

**SOUTH BAY COMMUNITY ASSOCIATION
ANNUAL GENERAL MEETING OF MEMBERS
Wednesday, July 15, 2020 at 3:00 PM
By Telephone and Web Conference Call**

DRAFT MINUTES

1. Call to Order

President Sheldon called the meeting to order at **3:02 PM**

2. Determination of Quorum

A quorum was declared by Secretary Clark, with more than 325 members present by proxy. In addition, all Board members and GM Torres were present by remote video or phone conference.

3. Meeting Protocol put in place to keep the meeting orderly and minimize background noise members were instructed to:

- If muted, to mute their phone (by pressing *6) or to mute computer audio when not speaking
- Wait until comments or questions are invited before un-muting (by pressing *6 on their phone) or by un-muting their computer audio, and then ask to be recognized before making their comment or asking a question
- Mute their phone (*6) or computer audio when finished speaking.

4. President Ray Sheldon's remarks and Q&A Session

Up to a point, this felt like a pretty normal year for the SBCA and its board. Certainly, there were issues to be addressed...priorities to be set and actions to be taken to move them forward.

And then, in February, the COVID-19 virus started to show up, and it changed everything...not just for the SBCA but for all of us. It changed all of our lives and how we live them, and those changes continue.

Looking forward, the changes which the virus brings continue to develop. At the moment, there is no 'normal'...everything is very fluid. What we know today may not be true tomorrow.

And the virus can be lethal, so the decisions which each of us make each day on how we're going to live our life that day can have life or death implications.

The same applies to the decisions which all companies and businesses make on how best to serve and protect their customers...in our case our members and our employees. The goal always going to be **to keep everyone safe.**

So, as COVID-19 has evolved and grown, the SBCA board has made a number of decisions intended to do just that...**to keep everyone safe.** Closing the club was done to do just that...**to keep everyone safe.**

When the club can reopen is, at the moment, unclear. What that might look like, and what additional costs will be involved, is speculative at this point. What is clear is that, when we do reopen, it will require both changes to the way we use the club and increased costs to meet all requirements.

I'm sure that the next Board will stay in touch with the membership as new information is received and as reopening plans become more concrete.

So, let's move into this meeting by looking at the activities which occurred during the year...things which got done, priorities which got addressed and results achieved...many times in spite of the virus.

Q & A Session:

Q: Do we need to pay music licensing fees during club closure?

A: License is for playing any music at any time, even once during the year.

Q: What does tiered dues strategy mean?

A: Moving away from a fixed set of dues to different levels based on club usage. Not yet.

Q: What about leasing the tennis courts? What about noise levels to adjacent homes?

A: We always have that on the table. We have options during our 50-year lease at one dollar per year. Are there ways we can use the facility more often. Not for social events.

5. Financial Reports: Presented in PowerPoint slides on file at SBCA & available upon request

a. Fiscal Year ending 6-30-2020

b. Reserve and Operating Budgets 2020 – 2021

c. Treasurer Summary

Member Q & A for 5a, 5b, 5c below.

Q: Furlough was implemented & why was this authorized?

A: As a multi-tiered question, it will be addressed by email.

Q: What about % level of reserve funds?

A: Will be addressed in a few minutes.

Q: Comment: What about zero balance budgeting development?

A: The SBCA has been doing zero based budgeting since current GM was hired.

Q: When replacing the roof, has SBCA considered solar panels.

A: This has been researched as a way to heat the pool and spa, etc. The cost of implementation and ROI did not add up. It is a better investment to look into more efficient heat and lighting appliances. The solar panel issue is deferred until better ROI is available for this technology.

Q: Is the pool drained right now?

A: Draining out 21,000 gallons and replacing it is a cost issue as well. It's a timing issue depending on the pandemic. The heat in the pool water is down to 60 degrees.

Q: How are these increases in the reserve funds funded

A: Reserve contributions are funded by revenue the Membership receives; 95% of all 2020-2021 revenue is forecasted to come from Member "dues" quarterly payments.

Q: Will be seeing further dues increases in the coming years to fund the reserve fund?

A: Any increases to expenses year over year, will require a corresponding increase in revenue to reconcile. That is why supplemental non-member revenue is key and so is savings to large expense areas like utilities. Savings in utilities can yield significant savings in total expense which helps to reduce the burden for increase in revenues to come from members in the form of a "dues increase".

Q: Would members prefer to have fewer services to have lower dues? Is the Board going to change their mind?

A: The new board will consider your question. There is also the tiered dues concept.

Q: What about the inflationary factor on the reserves?

A: Using a 2% inflation factor, we know what future cost will be in today's dollars and that the projections require an increase of 2 to 3% increase per year to take inflation into account.

Q: Can we reduce operating expenses for the next 3 months?

A: The budget was developed based on the assumption that the club would be open. We will be evaluating this issue on a monthly basis. However if closed the SBCA will definitely save money on planned operational expenditures.

Q: What about a dues reduction in the pandemic?

A: We will evaluate on a quarterly basis.

Q: What about a financial review?

A: We have projected forecast... we can anticipate expenses while opened or closed. Again, we will evaluate on a quarterly basis. These issues will be discussed at the next Finance committee meeting and recommendation will be made to the new Board. Members will be kept in the loop.

