

SOUTH BAY COMMUNITY ASSOCIATION
BOARD OF DIRECTORS MEETING
November 9, 2023 9:30am
Draft Minutes

1. Call to Order
Meeting was called to order at 9:30 am.
2. Determination of Quorum
Quorum present to start the meeting with 5 Board members in attendance; Christine Spagle, David Jurca, John Cacho, Mark Schwendener, and Peggy Thuotte. Randy Edwards was absent. Five SBCA members (Katie Schwendener, Dave Reinke, Gil Skinner, and Dan and Soozie Darrow) were in attendance along with SBCA's GM Mark Torres.
3. Approval of Agenda
President Spagle made a motion to add an agenda item. Motion to approve the agenda with added item was made, seconded, and carried. 5/0.
4. Approval of meeting minutes for October 12, 2023
A motion was made and seconded to approve the October 12, 2023 minutes. Motion carried 5/0.
5. President's remarks - Christine Spagle
 - a. Adina Rivers has resigned from the Board for Personal reasons. We all wish her well.
 - b. Peggy Thuotte has agreed to serve as secretary. Motion to approve the appointment of Peggy Thuotte as secretary was made, seconded and carried 5/0.
 - c. Both the Chimacum School and the Jefferson Healthcare presentations were very informative and well attended.
 - d. The salmon dinner scheduled for November 10, is sold out. The proceeds will go to support the Tri-Area Food Bank.
 - e. At the December holiday event the entertainment will be a local violinist and cellist.
 - f. There will be no pancake breakfast in December as is traditional.
 - g. In January Ted Ross will be giving a presentation on the Naval Undersea Museum and Jefferson Healthcare will give another presentation, this one on nutrition.
6. Manager's report - Mark Torres
 - Club Operations
 - a. Staffing/HR
 - i. Mark is still actively recruiting one more staff member to serve as back up for all positions. Newspaper ads have not been successful in producing a qualified individual.
 - ii. Charlie Fender has been hired as an entry level person. He will assist with set up/tear down for larger events. He will also help with the holiday decorating.

- b. The Pancake Breakfast this month was for Tri-Area Food Bank. We served about 55 people. \$250 was donated to the food bank. Our goal is to raise \$10K by November 20th for the food bank.

Bay Club

- a. Mark has received a bid from an engineering firm to asses/report on threats or concerns to the building now that it is a very tight envelop that lacks dehumidification. The cost for the analysis is \$5K. Both Finance and Facilities Committees are aware of the cost and will make recommendations to the Board.
- b. Member's Lounge service will continue with Wednesday and Thursday. Periodically piano music will be added. In December due to holiday activities the service will pause and resume in January.
- c. SBCA partnered with the Port Ludlow Art League for our private label "SBCA Wine". On October 29th during the Member's Lounge the artists were available to sign labels. Approximately 60 people attended and an additional \$1,000 of the private label wine was sold.
- d. Planning has begun for the SBCA Holiday (Member) Gala.
- e. One of the shower drains in the lady's locker room has failed. The plumber is continuing to try to solve the problem.

Administrative Projects

- a. Mark and Christine have secured services for tax related needs from the CPA Firm Newman Certified Public Accountants, dba HOA CPA.
- b. The property owner whose tenant complained about the neighbor feeding animals would like to have the matter resolved. After discussion, the Board asked Mark to schedule a hearing on the matter.

7. Treasurer's Report - John Cacho

John reported that this is the 4th month of the year and we are in good shape. We have received \$340,000 in income YTD which is \$6,000 below budget. The shortfall is due to the lounge being closed during the roof repair. The full report is available upon request.

8. Board Communications - none

9. Committee Reports

- a. ARC - Mark Torres
6 applications reviewed; 4 approved, 2 conditionally approved.

No other action

taken.

b. Activities - Christine Spagle

- i. The Member's Lounge will pause for December. When the lounge resumes in January, one night Mark will prepare food and one-night members will bring food.

- ii. An event spread sheet has been developed and is working well to assist in keeping track of scheduled events.
- iii. Susan Shadick will be doing the decorating for the Salmon dinner. Katie Schwendener will be decoration for the December event.
- iv. The committee needs a new chairperson because of Adina Rivers resignation. After the meeting Debbie Cacho agreed to be chairperson. Motion was made and seconded to appoint Debbie Cacho Chairman of the Activities Committee. Motion carried 5/0.

c. Facilities - Christine Spagle

- i. There was discussion about the need to investigate the threat/ concerns about humidity now that the building is sealed. The committee forwarded the project to finance.
- ii. The Association Reserve report is expected by the end of the year.
- iii. More discussion concerning remodeling vs refreshing the locker room bathrooms. Bob Kent is going to help with suggestions.
- iv. The backyard ad hoc committee is moving forward.
- v. The personal property inventory has always been done on paper. The committee is going to add photos for clarification and insurance purposes. Mark Torres, Ted Ross, and Chris Wolle will be working on the project.
- vi. There was discussion about the club liquor license and the use by other organizations/groups who are renting the facility. There is a need to make sure that people who rent the facility do not put our liquor license in jeopardy.
- vii. Committee is waiting on the reserve study.

e. Finance - John Cacho

- i. The reserve study results will be available in December.
- ii. Mark presented a 3-year forecast. There are tax implications if revenue from other sources is too large in relation to assessment revenue. The goal is to have a clear direction financially.
- iii. Facilities committees recommended the purchase of a sound bar to replace the speakers in the pool area. The sound bar would allow for continuous volume. Motion was made to allow the purchase of

a sound bar, not to exceed \$350. Motion seconded, carried 5/0.

- iv. The finance committee recommends investing the Reserve funds, currently sitting in low interest-bearing accounts, in 3 different CDs. Motion was made to authorize the SBCA President, Christine Spagle, SCBA treasurer, John Cacho, and SBCA Vice-President Randy Edwards as signers for the CDs to transfer \$80,000 into three CDs at First Security Bank as outlined below:
 - 1. \$40,000 in a 13 month "Relationship" CD yielding 5.05% APY.
 - 2. \$20,000 in a 11-month "Relationship" CD yielding 4.5% APR
 - 3. \$20,000 in a 11-month "Relationship" CD yielding 4.5% APY.Motion was seconded and carried 5/0.
- v. Motion was made and seconded to remove Adina Rivers as a signer on the SBCA 1st Security Bank accounts. Carried 5/0.
- vi. The Board Association has identified a new CPA firm that deals with HOA tax issues. In order to protect the preferential 1120H income tax filing status only 40 % of HOA revenue can come from non-assessment sources. Additionally, expenses related to non-assessment revenue cannot exceed 10% of total expenses. Supplemental, non-assessment revenue with low related expenses appears to be a better a fit for SBCA.

d. Health and Fitness - Mark Torres

The committee is moving forward with a survey for members inquiring about member fitness habits.

f. HR - did not meet

President Spagle made a motion to accept the committee reports. Motion was seconded, carried 5/0.

10. Old Business

- a. Complaint (wildlife feeding), follow-up.
Torres to schedule a hearing.

b. Board Vacancy

There have been no volunteers to fill the Board vacancy.

11. New Business

No new business.

12. PLVC Report - Dave Jurca

Dave reported that the presenters were Greg Brotherton, Diana Smeland, the

Emergency Management Committee, and LMC. Further detail is available on

Their web-site www.plvc.org.

13. Members comments - none

14. Adjourn

Motion to adjourn at 10:37. Motion seconded, carried 5/0.

Next SBCA Board Meeting: December 14, 2023 | Next SBCA Board workshop date: TBD