

Redacted minutes for the last two years running from May 2009 to March 2011

Kahler Glen Athletic Club
Board of Directors Meeting
Miller residence 19 March 2011 9:05 a.m.
Minutes

Present: Mark Demeritt, Thom Cook, Bill Miller, Gary Marks, Nancy Miller; 9:35: Linda Wandell

Quorum: Bill noted the presence of a quorum.

*M/S/P to approve the **minutes** as circulated.*

Bill announced that

- summer musical charity event is being planned, date is August 13, and that contributions to the silent auction are already being received.
- dues receipts are up to date
- potluck BBQ for annual meeting is being planned: club will supply plates, meat, condiments; members will bring salads, beverages. More details to follow
- note sent to Kevin O regarding the proposal to give renter's club access, declining, and summarizing the Board's concerns

Building status was reviewed:

- Gary wondered if the wall crack needs sealing; Bill will consult with Des about this and also about repair of the facia boards
- Mark D will contact Andy Miller regarding cost of sewer hookup coast from Cedar Brae to trunk
- Operation/maintenance of sump pump explained; Bill will ask Bruce about procedure to make this automatic
- The overhead projector and the copy machine have been secured in a locked closet.
- Sauna parts are on order; Bill will report back if costs increase significantly.
- *Consensus: Nancy should follow-up with county to find out details and approximate costs of the process to convert the land prior to sale; Nancy will report to the Board*

Website modernization and features were discussed. Questions involved practicality of solicitation of memberships on the website, and need for security. Thom felt that interactive features could be created; Gary Marks or John Ward could build it, likely this summer. *M/S/P that we should act to improve the website now.* Vote: 5 pro, 1 abstain (Nancy)

Membership: "Welcome to the Athletic Club" packages

- *M/S/P to offer a "New Home Builder" membership, with dues to commence six months after receipt of the initiation fee; this offer may be acted on any time during the construction process of the new residence, offer to terminate when occupancy certificate has been received.*
- *M/S/P to offer a "Home and Condo Resale Buyer" membership, dues to commence three months after paying the initiation fee; this offer is valid during the first six months following closing.*
- *M/S/P to offer an "Off-site Business Incentive" of \$100, to be paid to any off-site business that refers a new member to the Athletic Club when the new member has paid the initiation fee and first term dues.* Steve will be asked to communicate this offer via real estate agent channels. This offer can be claimed in association with the New Home Builder or Home and Condo Resale offers.

Other sales promotion strategies were discussed, especially targeting couples and singles. WAC pricing was mentioned, as was the high level of monitoring available at WAC. Our goals are 1) to maintain the club, 2) to reduce debt, 3) to lower dues.

It was *M/S/P* to adopt the following pricing for memberships:

Type	Accessibility	Voting	Resale	Extended family/guests	Dues	Initiation
General/Charter	24/7	Yes	Yes	Yes	\$1564/yr \$130.33/mo	\$3600
Midweek	24/5	No	No	Yes	\$1199/yr \$99/mo	\$900
Couples/general	24/7	No	No	No	\$1564/yr \$130.33/mo	\$750
Couples/midweek	24/5	No	No	No	\$1199/yr \$99/mo	\$500

2011-12 Budget:

Bill and Gary reviewed the new budget; it is based on a carry-forward balance of \$13K, the assumption of no new members and that new sales will offset attrition.

The possibility of hiring a supervisor was discussed. Additional costs such as insurance, unemployment tax, social security, etc. need to be determined; a formal job description would also be needed.

Consensus: we will continue to explore this topic.

M/S/P to accept the budget as presented.

Loan payoff was discussed in relationship to the Loan Payoff line in the budget. *M/S/P to authorize Bill to pursue a variety of ways to refinance the long and short term debt.* The draft will be circulated for approval.

Newsletter: *Consensus: Gary and Linda will redo the newsletter to reflect relationship between membership level, debt, and dues. Annual membership meeting and Aug 13 musical event will be announced. Added will be info on Board vacancies and solicitation of volunteers.*

Bill reported on the membership drive re post card mailings, Lk Wenatchee Info ad, e-mailings.

Bill distributed and reported on “Major capital expenditures, loan payoffs and major repairs since 2007 Summer”. This report will be posted on the website.

Unfinished Business:

Adding activities at the Club (swim lessons, massage, personal training) was discussed. *Consensus: we will hire a summer employee for 4 weeks at a maximum of \$200 to conduct Saturday swim lessons for kids.* Thom will inquire for potential employees. This new possibility will be publicized at the membership meeting.

The meeting was adjourned at 12:33 p.m.

Respectfully submitted,
Nancy Miller, Secretary
KGAC

Board of Directors Meeting
Miller residence 20 February 2011 9:25 a.m.
Minutes

Present: Steve Craig, Linda Wandell, Bill Miller, Gary Marks, Nancy Miller

Quorum: Bill noted the presence of a quorum.

Correction to minutes: reference to board members elected last year, election year “2011” should be “2010”. **M/S/P** to approve the minutes of 29 Jan 2011 meeting as corrected.

Bill reported that:

- The draft policy for redacted minutes needs to be done; Nancy will bring it to the next meeting.
- E-mail from Larry O re the request to buy the leased land was circulated.
- Before redoing the website, we need to decide which software to purchase/use. The Board will need to discuss the level of privacy required, whether e-mail might be a better communications route, maintenance of address list, etc.

Bill reported on maintenance:

- Preheater on dehumidifier needed to help machinery last longer (estimated \$3-5000)
 - Alarm for dehumidifier (approx. cost \$1800)
 - Notes: 5-6 times shut down this winter; time and effort to diagnose; recommendation from serviceworker: when get new machine, get one that uses standard parts.
- One broken window: ball damage
- One broken window seal (age)
- Estimate to resurface spa tile: \$5000
 - It was decided to see the whole budget before deciding timing on this item.
- Mark has reported no crisis in terms of painting; can defer for a year.