Q: Is it not necessary for a vote from membership on capital improvements? What right do we have? Capital improvements should not be a priority right now. Some of my neighbors are going through bankruptcies.

A: The board does listen and survey the membership when a large expenditure is considered. But spending by the Board is their decision unless the spending if the expenditure will require a special assessment. Members are encouraged to let the Board know their thoughts. These issues go through Finance and Facilities committees before the Board makes a decision. Further, there are no plans for capital improvement spending.

Q: What plans do PLA have to improvement their sales process?

A: The outgoing board has collectively put together recommendations to the new Board about how the Board can work with PLA to improve the situation. We also need to look for other sources of income.

Q: Are we planning on PLA income every year? They don't have as much to sell anymore, so we should work to stay within our current income.

A: That is exactly what Finance and the Board has done given the drop off in sales of PLA properties. Our projection for this coming FY does not anticipate PLA sales at all for FY 20/21.

Q: How much spent on salary/payroll since shutdown and why was it authorized?

A: See the Q and A e-Blast from July 2nd explains why. The amount paid out for March through June was ~\$79,000 – consistent with what was budgeted based on regular average hours worked.

Q: How did the Q&A in advance get put together.

A: The process was developed so that we could address the questions as they came up. Dave Jurca and Mark worked on the answers and the Board would communicate via email in the interim.

Q: Special Assessment shows \$34,000 and another \$30,000 – these amounts will be reconciled once the yet paid special assessment dollars are paid, they will be transferred to the reserves (about 60 k in June 2021).

\$34K represents “money in the bank” currently and \$30K represents anticipated balance to be paid/collected in Special Assessment Member quarterly payments. In July 2021 Special Assessment term of special assessments payment will end. The anticipated balance of \$64K will be addressed by the Finance Committee and a recommendation will be provided to the Board regarding allocating the funds (transferring) and close out the Special Assessment bank account.

Comment: Thanks to Board

Q: Did the Board consider applying for COVID PPP program funds?

A: Only 501 (c) (3) and veterans organizations qualify. We do not.

Voting Ballot Items

6. Introduction of Board, Board Candidates

2019 – 2020 Board Members

| DIRECTOR | PRESENT |
|-------------------|---------|
| Birch | X |
| Clark – Sec. | X |
| Jurca | X |
| Shadrick – VPRES. | X |
| Sheldon – Pres. | X |
| Spagle – Treas. | X |
| Sprandel | X |

2020 – 2021 Board Candidates (In alphabetical order)

- Dave Jurca

- Bert Loomis
- Gil Skinner
- Christine Spagle
- Bill Wight

7. Membership Voting Issues

- Approval of July 2019 Annual Meeting Minutes
- Budget Ratification
- Whether to waive Audit for 2019 – 2020 Fiscal Year
- Election of Directors
- Proposed Amendments to SBCA Bylaws

8. Introduction and Recognition: Committees, Volunteers, Staff

All members of SBCA Committees were listed, recognized and thanked for their service to the Association. Several slides in the PowerPoint presentation listed all Committees and their rosters with thanks.

Special Recognition for Joe Guillien's contribution of his time and effort to accomplish several SBCA projects including:

- Heat Pump noise remediation.
- Added windows to Woodshop entry doors.
- Modified Front Desk entry door from standard door to Dutch Door.
- Building a multiple slot mail delivery box for Front Desk to store Village and other Organization's mail.
- Maintained outdoor planter boxes.
- And countless other small projects ...

As a thankful recognition of all of Joe's work, he was presented with a beautiful painting of his boat by artist and former Board member, Steve Hammond. A digital photo of Joe and Steve (holding the painting) is available upon request.

9. Member Comments

Q: North Bay has 3 employees. Why do we have so many? FT and PT?

A: LMC has 3 FT employees; we have only 2 FT and 10-12 PT employees.

Q: How are we coordinating with other clubs to coordinate opening?

A: We have been in contact informally to coordinate. We maintain contact.

Comment: One COVID-19 case can be expensive. The other comment was an attack on a former board member. It is not recorded.

Comment from Dir. Jurca: This has been a very trying year for the Board. Pres. Sheldon's work is very much appreciated.

The four new

- 10. Election Results:** Will be posted to SBCA website and sent via e-Blast on July 16, 2020 or as soon thereafter as practicable.

New board members are:

Gil Skinner

Dave Jurca

Christine Spagle

Bill Wight

- 11. Adjourn. Meeting was adjourned at 5:18 PM**

The 2020 Annual Meeting was conducted via remote access at

<https://join.freeconferencecall.com/wall/bayclubgm>

or by calling the dial-in number: (339) 209-6193

Directly following the meeting, the new Directors met and selected the following Board Members to serve as Officers of the SBCA:

- **President:** Motion to appoint Bartholomew Clark as President was made by Dir. Birch, 2nd by Dir. Sprandel: Motion carried
- **Vice President:** Motion to appoint Dir. Sprandel as Vice President was made by Dir. Clark, 2nd by Dir. Birch: Motion carried
- **Treasurer:** Motion to appoint Dir. Spagle as Treasurer was made by Dir. Jurca, 2nd by Dir. Sprandel: Motion carried
- **Secretary:** Motion to appoint xxx as Secretary was made by Dir. Clark, 2nd by Dir. Sprandel
Motion carried

Submitted by Bartholomew Clark, SBCA Board Secretary, 2019 - 2020