

MINUTES OF THE SNOWLINE 2004 A.G.M.

DATE: October 16, 2004 12:00 p.m.

President, Chris Mullaney Sundlie, called the meeting to order at 12:00 p.m.

The parliamentarian, John Haley was introduced. John welcomed the members to the 35th AGM of Snowline Community Club. On behalf of Snowline, John thanked the board for all the work they have done over the past year and special thanks to Chuck Soles for keeping Snowline a place that we want to come to.

QUORUM ESTABLISHMENT: 44 members are needed to establish a quorum. As of 12:05 p.m., we had 45 proxies, and 51 members present. Registration will be open until 12:30 p.m.

ANNOUNCEMENTS: John explained the use of the colored voting cards. John addressed the issue of orderly conduct. When asked to speak, please stand, give your name and lot # and keep comments to the issues at hand. Presentation will be limited to 5 minutes. Any rebuttal to those comments will be a maximum of 3 minutes. You cannot speak a second time until all parties wishing to speak have spoken. If a member wishes to make a motion from the floor, 5 minutes will be allotted to present the motion. If the motion is seconded, 10 minutes will be allotted to present and then speaking rules will apply.

MINUTES: Motion to accept the minutes of the AGM October 18, 2003 moved by Dick Day, Lot #222, seconded by Ana Wagner, Lot #116. All in favor. Motion carried.

INTRODUCTION OF CURRENT BOARD MEMBERS

John called upon Chris Mullaney Sundlie to introduce the current board members.

Don Larsen – Publications, Rules and Regulations
 Joe Crisafulli – Architectural, Operations, Roads and Grounds
 Madelaine Schottko – Treasurer
 Chris Mullaney Sundlie – President
 Bev Albinet – Secretary
 Linda Ramirez – Special Projects
 Phil Racanelli – Vice President and Social
 Carmelo Villella – Social

COMMITTEE REPORTS

President's Report – Chris Mullaney Sundlie

- 1) Finances have tracked the budget quite well.
- 2) Snowline is almost at buildout. 9 new cabins this year.
- 3) Rentals are at the highest level to date. In 2004 – 2,146 rentals.
- 4) Due to an increase in speeding within Snowline, we have invested in a radar/gun sign. Per the Rules and Regulations, we will enforce the existing speed limit of 15 mph and issue speeding violation fines (first offense-\$50, second offense-\$100, third offence-\$200, etc) when violators are observed.
- 5) There has been an increase in disputes among members. The board is limited in the type of action they may take against individual members and/or their renters to issues highlighted in the Covenants and Bylaws or Rules and Regulations. Chuck and his team can assist members in involving appropriate law enforcement authorities for issues outside our jurisdiction, provided a call is placed at the time of the incident. If you believe you have a recurring situation that is not addressed in the Covenants and Bylaws or Rules and Regulations, please bring it to the Board's attention and we will work to determine whether it is appropriate to amend the documents to reflect a new policy.
- 6) Changes to the rental fee policy will be discussed under Old Business.
- 7) Wildlife Issues – There were a couple of 'bear incidents' this year, triggered by members inadvertently providing access to food sources such as garbage and birdseed. In all cases, Chuck has worked with the local wildlife management staff. Members can help avoid dangerous situations by ensuring that garbage is not left out or other food sources attractive to wildlife. The Department of Fish and Wildlife held a presentation on this topic. Please report wildlife sightings to Chuck.

- 8) Issue of foreclosures will be discussed under New Business.
- 9) Capital Spending – continuing to maintain existing assets vs. creating new assets. This allows in future years to pay for large expenditures without raising dues or creating special assessments.
- 10) Carmelo Vilella is stepping down as Social Director. We need a Social Director and volunteers if events are going to continue. The reality is, without a Social Director, events will be cancelled.

Architecture – Joe Crisafulli

- 1) 9 cabins were started this year.
- 2) Marianne Anderson, Lot #309 asked how many lots are left. Joe estimated 20 possible lots.

Social – Carmelo Vilella, Phil Racanelli

- 1) Fishing derby was a great success with 60 children in attendance.
- 2) Sports Day was also a great success.
- 3) Carmelo asked for members with young families to take over the Social Committee. Carmelo offered to help the Social Committee for a year.

