

CAPE GEORGE COLONY CLUB
MEMBERSHIP MEETING
July 19, 2003

1. **Call to order:** Skoien called the Annual Membership Meeting to order at 2:00 p.m.
2. **In Attendance:** Joyce Skoien, Robin Scherting, Mark Morris, Duane Nail, Brian Ritchie, Barbara Barnhart
3. **Action on Minutes:** Kathy Ritchie moved (passed unanimously) to approve the minutes of the Annual Membership Meeting of July 20, 2002.
4. **Treasurer's Report:** The written report of Gary Smith, Treasurer, is attached to these minutes. In summary, Smith reported that Cape George Colony's financial status is very good. We expect to finish 2003 (as of September 30th) on budget after providing proper funding to the reserve balances. As of June 30, our financial balances totaled \$562,465. The Board has approved two budgets for ratification by the membership – a 3-month (1 Oct 2003 thru 31 Dec 2003) budget and a 2004 budget -- for Club operations for the next 15 months. The annual assessment of \$25 will remain the same for next year. The water use fee has been increased by \$2.00 per month to properly fund water operations and reserves. This year we implemented the new Asset Reserve Schedule. This schedule allows us to identify and reserve for future major financial needs well in advance of when we must spend the money. For a variety of practical reasons we have changed our annual accounting year from one ending on September 30 to a calendar year-end close. Our business is very well managed by Co-Managers Zane Wyll and Linda Cooley. Our bookkeeping is done accurately and on a very timely basis and complex projects are handled professionally.
5. **Committee Reports:** Building: Oral presentation and written report submitted. The Committee approved the following requests this year: twenty three for tree cutting, nine for earthwork, eight for new residences, one for an addition to an existing home and two for ancillary buildings. Environmental: Oral presentation and written report submitted. This year the committee engaged in a wide range of activities including fundraising, community education, dog waste disposal, removing noxious weeds, continued work on the ravine trail, a preliminary beach erosion study, a fire prevention plan, the development of an environmental committee nursery, community landscape maintenance and the development of plans to upgrade the Huckleberry, Highlands and Colony entrances. Marina: Oral presentation and written report submitted. The Marina is at full occupancy. The inlet to the marina was dredged during February and July and appears to be at -3.5 as allowed by the permit. This next winter Dale Huselton and the marina committee plan to rebuild some of the finger docks. The crew is building a crab/shrimp cooking facility by the north entrance to the marina. Many other jobs were completed during the year including the installation of a small lighthouse as a memorial, port (red) and starboard (green) ship lanterns posted by the workshop, the inspection and repair of dock woodwork, dock water system, engine maintenance and overhauling and strengthening the hoist plus numerous other repair, refurbishing and maintenance and improvement projects. Membership: Oral presentation and written report submitted. During the past year there were fifty-three real estate transactions at Cape George including the sale of 30 homes and 23 lots. This is an increase of about 15% over last year. Within the Village, 10 lots and 10 homes were sold. Within the Highlands, 4 homes were sold. Within the Colony, 13 lots and 16 homes were sold. While the written report indicates the names of all buyers and sellers, certain transactions caught our attention. One Smith family moved away but three new Smiths moved in. We lost families named Rainwater, Walls, Gates, Thorne and a Bentley while we gained families or individuals with surnames of Head, Woods, Post, Stone, Weir, Hill, Fox, Porter and Taylor. Neighborhood Watch: Oral presentation and written report submitted. We have thirty block captains and several co-captains for our neighborhood watch program. Most

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of Cape George is now participating in this program except for the Highlands and a few other streets. The Emergency Preparedness Committee has merged with the Neighborhood Watch committee. Committee representatives are participating in Jefferson county efforts at emergency preparedness. For the next year we will continue to participate and remain informed about county-wide efforts and we will plan for ways that our own immediate community may be prepared for emergencies. Pool: Oral presentation and written report submitted. The swimming pool committee has recommended or provided for several pool improvements including new locks, new vinyl tiles in several areas, the installation of benches in the pool area plus our volunteers cleaned the tiles around the pool. With committee support the Board approved major plans for renovation of the pool building and for the installation of a new air-exchange system to replace the failing dehumidifiers. The committee fully supports the plans for the carve-out of space from the pool area for an exercise room in order to reduce the cubic feet served by (and thus the cost of) the new system. Our 8:00 a.m. and 9:15 a.m. classes are gaining in attendance and are popular. Roads: No report. Social Club: Oral presentation and written report attached. We had an active and successful year with hundreds of members participating in our many activities. These included the Salmon BBQ, an ice cream social, Ocktoberfest, the Bazaar, Granny's Attic, a Silent Auction, Thanksgiving and Christmas dinners, Easter egg hunt, and Mother's and Father's Day events. Funds raised have been used for improvements at the clubhouse, office and equipment (mowers) for Cape George as well as a significant contribution (\$1,600) for some needy families at Christmas time. We have also dedicated a significant portion of funds for the purchase of playground equipment for small children. Water Advisory: Oral presentation and written report submitted. Our major water project (the completion of a 12" main from the tank farm to the county road and the link-up to the system in the Village) should be completed this fall. Our water quality is good – it meets all state and federal standards. There has been an intermittent very heavy demand for water on some of the recent really hot days resulting in an occasional significant reduction in water pressure, particularly for the Village.