Membership report:

- **M/S/P** to accept Leah and Jim Cook as new midweek members. Thom contributed his \$300 sale deal finder’s fee to assist in closing the deal.
- Bill reports that a few members are still delinquent in their dues. Mike O just sent out letters (delay due to volume of work).

Financial report:

- 40K private note is due June 21; further private notes are due 2013 (\$15K) and 2014 (\$45K)
- E-mail from Larry O concerning the land was discussed; possible tax consequences, etc., should be explored; complication: possibly club is on land classified as “open space” and it might need to be replatted to be sold. Inquiry will have to be made. As it is, LLC will have to sign on renewal of CVB loan.

Membership Drive:

- Steve C mentioned that for people who haven’t joined, price is everything.
- Linda W asked whether monthly billing might have a better psychological effect. It was mentioned that more frequent billing might also lead to more frequent delinquency. It was mentioned that increasing the number of billing periods would increase Mike O’s work load, and thus increase expenses. We need six months cash flow in the bank to do business.
- Various promotional plans:
 - Gary sketched out a chart presenting # of members related to dues needed to meet the budget.
 - Linda suggested that reasoning behind promo plans should be explained to the membership. Steve said that the lowering of fees, and thus expenses, with the

- repayment of the loans should be explained also. Additional to mention: if there is membership loss, dues will need to rise to meet expenses.
- Creation of a Class C membership was discussed. This would be a non-transferable, family-only, no-guest, non-voting membership. Problems of administration (building is unsupervised; once the door is opened, any guests can be brought in; most members do not know one another and challenging someone could be awkward) of this program were discussed. Appeal to potential members was discussed. It was discussed whether this concept could be united with the concept of step-down of dues as membership goals are accomplished. **It was agreed** that the membership should be engaged on this issue before proceeding; whether to use a town meeting, a survey, a website notice combined with e-mail, or wait until the annual meeting was discussed. Linda W spoke in favor of a survey, suggested that whether to offer additional services might be included. It was mentioned that additional staff or organizing might be required in order to offer additional services. If a survey is used, Bill said that all board members' e-mail addresses should be included so members have a choice for responses.
 - It was noted that the KGCA Annual meeting is 14 May 2011 and that this is a prime promotional opportunity.

Additional services:

- Whether to offer additional services (massage, classes, activities) was brought up. Bill has boiler plate language on bringing outside vendors into the building from our insurance provider. Inquiry must be made about our liability.

Website improvement:

- It was suggested that we need a 'push' to initiate communication with members, rather than a format where they must seek out the information.
- Linda W. suggested that John Ward might be able to help set up a more modern website.
- **M/S/P** that due to member request, any link, directly or indirectly, that links to John Ward's website will be removed from KGAC website.

It was agreed to defer decision on a marketing plan to electronic approval.

A "Welcome to Kahler Glen" offer was discussed. Steve C mentioned that it must match any other sales price to be appealing. Such a program would offer KG membership at a sale price to new residents of Kahler Glen within one month of the closing of the purchase of the property, house, or condo. Variations for those purchasing an unbuilt lot were discussed. This policy would be revisited next year re whether to continue it.

It was agreed to table the 'welcome to KG' offer and the Class C offer.

Gary and Bill will draft a one-page version of Class C membership, after which we will make a decision.

Steve C will remind agents, etc., of the KG offers in place, including the current promotion.

Linda W. will do research in preparation for annual meeting.

The KGAC Annual Meeting will be **May 28, 2011** with a potluck and BBQ at the Club in the afternoon. Agenda: election of board members; approval of annual budget, including debt reduction information; provisional increase in dues if needed; possible video from CCFD#9 as part of program, as they benefited from our charity music event; BBQ.

Music event will be **August 13, 2011**. Kaye and Thom have discussed having a golf event. Tentative beneficiaries: EMTs, Chelan Co Sheriff's Auxiliary, Plain Food Pantry.

The meeting was adjourned at 12:55 p.m.

Respectfully submitted,
Nancy Miller, Secretary
KGAC Board

Kahler Glen Athletic Club
Board of Directors Meeting
Miller residence 29 January 2011 9:00 a.m.
Minutes

Present: Thom Cook, Bill Miller, Kaye Crandall, Gary Marks, Nancy Miller

Quorum: Bill noted the presence of a quorum.

Bill distributed a handout containing the agenda, and the current standing of the budget.

M/S/P to approve the minutes of the 24 October 2010 meeting. **M/S/P** to approve the e-mail approved items: to fix the pool heating system for up to \$3300, and to pay holiday bonuses to our crew.

It was **m/s/p** to approve the transfer of the Sincaugh's membership to Judy Drexler. Bill reports that one member is considering the resale program, but fees need to be received. Bill reports that we still have 11 members overdue for their dues.

Discussion of the budget Profit-and-Loss statement occurred. Gary noted the \$8377.22 discrepancy between the checking balance and the net income. Bill and Gary will meet with Mike Olmstead early next week to resolve this issue.

Bill reported that Carl Keen estimates the life span of the Dektron machine at about 5 more years. Carl recommends that we inquire of the DeHumidifier Corporation of America about replacement. Bill explained the recurring compressor problems that we have been having over the holiday period.

The Board discussed the minute-taking practices. It was **M/S/P** to continue to redact personal names regarding financial and other sensitive matters before public distribution or posting, rather than make the minutes more general. It was agreed that Nancy will draft a policy to guide posting of the minutes on the web. It will be distributed among and approved by the Board before being implemented.

