

South Bay Community Association (SBCA)
Board of Directors Meeting
September 12, 2024

Minutes - Approved

1. Call to Order 9:31 am
2. Determination of Quorum
 - Board of Directors Present
 - Bob Gilbert
 - Michael Stuber
 - John Cacho
 - Carolyn O’Keeffe
 - Mark Schwendener
 - Board Members Not Present
 - Randy Edwards
 - John Goldwood (resigned)
 - General Manager
 - Mark Torres - Present
3. Approval of Agenda
 - Approved by voice vote
4. Approval of Prior Meeting Minutes for August 8, 2024
 - Approved by voice vote
5. President’s Remarks
 - Notation of Busy Month
 - Pancake Breakfast for Backpack for Kids was a success
 - Port Ludlow Players are setting up for a run
6. Manager’s Report (Mark Torres)
 - Highlighted from written report (See written report)
 - More stable staffing model
 - Reserve Account Project Expenditures are on track
 - Tax return for fiscal 06/30/2024 is on extension
7. Treasurers Report
 - YTD income is on track
 - Reminder of the quarterly collection pattern
 - YTD expenditures are on track
 - Reserve contribution is on track

8. Board communication

- Pet noise complaint from a resident of Teal Lake Village
 - The complaint was also reported to the Teal Lake Village committee
 - The respondent has already acknowledged the complaint
 - The respondent and village committee are working on resolution
 - Recommendation:
 - Acknowledge to the complainant
 - the village committee is working to resolve the problem
 - SBCA will let the village handle it
 - The complainant may let us know if they want further action from SBCA
 - SBCA will follow-up in six months to verify resolution

9. Committee Reports

A. ARC

- 3 approvals
- ARC committee reviewed complain from LPV3
 - did a site visit
 - determined that any run violation was not substantiated
 - recommended no action
 - Motion to approve no action
 - Motion by Carolyn, second by John, approved by voice vote

B. Activities

- Review of pancake breakfast
- Confirmed the name of "Member Social" for the
 - Potluck appetizer get togethers
 - Committee to reach out to newer members and residents
 - Next Social will be Friday, October 11
- Upcoming social events will include non-alcoholic options
 - eg. beers and possibly wines
- Discussed Members Lounge on Thursdays
 - Currently no member lounge on Thursdays (Wednesday only)
 - Perhaps open bar but no "high level" food
 - Perhaps add board games or other "game" type attractions
- Upcoming Events
 - Fri, Oct 4 - Pancake Breakfast for Dove House
 - Fri, Oct 11 - Member Social
 - Fri, Nov 1 - Pancake Breakfast
 - Fri, Nov 8 - Salmon Feast
 - Fri, Dec 13 - Holiday Gala
 - estimated attendance cost \$60-70
 - Tom Stahl to entertain

C. Facilities

- Recommendation for Carolyn O'Keefe to take over as Chairman
 - Motion to approve appointment
 - by Michael, second by John, approved by voice vote

- There was discussion during the Board Meeting about resolution of the new chairs for the Card room
 - The SBCA president purchased 16 chairs for under \$800
 - Previous recommendation was to go with chairs that cost \$800 each
 - Gil Skinner was not happy that the previous process was not followed
 - He felt that SBCA president had overstepped by purchasing less expensive chairs before all options had been explored and that buying less expensive chairs would not work out well in the long run
 - says that overstepping and not following process is the way “Boards get into trouble”
 - Chris Spagle noted she had been directed to investigate the options and was not allowed to provide feedback about the final resolution and that the only feedback received was from the Mah Jong group
 - SBCA president recognized that decisions were made more quickly than some would like and will use this as a learning opportunity to slow down and observe procedures

D. Finance

- Report submitted
- Recap of Funds and usage
 - Operating Fund: Day to day
 - Rainy Day Fund: Emergency
 - Reserve Fund: Replacement of existing assets
 - Capital Fund: Improvements and or additions
- Looking at how to invest funds more efficiently / effectively
 - Capital Fund
 - \$28K in a nine month CD
 - Rainy Day
 - \$25K in cash
 - \$25K in 6 month CD
 - \$25K in one year CD
 - Reserve has large dollars - still reviewing
- \$60K Reserve Fund expenses planned for (current) 2024 / 2025 budget year
- Discussion about starting a spending forecast for 2025/2026
 - to use as a basis for a three year forecast
- Audit Report is in preparation
 - upon completion to go to finance committee for review

