

**SOUTH BAY COMMUNITY ASSOCIATION
BOARD OF DIRECTORS MEETING
October 09, 2020
9:30 am**

MINUTES

1. Call to Order at 9:32 a.m.

2. Determination of Quorum

6 of 6 Directors present by remote video or phone conference.

3. Approval of Agenda

Moved: Dir. Wight

Second: Sec. Birch

Carried w/o Objection

4. Approval of Meeting Minutes from Sep 11 and 22

From Sept 11

Moved: Dir. Jurca

Second: Dir. Wight

Carried w/o Objection

From Sept 22

Moved: Dir. Jurca

Second: Dir. wight

Carried w/o Objection

5. President Bart Clark's Remarks

Good morning, everyone. As we meet today, I hope the membership can take some comfort in the performance and dedication of SBCA's Board members. Your volunteer Board members continue to devote their efforts to the safety of SBCA members during the Covid-19 pandemic and to the protection of SBCA's financial standing. Knowing that general liability insurance policies have not covered biological and pandemic damages since the 2005 SARS outbreak, we had to make some tough decisions. At every juncture, our motivation has been to protect the health, safety, and well-being of our membership during life in the time of Covid. Further, we have endeavored to do our best to protect the financial health of SBCA while judiciously authorizing well-considered expenditures for the maintenance and needed improvements in our facility while it is in shutdown status.

I also want to thank General Manager Mark Torres and our staff members, Melinie and Marie for their hard work during this difficult time. Once there is a safe and effective vaccine and/or a safe and effective antiviral to combat Covid and we are able to re-open the Bay Club under safe conditions, I think our members will be impressed by the wonderful job Mark, Melinie, and Marie have done in getting the Bay Club in tip top shape.

Finally, and unfortunately, I must address some of the less-than-kind communications the Board and GM Mark Torres have received from what I hope reflects the sentiments of only a small minority of SBCA members. Your Board is comprised of volunteers with only the best interests of our members and of our Association, at heart. During the Covid pandemic we have received

messages critical of some of our decisions that have, at times, bordered on being abusively hostile in their tone and content; but, thankfully just a few. As someone who strongly believes that our role as your Board is to be in service to the best interests of everyone in SBCA, I and my Board colleagues welcome well-considered and well-informed constructive criticism from the SBCA membership. It is that form of communication and dialogue that makes for a well-functioning and productive relationship between the Board and SBCA members. So, all I ask in this regard is that everyone please recognize and appreciate that SBCA's Board members, staff, and the SBCA membership are all neighbors who together want nothing but the best for our wonderful community. Let's continue to work in partnership to achieve that goal..

6. Special Guest: Greg Brotherton, Jefferson County Commissioner –

The following comments were collected during the open discussion. Details can be found on the Jefferson County, WA website.

- The County is still in Phase 2 as mandated by the WA Governor's Office although pools with limits on capacity can open and county libraries are allowed to open.
- The County has enjoyed very low rates of infection for last few weeks.
- The County is beginning to outline the steps that will be necessary to follow for the eventual transition to Phase 3 opening.
- A public hearing is planned for the near future to discuss possible speed limit changes for Paradise Bay Road specifically the sections entering and exiting the town of Paradise Bay.

7. General Manager's Report

General News & Announcements:

I sent out an eblast to members earlier this week regarding the new security mailbox installed at the Club. Many members were confused about using it. The temporary locking smaller box that was placed outside once the Club was closed due to pandemic in March, has been removed. The Club now has a large, commercial grade secure box for members to use for all size and types of correspondence, including SBCA ARC applications.

Completed Projects:

1. Parking Lot project was completed – seal coat, re-stripe and potholes/curbs repaired.
2. Pool emptied. Pool area HVAC and fans, water heat pumps all shut off.

Other Active Projects:

1. Pool resurfacing – scheduled for January will allow current savings measure to continue through end of year. Then pool will be refilled in January to finish the resurfacing project, but heat will be left off to conserve energy, however circulation pumps must be turned back on.
2. Review of HVAC and lighting efficiency upgrade; this project is actively being addressed by the finance committee. This project has a significant implication, if done/not done, on all future budget expectations.
3. Even though we are only 4 months into the new fiscal year – the current high priority item for me is next fiscal year's budget. The budget process will be very challenging this coming year due to many conditional elements that are currently unknown or undecided such as whether/when Club will open or remain closed, lack of supplemental revenue streams, energy efficiency upgrades implemented this year (or not), if the Club is assumed open, quantifying increased costs of full compliance with Safe Start requirements (to open), the intended use of currently unallocated funds (surplus and special assessment fund/payments

from those still paying over time) and many other factors. Finance has called a special meeting next week to begin this process of review.