Publications – Don Larsen

- 1) There was one newsletter and the AGM package sent out this year.
- 2) Thanks to Madelaine and the board for their help in getting the AGM package out this year.

Rules & Regulations – Don Larsen

- 1) One rule was changed this year regarding the fine structure to improve the clarity.
- 2) Also added was a fireworks clause in the fine structure.
- 3) Working towards having Snowline Rules and Regulations available on the upcoming Snowline website.
- 4) Ray Bernier, Lot #115 asked who is responsible for giving variances. Chris replied the entire board. After a member has requested a variance, the board reviews the plans and details, and deals with any surrounding issues. The board will work with the new owner to move or change the plans. The board then votes on it. Under the covenants the board can grant a selective variance on an individual basis.

Roads & Grounds – Joe Crisafulli

- 1) Thanks to Chuck, everything looks great.

Special Projects – Linda Ramirez

- 1) Working to set up a website with links to Mt Baker Hwy, Mt Baker Ski Area, calendar of events, rules and regulations, etc over the next few months.
- 2) Duane Wegner, Lot #171 – what is the cost of the website. Very minimal as 95% of the work is coming from Special Projects.
- 3) Ken Schacht, Lot #23 asked if we could make changes to the site. Yes, easy to change and update.
- 4) Don Schumaker, Lot #257 asked if it is possible to receive email communications opposed to mail to save on time and funds. Linda replied this is something to look at in the future.

Motion to accept the Board reports was made by Duane Wegner, Lot #171, seconded by Ray Bernier, Lot #115. All in favor.

REGISTRATION: At 12:30 p.m. registration was declared closed. There were 66 members present and 45 proxies.

ELECTION OF NOMINEES

- 1) John explained the election of new board members.
- 2) John asked for nominations from the floor. Don Schumaker, Lot #257 nominated Steve Sarich, Lot #180. Steve Sarich was not in attendance; therefore the nomination was not accepted. John stated that subsequent to the AGM, a member could notify the Board of their intention to become a board member.
- 3) John asked for nominations from the floor 3 times. With no nominations from the floor, nominations were then closed. The current slate was accepted by acclamation.

Treasurer's Report – Madelaine Schottko

2004 Actual vs. Budget

- 1) Projected cash balance of approximately \$229,013 at the end of 2004 compared to a budget of \$145,257. The primary reason for this variance relates to a positive carryover from the prior years.
- 2) Revenues are projected to be about \$13,000 higher than budget as a result of higher than expected rental fees and fines as well as increased transfer fees resulting from property sales.
- 3) Projecting absolute negative expense (\$1,350) in Bad Debts. This occurred because prior year dues from several lots had been written off in previous years as bad debt. In 2004, several of these past due accounts were paid in full.
- 4) Operating expenses are slightly below budget (\$124,188 vs. \$129,842), \$4000 because of the negative bad debt expense. Lower than budget maintenance and repair expenses and utility expenses were offset by higher relief labor costs. Net of these three variances was \$1,000 to our benefit.

2005 Budget

- 1) Recommending a modest increase in dues of about 1% for 2005 (\$536 to \$545). CPI index increase from 2004 to 2005 was 3.1%.
- 2) Overall operating expenses are planned at about 3% over the 2004 actual costs.
- 3) \$1,000 budget for web on-line service.
- 4) Maintenance and Repairs and Social function budgets were increased (\$1,000 more than inflation budgeted).
- 5) Trash removal fees (\$1,500 over the inflation assumption).
- 6) \$10,000 budget for legal costs related to lien foreclosure activities.
- 7) Capital Spending Plan was updated to reflect the additions for the 2004 fiscal year and long range planning requirement for the years 2005 through 2014.

Motion to accept the Treasurer's report for 2004 and operating and capital budget for 2005 made by Rick Barichello, Lot #213, seconded by William Kiss, Lot #200. All in favor.

