nordic Hall was but we can all ask Sid who has promoted its use in an attempt to drive revenue for his Lodge. It is unlikely that many members will attend because of the distance. If 10% of the membership does not attend a quorum cannot be called and the meeting is adjourned. Maybe this is the intent – the board does not want to host a successfully attended membership meeting so making it hard to get to and a distance away will ensure that outcome. This is consistent behavior for this board that treats the membership with disdain and promotes secrecy.

Want Club information?

The information request form is on the website. Members without a computer have no access to the form or know how to obtain information.

Standing Rules

Standing rules changes proposed and accepted by the board

- Club secretary is designated at the agent. The board is changing the wording to be appointed instead of secretary. They have appointed WIWD as the new agent. At the moment it is Branch Business and they will switch it over at the end of the contract. Putting all responsibilities in one area ensures no checks and balances and increases risk and chances for fraud.
- Service charge sent by the secretary. Removing words 'by the Secretary'. For those that don't know the service charge is a late fee. Because the club has no contract with the members they can't actually use the terminology of late fee. It is dubious that a service charge is legal as well.
- Fiscal year shall be Jan 1 through Dec of the following year – remove following
- The secretary shall accept group reservations. The secretary has not been doing that so the wording will change to individual appointed by the board.

Ed was going to discuss balloting but didn't want it to be passed out. Candidates are listed in alphabetical order. A signature will be required for a vote to be valid.

Bob Peetz has agreed to be chair of the teller committee (this is the committee that counts the vote).

Budget –

- Maria Chamberlain indicated that as a non-profit we shouldn't show profit in the budget but rather it should be income.
- Budget assumes the pool will be open for 13 weeks.

- Dustin asked about whether the opening may change based on the assessment really happening. Ed said yes that opening was contingent on the pool be rehabilitated.
- Sue Corliss – asked why the budget does not include any reserve funds for anything (nothing for the shelter or even the pool). She indicated that it boggles her mind that with all of the controversy that the board is still ignoring the reserve fund. Ed said the board felt it was inappropriate to ask for a dues increase to cover the reserve fund. Sue indicated that the amount of money needed to open the pool is three times the amount that it will bring in. Sue indicated to the board that with all of talk about the future of the pool it is ridiculous to continue a pattern of not funding a reserve. Ed said the board has decided that there will be no reserve fund. He indicated that if money is put in reserve then they can't open the pool for 13 weeks. The board feels the pool is more important than anything else – no compromise will be considered!
- Dan asked if even a minimal amount could be put into reserve. Ed said he felt it was fiscally responsible to NOT have a reserve and instead have a pool open 13 weeks. 10 weeks would put some money in reserve but it is not an option as a compromise. Ed indicated that it was the board's decision to have no reserve fund – too damn bad. I do not understand his remark about this being fiscally responsible, the board is clearly NOT looking out for the future of the community but rather have their own emotional needs in the way of good decision making. This should have been an easy compromise.

Lake Issues

Dustin said it was his recollection that there were concerns in prior years about the lake condition and the Club never did anything about it so he wondered why it was a concern now. Suzy Palmer asked members to pick up the wood in the lake. Ed said that there are things that could be done to improve the conditions in the lake with physical labor like putting a fence in place to prevent the grass from going into the weir gate. Ed asked for volunteers especially from those who live on the lake. He indicated that when these issues arise he is often the only volunteer and others needed to participate.

Ed is the number one volunteer for all club problems. Although it is noble to help others, this has devolved into Ed becoming relied upon to do all tasks. It appears that the situation has become one of co-dependency. Ed fixing all woes has enabled the membership to not volunteer and wait until Ed does the work and his willingness to help is in turn driven by the atta-boys he gets for being the fixit guy. The reality though is that this situation gets a little worse every year. It's time for Ed to take a break from fixing stuff.

