



BLACK BUTTE RANCH ASSOCIATION

Board of Directors Meeting

MEETING MINUTES

9/19/09

September 19, 2009, 8:30 AM, Black Butte Ranch Community Center  
Black Butte Ranch, Oregon

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The meeting was called to order at 8:30 AM.

**DIRECTORS IN ATTENDANCE:** Matt Baker, Ruth Burk, Cathy Ellis, Phil Jackson, Doug Pollack, Rob Sprouse, Bruce Vaughan, Vanessa Wilkins, and Bob Wollmuth

**STAFF IN ATTENDANCE:** Scott Huntsman, Sharon Dille, Charles Kingsbaker and Katie Williams.

**PROPERTY OWNERS PRESENT:** Approximately 11 property owners were in attendance.

#### APPROVAL OF MINUTES

**Motion:** A motion was made and seconded to approve the May 16, 2009 Board Minutes and to post them on the website.

*Motion passed: Unanimous*

*Supplemental information on file: Minutes, May 16, 2009 Board Meeting Minutes*

**Motion:** A motion was made and seconded to accept the July 18, 2009 Board Minutes.

Chair Wollmuth opened the floor for discussion of the minutes. Bruce Vaughan mentioned that he felt there were omissions in the recording of his comments and requested that the minutes be revised and reviewed at the November board meeting.

**Restated Motion:** A motion was made and seconded to defer approval of the July 18, 2009 Board Minutes until the November board meeting.

*Motion passed: Unanimous*

*Supplemental information on file: Minutes, July 18, 2009 Draft Board Meeting Minutes*

#### PROPOSED 2010 SCHEDULE OF MEETINGS

Chair Wollmuth opened discussion on the proposed 2010 Schedule of Meetings. It was mentioned that the November meeting should remain because the timing is useful for discussing the recommendation on dues and allows for a transparent procedure for the homeowners when the Board is considering dues increases. There was also discussion amongst the board members as to the number of meetings necessary.

Chair Wollmuth suggested that the acceptance of the 2010 proposed Schedule of Meetings be carried over to the November meeting so the members have more time to review.

It was also brought up that there will be a Board Retreat the second weekend in January. This time will be spent on strategic planning and visioning exercises.

### **GENERAL MANAGER REPORT – Scott Huntsman**

Scott Huntsman gave an overview of August operations. He announced that August ended better than expected, however golf rounds were the lowest since 1993. He mentioned that business is down at all resorts. He credited the August results to continued expense controls in all departments, but also mentioned that we had to offer discounts to attract this level of business. He finished his report by saying that September has a good start and that golf has been selling more golf packages than the same time last year.

### **CHIEF FINANCIAL OFFICER REPORT – Sharon Dilley**

Sharon Dilley gave a report on the August 2009 financial results and reviewed the financial forecast for the year end March 31, 2010.

*Supplemental information on file: PowerPoint presentation – Black Butte Ranch Corporation/Association Operations Report for August 2009*

### **SALES AND MARKETING PRESENTATION – Charles Kingsbaker**

Charles Kingsbaker, the new director of sales and marketing was introduced to the Board. He gave a presentation on his plans for Ranch marketing. He discussed topics such as brand management, sales practices and strategies, and improving our golfer base. He discussed the implementation of a new program through Navis for call tracking, as well and other capabilities through this service. He mentioned that his department is going through and upgrading all marketing collateral.

*Supplemental information on file: PowerPoint presentation – Black Butte Ranch Sales and Marketing*

### **EVENT PAVILION – Scott Huntsman**

Scott Huntsman introduced his concept for establishing a “event pavilion”, which is part of a more in-depth food and beverage analysis he is working on. There was discussion on the viability of this concept as well as the proper naming for the venue. He mentioned that the purpose of this pavilion is to accommodate multiple large functions during our peak season, driving revenue to food and beverage so that it can eventually get to a break-even financial position.

*Supplemental information on file: Food and Beverage Program Analysis*

### **ARCHITECTURAL REVIEW COMMITTEE REPORT – Marilyn Jack**

Marilyn Jack reported on recent ARC activity. She mentioned that there were a few changes to their committee roster. The new alternate member is Bill Kinnune and Mary Ellen Wright is now a full-time member of the committee.