E. Health and Fitness

- Cardio Equipment replacement is in progress
- Pool Area
 - Videos are working and appreciated
 - Need to reinforce lap swim times
 - Times are posted online, but need to also be posted at the pool
 - Lap swimmers have requested club to open before 7am - no staff at this time
 - Suggested some re-arrangements in weight room
 - Discussion about Friday Clinics

- F. Human Resources
 - There was a meeting - will be addressed in executive session
 - Pool Area

10. Old Business

- A. SBCA Amendment Proposal
 - The vote has been moved to May 2025
 - The Board will work on a thorough communication model
- B. ARC Complaint
 - Resolved - see above

11. New Business

- A. Proposal to put together "Communications Committee"
 - Motion by Michael, seconded by John, approved by voice vote
 - Referred to workshop for further implementation
- B. Proposal to put together "Strategic Planning Committee"
 - Motion by Michael, seconded by Robert Gilbert, approved by voice vote
 - Referred to workshop for further implementation
- C. Board Member Replacement
 - Due to resignation of John Goldwood, there is an opening for a Board Member
 - The Board is currently a seven member board
 - The Board is empowered to replace any vacancies up to seven
 - In order to expand the board beyond seven, a member vote would be required
 - an eMail was sent to the membership soliciting volunteers
 - The board nominated and approved Howard Weiner as a replacement
 - the term is two years, to expire June 30, 2026

12. PLVC Report

- Robert Gilbert attended PLVC Board meeting
 - There is a need for PLVC to reframe their mission before SBCA can commit to any increase in support
- Currently PLVC supports the following
 - Trails Committee
 - Utilities Committee
 - Emergency Management
 - Holiday lights
 - Is seen by the County as the political nexus for Port Ludlow

13. Board Held Executive Session

- Heard from HR committee
- The Board approved HR recommended actions

14. Member Comments

- none

15. Adjourn

- Motion to Adjourn approved by voice vote

Next SBCA Board Meeting: October 10, 2024

Next SBCA Board Workshop: October 1, 2024

SOUTH BAY COMMUNITY ASSOCIATION
BOARD OF DIRECTORS MEETING
September 12, 2024, 9:30am
AGENDA

1. Call to Order
2. Determination of Quorum
3. Approval of Agenda
4. Approval of meeting minutes; August 8, 2024
5. President's remarks
6. Manager's report
7. Treasurer's Report
8. Board Communications
 - a. Member Complaint – Noise (pet).
9. Committee Reports
 - a. ARC
 - b. Activities
 - c. Facilities
 - d. Finance
 - e. Health and Fitness
 - f. Human Resources
10. Old Business
 - a. Proposal to amend SBCA Master Declaration
 - b. Member Complaint – 4.2.5 Maintenance
11. New Business
 - a. John Goldwood resignation
 - b. Director replacement.
12. PLVC report
13. Executive session to consider personnel matters.
 - a. HR complaint.
14. Member comments
15. Adjourn

Next SBCA Board Meeting: October 10, 2024 | Next SBCA Board workshop date: TBD

Mark Torres, SBCA General Manager

Active Projects:

1. Club operations:
 - a. Staffing/HR:
 - i. I have hired a new event support person to replace Oliva Schmitt. Her name is Mary Burke. She will be working ea. week at the Member's Lounge, and then also training with Marie to provide relief custodial (support).
 - ii. Deneca Huff will be leaving the SBCA in late October or early November. She will be moving back to Alaska. She has been a staff member since February of 2022. Mary is training to replace Deneca, but we will also be searching for additional custodial support to help cover longer periods of demand when Marie is on planned or unplanned leave.
 - iii. I am in the final process of modifying Melinie's role/job description, as well as David's and then creating a new job description for a new admin. position. The new admin position will be a combination of admin roles that include HR, records management, accounting, event coordination, and oversight of the Front Desk. The new position/role will report to Melinie and I. These modifications to staff roles will support the ability for me to work with the Board and Committees more directly to develop a business plan (short & long term) and develop operations manuals for all areas involved in the HOA administrative function, and facility care. Additionally, these modifications will be the first step in creating a staffing model with much less risk to the HOA if the GM is unable to perform due to planned or unplanned absences, or during periods of recruitment for a new GM. Transition should be completed by October 1.
 - b. Pancake Breakfast: our monthly fundraiser for June was for Backpacks for Kids. We had a normal turnout of about 50+ppl, and the organization will end up receiving over \$500 in share of proceeds and direct donations from the event.
2. Bay Club equipment/active projects.
 - a. As you are aware the asphalt project occurred last month. Due to damage that occurred during the sealcoat drying period, repairs are still required to finish out the project. The damage that occurred was largely associated with Inner harbor Village's roadways. The SBCA only experienced minor damage in two areas. Because there is more work to be completed, we have not been invoiced yet. The reserve project will most likely get paid in October, even though the project for SBCA concluded in early August.
 - b. We have a number of other reserve expenditure projects/purchases occurring at the end of this month. Chairs for the card room were received and put in place. Old chairs were given away to a number of SBCA members. Fitness equipment has been ordered and is arriving today. A new dust collection system for the Woodshop will be ordered next week. The locker room tile is scheduled for the week of September 23 and will involve complete closure of both locker rooms while the work is being performed. During that period the Pool area will also have a number of projects occurring and the pool/spa will also be closed during the (week) period. The pool projects are spa resurfacing, heater replacement for pool and spa, slider door replacement, and the pool tile will be repainted. All planned reserve expenditures approved for the 2024-2025 fiscal year should be completed and paid for by the end of October. At this time, the total of all expenditures is still in line with the budget forecast.
3. Administrative Projects.
 - a. The CPA firm, Newman Certified Public Accountants is actively conducting the audit that was approved by Members at the July 2024 Annual General Meeting. I am hoping to receive a preliminary audit report at the end of the month. Newman Certified Public Accountants also is finalizing the SBCA's 2023 corporate tax return. The audit expense (including annual tax preparation) is coming in at nearly half of the forecasted allocation. An expected savings of \$4-\$5K.
 - i. ARC Committee Report (August meeting): There were eight applications submitted for August. All were approved, one was conditionally approved. Three of the eight applications were "Fast-

Mark Torres, SBCA General Manager

Track” approvals (approved via email in advance of the in-person meeting) all were ratified. After application review, The ARC committee reviewed the complaint from LPV III. Conclusion as follows: **(Motion to report the SBCA ARC’s conclusion to the SBCA Board as follows; The rule violation allegation made within the complaint involving a conflict with the SBCA Master Declaration, 4.2.5 Maintenance of Landscaping is unsubstantiated. The respondent’s lot/yard landscape was deemed by the SBCA ARC to be aligned with the expectations specified in SBCA Master Declaration, 4.2.5 and SBCA Design Standards 5.2.1. The yard theme focus was primarily native plants and did not conflict with the existing character of the South Bay.** Approved 4/0.

THE SOUTH BAY COMMUNITY ASSOCIATION
Treasurer's Report
For the Period Ended 8-31-2024 (pre Bank Reconciliation)

Current Assets	\$ 401,335	
Fixed Asset *	\$ -	
Total Assets		\$ 401,335
Operating account balances:		
Petty Cash Acct	\$ 500	
Petty Cash - Debit Card	\$ 2,989	
Sound Bank Business Checking (new)	\$ 51,908	
Sound Bank Business Checking (old)	\$ 279	
SB Food & Beverage Acct	\$ 6,458	
Sound Bank MM Other **	\$ 39,587	
Total Operating Funds		\$ 101,721
Other Account Balances:		
1st Security - Reserve Savings	\$ 94,493	
1st Security - CD1	\$ 25,798	
1st Security - CD2	\$ 25,798	
1st Security - CD3	\$ 31,073	
Sound Bank - Rainy Day Fund CD	\$ 74,751	
Total Savings & Reserves		\$ 251,913
Capital Improvement Fund - Kitsap Bank		\$ 27,997
Total Checking/Savings		\$ 381,632
Accounts Receivable	\$ (4,626)	
Accounts Payable	\$ -	
Loan Payable	\$ -	
Other Current Assets	\$ 60	
	Current Month	YTD
Deposit to Reserves Fund	\$ 11,352	\$ 11,352