The annual meeting was discussed. It was suggested that we have a picnic for AC members to follow the annual meeting; general agreement was expressed. In addition to mailing proxy forms with the announcement of the annual meeting, it was agreed to distribute flyers and proxy forms at the KGCA annual meeting. Board members elected at 2010 annual meeting are Bill Miller, Nancy Miller, Steve Craig, and Mark Demeritt; board members whose terms end this year are Gary Marks, Linda Wandell, Thom Cook, and Kaye Crandall. Thom Cook said that he does not intend to run again. It was moved and seconded that for 2011-2012, the board size will be seven members; **passed**. The goal of eventually reducing board size to five members was mentioned. It was moved and seconded that the annual meeting be held on May 28 (or May 29, if that change is necessary to avoid conflicting with the Lee Haight Golf Tournament) and a potluck club social with meat & beverages provided by the AC follow the meeting. **Passed.**

Bill announced that we have lost five members since April 2010. This will impact our budget. Kevin Ostic has obtained two club passes for prospective property buyers and Bill reports that they were used.

Marketing memberships was discussed. The current promotion is on-going until March 1. The "groupon concept" (group + coupon) was explained: a discount is allowed if a group of a certain size commits to

buying before a certain deadline has expired. Offering agroupon type promotion for initiation fees after the current promotion ends was discussed. Bill and Gary will chart the various levels/increments possible for an offering to maintain our current budget for up to 50 additional members and present the results at the next meeting. Concept will be that each group of new members will enable us to reduce dues for all, thus encouraging present members to recruit new members. Once the details are worked out and the program approved, we will announce to our members via e-mail, promote at CA annual meeting via a big poster and fliers, and have a goal implementation date of May 2011.

Because people are accustomed togroupon as an internet activity, we will explore the possibility of having a website sign-in with the capabilities #1 to committing to a group, and #2 checking on group progress. John Ward was suggested as someone who might assist.

A discount for new property owners was discussed. The idea was favorably received. Details to be determined and reported to the Board for consideration.

Situation of the AC with regard to leasing the land on which the club stands was discussed. It was mentioned that the LLC must sign the loan documents for the AC; that the AC is a no-cost item for the LLC; and that the lease has about 65 years left to run @ \$1.00 per year. Kaye suggested that a letter of inquiry be written to the LLC requesting transfer of the property to the AC in return for legal fees and a small remuneration. It was suggested that the possible discounted initiation fee for new property owners be mentioned as part of this letter. Bill will draft the letter in consultation with Gary.

Bill reported that he had sent e-mail to Rex and the CA board, suggesting consideration of the idea of sharing the time of a part-time professional manager; the AC could provide office space as part of its share of the costs. There was conceptual agreement, and it was decided to look into the idea further.

The summer musical event was discussed. There was general agreement that it be held. Sharing sponsorship was discussed, but set aside. The date will be mid-August, either Aug 13 or 20.* Nancy will contact Plain Hardware to avoid conflict with their Moonlight Madness Musical Event. Beneficiaries of the charity silent auction were discussed: it was agreed to split the take between the 911 First Responders (EMT and Sheriff's Dept) and the Plain Food Pantry. Possibility of a golf tournament was discussed, but set aside. Bill will investigate the availability and costs of John Humphrey doing a deejay-like music setup or the return of the Evin Rudes.

It was suggested that our main website should be modernized and upgraded. It was agreed that a suggestion box would be a good addition, and that addresses should be removed from the board listing. A board member should be able to maintain the new site, as Bill does now. Bill reported that John Ward had volunteered to help upgrade the site; Bill will follow up.

Gary mentioned the possibility of having more organized activities at the club; examples included yoga classes, water aerobics, and massage.

It was agreed that the next meeting will be at 9 a.m. on Feb. 20, 2011, at Miller's residence.

The meeting was adjourned at 11:20 a.m.

Respectfully submitted,
Nancy Miller, secretary

*Plain Hardware had not set a date, so asked us to do so. We chose Aug. 13, our first preference, and they are aware of our activity.

Miller residence

October 24, 2010

9:00 a.m.

Minutes

Present: Mark Demeritt, Gary Marks, Kaye Crandall, Bill Miller, Nancy Miller, Thom Cook, Linda Wandell

Quorum: Bill noted the presence of a quorum.

Minutes from the 14 May board meeting and the 15 May annual meeting were distributed. Thom moved that the minutes be approved; Kaye seconded; passed. Bill will distribute a list of the motions approved by e-mail.

M/s/p/ to approve the membership of Kevin and Andrea Britt (membership bought at summer auction, donated by Mike Buckingham).

Recent visitors to the club have inquired about whether there would be playgrounds, whether renters can use the pool facilities.

It was discussed whether to post minutes on the website. Personal information such as lenders' names, delinquencies, resales would have to be redacted.

It was discussed whether to ask for capital expense for improvements. About \$28,000 went for this purpose this year.

The Board discussed of the LLC situation as it might involve the Athletic Club.

Gary Marks explained his plan regarding the restructuring/sale of the LLC and its assets. Several issues were raised, including role of the AC, issue of non-profits owning for-profit, current fee structure and profit areas. The need for a professional golf supervisor was discussed. The need for an as-built in the hands of the new organization before Bruce Week retires was discussed.

Bill distributed and discussed a chart laying out various costs of loans, CA and AC dues, interest, etc. based on possible scenarios concerning the LLC and the AC. This would have educational uses if the process goes forward. A second chart looked at rate of return on various classes of investors; a third looked at impacts on multiple lot owners.

Bill reports that our bills are paid through the end of the month, excluding the Butlers (butlerservicesllc.com), and we have about \$10,000 in the bank today.