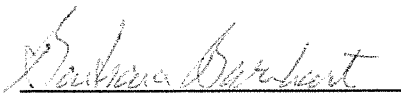
6. **Joint Statement of President and Managers**: Oral presentation with written report attached. Board opted to close the office on Fridays, to approve the co-manager concept with Zane Wyll and Linda Cooley, and replace our full-time water operator/maintenance man with a full-time maintenance man, Jay White, and a part-time water operator, Ken Neal. We decided to change our budget year to a calendar year (Jan thru Dec), which requires a once only 15-month (one 3-month and one 12-month) budget period to accomplish the changeover. We also changed the assessment payment schedule to 3 times a year versus 4 times in order to accommodate our accounting computer program. Regulation changes: (a) Updated all the position descriptions for our personnel; (b) Abolished the Long Range Planning Committee; (c) Implemented a Finance Committee with Cliff Prout as chairman; (d) Added new members to the Building Committee and Don Lee was appointed chair; (e) Limited HOW members can invite guests to their private functions at the Clubhouse -- however we unanimously agreed to NOT limit WHO could be invited (this could easily be interpreted as discrimination); (f) Made it clear that members may not rent the facility and charge a fee or collect a donation from their guests; (g) approved renters' access to our beaches, trails, and parks to be reviewed after one year, which happens in November (so far, only 2 rentals have been given this privilege by their landlords.); (h) defined our "guest" policy based on hearings and legal advice; (i) Updated our fine schedule to reflect today's economy; (j) Approved trustees attending board meetings by telephone in accordance with State regulations; (k) Revised the criteria that the Board uses to make its decisions regarding variances; (l) Dropped requirement to immediately haul out boats for those members paying only rampage; and (m) Approved new decals and the requirement to stick the decal in the lower left of the front window; also to supply

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license number to office. Construction Projects: Making steady progress on new maintenance building; painting to start soon. New pump house for Well #6 is almost finished; hope to go on line with this well before end of year. Hope to finish the 12-inch Super Main project before winter; to be funded out of water growth funds and water reserve funds at an estimated cost of between \$60,000 and \$70,000. We have major water damage in the west side of the swimming pool complex; have a cost-plus contract to complete repairs by September; estimated cost of up to \$70,000. The replacement of the failing pool dehumidifiers with an air-exchange system will cost approximately \$60,000.

7. **Trustee Election Results:** Election chairman Marilyn Hider reported that 259 members submitted ballots – about a 5% increase in participation over last year's Trustee election. This year, seven persons competed for four positions. The four candidates with the highest total votes have been elected as Trustees, as follows: Kitty Rucker (160); Brian Ritchie (159); John Garrett (157); and Robin Scherting (144). The results for the other three candidates were: Dan Gracyzk (124), Ben Fellows (123) and Jack Gourlie (98).
8. **Member Participation:** A member suggested the institution of some sort of water rationing system (such as alternated day lawn watering, etc.) to alleviate the hot day heavy draw down on our water. In response, it was noted that the heavy demand is rare and that our recent hot spell is unusual so no changes are needed at this time. It was also noted that if short-term reductions are needed in the future we can post signs to alert Members of the need to conserve. Another member said that the Board deserved a big "THANKS" from the members for the Board's hard work and foresight during the past year.
9. **Announcements:** The in-person vote on the ratification of the 4th quarter 2003 budget and the annual 2004 budget will occur at the clubhouse on September 11, 2003 at 6:45 p.m. in advance of the regular Board of Trustees meeting scheduled for that day at 7:00 p.m. Mail in ballots for these issues must arrive no later than 10:30 a.m. on Wednesday September 10. This ballot will also include an approval for a one time only 15th month audit period (as we convert to a calendar year auditing period) and approval to roll over any remaining assessment funds into our reserves as required by Federal regulation.
10. **Adjournment:** The President adjourned the meeting at 3:05 p.m.

Submitted by:


Barbara Barnhart, Secretary

Approved by:


Joyce Skoien, President