

MINUTES (FINAL)
Lake Marcel General Membership Meeting
Beach 1
May 21, 2023

Board Members Present: JW Gorman (President), Paul Gibian (Vice President), George Petrov (Treasurer), Doug Lapchis, Karen Giluck
Absent: None

Community Members: Jeff & Laurel Ramirez, Julie Braun, Rick DeBlock, Mary Harenda, Peter Templin, Dale Keltner, Gary & Tina Wolford, Abram Jackson, John Schneider, Brian Blomquist, Butch Varga

1. The Meeting was called to order by JW Gorman, President, at 2:10 pm.
2. JW G. explained that the meeting would be conducted, following Robert's Rules of Order.
3. Community Member Comments (2 minute time limit) –JW G. explained that member comments would not be recorded in the Minutes, and that members could submit written copies of their comments to the office, if they want them on file.
4. Abram Jackson made a motion to amend the Agenda, dropping # 7, to drop approval of the Minutes of the May 22, 2022 General Membership Meeting. Peter Templin seconded the motion. Motion passed unanimously.
5. Abram J. made a motion to approve the Minutes of the January 8, 2023 Budget Ratification Meeting. Brian B. seconded. Motion passed unanimously.
6. Abram J. made a motion to approve the Minutes of the Special Membership Meeting. John S. seconded. One opposed. The motion passed.
7. Dropped. (Approval of Minutes of May 22, 2022 General Membership Meeting)
8. Treasurer's Report. George P. stated that the report included in the members' Packet for this meeting is the same one presented at the most recent Board Meeting. There are a few developments, for instance a CD investment. A question was raised as to whether the community was notified. JW G. answered that the CD investment was proposed at the April Board Meeting, and approved at the May Board Meeting. No notification was made via email or newsletter. Jeff R. added that all community members were invited to these meetings. George P. continued that the approved CD does not show on the present report's balance sheet. The rate of interest on it is 4.15%, making it worthwhile now, as opposed to previous low interest rates. Our funds are at a higher level than last year, at this time. Part of the reason for this is that we were without an Office Manager for a few months.
The next report is Profit and Loss Comparison. We budget based on the amounts we take in – the number of lots, at \$313 per lot, collections of fees, liens paid, etc. Our expenses on this report compare this year's to last year's, at this time. The second page of this report shows total expenses of \$43,00. We expect \$120,000 for the year. We are on track.
The Budget items versus Actual Amounts are set for the whole year, and can point out spending outside budget amounts. These reports are published both on the website and in meeting minutes.
Butch V. asked if we budgeted \$8,000 for Lake Maintenance, but did not spend that. Georg P. answered, "Yes. So far." Peter T. added that we expect to have a survey done later in the year.
George P. continued that we had a professional survey on the erosion of the watershed. The Board approved that expenditure. Peter T. asked if that report is available. George said that it can be posted. JW G. agreed.
George P. pointed out that, on the Vendor Expense Report, Gino Lingetti is listed there, instead of in the budget.
George P. said that the last report, Payroll Expenses, some items are in the Vendor report, instead, because the Accountant uses Quick-books, which handles items that way. The monthly report is similar to this on the website. Tina W. asked whether this Accountant also does our tax reports. George P. said that JH Vandal does our federal taxes.
George reported that the 2021 Audit is now complete and is on our website, in the Meeting Minutes section. JW G. added that the Audit was just received this past Friday and that the community will be notified via email, about its availability on the website. Rick D. inquired whether any important information, in the audit, has been noted so far. George P. answered that the Audit Firm did not find any mistakes or intentional problems. Tina W. asked who did the audit. George P. answered JH Vandal. JW G. added that they are based in Redmond. Doug L. asked if there were recommendations from them. George P.: They don't make recommendations. Doug L.: So is there a financial list check? George P.: The audit that was commissioned was for the purpose of spot checking and adding up the numbers. Those details are on the website. Rick D. asked if it was too late to add to the 2022 audit, and also how often should audits be done. JW G.: we haven't discussed it. Doug L.: If you're over \$50,000 you can't avoid an audit. Rick D.: you can avoid it, if you specifically opt out. JW G.: We will look into it.
George P. stated that the Reserve Funds are as the Reserve Study lists them. Doug L.: if we have 118%, Reserve Funds are 100% funded.

- George P. stated that 2022 budget targeted the Reserve funds. We are now over 100%. There are three recommendations for future. The amount will be based more on capital expenditures. We are over the amount, but not by much.
Doug L. Our expenses are not like businesses and corporations. Most of our work is done by volunteers. JW G. responded that most of our volunteers are older and he doesn't see younger ones getting involved, so we may have to hire more in the future.. George P. added that there are other considerations, also – inflation, for one.
Tina W. expressed concern that our funds keep growing, as the Reserve Study shows. She is also concerned that we may be conserving too much, if insurance is there to pay for some anticipated costs. JW G.: We need to stay with the Reserve Study information. Peter T.: We have another free Reserve Study coming up..
Mary H. stated that it is important to her to have a lot of savings, to lean toward the "high" end. That way, we may be able to avoid special assessments when unplanned needs arise.
Tina W.: I am not trying to attack. I just want to know where our money is and why. George P. responded that the best we have is the Reserve Study, done by a third party. Having more funds in that account is good. Paul G added that having the data is important. The Reserve Study considers the worst case scenario. And it is all about transparency.
Peter T. said that we hire outside professionals because we cannot do it ourselves. The Board then decides.
Doug L.: We don't have insurance on the dam. Peter T.: We don't have insurance on the dam itself. JW G.: We can have a Reserve Study next year. Doug Lapchis motions to amend Peter Templin's comment to the company that does our Reserve Study has extensive experience with evaluating dams and we should have a 100-year lifespan and Peter Templin seconds. 12 for and 4 abstain, vote passes.