Bill reported that we have lost 3 memberships since the last meeting: Steve Maitland, Chris Foote, Bob and Judy Sternberg. Loss of these memberships will take our budget revenue below projections.

Kaye moved to extend Chris Foote's membership for 3 months in acknowledgement of her donation of the lap clock. s/p

A discussion was held concerning hiring permanent staff for the club in order to allow use by renters. Liability will have to be discussed with the insurance agent. Renters could not be issued passes, as their access would have to be limited to staffed hours. Consensus is that this is a financial issue: it should only be considered if it brings increased income into the club.

Bill stated that we need a marketing plan for the near future. Target would be the surrounding community; we could propose leagues, junior membership. Kaye suggested that we propose a long-term marketing campaign to the annual meeting.

It was moved by Gary and seconded by Nancy that we have a promotion during the holiday period (Nov 15-March 1), where a member bringing in a new member would receive \$300 and the new member would

have the first three months with dues excused. Members who are not current in their dues cannot benefit. Motion passed 4-2.

Bill reported that we have reduced the debt by \$20,000 this summer, so the interest that we are paying has also been reduced.

A newsletter will be sent to membership listing this year's capital improvements, noting that the private debt has been decreased by \$55,000 this year, announcing the membership sale, and explaining the "mortgage" (financed and on track to be repaid over 25 years; redone every 5 years; about 17 years to go).

M/s/p adjourn the meeting.

Respectfully submitted,
Nancy Miller

Kahler Glen Athletic Club
Board of Directors Meeting

Miller's residence

14 May 2010

7:00 p.m.

Minutes

Present: Bill Miller, Gary Marks, Kaye Crandall, Nancy Miller

Proxies: Steve Craig, Mark Demeritt, Thom Cook, Linda Wandell

The meeting was **called to order** by Bill Miller.

It was m/s/p to approve the **minutes** of the last meeting.

It was m/s/p to **confirm** the matters approved by e-mail, namely, the annual budget amendments, the authority to install underwater light fixtures with LED lights and timer, authority to install LED column lights with timers and GFI switches, and authority to install heat tape above the meeting room valley.

The situation concerning **KGAC loans** was discussed. Mike O reported to Bill that we can expect to have enough funds to pay off about \$20,000 before the end of the summer. Gary will present the financial report at the annual meeting. The lender for \$75,000 will not be continuing the loan past the expiration date. It was moved and seconded to finalize the following loans to substitute for the expiring loan, each contract to include a clause allowing the Club to pay off the loan early and without penalty:

- \$40,000 @ 5.5% for one year with (name withheld); passed unanimously,
- \$15,000 @ 5.75% for three years with (name withheld); passed unanimously; (name withheld) abstained from voting,
- \$45,000 @ 6% for four years with (name withheld); passed unanimously; (name withheld) abstained from voting.

Bill reported that Thom Cook's inquiries concerning an alternate source to replace our CVB business loan have not borne fruit. Market conditions and the unique situation of the Club make other banks unlikely to take on the loan at a lower rate of interest.

Bill reported on the progress of **maintenance work** on the facility. It was m/s/p to approve continuing repairing the duct work at the club, which will include

- \$2900 for
 - retrofitting the sport court duct system to prevent sweating in the area above the ceiling,
 - Adding an exhaust fan system to the pool room,
- \$3000 to install a pre-heat system for the dehumidifier.

Discussion of possible other maintenance or equipment improvement followed. The Chelan County P.U.D. inspector, Jim White, recommended a neutral air pressure for the pool room. It was emphasized that, as improvements continue, humidity of 45% or better is needed to keep the Dektron working. Des started working on the mechanical and electrical rooms today, priming, painting and weather stripping the exterior doors. Bill reported that Mark Demeritt estimates that the Club will not require any major painting this year; the interior and exterior are on a rotation to spread out the painting over two or four years; a few touch-ups may be needed. Bill reported on other repairs that are under way.

Bill shared the flyer concerning the **Summer Charitable Music Event**; the flyer will be distributed at the annual meeting.

Bill reported on **membership figures**. Kanes have returned their access cards and locker keys and have terminated their membership; (name withheld) and (name withheld) are delinquent and their access keys have been deleted. G. James and J. Nelson may be entering the resale pool.

Meeting was **adjourned** at 7:50 p.m.

Respectfully submitted,
Nancy Miller

Kahler Glen Athletic Club
Board of Directors Meeting
Miller residence March 27, 2010 10:00 a.m.
Minutes

Present: Bill Miller, Steve Craig, Mark Demeritt, Nancy Miller

Quorum: When taking into account proxies from Thom Cook, Kay Crandell, and Linda Wandell held by Bill Miller, Bill Miller noted the presence of a quorum.

Call to order: The meeting was called to order at 10:17 a.m.

Minutes: m/s/p that the minutes of the February meeting be approved as presented.

It was m/s/p to affirm the actions approved by e-mail and telephone: that Butlers, Inc., be hired to carry out pool and spa chemistry testing and related chemical purchase.

Bill reported that the amended Articles have been sent to the Secretary of State.

It was m/s/p to approve the following **new members**: Jay and Becky Justus as general members, and (pending receipt of payment) Pat and Jan Deveny as midweek members.

Bill reported on the budget status: as of March 26, 2010, we have \$42,500 in the checking account, and, barring unexpected expenses or new members, should have \$25,700 as of April 30, 2010.

New Business:

Bill presented a list sequencing the repair and maintenance work to be done in the next few months. M/s/p to approve the list as presented.

M/s/p to recommend placing KGAC reserve fund into savings, or into CDs, and to review the placement of the funds at least twice a year. Bill will make an inquiry about the penalties for early withdrawal, with a goal of placing the funds to avoid any penalty not covered by the interest earned.