**Motion: A motion was made and seconded to approve the new alternate member, Bill Kinnune and the new full-time member, Mary Ellen Wright.**

***Motion passed: Unanimous***

*Supplemental information on file: Resume of Bill Kinnune*

## **REAL ESTATE LOTS**

Chair Wollmuth opened discussion on the two lots that the Ranch has for sale. It was suggested that the sales price be reduced and Chair Wollmuth opened the floor for discussion. The current real estate market was discussed and the fact that so far this year there has only be one lot sold in the Ranch. Scott Huntsman mentioned that the current listed had expired in July and after meeting with Mike Reed the real estate broker, it was suggested that the Ranch reduce the price by 30%. Rob Sprouse recommended that the lots continue to be listed.value. He suggested that the Ranch should review the pricing of the lots. There was further discussion about what action to take.

Bruce Vaughan suggested that Rob Sprouse, Matt Baker and Scott Huntsman be appointed as an ad hoc committee to review the lot sales plan. . It was then suggested that the lots be re-listed with the real estate broker and a moderate price reduction be taken.

**Motion: A motion was made and seconded to revise the membership of the North Maintenance Area Lot Sales Task Force to include Rob Sprouse (chair), Matt Baker, and Scott Huntsman. The Task Force's charter will include authority to act on behalf of the BBR Association Board on all decisions (including pricing) related to the sale of Lots GH 319 and GH 320.**

*Motion passed: Unanimous*

At 10:12 the board meeting was adjourned for a short break.

The board meeting reconvened at 10:27

## **COMMITTEE AND TASK FORCE REPORTS**

### **FINANCE COMMITTEE – Bob Wollmuth**

Bob Wollmuth, who is representing the Board as Treasurer, reported on the most recent Finance Committee meeting. He mentioned that the committee reviewed reserves and an emergency reserve fund. The committee agreed that the dues discussion needs to be transparent to homeowners. Wollmuth opened the floor to discussion on reserves. The board overall agreed that it is imperative to keep any discussion of dues increased and reserves open and transparent to homeowners.

*Supplemental information on file: Financials for August 31, 2009*

### **COMMUNICATIONS COMMITTEE – Ruth Burk**

Ruth Burk gave a brief overview of the September/October 2009 *The Ranch Report* and current committee activity.

### **LODGE AREA TASK FORCE – Matt Baker**

Matt Baker reported on recent activity of the task force. He mentioned that the task force is reviewing a master plan for the entire Lodge Area complex. Matt also reminded the Board of the upcoming November 1 Town Hall meeting in the Portland area.

### **WATER TASK FORCE – Bruce Vaughan**

Bruce Vaughan announced that the State Water Board has granted the Ranch an extension of five years to drill a new well, provided there are no protests recorded by October 23. Bruce also reported that at the last Water Task Force meeting there was discussion regarding the timeliness of preparing the well design. He mentioned that the Ranch's utilities manager may soon retire and that now is the time to complete the design, rather than waiting because of the extension.

## **NATURAL RESOURCES COMMITTEE – Cathy Ellis**

Cathy Ellis reported that she is meeting with Ranch maintenance next week to discuss a comprehensive plan on how to combat noxious weeds. She mentioned that her goal is to train volunteers doing the lot certification to also champion noxious weed eradication.

Cathy also discussed the riparian study and recommended that there be a fund established to continue the study. She mentioned that if there are any homeowners that would like to donate to the fund, she would be happy to spearhead that project.

*Supplemental information on file: BBR Natural Resources Committee Update, dated September 14, 2009; Summary of Tour of Meadow 8/17/09; Draft Proposal to establish a Comprehensive Invasive Weed Control Plan, dated 9/14/09; Year One Summary of 2009 NRC's Weeding Team Report, dated 9/8/09*

## **REVIEW OF RECOMMENDED CHANGES TO GOVERNANCE DOCUMENTS – Bob Wollmuth**

Chair Wollmuth opened discussion on the recommended changes to the Ranch's governance documents. He suggested that the Board spend the next two months reviewing and studying the recommended changes and revisit this subject in November. Chair Wollmuth also proposed that the board adopt the recommended changes to the bylaws now, since they do not have to be posted for comment.

**Motion: A motion was made and seconded to approve changes to the Association Bylaws as recommended.**  
***Motion was passed: Unanimous***

The recommended changes to the Corporate Bylaws will be discussed at the next Corporation Board Meeting. Scott Huntsman, President and CEO of the Corporation will vote on the changes and make a proposal to the Board at the next Board meeting.

