

# Board of Trustees Meeting Saturday February 24, at 10am

## Summary of Actions

**Meeting called to order 10:09am**

### **New Business**

**Motion 2024-02-01:** Motion to begin investigation of GM, Philip Ronning in response to a member complaint. *Motion passed unanimously.* Because there's nothing in our bylaws and covenants about investigating the GM, the BOT signed a motion giving Chris the ability to do the investigation with full support of the BOT. The complaint was that Phil Ronning was receiving free items and not paying for food or drink at the Lakeshore. We looked at video of the last three weeks. We looked at the receipts and none of these claims were true. We spent volunteer hours plus staff hours going through the audio, visual footage, gathering paperwork, etc., and this is a waste to all the membership. We've told everybody we're not perfect, we will take accountability if it is true. This instance cost time in wages and staff time away from their daily tasks, etc., and had no value. The BOT is working on Best Practices for members to report to the BOT.

**Motion 2024-02-02:** Motion to ban solicitation at Riviera amenities. *Motion passed unanimously.* Banning all solicitations at our amenities from outside parties. This would ban someone from walking in the restaurant and trying sell tickets, advertise for fundraisers, hand out campaign leaflets, etc., while patrons are dining or in the bar. The restaurant and pro shop are included in this motion. The BOT is researching ways for these kinds of parties to advertise inside the Riviera. We want to encourage and support our community. The space between doors at the entrance of the Lakeshore is going to be a place for communications to be posted – we're going to clean up the cork board and make this a usable space.

**Motion 2024-02-03:** Motion to appoint Deb Parker to the BOT. *Motion passed unanimously.* Deb Parker has volunteered to be the secretary for the BOT. She brings a lot of experience from nonprofits and she's very active in the community, so we appreciate that she'll be taking official roll over on Monday.

### **Old Business**

**Cole Pt Association** - Discussions are finished with Cole Pt Water Association regarding their having access to Riviera water. They are looking for ways to come to us that fit within our Covenants & Bylaws. Legally, the next time we talk to CPA it will be on a vote to the entire membership. To put a vote on the ballot, even if it is just to start the conversation again, CPA must have 10% of our membership's signatures.

**Change to BOT Meeting Date** - May BOT Meeting moved to May 25<sup>th</sup> so as to not conflict with Tanner Electric's annual meeting.

### **Committee Reports**

**ACC** - Ron Pulioff – More permits closed that opened. Projects or site builds beyond their permit date are being addressed. Construction debris and clean-up and replanting are two areas we're working on. If there are stalls in the building process, the committee is reassessing permits. Removing trees and replanting healthy trees/bushes/shrubs. No ratio is set. Depends on space and existing plantings/trees. ACC -suggesting healthy options for replanting.

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**Forestry** – Steady this month -2 emergency permits issued -2 standards standard permits issued and 2 closed. And just to reiterate about talking replanting, it's true, we can't require and control what people do in terms of replanting, but we can influence. We're providing education, so really no excuses as far as ignorance to follow through. We provide education and support.

The most exciting thing for the Forestry committee this month was on the 10th The Garden Society/Forestry hosted the first Open Garden Day - an educational event. This was something that Anna & Andrew Davidoff were so generous to do – they hosted at their house over here on Country Club. They have this incredible and extensive garden with so much variety. We had more than 30 members show up and we're all just excited and learning so much. And at the end, we were all wondering when the next one will be! It was such a success we're thinking the next Open Garden Day will be in April so stand by for announcements for that.

The Committee has recommended because we're addressing so much more than trees now in terms of nature the environment, greenery - the committee has recommended to the BOT consider changing the name to Forestry and Nature or something that fits the direction that they're going. It's not a new direction and they're not stepping out of any sort of role, but they are expanding the service and what they can provide in terms of helping the members to enjoy nature. We just want you to know we know that there are a lot of gardeners out there and a lot of people love the outdoors and we do too, and we want to be here for you.

**Lakes** – The Lakes Committee has an update on our muck reduction plan. The Rigerio Bio Health Pod System has been ordered. The good news is that with the dollar amount we were allotted by the BOT -\$10,000- Dan negotiated for two systems - we're now getting two systems essentially for the original price of one. This is this is a young company and they're having success so excited about what they're doing that he basically made them put their money where their mouth is. We are doing this on a trial basis, so he said “why don't we double the effectiveness of our trial run and make it even better.” We're starting in the southwest corner between Cole Pl Finger Park and Ray Park where we have a major muck and iris build up. One system covers about 1/2 acre of coverage, so we'll be able to address an acre at a time. We are the third client in the state using this system. One of the other clients already using the system is an organic berry farm. They use this bio pod system in the pond that they use to irrigate the organic fruits and so this once again shows this is all natural and non-threatening to nature. We're going monitor it closely and look forward to the results. We'll report to the BOT and to membership.