It was agreed to discuss priorities in debt retirement after the first half invoice payments are received.

The possibility of hosting a summer music charity event was discussed. Rex Lund has volunteered to provide the beer. Messages have been sent to Larry Olson and John Bennett regarding possible participation by the Resort. It was noted that time is of the essence in making these plans, as band availability is limited and personal plans are often made significantly in advance. M/s/p that if an event is held, the Beaver Valley School will be the recipient of the charitable donation; m/s/p that if an event is held, food and games would be available at 5 p.m. and the music would commence at 7 p.m. The following were discussed as factors in our ultimate decision:

- Suitable date so as not to compete with Resort events or restaurant promotions, or with any local community event, or on a major holiday,
- Band availability, by date and price,
- Willingness of other entities to help front the expenses,
- Availability of volunteers.

To be decided: whether to auction a midweek membership, whether to include a silent auction, whether to have a “small” event or a “large” event.

If the event goes forward, Carla, the teacher at the school, will be contacted to find out how to publicize through the P.T.S.A., how to obtain adult volunteers, how to obtain teen supervisors if a children’s field day is included. Joan Foote might also be contacted for field day assistance.

It was suggested that the next Board meeting be held on Friday, May 14, in the evening, which is the day before the Resort’s annual meeting.

The extended family definition issue was discussed. Bill distributed a printout from the Bylaws of the sections dealing with definition of family from the section on Charter and General Membership, and from the section on Midweek Membership.

Bill presented an analysis of the new membership for this year, and projections for next year based on varying assumptions about rate of membership growth.

Bill presented the budget for next fiscal year. Discussion followed. M/s/p to adopt the budget as presented.

M/s/p that, rather than place it on the annual meeting agenda, the issue of debt retirement schedule and solicitation for new loans be referred to a later meeting of the Board. It was mentioned that Steve and Thom will be negotiating the loan rollover with the lenders.

M/s/p to recommend the following candidates for election to the Board for 2-year terms: Bill Miller, Mark Demeritt, Nancy Miller, Steve Craig. (Gary Marks, Kay Crandell, Thom Cook, Linda Wandell are not up for re-election this year. At the end of Thom's term, his seat will be left unfilled and Board will be decreased by one seat, as per previous decision.)

M/s/p that members at the annual meeting be reminded to supervise use of pool toys to prevent careless damage to the facility. In discussion, it was suggested that nerf or inflatable beach balls be substituted for hard volleyballs and basketballs.

M/s/p to request that members who are not using their lockers return the keys to be issued to new members who would like to have a locker.

M/s/p that annual meeting vote to approve the actions of the Board, as was done last year.

M/s/p that members at the annual meeting be invited to volunteer to serve on the Board or on KGAC committees.

It was agreed to discuss a Class C membership for employees at the next Board meeting.

Respectfully submitted,
Nancy Miller

Kahler Glen Athletic Club
Board of Directors Meeting
Miller residence February 21, 2010 1:00 p.m.
Minutes

Present: Bill Miller, Thom Cook, Linda Wandell, Nancy Miller, Gary Marks

Quorum: Bill Miller noted the presence of a quorum.

Minutes: Linda Wandell corrected the minutes of the October 25 meeting, pointing out that it was the *amended* articles of incorporation that must be filed with the state.

M/s/p that the minutes be approved as corrected.

It was moved/s/p to affirm the following Board actions passed previously by e-mail:

- approve the sale midweek (\$1495/\$1188) membership & general membership (\$2500/\$1564) fee plans,
- approve PR promotional expenses for postcard mailing and Lake Wenatchee Info website ad,
- approve debt payment of \$35K to (name withheld),
- approve cost for Arc Trainer \$3.2+K,
- approve Vision Committee statements,
- approve community leaders dues discount.

It was noted that a presentation concerning the Vision Committee should be made to the membership at the annual meeting. Several Board members expressed approval.

It was m/s/p to approve the following new members:

General:

- Ken and Morey Grosse
- Margaret and David Krah
- Paul and Karen Goebel

Midweek:

- George and Jimi Wilson

Special thanks were directed to Steve Craig, for directing new property owners toward the Athletic Club.

Facilities: Special thanks to Mark for the painting and repairs this winter. Mark will report to the next board meeting.

Bill described the newly discovered problem with the soffits. Des Bauder has examined the situation and undertaken to repair it, following a determination of cause.

It was m/s/p to approve repair of the soffits for approximately \$1500, with Bill to consult the Board if the expense exceeds \$2500.

Bill reported on the ducting situation, including a telephone call of inquiry to Holiday Inn Express, which had a similar problem in its swimming pool area. Carl Keen responded to the bid call with a bid for \$4800 + tax. It was m/s/p to accept Carl Keen's bid.

Knowing that several of the following expenditures were already budgeted, and with the acknowledgment that the soffit problem has first priority and that the following expenditures should be undertaken only when our ability to repair the soffits is clear, it was m/s/p to authorize the following expenditures:

- Painting of exterior doors and walls, and weather stripping of exterior doors (already budgeted),
- Install timers on the spa jets that do not include the "hold" function, on the underwater lights, and on the large can lights on the pool columns for approximately \$600 (already budgeted),
- Installation of underwater lights, to be done over two budget years, for approximately \$3800,
- Installation of two LED lights in the 8 can light system in the pool area, for approximately \$600, and assess the performance of those lights over time, with the intention to replace the other 6 if these prove successful.

No vote was taken on the suggestion to install a mirror in the weight lifting area, although it was discussed. The cost would be approximately \$1800 and, if undertaken, it would be desirable to have it done before the annual meeting.

Finance:

It was moved and seconded that we continue the sale of general memberships for \$2500 initiation fee and midweek memberships for \$1495 initiation fee until such time as the Board reassesses its pricing policy. Passed.