Admin:

1. Savings

- a. Energy savings: Total Utilities Expense down by approximately 60%, primarily due to electricity savings that is down 75% for first quarter (\$7,700 savings).
- b. Payroll Savings: All staff are furloughed (since June) and Marie will be decreasing actual days worked per week from 4 days per week to 2-3; she will supplement non-worked hours by using up her accumulated PTO hours (VAC) for remainder of the calendar year. Melinie is already working at decreased rate, on average 40% of regular hours.
- c. Supplies: While closed we have very little demand on consumable based supplies other than cleaning supplies. Total Supplies expense down 90%.

2. Membership

- a. 3-5% delinquency rate among all SBCA members.
- b. 25% delinquency rate for Associate Membership.
- c. Associate Membership declining. SBCA Owners stagnant (due to lack of additional new homes joining HOA).

3. Current numbers are as follows (detail):

- a. 600 lots (currently in SBCA).
- b. 604 dues paying members (includes Associate Members)
- c. 568 developed SBCA lots (homes on the lot).
- d. 36 Associate (SBCA) Members (pay quarterly dues).

8. Treasurer's Report

Treas. Spagle gave the Treasurer's Report. A copy is available upon request and will be posted on the SBCA website. For period ending Sep 31 2020.

9. Board Communications

- a. Loomis - The Board is up to date on communication with Mr. Loomis
- b. LPV1 Homeowners – Pres. Clark, Dir. Jurca and Treas. Spagle met with three representatives from LPV1 regarding their efforts to solicit feedback from the broader LPV1 village homeowners community for the possibility of taking ownership and/or responsibility for and control of Tract Tracts A, B and C in the future.

10. Committee Reports

- a. Activities and Amenities – No report
- b. Architectural Review (ARC) –

The SBCA-ARC Regular Meeting was held on September 18, 2020 via a web-based conference call.

- A Quorum was established and the meeting agenda approved.
- The meeting minutes were approved for the August 21, 2020 meeting.
- Correspondence with LPV3 regarding tree removal in the villages Limited Common Area was acknowledged.
- The Committee considered 12 new homeowner SBCA-ARC applications.

- The Committee unconditionally approved 11 applications, and conditionally approved 1 application.
- One of the approved applications involved building a deck and ramps on both Applicants Lot and Village Property. Approval was only given with respect to work and the portion of the deck and ramps built on Applicants Lot. The approved motion included a variance from the Design Standards (“DS”) under DS 6.0 to waive the SBCA setback requirements under DS 5.1.6. The Committee noted as considerations occupant ingress/egress and safety. Also note that the subject matter of this application is currently under consideration by the Village, and Applicant will need to separately obtain Village approval for any work, deck or ramps on Village property.
- The Committee acknowledged the status of finalizing the draft amendments to the SBCA Design Standards and related forms, for SBCA Board final review and possible approval.

Other

- SBCA Board agenda item 13.a. “Tabled until November SBCA Board meeting the vote on proposed revisions to South Bay Design Standards, related forms and guidelines.”
- SBCA Board eblast regarding Political Yard Signs.

Motion: to approve sending “Political Yard Signs” eblast (see attachment #A) to SBCA membership.

Moved: Dir. Jurca

Seconded: VP Srandel

Carried w/o Objection

c. Communications –

Website redesign is progressing. The Communications committee will work with the various villages on preserving their current websites

d. Facilities – No report

e. Finance –

- September Treasurer’s Report was reviewed.
- The financials show a surplus for the year to date
- Legal fees are exceeding budget
- Finance committee is finalizing review of year end budget to evaluate a possible rebate to the membership

f. Health & Fitness – No report

g. Human Resources – No report

11. Appointment of Board Director

The Board reviewed the single application from Mr. Richard “Dick” Grieves for Director to fill recent vacancy on the Board after Mr. Skinner’s resignation in September.

Motion: Delay the appointment of a new Director for 30 days to allow more applications from residents of other villages.

Moved: Dir. Jurca

Seconded: Treas. Spagle

Comments:

Treas. Spagle expressed a concern that if Dick Grieves is elected to the Board, the Board would consist of 4 members from the South Bay Lane area and even if no actual conflict exists, the appearance of conflict is real, particularly in light of the ongoing issues with Tracts A, B, and C.

Sec. Birch made several comments against the delay due to precedents set for no extension of deadline for previous elections, previous boards having the same number of representatives from a single village which was never a concern before, and that we can't exclude a nomination based on which village a member lives.

DIRECTOR	YES	NO	ABSTAIN
Birch – Sec.		X	
Clark – Pres.		X	
Jurca	X		
Spagle – Treas.	X		
Sprandel – VP		X	
Wight		X	

Motion Failed 4 to 2

Motion: To approve the selection of Dick Grieves to the Board of Directors.

Moved: Sec. Birch

Seconded: VP Sprandel

DIRECTOR	YES	NO	ABSTAIN
Birch – Sec.	X		
Clark – Pres.	X		
Jurca	X		
Spagle – Treas.		X	
Sprandel – VP	X		
Wight	X		

Motion Carries 5 to 1

12. **Appointment of Facilities Committee Chair**

With the recent departure of Mr. Skinner as the Facilities Committee Chair, the Board discussed adding Dir. Grieves to the committee as he has previous experience on this same committee.