**Compliance** – Committee responds to reports made by members. We are proud to respond in a timely matter, but we do want people to understand that the resolutions are not always as quick as we and membership would like but we are hearing all calls and all concerns - looking into everything and unfortunately just because something is reported as a potential compliance violation doesn't always mean it is. Sometimes it may not even be a compliance issue, but it doesn't mean that it can still be addressed -like neighborly. The numbers for compliance we are formally engaged with just under a dozen members. Two fines have been needed as a more serious course of action this last month. There is a strict due process that we follow that every member

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goes through, and we appreciate the process of being able to first notify the member of the issue and invite them in -have a conversation for them. There is an allowance to make an individual plan with the BOT resolutions. We're stepping up our course of action there may be more recourse than there has before, there may be more fines than there have been before but we're doing it fairly and in the best interest of the entire membership. We will be taking on more issues that overlap with the ACC permitting process - badly expired projects or site development projects that have stalled and are obviously not going to make their deadline we're gonna call him in and try for resolution.

When there is a chance to work on our plan (Phil and I devised a plan) -for fun we called it the 2023 Riviera tour. Somewhat randomly I would pick a section every week and make sure that I would pick a section and literally drive every road in that section. Phil would then sign off. We have a big map of the Riv and I would highlight every road I'd driven. By June that entire map was highlighted so we restarted again. We're in the 2024 tour now, so if you just see me just sort of cruising around slowly waving --I'll be in a big water truck--and that's what we're doing. So, like I said, other than responding to specific calls -whatever form they come in -sometimes Golf and Grounds Dept will come back to me and let me know that they saw something -and reports come in all different fashions. So other than responding specifically to things, when we have a chance -sort of downtime - we then will systematically drive every road.

**GM Report:** We now have a Pro Shop instead of a golf shop -we have hired Molly Miller as the Pro Shop Manager. Molly is an LPGA Professional and she brings a lot of good ideas and enthusiasm to the pro shop. We're very much looking forward to seeing the improvements that she makes.

You may have noticed that I laid off one of our Administrative Assistants to save money.

I recall at the Annual Meeting last year, Deb Parker asked "do we ever look at reducing costs?" Yes I am and this move will save us \$80,000 a year. There are not a lot of places where we can save that kind of money, but we are constantly looking for ways to cut costs. I recently negotiated our audit contract -we've historically been spending \$23,000 for our audit and they have now agreed to do this year's audit -and I instructed them to do a virtual audit rather than coming to our location to do a couple of days on site =and they've agreed and to do the audit for 15,000 this year -so savings of \$8000. This is a two-year contract, and we will have another discount next year too.

We have stopped all foreclosure activity with both law firms. The old law firm is down to two or three cases, and they are with them because they are close to resolution. The new firm is doing a tremendous job -so much cleaner, clearer and less expensive but I've asked them to stop until further notice except for I think 4 cases which are close to being resolved. The purpose of the foreclosure process is to bring these lots back into our possession so that we can sell them and generate annual assessments from those lots. Last year we sold six lots in the amount of \$67,000 and those lots are now paying dues which we weren't getting before. You may have received just recently an announcement that we have 10 lots available for sale this month and next month we have four more lots. The amount that we spent on foreclosures feels like an expense, but it's

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intended to be an investment. I don't believe we will get back all the money we spent but we're beginning to get back some of the money.

I've budgeted, if you look at the cash flow forecast, something that Bill asked me to do last month and something that hasn't been done for quite a while, so I created this cash flow forecast. I think it's something that should probably be of more interest to you than the income and expense statement because it beautifully reflects what is happening in terms of cash in and cash out monthly. When we prepare the annual budget it's a zero-sum budget, meaning we set our assessments based upon how much we expect to spend. So, if we're running properly, at the end of the year we should have no extra money. Hopefully we can beat that but that's how we set a budget. If you look at this, we're starting in February with \$113,000 in cash and we should end the year with \$110,000 in cash - now this is our operating cash, not our reserve cash or water cash. This is just our day-to-day operations. You might note that included in this, is a loss on an investment land which is the properties that we've reclaimed in the amount of \$160,000. Which is the 14 properties that we have available for sale and their average - we're selling them - making them available to members on a sealed bid basis for the assessed value. The assessed value is approximately \$15,000 per. What we don't sell through the closed bid process and after members have had a chance to buy it at a minimum of the assessed value (Pierce County assessed value) we will take reasonable offers on lots. At the end of March and last year we sold all lots - three through the closed bid process and then another three to folks who came in after the process and bought them from us for what we felt were reasonable prices based on the market. I've prepared this cash flow projection - we will continue to prepare this, probably on a quarterly basis, because I think it's more beneficial and of more interest to members than the financial statement. We also have a Key Performance Indicators report which includes information on cash balances. If you're interested in a copy of the income statement, I have copies and if ever you have any questions please come by and see me and I'll be happy to discuss with you and answer any questions you may have. Also added to the KPI report includes members of good standing, members in delinquency, golf rounds played, things like at the Lakeshore - how many guests served (1319) members or guests, ACC & Compliance numbers, etc.

