

**Country Club Estates Homeowners Association**  
**Board Meeting Minutes**  
**Saturday, May 12, 2007**  
**9:00 AM**

**Call Meeting to Order**

President Clete Jackson called the meeting to order at 9:02 AM.

**Roll Call**

All board members were present: President, Clete Jackson; Vice-President, Marc Diltz; Secretary, Bob Nelson; Director, Donna Robbins and Director, Patty Salesses.

**Approval of Minutes**

The first item on the agenda was the approval of the March 10, 2007 Board Meeting minutes. Marc Diltz made the motion to approve the March 10, 2007 minutes and Bob Nelson second. Motion passed. Marc Diltz made a motion to approve the April 21, 2007 Board Meeting minutes and Patty Salesses second. Motion passed.

**Treasurer's Report**

Clete Jackson stated that the board was still continuing to look for a new Treasurer. The Board is working with Morrow & Company and is in the process of making the Treasurer's position more simple by having the Treasurer report to the CPA on a monthly or bi-monthly basis. We are hoping to eliminate the complications we have experienced. Jackson also informed the members that there were 17 people delinquent on their membership accounts and would like to find a process to make it easier for members to pay their dues.

**Unfinished Business**

Bob Nelson discussed the city's Planning and Zoning plans for zoning on water retention. Both the city and the P&Z can't decide who is responsible. Monday night the city will be meeting and Bob Nelson said he will be attending. On May 19<sup>th</sup>, P&Z will be meeting to discuss this issue. Marc Diltz asked about the members background on the P&Z board. Nelson responded that the P&Z board members came from different walks of life. The President is from Comcast and another member is with Deming Sand and Gravel Company. No information on the other members.

**Announcement of New Director**

Clete Jackson stated the Board was going to announce a new Director but this was put on hold because the Board needed further discussion.

**New Business**

President Clete Jackson stated that the 2007 Budget must be re-voted on because there were too many issues on both sides. Marc Diltz stated when you have a vote in which certain steps are taken and lessons are learned about a record date. The Board used a record date of December 29<sup>th</sup>. A record date is the members who as of that date are in good standing. Since we used the December 29<sup>th</sup> date, there were certain people who couldn't vote. This did not make the process legal and the Board has consulted with our attorney for the last month and a half to see how we can correct the situation. So, we need to take a re-vote and the proxies made it very difficult especially in a tie vote where people who were not present maybe were not represented. The first vote goes away basically if there is a tie in which you establish a new vote. You need

people to represent others but not by using a proxy. The Board is looking for a way to send out ballots in the correct manner so we don't repeat this process over. Sending the ballots by mail would eliminate the proxy vote and the membership would not need a special meeting. Bob Nelson mentioned that the board has a Post Office Box Number where all the votes would be sent and only two people would be authorized to retrieve the votes. Those votes sent to the Club House address would be considered invalid. We are still working on the process and the membership still has 17 people who didn't pay their dues. There is still some work to be done but all votes will go to the Post Office Box Number which will be on the letter's return address.

Cheryl Fontaine asked a question to Marc Diltz about the people who couldn't vote if these were the people who didn't pay their dues? Patty Salesses said basically we used the wrong record date, it must be 30 days before the vote to be considered a record date. We used the Annual Meeting date which was incorrect that left people out from voting and it wasn't fair to them. Rudy Rosenquist commented that in the Covenants/Bylaws that the budget is voted on at the Annual Meeting and does the lawyer agree with the totally mail-in ballot? Clete Jackson stated that the board can't answer that question because the board needed to do more research and seek further legal advise.

Donna Robbins read the following statement from the Board's attorney:

**Voting by Mail and Options in the Event of Another Tie:**

*The vote can be done via the mail, however, you must make sure the Reedy's cast a vote even if the vote is a "no vote" of their shares, which we already have been to the Reedy's and they have said they would be agreeable to put something in writing but not voting, so, we have their (130 some votes) at the time, whether the meeting is via mail or in person you still must have a quorum, so the Reedy's are a very important factor, if the voting is done by mail you must need the voting instructions that include the procedure in the event of a tie; let the members know in the initial voting information if there is a tie a new ballot would be mailed out to all persons to vote on only the options that received the highest amount of votes. You'll need to inform all members in the voting instructions what the record date will be to determine members who are eligible to vote and which members are in good standing. As per our discussion, record date can not be more than 30 days prior to the date of the vote, to cover your bases you need to send ballots to all members and then the ballot counters need to be given a list of the members in good standing as of record date to determine if the votes are valid or not.*

Clete Jackson remarked that Bonnie Rosenquist requested to be added to the agenda and she replied that all her questions were covered. Bob Nelson replied that Rudy Rosenquist's question in regards to the budget stated that at the Annual Meeting the Board had agreed to hold off until March to approve the budget. Currently, we do not have a budget even though you made the motion to approve the budget in the March meeting and because of some legal questions we do not have a budget and the Board has been advised that strictly the only money we can spend is only for maintenance. Veronika Barnes asked if the Board was operating on the 2006 budget and the reply was no and therefore she mentioned that the Sunday's Ice Cream Social would be cancelled.