- 1) Linda Hawryluk, Lot #256 asked if it is possible for the membership to find out which lots are going to be foreclosed on. The board will not release information until directed by legal counsel.
- 2) Ken Schacht, Lot #23 stated that foreclosures are a matter of public record. Yes info is available online.
- 3) Ana Wagner, Lot #116 stated that once the process is finished, and Snowline begins marketing the properties, can Snowline notify the membership of the lot numbers. Yes.
- 4) Doug Louth, Lot #79 is there a \$ figure for the expenses attributed to rentals. Chris replied that it is difficult to put a \$ figure on expenses solely attributed to rentals, ie admin costs, vandalism, etc.

OLD BUSINESS

- 1) Dave Beland, Lot #9 asked how much the Macdonald lawsuit cost the membership. Ana Wagner, Lot #116 replied on behalf of the board. It would take the board a considerable amount of time to obtain a \$ figure as the counter lawsuit stretched over 6 fiscal years. Legal expenses paid over 6 fiscal years would have to be scrutinized to account for each hour that was spent on the Macdonald suit. Snowline had two options – deal with the suit, which is costly, or ignore it and risk the investment in the gate.
- 2) Gail Parlatore, Lot #191 as a new owner, can you please explain the suit. John addressed the question.
- 3) Rolfe Arndt, Lot #101 recommends in the future that Council is not allowed to embark on an issue without consultation from the membership. John replied that the board operates within the Covenants and Bylaws and if a Covenant or Bylaw needs to be amended, it must be put forth to the membership to be voted upon.
- 4) Bob Anderson, Lot #309 asked if board meeting minutes are posted. Chris replied that they are posted in the Clubhouse and also members are welcome to attend board meetings.

NEW BUSINESS

- 1) Mark Maulden, Lot #75 discussed the issue of 8.5 x 11 signs that are posted on the outside of cabins on rental properties as they are in direct violation of Snowline Covenants. This issue was raised about two years ago and on the advise from the attorney the signs were required

as caution signs having to do with liability. Since then the signs have increased considerably. All the signs that have nothing to do with liability are in direct violation and need to come down immediately.

- 2) Don Schumaker, Lot #257 agreed that the numbers of signs are increasing.
- 3) Ken Schacht, Lot #23 suggested the rental company remove all signs except slippery deck signs.
- 4) Ray Bernier, Lot #115 asked why is Snowline is responsible for a member's slippery deck.
- 5) Chris Mullaney Sundlie suggested that the board will take action to have the rental companies take down all the signs. If someone decides to sue Snowline because there was no signage that would have protected them from liability then Snowline will deal with that suit when it arises. This is the only way to address the sign issue according to the covenants.
- 6) Linda Hawryluk, Lot #256 asked is there any reason why the signs that are posted on the outside, can't be posted on the inside of the cabins.
- 7) Ana Wagner, Lot #116 has a concern if the signs are taken down because the board has been given legal advise that Snowline is opening itself to potential liability. Ana is against the removal signs.
- 8) Don Schumaker, Lot #257 asked if the rental companies could include the information in the rental package opposed to posting signs.
- 9) Mark Maulden, Lot #75 made a motion for the board to put together an adhoc committee to review the issue of signs. Seconded by Don Schumaker, Lot #257.
- 10) Joe Crisafulli, Lot #183 stated that signs are against the covenants, but received legal advice that the signs should stay.
- 11) William Kiss, Lot #200 suggested working with the rental companies to reduce the number of signs on a lot.
- 12) Jim Devine, Lot #218 suggested the signs not be visible from the road.
- 13) Ray Bernier, Lot #115 whether there are signs or not, someone can still sue. Joe responded that if Snowline prohibits the rental company from displaying a caution sign, Snowline becomes part of the suit.
- 14) John Haley called a vote. In favour - 36, Against - 70. Motion defeated as presented.
- 15) John Haley summarized there is a legal issue regarding the signs. To change a covenant requires a vote by the membership.
- 16) Catherine Winjum, Lot #262 expressed interest in joining the Social Committee.
- 17) Patrick Eelnurme, Lot #44 is very concerned with speeding. Asked if there is a breakdown of the speeding tickets issued. Chris responded that Snowline has ordered a radar sign to raise awareness. Chuck has been citing for speeding but doesn't have a breakdown between owners and renters.
- 18) Ken Schacht, Lot #23 is in favor of having bathrooms inside the clubhouse. Chris responded that a Facilities Committee presented a report at last year's AGM. The membership voted to do minor repairs and maintenance only.
- 19) Linda Hawryluk, Lot #256 asked for the hours the bathrooms are open. 9 - Dusk weekends. Summer 9 - Dusk 7 days a week.
- 20) Doug Louth, Lot #79 asked if the rental fees have been established for next year and if not, what is the procedure to do so. Chris replied that currently the rental fee is \$5.00/night capped at 14 nights. This has been very successful but it is difficult to calculate the additional expenses attributed to rentals. An example of what is done to support rentals:
 - Chuck handles approx 300 pieces of paper/mth.
 - Time is spent issuing citations, (ie billing, notification, recording payment, mailing fees)
 - Security issues
 - Maintenance and repairs due to increased usage
 - Need for the radar board
 - Increased attendance at the social events
 - Traffic issues on Mt Baker Hwy. Hwys Dept has suggested to Snowline that a turn lane maybe required into Snowline at Snowline expense.