Thom has made overtures to other banks concerning their willingness to take on our bank loan; he will report to the Board when he has more definite information.

Bill, Gary, and Thom will report to the March Board meeting concerning a program, possibly to be presented at the annual meeting, soliciting private loans to cover our debt.

KGAC's non-profit status was discussed. We have state but not federal non-profit status. Linda mentioned that our status would be 501(c)7. This matter will be placed on next month's agenda. Thom raised the issue of the payment for the time devoted to management. Bill said that he did not feel that payment to our volunteer management was possible under our bylaws. Linda will examine the bylaws. It was stated that in future years and as the club grows, the likelihood of needing a paid manager/caretaker will increase.

Jordis “Dody” Foster’s financial recommendations were distributed, discussed and accepted.

New Business:

It was decided to print flyers to be distributed at the Community Association, as we did last year. Whether to hold a summer social event was discussed. It was mentioned that the community survey indicated that many people like this sort of social event. The following beneficiaries were discussed for a charity event: the Fire Department, Cascade Medical Clinic, the local elementary school, purchase of the “avalanche lot” from the county for a community park should such an enterprise be undertaken by the Community Association. Nancy will check the availability and cost of a bluegrass group for entertainment. It was decided that the event, if held, should be in August, avoiding both Seafair week and Labor Day weekend. It was agreed that a decision about whether to proceed should be made in March.

Membership: Bill reported that as of Feb. 9, 2010, we have 100 Charter/General members and 3 Midweek members.

Bill presented a Strategic Marketing Plan in the form of a PowerPoint printout. It declared that the Athletic Club goal is long-term financial stability and laid out a variety of steps and strategies that might be adopted in pursuit of this aim. These plans will be discussed in depth at following Board meetings.

Annual Meeting: The annual meeting will be held at 2 p.m. on May 15, 2010, in the upstairs meeting area of the Athletic Club.

Logistics for the meeting (name tags, printed reports) were mentioned.

Candidates for election at this annual meeting are Bill, Nancy, Mark and Steve. Kaye, Linda, Gary and Thom are continuing on the board and have a year left in their terms. In order to make board meetings easier to schedule, it was affirmed by consensus that there will be eight board members for the coming year, with the goal of reducing the board to seven members when it shall be convenient by attrition to do so.

There will be no dues increase announced at the annual meeting. The budget shall be built based on the current dues level.

Gary and Bill will work on the budget for presentation at the annual meeting. Gary will work on an explanation of the debt to be presented at the annual meeting.

The meeting was adjourned by unanimous consent at 3:30 p.m.

Respectfully submitted,
Nancy Miller, Secretary

Kahler Glen Athletic Club
Board of Directors Meeting
KG Athletic Club meeting room October 25, 2009 1:18 p.m.

Minutes

Present: Steve Craig, Linda Wandell, Nancy Miller, Bill Miller, Gary Marks, Mark Demeritt

Bill Miller observed the presence of a quorum.

Linda reminded the Board that she and Bill must file the articles of incorporation with the state before the next annual meeting.

It was moved to adopt the July 2009 minutes as presented. s/p

The agenda and accompanying papers were distributed.

Board actions taken by e-mail were confirmed unanimously as listed on the agenda, and as added:

- Authorized a check to Chelan County firefighters for \$4000
- Authorized change in the transfer policy to a flat fee of \$300
- Authorized continuation of the \$2500 membership sale until March 2010 or until 10 new memberships are sold, whichever comes first, and the offering of 10 mid-week memberships with an initiation fee of \$1495 and monthly dues of \$99.
- Authorized the publicity costs of promoting the memberships sale, up to \$600
- Authorized cost of gutter replacement of \$1050
- Authorized purchase and presentation of a plaque honoring Claude Munsell, and forgiveness of club dues from Nov 2009 until the sale of his Kahler Glen residence.

The board unanimously approved the new members: Bill Gibbs family, Kimberley Karnes family, by resale; Gary and Carolyn Bell, Bobbie and Dan Busch, new full-time memberships; Byron and Pauline Kato, Christine and John Humphreys, new mid-week memberships.

Bill Miller gave a membership update, followed by a review of the budget, including the profit & loss statement and a review of our loan situation.

Invoices for November will be sent out on Monday.

Bill Miller and Gary Marks will meet with Dody Foster and Mike Olmstead on Monday in connection with her review of our books.

There was a discussion of long-term goals and policy with regard to loans, reserves, and maintenance costs. It was emphasized that we need a reserve in case of emergency repairs or other unanticipated expenditures.

Gary Marks presented a PPT on pool maintenance, especially regarding the corrosive effects of the chemicals in the air on the building and equipment surfaces. Alternatives were explored with regard to lessening the corrosion on the surfaces; alternatives were also discussed with regard to methods of water purification. Mark Demeritt explained about removing the deposits from wall and floor surfaces.

The Board toured the facility, including the machine and electrical rooms, and explanations were made regarding the operations of the equipment and the ventilation system.

Gary Marks gave a PPT presentation on heat pumps.

It was decided that a long-term plan for maintenance and equipment replacement should be developed and presented to the annual meeting, as several expenditures are likely to require member approval.

Bill Miller will get an estimate from Shawn of SpaPool for pool lights; Gary Marks will get an estimate for LED replacements.

Linda Wandell moved that, within budget constraints set by the bylaws, that the priority of maintenance activities be:

1. Replace lights in pool, perhaps with LED
2. Clean hot tub
3. Clean entire pool area (walls, floors, windows) and seal the concrete.

Motion was seconded and passed.

Gary Marks will research the hot tub maintenance. Mark Demeritt will research the concrete pool surfaces and walls.