Unfinished Business / Member forum

Outstanding dues and collection process – Steve and Ed met with a lawyer and collection agency and found out the process was considerably more complicated that they thought. They now believe that it could be less than 50% of outstanding dues that are collectable. Much of the money owed is beyond statute – 6 years or older cannot be enforced. Dustin said he was upset because he wants to enforce everyone to pay because of the nature of the law of treating everyone in a similar way. Ed is still following up but no decisions have been made on what next steps will be. They will likely write off what is beyond statute but may continue to ask old debts be paid but take no collection action. A question was asked about the collection letter sent and it appears that members are not paying based on the idle threat sent. Suzy indicated she was upset that people weren't calling Steve to make payments. Since the board is not responsive to the membership, I have heard members say they no longer contact the board. From my own experience, I have sent multiple inquiries and the board has NEVER responded to me. Suzy shouldn't be surprised – you can't pick and choose when to respond and expect respect from the membership.

Maria Chamberlain– reminded the board that last year a study was authorized to check conditions of the lake. She encouraged the board to follow-up on the study Chad agreed to manage. Bob Wilbur questioned the lake study Maria mentioned. Ed said Chad would provide information that salinity, oxygen level, etc. Bob droned on and on about his expertise about the lake. He indicated that the board should consider how much salt water is coming in before spending money to fix anything. He believes it isn't significant and it is coming through the soil not the tide gate hence no need for Chad's study.

Judy Eggerman – Asked about the collections statue – she asked how much of the 50K is beyond 6 years. The board didn't have a total of what was beyond the date.

Russ Chamberlain – Asked about collection of damages from the Petterson Trust for illegal tree cutting. The answer is that they have not paid and the board needs to follow up. This is getting close to a year now that the cutting actually occurred. If they are not going to enforce a payment by this tree cutter on Club land they need to refund the Woolery family for their payment of \$18k else this would be discriminatory enforcement.

Russ – asked about the mail being sent to the agent. He asked if the WIWD will be picking up the regular mail. Ed said no that the board will pick up the mail.

Sue Corliss – said that the payroll amount on the financial summary on page 1 says \$4968 and on page 2 it says Trina Trimmer and Wanda Grone were the payees and the amounts do not add up to the two employee payments. This is the problem with Steve's reports – they are not accurate. Ed indicated that some lifeguards were also paid so they too should be listed. This report is clearly useless.

Sue asked why there been no long range planning committee meetings? Dustin said it is all about the pool so he saw no need to have meetings until pool issues are resolved. He said it wasn't a good use of his time. Sue asked if the assessment amount will include improvements to the shelter (heat needed, size increased, rest rooms, etc.). The answer is NO; it would not include the shelter improvements. Dustin simply blew it off as something he would not address. Long range planning is not important.

Dan Jones – complimented the board on doing a few things right. In 2006 the Club spent a ton of money on lawyers and collections efforts and did not collect any money for their effort. He asked the board to entice members instead of coercing them.

Dan indicated that the annual meeting must be held at the shelter according to the RCW unless stated in the bylaws (which it does NOT) – it is a corporate law. He tried to bring it up during the Nordic Lodge discussion but was shushed. Dan said the largest turn-out was last year and those non-voting members and multiple members from the same family could wait outside if it got too full as an option.

Dennis Eagan – questioned the assessment may only be for the pool and not the building. He indicated that the website only had info about the building and not the pool.

Dennis asked about membership rights to use the lake. Ed told Dennis that if the noise level is reasonable it is ok to put power boats on the lake. Ed suggested Dennis give lake owners a sample of the noise or survey them. Ed strongly suggested Dennis inform people who live on the lake ahead of time – he also suggested a post on the website.

Sue Corliss – asked if the board would approve handicapped parking. Board said they would check on feasibility. There was some concern about paving requirements. Doug Smith made disparaging comments about Sue's request then said handicapped members should park on the basketball court if they don't like it. Nice comment Doug.