Donna Robbins quoted an excerpt from the Board's attorney as to Budgetary Expenses and Post Office Boxes for Elections:

*Because the budget has not been authorized by the general members, the board needs to insure the extraordinary expenditures made outside the normal scope of board business a business even a non-profit organization has to spend money to maintain itself, therefore, as long as the expenditures are consistent with needs of members of an organization then the expense can be validated. The PO rental box is a valid expenditure within the normal course of business to function properly.*

Clete Jackson stated that the Board does not have everything in place yet and didn't want to comment. Bob Nelson further discussed the ballots and a possible cut-off date. Donna Robbins explained how validation of members is done through court records. Shirley Wheeler commented on member eligibility and why not wait a year. Clete Jackson stated we need an operating budget now. Patty Salesses mentioned that it might be illegal for an organization to operate without a budget. Ben Secor voiced his concern about RV'ers who would be gone and would not be able to vote. Marc Diltz replied how the Board relies on Tom Strauss for current addresses. Secor then asked if members who will be gone if they could vote early. Donna Robbins said that would be difficult since we have 50 people without e-mail addresses. Hal Wheeler also voiced his concern because he will be out-of-town and wanted to be able to cast a vote and wanted to know when the ballots would be mailed. He also mentioned the time frame to send ballots in the bylaws. Clete Jackson stated that the Board wanted to eliminate proxies because they were too complicated and that the Board wanted to reach everyone. Patty Salesses commented to Shirley Wheeler's question that everyone has a choice to vote and we can't hand deliver to everyone. Marc Diltz asked for suggestions to communicate with all the members and comments on the ballots. Clete Jackson said the ballots are the same so that the members would be familiar with the process. Rudy Rosenquist commented about the confusion on the March ballot. Bob Nelson responded to Hal Wheeler's question about bylaws as to Article 3, membership is entitled to 14 days notice and read the entire article and asked if there were any disagreements with this statement. Rudy Rosenquest again stated his concern that his family will be gone during the voting process and could they write a written authorization for their vote. Betteanne Strauss requested a preprinted proxy but the Board said no. Lorraine Sandborn had an idea that if we asked the attorney about leaving a signed proxy on file for a certain period of time. Donna Robbins explained it would not be a good idea because the Board was criticized for doing this.

Donna Robbins again quoted the Board's attorney about the structure of the ballot:

*I believe it's better form to have two different things to vote for on the ballot. First half of the ballot could consist of two opinions. Number 1, I approve of the operating budget excluding the capital outlay moneys designated below or Number 2, I do not approve the operating budget. The second half of the ballot would consist of the five options that way in the event of a tie the entire budget has been approved and so we would have funds available.*

Marc Diltz said we kept the ballot the same so that we could be consistent with the five options still being available. Clete Jackson voiced his concern about keeping the vote simple without proxies. Rosenquists wanted to have their vote count while they were gone. Joe Eggleston mentioned power-of-attorney to individuals who could act on his behalf. Donna Robbins suggested that if a letter was written let's say by the Rosenquists saying they authorize an individual on their behalf, dated and signed could be used and in case of a tie stated authorization

to be represented in this event. The Rosenquists stated they would sign a letter today. Robbins further stated the Board could send an e-mail to inform other members but it was suggested that also a letter would be more suitable.

### **Status of Standing Committees - Architectural**

Clete Jackson stated we are still looking for a Treasurer and the position basically is paying the bills. We also need another member for the Architectural Committee. Presently, Jackie Loflin and Gary Roosenberg are on this Committee and we still need one more member.

### **Committee Reports**

Jackson stated that committees are to present a written report to the board so it can be attached to the minutes so the community knows what's happening.

### **Standing Committees:**

**Activities:** Clete Jackson stated there was no report because there isn't a budget.

**Architecture:** Clete Jackson reported there were five actions and only one was denied.

**Facilities:** Clete Jackson reported that the committee has the cooler working.

### **Special Committees:**

**New Owner Welcoming:** Betteanne Strauss mentioned it has been very slow and nothing for now.

**Newsletter:** Tom Strauss reported he has one newsletter in the works and the next one will be on hold because of the budget.

**Recycling:** No Report.

**WebMaster:** Dawna Diltz reported it is up-to-date.

**Developer:** No Report.

Clete Jackson asked if there were any questions and Veronika Barnes informed the Board she is no longer in-charge of the Activities Committee and Jean Roosenberg was her replacement. She also announced that the Ice Cream Social was definitely cancelled but the fourth of July function was still on but there will be a charge. Barnes also commented on the appearance around Country Club Estates that the weeds were not being removed.

### **Announcements**

Next Open Forum - June 9; 9AM; CCEHA Clubhouse

Next Board Meeting - July 14; 9AM; CCEHA Clubhouse

### **Adjournment**

Clete Jackson motioned for adjournment at 10AM and Patty Salesses second. Motion passed.