#### **Questions asked about at the previous meeting:**

**Question: Clarification on NO-WAKE change to Lake Josephine** - The official rule for wake from the state means: the speed of watercraft that does not cause water action that disturbs another watercraft at rest on a dock or swimmers and speed the water path went underway be excess of five mph.

**Question: Would you like to know more about the previous collection issue** - There is an ongoing review of this and a full presentation will be given to membership when that review is done. The BOT cannot make further comments on this topic at this time.

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**Question: How many meals are served at the restaurant?** This has already been part of the KPI framework and will be updated in the upcoming months and I believe the answer that question was 300 and 1319 people.

**Question: Would like to know if we pay for karaoke?** Because this is public information yes, we pay \$232/month for karaoke. We found that it was very active, both members and non-members enjoying evening.

**Question: Would like to know what the long-term plan is for the General Manager** - Currently our GM is on a two-year contract and the current BOT will jointly review the position and contract when it is up. There is a heavy engagement towards making sure there are clear policies and procedures in place, as well as best practice day-to-day operations. Getting insight as to what is needed to do the job, which is why all the documentation is currently being reviewed.

**Question: Development on the Lakefronts** - Thank you very much for great meeting. I really think this is great and your time. I just want to mention because I'm close to the lake my worries continue about particularly like Josephine and I noticed this weekend there's a new tree down in the lake I don't know if you've noticed this um off of narrows tell me midway through the lake and I'm just worried there's a lot of Pierce County signs up for development around the North End of lake Josephine sorry I'm pointing and I I'm just worried about the lake and when the lots were divided and there's 3150 was it thought about how that's gonna impact the lake and I know Pierce County monitors that etcetera we have lakes community that's great I just continue to be worried there's plastic being put up on people's property up against the lake I I just worry about the lake so so just so I understand the question that you're concerned about stuff in the lake whether it's trees or tariffs or just anything any objects in it and like correct it in the lake and the development that's ongoing and and starting all around the North End of lake Josephine I I know we can't control well I don't know how much we can control on like Josephine given that's a Riviera I I don't know the weeds about no pun intended could you it would help the board out if you guys you sent an e-mail or called us later and give us more of your thoughts when you had them and write it all and give us specifics and even you know you like sent pictures I'd love to see some pictures of what you're talking about and then we can test the GM to look into that more to get more answers to you so I think this is one of the ones we'd like more information from you with an e-mail and pictures so we can jump into that yeah yeah that'd be great and and my only other thing has to do with so there was a letter that sent or information sent out about blocks for sale go in the mail US mail it's OK this letter was received today in the mail and it covers all the lot that reclaims haven't seen I got mine today so or yesterday so thank you and that is the only people that there's anybody else Jessica OK I motion to end our meeting now and start town hall

#### **Member Comments/Questions**

*I think it's really good that you're holding the town hall meetings, but I think it's really important that what the discussion of the town hall meeting is going to be about and is given to the members prior to the time of the meeting. We can have topics and some of the topics that we want discussed that we're going to ask questions about such as the rental situation and the*

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changes to the bylaw situation and the coal point situation people have questions but they also if they know that it's going to be discussed at the meeting they can think about it before they come the result of that rather than just being open. One thing that we can investigate is having membership suggest topics in the future. To be clear we have done that -that's how the first meeting got started. Members have topics they provided which we covered (like rentals last time) and we covered another couple of topics. We might have a talk about the bylaws but we will let you know when we do have a topic to talk about and we'll let you know if there is no topic. We are still going to have the town halls no matter what. We already know that in April we're looking at having the attorney here for the bylaw changes because of a member complained about us doing specific town hall meetings during the winter when most members aren't here. We can't stop being a BOT in the winter because there are some members not here. And we appreciate member feedback.

**Town halls** and again for everybody May 25th is the only real change because the Tanner meeting again actually the topic points was the towel review was purpose town hall I'm gonna say this so we all clear panels or public meetings that are open to everyone or in our case members people are invited to ask questions and share their thoughts and ideas about living in the Riviera a town hall meeting is a great way to get to know your volunteer community leaders and let them know what matters here this is straight off the Google the reason I put in all members also is because some members here will make comments that affect the island by talking about exclusivity and closing the access to amenities to people that aren't remembered the. They should be allowed to come and speak their thoughts on it because there's a lot of members that do support our bodies which in turn supports the membership if you have any questions at the end

**Meeting Adjourned** 11:31