Sid Iverson – said he was concerned that use of the lake shouldn't include fuel from power boards. It gets left on the lake he wants to know if that will be a problem. Dennis pushed back and said this lake is no different than others and it should be his right to put a power boat on the lake.

The board asked everyone to go outside so they could have an executive session – no subject was provided as is required by law. Everyone went outside; it took so long about a dozen members left.

Meet the candidate's forum (started at 5:00pm)

Russ introduced the new candidates – Steve Morrow, Sue Corliss, Suzy Palmer, Daniel Cornell, Ed Delahanty (Fred van der Harst was unable to attend)

I asked the two new candidate what their opinion was of the approved budget – was it a mere suggestion or should it be followed. The current board said it was a suggestion.

- Sue – budget was designed to determine where money should be spent and the board should stay within the budget. She believes that occasionally a line item could be readjusted by asking the committee responsible for that function for input. She believes the board does not have the right to use the budget as they see fit but rather as the members have approved.
- Daniel - Budget is a guideline to follow. The board had the responsibility fiscally to follow the budget and not decide upon themselves how things are adjusted.
- Steve – they bylaws do not require the budget be followed and believes the budget is a guesstimate. The budget provided no money for pool and the board reinterpreted the budget as is their responsibility. He accused the prior board of spending outside of the budget. Jean Salls asked what money was spent as insinuated by Steve. He said he didn't have his notes but believed the prior board spent unauthorized money on the lawsuit. Wrong Steve – wild accusations and lies will get you more mistrust – not a penny was spent by the prior board on any lawsuit. Steve should know this, as the Treasurer he has access to all accounting reports.
- Suzy believes the budget is a mere outline. Jean indicated that there is a 10% agency standard that is to be followed by non-profit board for deviations from budget. Suzy said it wasn't the priority of the board to follow the budget as approved by community. Suzy blamed the change on the TRO therefore it wasn't her doing. Cathie Harrison commented that the TRO said the pool had to be maintained as it was in Sept of 2013 and not opened (so Suzy's blame the budget decision on the court order is false). Cathie indicated that she doesn't want her money spent on collection charges to enforce payment on the neighborhood.
- Ed has no difference of opinion from Steve or Suzy. He believes the board is directed to follow the TRO and interprets it differently.

Dan Jones asked all candidates whether they agreed with the bylaws that expenditures over 4K had to be sent to the membership for approval.

- Suzy disagreed with Dan that the pool fell into the category of requiring approval and said it is simply a disagreement. It sounds to me like Suzy believes the pool is exempt from all laws (corporate, state or federal) – simply weird.
- Ed said that no single expenditure was more than \$4k. That is a tricky way of working around the bylaws – lots of little expenditures totaling more than \$4K enable the board to spend willy-nilly.
- Daniel said that he believes that he wants the membership to be on the same page as the board before spending money. He agreed that the board should follow the \$4k bylaws statement.

- Sue questioned the limitation of \$4k as to whether it is per item or per project. She believes the intent of the \$4k limit is per project to prevent nickel and diming of funds.

John Deegan asked existing board members about changes or plans he should expect from them should they be elected to a new term

- Steve said there are a number of things that need addressing but energy has been diverted by the pool and lawsuit. He suggested the bylaws need to be changed. He wants to clean up procedures.
- Suzy says changes to facilitate business. She feels that the three members seeking re-election work together well. She doesn't seem to realize they don't work well with the community which is most important – focusing on each other is limiting. She feels the pool enhances her property value her belief that the pool is the common goal required for the community to succeed.
- Ed said he wants to see more changes to the bylaws in the next term.
- Sue said she was on committees and said she believes the biggest problem is that we have limited volunteers. She said the board has asked for volunteers but the membership doesn't comply. She believes that the board needs to reach out and get more interested members to come out to help maintain the facilities. The board is responsible for bringing in more help because not all community members come to meetings to know when help is needed. Sue said she would be willing to try and do this. She also felt it is important that committees meet to increase membership interest – if board members as chairperson call off meetings they are responsible for non-participation by the community.
- Daniel – he was surprised only 20 people attended the meeting. He wants the community to be invested and involved with the Club. He said the documents on the official website seem as biased just as is communication on Nextdoor. So the board needs to be more inclusive of what they post on the site if they want members to trust and believe. He said he is unbiased and feels may be able to make a difference.