As far as recommendations for change to the Management Agreement, Scott Huntsman and Bob Wollmuth will review and make a proposal to the Board at the November Meeting.

Chair Wollmuth noted that any changes to the Black Butte Ranch Association Rules and Regulations need to be posted and allowed a comment period. This will be a point of discussion at the November Meeting.

**Motion: A motion was made and seconded to adjourn and convene Executive Session.**  
***Motion passed: Unanimous***

The meeting was adjourned at 11:10 am and Executive Session convened.

## **EXECUTIVE SESSION**

The regular Board meeting was reconvened at 12:35pm

## **OTHER BUSINESS**

Scott Huntsman opened discussion on the Metolius Bill (SB 3298). He stated that we are aware of this bill and have look into it. Anyone that would like to have a copy of the bill may get one from Scott. The bill mandates that the Metolius Basin is now an area of critical concern in the State of Oregon. Primarily because the headwaters of the Metolius River are in the area and it is considered a sensitive watershed.

Scott went on to point out the main issues in the bill and how they will affect the Ranch and its proximity to the area of critical concern. He stated that after careful review of the bill it should not adversely affect the Ranch. There is a meeting scheduled for December 3 that Scott will attend, and he will contact Ball Janik to have them review it for any issue that could potentially affect the Ranch.

There was discussion of the impending foreclosure on South Meadow 14.

**Motion: A motion was made and seconded to begin foreclosure proceedings on SM 14.**

***Motion passed: Unanimous***

At the recommendation of XYZ, the board discussed disposing of all past tapes and recordings of Board meetings once minutes are transcribed.

**Motion: A motion was made and seconded to dispose of all past tapes and recording of Board meetings.**

***Motion passed: Unanimous***

There was also discussion regarding the use of recording for future meeting. It was discussed that it is ok to record meetings for purposes of transcription, but then they should be destroyed.

**Motion: A motion was made and seconded to allow recording of future meetings for purposes of transcription of minutes, and then they will be destroyed.**

***Motion passed: Unanimous***

The meeting was adjourned at 1:35pm

**Katie Williams**

Recording Secretary, Black Butte Ranch Association

**Ruth Burk**

Secretary, Black Butte Ranch Association

## SUMMARY OF MOTIONS

September 19, 2009

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**Motion:** A motion was made and seconded to accept the May 16, 2009 Board Minutes and to post them on the website in draft form.

**Motion passed:** *Unanimous*

*Supplemental information on file: Minutes, May 16, 2009 Board Meeting Minutes – Draft*

**Restated Motion:** A motion was made and seconded to defer approval of the July 18, 2009 Board Minutes until the November board meeting.

**Motion passed:** *Unanimous*

*Supplemental information on file: Minutes, July 18, 2009 Draft Board Meeting Minutes*

**Motion:** A motion was made and seconded to approve the new alternate member, Bill Kinnune and the new full-time member, Mary Ellen Wright.

**Motion passed:** *Unanimous*

*Supplemental information on file: Resume of Bill Kinnune*

**Motion:** A motion was made and seconded to revise the membership of the North Maintenance Area Lot Sales Task Force to include Rob Sprouse (chair), Matt Baker, and Scott Huntsman. The Task Force's charter will include authority to act on behalf of the BBR Association Board on all decisions (including pricing) related to the sale of Lots GH 319 and GH 320.

**Motion passed:** *Unanimous*

**Motion:** A motion was made and seconded to approve changes to the Association Bylaws as recommended.

**Motion passed:** *Unanimous*

*Supplemental information on file: Review of Governance Documents*

**Motion:** A motion was made and seconded to adjourn and convene Executive Session.

**Motion passed:** *Unanimous*

**Motion:** A motion was made and seconded to foreclose on SM 14.

**Motion passed:** *Unanimous*

**Motion:** A motion was made and seconded to dispose of all past tapes and recording of Board meetings.

**Motion passed:** *Unanimous*

**Motion:** A motion was made and seconded to allow recording of future meetings for purposes of transcription of minutes, and then they will be destroyed.

**Motion passed:** *Unanimous*

**Motion:** A motion was made and seconded to adjourn.

**Motion passed:** *Unanimous*