9. Committee Report

Lake and Dam

Peter T. reported that the committee has scheduled a Zoom meeting with Herrera Construction on June 5, 2023. Information about algae blooms and Cyanobacterial Management Plan will be presented.

JW G. shared that we have found an engineer to mitigate erosion and that information has been submitted to DMS.

Gary W. asked whether felled logs are going to be secured. Peter T. answered that a plan for that is in the works. Jeff R. and JW G. agreed that volunteers for that project are encouraged.

Gary W. requested that the second gate at Beach 1 be opened for use. Exiting the parking lot would be improved.

JW G. reported that the underwater camera is helping with lake information such as milfoil presence and obstructions, etc.

Community Relations

Karen G. had nothing to report at this time.

Community Events

Doug L. reported that since Tolt Tree Service hauled away the debris from the Beach 1 parking lot, a demonstration planting area has been suggested for that location.

Doug L. announced that Family Fishing Day will be on Sunday, June 11th, at two times: 9:00 am to noon and noon to 3:00 pm.

Brian B. added that set-up for it will be on Saturday. Mary H. asked whether kids need their own fishing poles to participate.

Doug L. responded that some poles would be available, but that it's good for kids to have their own, to ensure an adequate number.

JW. G. said that the Adopt-A-Road program is planned, but that no date has been set yet.

Architectural Control

Paul G. summarized that the committee checks whether architectural questions follow the Covenants and By-laws. For tree-cutting applications we now have signs that will be posted, identifying approval.

Gary W. said that a clear cutting near their property went to Sedro Wooley for permission. George P. commented that in one instance, the state allowed a clear cut for tree harvesting. Paul G. said that typically, reseeding is required and the property can not be built on for 6 years. Gary W. commented that sometimes no reseeding happens. George P. said that a forester said that local clear cutting was mostly cottonwoods, although the state doesn't care what kind of trees are involved.

Governing Documents

Paul G. reported that we have the Law Firm of Peryea Silver Taylor working to refresh our documents and that it should be finished by our next Community Meeting.

Facility , Grounds, & Maintenance

JW G. thanked Butch V. and Peter T. for finishing dock repairs.

JW G. announced that volunteers are needed for Dusk Duty, which makes sure that gates are closed and bathrooms locked at night. He also reported that projects on our list include updating the lock system, providing more boat storage, and acquiring new sand at the swimming beaches. Peter T. reported that the swim platform needs to be done. Butch V. will be fixing the bathrooms.

10. Old Business

Paul G. reported that the Committee is looking into HOA Management Companies for potential hire for our community. There was a Zoom meeting, two weeks ago, for the Board to receive information from one company, Agynbyte. It won't cost more than we are spending now, for the services they would provide. A question – answer meeting will inform the community. George P. added that the financial numbers will still have to work, in order for an HOA company to become involved. Doug L. asked how the community would be involved in the decision about this. JW. G. said that the goal is to have multiple meetings to have everyone involved, especially since it would affect everyone. Tina W. wondered if Doug L.'s concern was about complying with new state laws. Paul G. responded that we would have to abide by laws.

Gary W. expressed concern about the Morfin/Walker situation. He also reported that recently there was an auction item at Hillside Academy's fundraiser, for an all-day, fun day, at Lake Marcel. JW G. added that he had heard about it, and said it would be looked into.

11. New Business

Nominations

JW G. explained that Doug's term, as a vacancy replacement has ended, which places him up for nomination. A motion was made to nominate Doug L. It was seconded. Laurel R. asked why Doug L. doesn't seem to know what is going on with the Board. Doug L. responded that he wants the community to know how the Board operates. Laurel R. answered that he seems to be against the Board. Doug L. stated that he'd brought up the Reserve Fund question because the percentages were unknown and that the community should not have to pay for unknowns. He added that he thinks he has good ideas to share. Laurel R. said she would vote against him. Tina W. added that she also has questions about the Reserve Study and "only looks at the state." JW G. said that it was time to respond to the question. Julie B. made a motion to have an anonymous vote. Jeff R. seconded the motion. The motion passed, 16 to 3. Doug L. was elected to the Board 14 to 5.

New Motions

Rick D. made a motion to form an advisory committee to work on simplifying the Board of Directors' responsibilities. Tina W. seconded the motion. Paul G. commented that committees are advisory. Tina W. said that she had researched other HOAs about how their Boards functioned, mentioning Trilogy and Taylor Ridge. Paul G. commented that an HOA Management Company would take on the financial responsibilities. The motion failed, 3 to 8.

Rick D. made a motion to have the LMCC membership authorize, but not require, the Board to consider member and renter volunteers, who are not Directors, for the offices of Vice President, Treasurer, and Secretary, if they are qualified and available, and establish appropriate safeguards to assure that the Board retains responsibilities for all decisions required of these offices. There was no second to his motion. The motion failed.

12. Community Member Comments (2 Minute time limit)

Next up: Monthly Board Meeting is scheduled for Tuesday, June 13, 2023, at 7:00 pm.

Peter T. made a motion to adjourn the meeting. Dale K. seconded the motion. JW G. adjourned the meeting at 5:04 pm.