Motion: Appoint Dick Grieves to the Facilities Committee

Moved: Dir. Jurca

Seconded: VP Sprandel

Carried w/o Objection

Comments:

As Dir. Grieves was previously on the Facilities Committee, the Board asked if he could be the Chair. Dir. Grieves stated that at this time, he is unable to assume the role of Committee Chair. Treas. Spagle agreed to Chair Facilities through the remainder of the year then have Dir. Grieves assume the position for 2021. The Board agreed to this arrangement.

13. Old Business

- a. The Board decided to table and not to vote on proposed revisions to South Bay Design Standards until the final editorial and formatting changes are completed. The DS revisions will be voted on after final submission by the SBCA ARC.
- b. Lewis Complaint – Responses to initial discovery requests have been received.
- c. DeDonato Complaint – A hearing is scheduled for Oct 9th at 11:30 with the owner of Bluto the Cat and concerned neighbors

14. New Business

A complaint was received regarding the bidding process for the asphalt resurfacing of Bay Club parking lot and adjoining streets. It was noted that the SBCA has received multiple bids for such work in the past wherein contractors from Kitsap County submitted bids that were not competitive and subsequently have declined to participate in the bidding process due to their lack of success.

15. Member Comments

The following comments were recorded from the general membership and the online chat:

- A member feels the Board is forcing the conveyance of Tract A, B and C on the village of LPV1.
Board Response: The Board is not forcing or conveying the Tracts to anyone. Any conveyance would require following the guidelines in the Articles.
- A member expressed a concern that with the continued closure of the Bay Club, Associate members may choose to leave or stop payments. They are paying dues and not receiving a benefit. It was suggested that the Board consider an “incentive” in the form of a rebate or dues deferral to keep paying dues; a sort of good will gesture. The Board needs to make accommodations for the members during the closure. This gesture should also be considered for the general membership as well as the Associate members.
- A question was asked why we rejected the Loomis offer and why the membership did not get a vote.
Board Response: The Board rejected the Loomis offer based in large part on the unrealistic timetable and demands attached to the offer.

16. Convene Executive Session to discuss communications with legal counsel at 11:19 AM

17. Resume Open Session at 11:29 AM

18. Adjourn. Meeting was adjourned at 11:30 AM

Next SBCA Board Meeting: Friday, Nov 13, 2020

Via remote access at <https://www.freeconferencecall.com/wall/bayclubgm> (preferred)
or by calling the dial-in number: (339) 209-6193

Submitted by Bruce Birch, Board Secretary

ATTACHMENT #A

Political Yard Signs

As we get into the thick of the season for political campaigning, it may be appropriate to remind SBCA members of the rules for political yard signs.

There are three relevant provisions. The first is §4.2.12 of the South Bay Master Declaration, written by the developer in 1989 (click here for a copy).

It generally prohibits all signs visible from any neighboring property, with certain specified exceptions. It makes no mention of political yard signs, but it allows signs upon prior written approval from SBCA's Architectural Review Committee and authorizes the ARC to specify "the size, colors, design, message content, location and period for which said sign may be displayed."

The second is RCW 64.38.034 (click here for a copy), which was enacted by the Washington state legislature in 2005. It prohibits a homeowners association's governing documents from prohibiting the outdoor display of "political yard signs" "before any primary or general election," although it allows the governing documents to include "reasonable rules and regulations regarding the placement and manner of display of political yard signs." That statute applies retroactively and expressly overrides inconsistent HOA governing documents adopted prior to 2005.

The third, and for all practical purposes the one that matters most, is South Bay Design Standard §5.1.21 (click here for a copy). It was written with the 2005 statute in mind. It echoes the general prohibition of most outdoor signs, with the same kinds of exceptions as in the Master Declaration, but with an added exception for political yard signs (see §5.1.21.G). It provides that "political yard signs" on private property "may be displayed for no more than 60 days prior to any primary or general election and must be removed within 3 days after said election. Such signs shall be no more than 24" x 24" in size, with the top of the sign no more than 42" above the ground, and shall be placed neatly on the property so as not to unreasonably obstruct traffic lines of sight."

One issue that has arisen is what constitutes a "political yard sign." For example, is a sign that says "Black Lives Matter" or "Blue Lives Matter" or "Free Tibet" a political yard sign? Although the issue is not free from doubt, in the Board's view the term "political yard sign" as used in the statute and in the Design Standard means a sign about a candidate or an issue that is on the ballot for an upcoming primary or general election, since both the statute and the Design Standard refer to "political yard signs" in that context. Under that interpretation, none of the three examples above would be considered a "political yard sign" within the meaning of the statute or the Design Standard.

However, someone who wanted to display such a sign could apply to the ARC for approval under Design Standard §5.1.21.F. The ARC could then exercise its discretion whether to approve or disapprove such a sign based on that provision.

Presumably the ARC would make its decision without taking into consideration the political content of the message.