The board wishes to continue with the current fee structure. Doug suggested that when the board discusses the fee, the rental owners should have input.

- 21) Harry Smith, Lot #306 suggested leaving the gate up until dusk to solve the Hwys issue.
- 22) Alan Warburton, Lot #37 made a motion for the 2004-2005 year to continue with the current rental fee structure. Seconded by Catherine Winjum, Lot #262.
- 23) Gail Parlatore, Lot #191 stated that if Snowline must pay for the turn lane the Board will need to

- factor that cost into the rental fee.
- 24) Ray Bernier, Lot #115 should Washington require a turn lane, the board should reassess the fee structure.
 - 25) Jim Devine, Lot #218 if the Board decides to raise the fees or place a special levy on rentals, the issue should come before the membership to vote on.
 - 26) Duane Wegner, Lot #171 if the membership doesn't like what the Board does, remove the Board.
 - 27) Greg Baker, Lot #228 suggested doubling the fee to \$10.00.
 - 28) Sheila Parsons, Lot #146 is the Board assuming that the problems at the gate are caused by renters?
 - 29) Anna Smith, Lot #306 said there was past discussion to continue the no passing zone past the gate, but this didn't happen. Suggested widening the gate area to handle the backup.
 - 30) Harry Prochzaka, Lot #54 asked if the keypad could be moved to the side at the parking.
 - 31) Ana Wagner, Lot #116 asked the membership to reconsider the motion. Under the current situation the Board can change the fee when necessary, as necessary, if the motion passes, the fee is fixed.
 - 32) Vote was called. For - 50 - motion is passed.
 - 33) William Kiss, Lot #200 motion to investigate installing a second gate for the Owner. Joe responded that this option was considered but not practical within the space. Motion was withdrawn.
 - 34) Rolf Arndt, Lot #101 is concerned with Dept of Hwys charging for a turn lane. The cost must be 25,000-50,000 plus. Suggested looking at alternatives now rather than waiting for this to go ahead. Chris replied that this issue is under discussion only. Joe stated that at this stage there is some consideration being given to the fact that this may happen. This issue is not only for Snowline, but also along the entire Mt Baker Hwy. There is no way that Snowline will open their pockets.
 - 35) Linda Hawryluk, Lot #256 the suggestion was made to move the keypad. She would like to have the Board look into the cost. Joe responded that the difficulty is the keypad is off to the side, but the car needs to be in front of the gate.
 - 36) Don Larsen, Lot #135, 136 suggested making a requirement of Mt Baker Lodging if they are renting to a group, issue more than 1 card. Chris is concerned that gate cards would not be returned. Extra cards increase security issues.
 - 37) Chris Mullaney Sundlie said there is a cell phone petition by Mt. Baker Chamber of Commerce if anyone is interested in signing the petition.
 - 38) William Kiss, Lot #200 as a previous owner in Mt Baker Rim, he is very glad he is now an owner in Snowline. He congratulated the Board.

At 2:15 pm William Kiss moved to adjourn the AGM.

Secretary

President