The bank and private loans were discussed. Mark Demeritt moved and it was seconded by Steve Craig to pay off one of our loans to (name withheld) after the November invoices have been received, unless rate of non-payment is unusual, in which case Bill should return the matter to the Board. Passed unanimously, with (name withheld) not voting.

The Century Club was identified as a possible alternative to the private lenders (up to \$100,000).

Gary Marks moved to continue the private loans @ 7% for another year. S/P unanimously, with (name withheld) not voting.

Linda Wandell instructed the secretary to let the minutes reflect that (name withheld) did not vote on the loan questions.

It was moved that a committee consisting of Steve Craig and Gary Marks approach the private lenders and/or a bank to renegotiation the long-term loan structure.

Putting the reserve account into laddered CDs was discussed. Goals of reducing the bank loan and building the reserve account were discussed.

It was moved that Gary Marks get bids on replacing the Dektron machine for presentation at the annual meeting. S/P

It was moved to authorize up to \$2500 for purchase of another elliptical or similar machine. S/P (5-1)

Mark Demeritt will research and seek bids for pool area cleanup, including painting doors.

Bill announced that a member will donate a competition clock for the pool if we will install it. The board agreed to accept the donation if it requires no expenditure.

Bill reminded the Board that we still do not yet have title to the land under the Club, and that we need to work on formalizing the assurances from the Resort.

The next meeting will likely be in February and will be a preparation for the annual meeting. We will match the date of the KG Community Association annual meeting for our annual meeting.

Meeting was adjourned at 3:42 p.m.

Respectfully submitted,

Nancy M. Miller

Kahler Glen Athletic Club
Board of Directors Meeting

Miller residence July 18, 2009 10:00 a.m.

Minutes

Present: Bill Miller, Thom Cook, Mark Demeritt, Kaye Crandall, Linda Wandell, Steve Craig, Nancy Miller

Bill Miller observed the presence of a quorum.

It was moved that the minutes of the June 21, 2009 meeting be approved. S/P unanimously

It was moved that, in order to create a rotation in office as described by the new Bylaws, the terms of the present Board members be adjusted to create a rotation in office, namely, Group One for one year terms: Bill Miller, Nancy Miller, Steve Craig, Mark Demeritt, and Brian Tobey, and Group Two for two year terms: Gary Marks, Linda Wandell, Thom Cook, Kaye Crandall. All subsequent Board terms shall be for two years. S/P unanimously

An e-mail of resignation from the Board from Brian Tobey to Bill Miller, dated July 15, 2009, was presented to the Board. It was moved to accept Brian's resignation; s/p unanimously.

The process to fill the vacant seat, including a timeline and solicitation of volunteers from the membership, was discussed.

It was pointed out that the bylaws were amended at the annual meeting to allow the size of the Board to fluctuate from 5-9 members. The advantages and disadvantages of a smaller board were discussed.

By consensus, it was decided to address this issue again at the next meeting.

Bill reported on the current standing of the budget. With regard to dues delinquencies, the polite reminder has been sent and next week the warnings about key de-activation will be sent.

The details of the (name withheld) membership and the (name withheld) membership were discussed. It was moved to extinguish the (name withheld) membership. S/P unanimously. It was moved to extinguish the (name withheld) membership. S/P unanimously.

The budget item with regard to raising the salaries of our employees was discussed. Since we contract with the LLC, several questions arose. It was decided that we need to know the differences between gifts, bonuses, and raises, and if we can give them. Bill will report on at the next meeting.

Possibilities for private loan reduction were discussed. Bill will discuss reduction in private loans with the creditors.

The details of Midweek membership option were discussed.

The definition of "family" was discussed. It was agreed by consensus to replace the term "immediate" with "direct" in the Midweek rules in order to be consistent.

Hours for the Midweek membership were discussed. It was agreed that the hours should be 2 p.m. Friday until 4 p.m. Sunday.

It was pointed out that in the draft, the word “between” in 2c should be deleted. All agreed.

It was moved that in the draft of the Midweek membership agreement, the Midweek hours, the change of wording from “immediate” to “direct”, and the deletion of the word “between” in 2c be accepted. S/P unanimously.

It was discussed that the Midweek membership will be available in September, although it may be advertised on the website in August as “beginning in September”.

It was agreed to follow Kaye Marks’ advice on assembling an e-mail list from the attendees at the mariachi event, and the use of bidding paddles at the live auction.

The resale program/administrative fee was discussed.

Linda Wandell mentioned the need of the club to control the whole resale program. It was mentioned that the resale program competes with the sales program of the club, and may not be in the membership’s best interest.

It was asked whether a limit on resales would lead prospective members to reconsider purchase; no data is available.

Thom Cook suggested that the club might consider reversing the current fee situation, charging a % to join the resale program, then a flat fee for transfer.

By consensus, it was agreed to continue this discussion at the next meeting.

It was mentioned that the website needs to be updated to \$7500 for a membership to match the Bylaws.

Bill reported on the insurance walk-through by our agent, Phil Crocker. His report was positive.

Our signage is good.

Bill made an inquiry re the possibility of a masseur offering massage at the Club and the impact on insurance. Phil replied that the masseur must be licensed and have his/her own insurance. Similar standards would apply to an aquatics instructor. Crocker will send boiler plate language to Bill that people would have to meet to bring such a program proposal to the Board.

Crocker will send a letter to the Board, pointing out that the snow/ice damage to the charcoal filters would be covered (subject to deductible) under the policy, but that repeated claims would influence rates. Perhaps some way to further prevent damage could be discovered.

Crocker will explore the possibility of a reduction in our rates, because our information has been corrected: we do not have an employee although they gave us a rate as though we did.

It was suggested that we should have driving directions on our webpage. Bill said he will add those.

