

Shangri-La Shores, Inc.

Annual Meeting Saturday, June 9, 2018

10:00 AM Race Road Fire Station

Meeting Called to order at 10:05.

President Rob Marsicek welcomed everyone and had members introduced themselves to create a community feel.

- 1. Approve minutes of 2017 annual meeting – No changes were necessary. Rob called for motion to approve, Steve Hucik motioned for approval, Carol Green seconded. All approved.**

- 2. Treasurer’s report – Brian Pulk summarized his work as the new treasurer and explained the documents connected with the budget of Shangri-La Shores. He shared the two paths of finances: the operating budget (those costs and expenditures related to the costs of operating Shangri-La Shores each year) and the long-term reserve (the plan for the maintenance, repair, and replacement of our organization’s assets). He reviewed the budget proposals (pages A, B, C, and D sent to all members in May) for the 2019 and referenced the 2017 and 2018 budgets for comparison of the previous budgets.**

Discussion followed:

- The last couple years we have been underspending, and there will not be an increase in dues for the 2019 year at this time.**
- The well will need to be flushed as part of the maintenance plan and that cost is around \$1000.**
- The biggest issue is the possibility of building a second well. As our current well reaches the end of the typical 50 year life of a well, such as ours, we are also mindful of salt-water intrusion and sand intrusion.**
 - Dave Bernardy has been exploring second well possibilities – location, easement possibilities, legalities, and costs. Based on our situation, this could run between \$50,000 to \$125,000.**
 - The disparity in the costs will be investigated and based on what is discovered, we may have underestimated the trajectory of the reserve funds for the water system.**
 - Two members asked if the current plan of a 2% yearly increase in the long-term water reserve funds will be sufficient when the time comes to build a new well. And the questions posed was, “Do homeowner association members want a big assessment or should we increase the yearly dues to accelerate the long-term**

reserve funds for when a new well is needed?” Brian responded the board will be re-evaluating the long-term reserve funds this year to analyze the plan after gathering more information about the costs of new construction. As of now, there will not be an increase in the dues.

- Discussion continued about the options for a second well that have been explored, but no action will be taken until the numbers are solid.
- Motion to approve 2019 budget. Ron Roberts motioned for approval of the 2019 Shangri-La Shore budget. Faye Magnuson seconded. All approved.

3. Financial Audit Requirement –

- Based on new legislation, the audit requirement states an HOA budget of \$50,000 or more must have a professional CPA audit, but an HOA with a budget between \$25,000 and \$50,000 may have an audit or the membership can waive this requirement. A professional CPA audit – could cost a couple thousand dollars. When Brian Pulk took over as treasurer and Lyle Kendall filled in for Les Dodge, both recognized the impeccable records kept by Les. The new law applies to new HOAs and to HOA’s that vote to adopt it. The law governing us does not require an audit for our fixed budget.
- Steve Hucik made a motion to waive the CPA audit, Carol Green seconded. All approved Motion passed.
- Discussion continued about the importance of keeping transparent with finances. Bill McDonald has volunteered to do a peer audit but more than one person is needed. The membership recommended the board send out a communication requesting help with the peer review, and if there is no interest, the board will continue current practices and request a peer audit next year.

4. Dock/Pier report –

- Ron Roberts reported the safety chain at the end of the pier will be installed when there is a high tide. He repaired the wheels on the float and lubricated the bearings. Things are in good order and all costs can be covered with the operating budget with board approval. Ron and his family were recognized for the incredible amount of time and effort they have put in to keep many aspects of Shangri-La Shore in safe operating conditions. We as a board truly appreciate everything the Roberts have maintained, repaired, and kept in running order!

5. Grounds report –

- The NW Lawns cleaned the culvert near Tract A.
- Carol Green re-stained and resealed the picnic tables and benches last fall.
- The pump house was repaired after the tree blow down, siding repaired and paint touched up. Steve Hucik will take a look at the roof and check for dry rot, mold, and termites on the inside.
- Kim Jaderholm suggested this could be a responsibility of the point person for water as identified in the Operating Procedures Manual that was recently completed.

6. Old business

- Document retention and storage – Now that the guidelines have been defined, work will begin on categorizing and saving those identified documents
- Community directory update – The latest directory is completed and those interested in receiving a hard copy (directory information will not be on the website), please contact Lois Craig at lec2910@comcast.net for a copy.

7. New business

- Steve Seachrist shared a homeless person was using the pump house area to live in his car. He called the sheriff and that seems to be resolved. Thank you, Steve for your awareness and it was recommended we all be aware of those around the area especially with the season of VRBO and guests in our area.
- Marilyn Pulk's term as the book barn steward has expired and Faye Magnuson volunteered to take over for the next year.

8. Election of new board - Terms expiring: Brian, Dave, and Rob

- Nomination for Brian Pulk to be on the board and econded.. All in favor. Motion approved.
- At this time, with two vacancies on the board, the bylaws allow the board to appoint those interested after the annual meeting has been completed. As a point of order, the past president will be a member for a year and can vote if a tie breaker is necessary
- The importance of inviting the next generation of membership to be a part of the governing body and community was the topic of discussion. We need to prepare for the future! A request could be sent out to the

membership to get more people involved in Shangri-La Shores as part of the message that accompanies the minutes.

- **Keep talking to your neighbors – in-person conversations build relationships and more people tend to be involved when there is face to face contact.**

11:15 Motion to adjourn, seconded and approved.