

**WHITE PASS VILLAGE INN ASSOCIATION
ANNUAL MEETING OF OWNERS**

**October 1, 2016
White Pass Day Lodge**

Meeting Minutes

MEETING CALLED TO ORDER: Board Chair Don Schut called the meeting to order at 1:17 PM.

QUORUM: Owner units present = 34 for 61.97% of the Total Voting Power. With designated proxies, 87.59% of the Total Voting Power was represented.

PREVIOUS MINUTES

A motion was made to approve the 2014 Meeting Minutes as written (Loomis/Titus). The motion passed unanimously. A motion was made to approve the 2015 Meeting Minutes as written (Loomis/Titus). The motion passed unanimously.

CHAIRMAN'S ADDRESS

Chair Don Schut welcomed the attendees and solicited comments and questions about the letter that was emailed to Owners on 9/19. The status of staffing and the Association's ownership of the Rental LLC were the primary points. The Board is actively seeking a new General Manager and on an interim basis has named Tara as the Staff Supervisor. Now that we are without a Rental Agent to own the Rental LLC, the Association is assuming the ownership of it.

SPECIAL PRESENTATIONS

William (Bill) Van Oostrum, CPA with Clifton Larson Allen distributed a handout with a synopsis of the financial activity for the Association and the Rental LLC. In summary:

The Association ended the year with operating expenses \$1,400 more than budgeted, a net loss of \$3,000, and positive operating cash flow of \$24,000. The current reserve balance is \$85,150. The 2015-16 Budget was a \$16,300 increase over the period ending in 2015 and credits pre-paid by owners from rental distributions increased by nearly \$40,000. The Rental LLC saw a dramatic increase in revenue with rebounding rentals and expenses increased as well due to the increased usage by both guests and owners (a total 45.8% increase in the complex utilization). The net return to Owners increased from about 61% in 2015 to 64.5%.

BUSINESS ITEMS

Association Incorporation. After a brief discussion regarding the benefits of incorporation, a motion was made for the Board to proceed with the incorporation of the Association (Murphy/Titus). The motion passed unanimously.

Staffing. Covered in the Chairman's report.

Going Digital – Update. A preview of the LiveRez website was provided. Progress continues on the implementation of the system, but it will not be available to be live to the public for the coming winter. It will be used by office staff to process reservations for both owners and guests. Owner access will be the next step so that they can manage their own calendars.

Pool. Don Schut advised that the planning process for potential pool improvements continues, but there are many variables at this point in regard to requirements from governmental entities that it isn't possible to determine a detailed scope of work. He added that any improvements to the pool may result in a significant project and wanted to gauge support before continuing forward.

A motion was made to approve up to a \$200,000 special assessment for pool improvements (Loomis/Titus). The resulting discussion focused on wanting to keep the pool functional in the long-term. The motion was withdrawn. As second motion was made to approve a 5-year, \$40,000 per year assessment for pool improvements to go into the capital reserves (Evans/Hummel). After a brief discussion, the motion was amended to be a single assessment for \$40,000 (Masterson/Hummel). Discussion continued with a consensus of Owners wanting to have whatever assessment is required to be spread out over time. Don Schut noted that the willingness to move forward was clear but that it may not be necessary to initiate assessments at this time. Verifying the level of support will allow progress to be made on determining the scope of work and that the Board can then initiate assessments accordingly. The motion was then withdrawn.

Mid-week Special. 753 tickets were sold through the Village Inn as part of the mid-week special package. The program will be reviewed and likely continue in one form or another in an effort to increase mid-week winter rentals.

Cancelation Fees. Last year, a new policy was implemented requiring a non-refundable deposit at the time of the reservation and full payment due 30 days from the reservation date. This was an effort to minimize the practice of people making speculative reservations and then canceling at the last minute with no penalty if they decided not to come up and then not being able to re-rent the unit. The washouts on Highway 12 resulted in several full refunds being given and then others were given at the discretion of the Rental Agent throughout the season. The accounting system also wasn't set up to accommodate the policy and this created some additional issues. Next year this will be automatic in LiveRez and staff will not be able to directly provide refunds.

Flower Baskets. It was suggested that a drip system be installed to keep the summer flower baskets watered while minimizing staff time.

Running Camp Damages. Damage to rooms and furnishings attributable to the Running Camp was noted. It was agreed that a more detailed pre- and post-camp inspection process by VI Staff be used to identify and charge for damage.

Board Elections. 3 2-year seats on the Board (Close, Simonson, and Evans) were up for nominations/election. The following nominations for the Board were made:

- Derek LaFrambois (Attaway) – Accepted
- Erin Simonson (Schatz) – Accepted
- Bob Close (Jorgensen) – Accepted (but noted that it would be his last term).
- Ken Evans (Whitmire) – Declined

With no contested seats, the nominees were unanimously approved by acclimation.

ADJOURN: The meeting was adjourned at 3:47 PM.