

High Knob Owners' Association, Inc.
Board of Directors
Annual Meeting Minutes 07/09/2017

1. Board Members present: Chris Hindman, Jim Osborn, Mike Richards; absent: Judith Sikora
2. Meeting Called to Order by Mike Richards, Chair, at 2:00pm. Meeting Purpose: Election of new board members
3. Questions from the floor
 - Motion to amend agenda made by George Kistner to allow for questions from the floor. Seconded by Elaine Farris. Keith Arnett expressed concern that adding an additional agenda item that is the same as one that already exists in the meeting agenda isn't necessary.
 - Jim Coats called for a point of information in accordance with Robert's Rules to discuss and receive clarification related to the incident report.
 - Barbara Perlik moved to amend the motion to revise the agenda to allow for two periods of questions. Motion seconded by Jim Coats and passed.
 - Jim Coats asked for clarification of the incident report as to who was involved; who requested changing the locks on the HKOAI office; per Robert's Rules. He also stated the Board Secretary can secure and access votes, so why is the Board Secretary accused of accessing the votes? Can we vote on which board members are placed into which position on the Board in future elections?
 - Mike Richards responded that Judith Sikora was the most appropriate person to answer these questions, but she was not able to attend the meeting.
4. Approval of meeting minutes from the Annual Meeting in 2016.
 - Motion made by Chris Hindman to accept the meeting minutes as presented with the vote totals and the name of the person who prepared the minutes to be added later. Seconded by Mike Richards. Motion passed.
5. State of Finances (Treasurer: Jim Osborn)
 - Rea Howarth asked: What is the \$13,000 in roads income under line item 0800? Jim Osborn responded this would be receivables from fines. It will be revised in future reports.
 - Jim Osborn reported that expenses appear to be in line with the proposed budget.
 - George Kistner asked what the difference is between a secretary and the business manager position we currently have? Mike Richards asked Keith Arnett to answer the question, as Keith was part of the hiring authority at the time of decision. Keith said prior to 2015 the position was mainly a part-time position. The burden of the work increased substantially over time. The two board presidents (HKOA and HKUI) recommended to both Boards that this position should become a full-time position because of the increased work demands. George Kistner commented that there appears to be no tangible proof that the workload of the position increased. Keith Arnett said the position is paid for by both the HKOA and HKUI. HKUI pays 60% of the salary and HKOA pays 40%. The workload is split among these same lines. The position involves about 16 hours, on average, of HKOAI work a week and 24 hours to HKUI. Jim Coats asked whose money is the 60/40? Keith Arnett said the HKUI money comes from billable services for water.
 - Jim Coats asked who approved the 2016 minutes? Chris Hindman responded that the current membership approved the minutes from 2016 with the pending edits earlier in the meeting.
 - Gloria Greenwalt asked who is paying for the security? Mike Richards responded that HKOAI is paying. Gloria Greenwalt then asked, how much are they being paid? Security responded \$25 per hour. George Kistner asked who authorized the expense for added security? Mike Richards responded that the current president made the decision. She did not need board approval for this decision.
6. Association Annual Report presented by Mike Richards.
7. HKUI Report presented by Keith Arnett.
 - Turnover of three HKUI board positions within the last year for various reasons; however, operations continued as normal. There is a combined 35 years of community service on the current HKUI Board.
 - Technology is improving and there is currently an initiative underway to bring the HKUI technology in water monitoring forward so that the system can be remotely monitored.
 - Financial management remains strong and the HKUI Board is moving to strengthen the financial status to meet future obligations in four areas - capital improvements; reserve funds; operating funds; and investing and checking accounts (investments are in areas of future growth and are moderate to low risk).

- George Kistner asked what is the timeframe for compliance for any updates? Keith Arnett said there is no hardline timeframe concerning compliance initiatives. To fund all compliance efforts, HKUI had a loan of approximately \$896,000; this has been restructured at 3.1% and paid down to approximately \$350,000. This rate extends the life of the loan by ten years and reduces the loan payment from \$50,000 per year to \$25,000 (approximate amounts).
- Andrea Coats asked what equipment is needed for upgrades. Missy Johnson asked if there is a problem with the equipment that currently monitors the system? Keith Arnett said the purchase of new valves, pumps, etc. in order to upgrade to the new remote monitoring system would be needed. There will be a purchase of updated software and computer systems to facilitate this move. The equipment is fine. This is a software update because we currently operate on Windows XP and there are no additional updates available for the current software. Dan Althouse currently has a spreadsheet that takes into account the replacement and life of every component in the water system. The HKUI is able to predict failures and cost of replacement due to this spreadsheet. These funds are used in this regard to combat failures. All water well sites are backed up with a generator, so the system will not shut down during an extended power outage. If anyone is interested in serving on the HKUI Board, please attend the annual HKUI meeting to indicate interest.
- Stoney Jarvis asked why are we investing and not putting the money into a regular bank account? How much is in our 'slush fund'? Keith Arnett responded that all investments are regulated by the appropriate State agencies. In addition, with the rate of return approximately less than 1% in bank accounts, there is approximately a 2% rate of inflation per year and investments will offset this. Liz Achey asked which company we use for our investments? And what type of accounts are we investing in for our reserve funds and what is our ROI (rate of return)? I do not believe that we should be referring to our accounts as "slush funds." Keith Arnett responded, we use Edward Jones as our investment firm and our ROI is acceptable, based on low risk funds and moderate growth.

8. Recognition of Volunteers

- Jennifer Albertson (Firewise). Through her work HKOAI received grants to enable more fire reduction programs on the mountain.
- Chris Hindman-Toys for Tots
- Lori Oaks (HK Community Activities). She has increased community activities and involvement
- Judith Sikora-Winter on High Knob Safety Workshops

9. Election of Directors

- Introduction of Candidates, Keith Arnett, Elaine Farris, Mike Richards, Judith Sikora
- There were no nominations from the floor. Voting results are 182 votes in total. (Quorum is 123.)

Mike Richards: 173	Judith Sikora: 161	Jim Coats: 1
Keith Arnett: 140	Elaine Farris: 71	
Luke Daughtery: 5	Gloria Greenwalt: 1	

10. Questions from the floor

- George Kistner asked did we reach a quorum with the voting? Michael Richards said, yes, the quorum has been reached.
- Chet Parvis said there has been an increase in drone activity. No real laws that High Knob can enforce. FAA is responsible for drone activity laws.
- Dorthea Lucier asked can we have timely minutes from each monthly meeting published? There doesn't appear to be any minutes published on the website. Michael Richards said the website is new and improved. This is something that can be done in the future.
- Jim Coat said Roberts Rules of Order should be followed for all elections and to conduct all future board meetings.
- George Kistner said voters from the community should select all board positions. Those attending the annual meeting should elect the officers. Michael Richards said the current bylaws do not allow for this procedure.

11. Meeting adjourned.

12. Following the meeting, the Board of Directors determined who would serve in the various offices. The results were Mike Richards, President, Jim Osborne, Vice President, Keith Arnett, Treasurer, Chris Hindman, Secretary, and Judy Sikora, Director.

Respectfully submitted,

Chris Hindman, Secretary