Cathie asked how the lawsuit gets resolved

- Ed said the plaintiffs' lawyer has not been focused on the suit but believes it will happen soon. This has been said at every board meeting since June with no outcome.
- Cathie suggested the board should ask the community what they want to do instead of assuming everyone wants a single item (e.g. the pool). And the board needs to listen. She suggested that more members might be in good standing if the board were to listen and promote something they can buy into. She suggests a survey ask people what they want – if you continue to discard opinion they won't get behind what you want.

Dan Jones asked each candidate if they have studied the bylaws, AOI, RCW 2403, and Water Recreation Code. He wanted to know how many of the board candidates have copies of these:

- Dan says he has read three of the six documents Dan mentioned.
- Steve said he never read the water recreation act.
- Ed hasn't read the RCW.
- Dan Jones expressed his concern that candidates don't know what to study and the lack of continuity has been a big issue.
- Steve said it is his duty to pass on the issues to the next board.
- Fred started talking and said he was adamant that the current board members pass on information.
- Steve said there were no documents provided to him when he came onto the board. He should look to his left as he wasn't elected by the membership and the board members standing with him should have given him documents – they appointed him.
- Sue Corliss reiterated existing board candidates shouldn't be mud-slinging. Sue suggested that candidates should be told in advance what to study.

- Suzy said she and Ed have been going to state workshops and the board should be required to go to school to learn stuff about how to be a board member. This is odd because she told us during her first year she had been a member of prior board and knew all about what to do? Maybe that was hubris speaking.
- Fred whimpered about how hard it was to come up to speed as a board member. Yeah, it has all changed for this board and it was never hard for any prior board. Being a board member is a job that you sign up to do when elected and it takes a significant amount of time. You volunteered – suck it up.

Maria asked the candidates which activities they will promote to become inclusive.

- Ed said it is necessary to get the community involved. He indicated that the new board needs to be open to input from the community. Ed did agree that people helped with the pool because they were interested in that particular thing and it isn't enough to just focus on the pool. He agreed that the newsletter does not inspire folks to participate and agreed it may not be the right vehicle moving forward.
- Steve said he'd like to see monthly social activities – pot luck maybe. He also suggested fund raising for the pool. He said he believes in informal gathering to get input about the pool will be important. He believes the next board should brain storm on what's important. (What about the community ideas instead of the board – didn't you learn this isn't working real well?).
- Cathie Harrison suggested the board find out what people want and are invested in to move forward. She suggested greater effort be made to gain input from the community because the input has become narrower and narrower – it's all about what the board wants.
- Dan Cornell – suggested a welcome event for the new folks meeting to draw folks in. He suggested a unified communication story. He suggested the board make efforts to gain email addresses. He thinks going door-to-door as an option to get the word out to broaden communication effort
- Sue said she wants the official website become more interactive – a blog maybe so members could ask a question. She believes the lack of interaction is a big problem with the current website. Sue promoted doing a survey to get input from the community. She also suggests door-to-door as an option to get the word out.

Dan Jones suggested that positions on the board should be for four years. And, in conjunction with that change there should be a requirement to enable the community to remove candidates going awry. He suggested a change to the bylaws to accomplish this and asked the candidates whether they agreed

- Sue – said she would survey the members to gain input before proceeding on this change
- Ed – yes he agrees with a 4-year term but not to membership having a channel for removing board members.
- Steve – yes he agrees with a 4-year term but not to membership having a channel for removing board members.
- Dan C – yes to extending the term or staggering the terms for more continuity. Not sure about removal by membership option.

The end