Fund Movements from Previous Month

31-Aug	31-Jul	Change	Comments
\$401,335	\$401,335	\$0	
\$500	\$500	\$0	
\$2,989	\$1,345	\$1,644	
\$51,908	\$34,356	\$17,552	
\$279	-\$1,524	\$1,803	
\$6,458	\$3,579	\$2,879	
\$39,587	\$90,799	-\$51,212	
\$101,721	\$129,056	-\$27,335	August Income>Expenses Income = \$20,527 Expenses = \$52,924 Net = (\$32,416)
\$94,493	\$84,892	\$9,602	
\$25,798	\$25,702	\$96	
\$25,798	\$25,702	\$96	
\$31,073	\$30,944	\$129	
\$74,751	\$60,751	\$14,000	
\$251,913	\$227,990	\$23,923	
\$27,997	\$27,991	\$7	
\$381,632	\$385,037	-\$3,405	
-\$4,626	\$14,501	-\$19,127	
\$60	\$1,817	-\$1,757	
		-\$24,290	Total Change

YTD	Actual	Budget	Variance
Ttl Income	\$ 199,427	\$ 198,896	\$ 531
Ttl Expense	\$ 146,794	\$ 160,493	\$ (13,699)
Net	\$ 52,632	\$ 38,403	\$ 14,230

Average monthly operational expense current FY = \$ 73,397

Submitted by,
John Cacho, SBCA Treasurer
September 6, 2024

* This figure does not include the value of SBCA's real property, including the Bay Club building. Other Fixed Assets of \$347,197.00 have been fully depreciated.

South Bay Community Association
Cash Balance Sheet
 As of August 31, 2024

	Aug 31, 24
ASSETS	
Current Assets	
Checking/Savings	
1000 · Operational Accounts	
1001 · Petty Cash	500.00
1002 · Petty Cash Acct. - Debit Card	2,456.37
1003 · SB Business Checking New	51,908.24
1003.1 · SB Food & Beverage Account	6,458.25
1003.2 · SB Business Checking -Old	344.28
1004 · Sound Bank MM	39,586.92
Total 1000 · Operational Accounts	101,254.06
1004.1 · SBCA Rainy Day Fund	74,751.06
1100 · Reserve Accounts	
1100.1 · 1st Security Reserves - CD1	25,797.64
1100.2 · 1st Security Reserves - CD2	25,797.64
1100.3 · 1st Security Reserves - CD3	31,073.32
1101 · 1st Security Reserves Expenses	94,433.28
Total 1100 · Reserve Accounts	177,101.88
1400 · Capital Fund Accounts	
1401 · Capital Improvement Fund	27,997.71
Total 1400 · Capital Fund Accounts	27,997.71
Total Checking/Savings	381,104.71
Accounts Receivable	
1220 · Accounts Receivable	-4,626.12
Total Accounts Receivable	-4,626.12
Other Current Assets	
1201 · Square Clearing Account	60.44
Total Other Current Assets	60.44
Total Current Assets	376,539.03
Fixed Assets	
1520 · Equipment	347,197.00
1600 · Accumulated Depreciation	-347,197.00
Total Fixed Assets	0.00
TOTAL ASSETS	376,539.03

South Bay Community Association
Cash Balance Sheet
As of August 31, 2024

	<u>Aug 31, 24</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 · Accounts Payable	13,089.61
Total Accounts Payable	<u>13,089.61</u>
Other Current Liabilities	
2200 · Sales Tax Payable	461.58
2300 · Payroll Liabilities	
2303 · FUTA Payable	464.97
2304 · SUTA Payable	646.00
2305 · PFML Payable	330.68
2306 · LTC Payable	355.97
2307 · L&I Payable	561.34
Total 2300 · Payroll Liabilities	<u>2,358.96</u>
Total Other Current Liabilities	<u>2,820.54</u>
Total Current Liabilities	<u>15,910.15</u>
Total Liabilities	15,910.15
Equity	
3000 · Unallocated Net Assets	-92,282.49
3001 · Fund Balance - Operating	158,469.09
3002 · Fund Balance - Reserves	223,252.16
Net Income	71,190.12
Total Equity	<u>360,628.88</u>
TOTAL LIABILITIES & EQUITY	<u>376,539.03</u>