By consensus, the Board agreed that Mark Demeritt should proceed with replacing the vandalized carpet in the upstairs meeting room.

Additional information on the upcoming mariachi event:

Kathryn Demeritt will volunteer. Jimi Wilson will recruit 4-6 volunteers from the local community.

The bank has been contacted and a credit card machine will be available for the event.

The Futures committee was discussed.

Lack of continuity concern because of our single member was explained.
The idea was explained that that the other organizations may not regard their representatives as representing the organizations' members.

Meeting was adjourned at 12:15 p.m.

Respectfully submitted,
Nancy Miller, secretary

Kahler Glen Athletic Club
Board of Directors Meeting

Miller residence June 21, 2009 10:00 a.m.

Minutes

Present: Bill Miller, Mark Demeritt, Thom Cook, Linda Wandell, Nancy Miller, Gary Marks

Visitors: Nancy Graham, Kaye Marks

Bill Miller noted the presence of a quorum. Materials were distributed including an agenda, minutes of the March meeting, e-mail plan concerning mariachi event, budget summary, and list of delinquent payments/payers.

It was moved and seconded to approve the minutes of the March meeting. Passed unanimously.

Linda Wandell moved to elect Bill Miller as president, Gary Marks as vice-president and treasurer, and Nancy Miller as secretary. Motion was seconded and passed unanimously.

The e-mail vote approving the insurance policy was affirmed unanimously by the Board.

- Bill reported that the insurance questionnaire asked about our non-profit status. Linda Wandell said that the matter was not urgent, which Bill reported is also the position of our tax preparer.
- Linda and Bill will fill out the forms for the Secretary of State's office, amending them as per the amendment at the annual meeting.

No report has been received from Dody Foster yet.

Number of members on the Board was discussed, which is currently at nine. Should a vacancy occur, the by-laws say that the Board may fill the vacancy, but is not required to do so.

The August 1 Mariachi event was discussed.

It was moved and seconded to hold the event. Passed unanimously.

Kaye reported

- event will be barbecue with bartender; banquet permit will be acquired if needed
- Fire Dept Auxiliary will be able to supply volunteers with food handlers' permits
- food is being organized

- Nancy should coordinate volunteers
- mariachi band will bring microphone system
- need credit card machine and volunteer to sell scrip
- Bill will be master of ceremonies
- how many people are anticipated?
- silent auction table will benefit Fire Dept, as will auction of initiation fee; food and beverage will benefit Club

Thom Cook will inquire whether the Fire Dept can supply a trained life guard.

It was moved by Thom Cook and seconded that, immediately following the auction of the initiation fee to benefit the Fire Dept Auxiliary, if the price of the sale is not less than \$1400, Bill Miller be authorized to offer a second membership to the unsuccessful bidder at the price of the successful bidder. The second initiation fee would go to the Club.

Passed unanimously.

Two Board members offered to make up \$100 shortfall each for the second sale, should the sale price approach \$1400.

Bill reported on current payment of dues.

Linda Wandell raised the issue of the Charter memberships, stating that a Charter should be a one-time circumstance and should be resold only as a General Membership, since later purchasers do not meet the definition of Charter, and since the Charter resale program undermines the Club's sales program.

Gary added that the whole resale program needs discussion and updating.

Linda Wandell pointed out that "for sale" signs posted by people not in the resale pool should be removed.

It was moved and seconded that (name withheld) membership is extinguished. Passed unanimously.

It was moved by Thom Cook and seconded to use the US mail to remind delinquents. The reminders shall be as follows: 1) polite reminder; 2) warning that key will be deactivated; 3) firm warning including "we will pursue all available legal remedies"; 4) warn of referral of bill to collection agency and that "we will pursue all available legal remedies"; 5) announce referral to collection agency and extinction of membership.

Passed unanimously.

Discussion of creating three payment rates, with discount for annual payments, was discussed. Incentives to pay early were discussed. It was pointed out that paying promptly was already incentivized since it avoided the late payment penalty.

It was moved and seconded to contact (name withheld), acknowledging her special circumstances, and offering either free inclusion in the resale program, a discontinuation of the membership, or an alternate that she suggests that is also acceptable to the Board. Passed unanimously.

It was moved and seconded to contact (name withheld) and (name withheld) to accept an extinction of their membership. Passed unanimously.

A discussion of the delinquent (name withheld) membership ensued. It was moved, seconded and passed to extinguish the delinquent membership. After further discussion, the previous motion was laid on the table, to be considered at a later meeting.

Category C memberships were discussed. Bill distributed a draft membership agreement.

- It was decided that the hours for Mid-Week Membership access will be 6 p.m. on Sunday to 6 p.m. on Friday.
- It was decided that Mid-Week Membership is not transferable.
- The rate was set at \$99 per month, or \$1495 annually.

There was conceptual approval of the regulations applying to Category C. Linda Wandell, Nancy Graham, Bill Miller and Nancy Miller will write the policy language. It was moved and seconded that the policy language be completed and that the final vote be via e-mail. Passed unanimously.

The possibility of including a midweek golf pass in a package deal with a Mid-Week Membership was discussed. It was decided to explore this possibility to be advertised next winter and offered next spring, if such an arrangement is feasible.

The Kahler Glen Futures Committee was discussed. Bill passed on the information provided by John Bennett about the likely schedule and location of meetings. Discussion followed. Linda Wandell moved that Bill Miller be the KGAC representative on the committee, with Nancy Miller and Kathryn Demeritt as alternates. Seconded by Mark Demeritt. Passed unanimously.

There will be a meeting in mid-July. Bill will coordinate.

The meeting adjourned at 1:06 p.m.

Respectfully submitted,

Nancy Miller
Secretary, KGAC
