

**SOUTH BAY COMMUNITY ASSOCIATION  
BOARD OF DIRECTORS MEETING  
November 13, 2020  
9:30 am**

**MINUTES**

**1. Call to Order at 9:33 a.m.**

**2. Determination of Quorum**

7 of 7 Directors present by remote video or phone conference.

DIRECTOR	PRESENT
Bruce Birch – Sec.	X
Bart Clark – Pres.	X
Dick Grieves	X
Dave Jurca	X
Chris Spagle – Treas.	X
Tom Sprandel – VP	X
Bill Wight	X

**3. Approval of Agenda**

**Moved:** Treas. Spagle

**Second:** Dir. Jurca

**Carried w/o Objection**

**4. Approval of Meeting Minutes from Oct 9 2020**

**Moved:** Dir. Jurca

**Second:** Treas. Spagle

**Carried w/o Objection**

**5. President Bart Clark's Remarks**

President Clark expressed his thanks to Treasurer Spagle and GM Torres for their hard work in preparing the reports from both the Facilities and Finance Committees. He also noted that Treasurer Spagle has been doing double work in serving as the Chair for both of these committees. These reports are essential to the Board's strategic planning for SBCA during the Covid pandemic. President Clark then introduced Jefferson County Commissioner Greg Brotherton.

**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 welcomes Heidi Eisenhour as new County Commissioner for District #2
- Current Covid 19 case numbers for Jefferson County are good for now, but the nation is trending to very bad numbers which may impact the County in the future.
- With the Governor's office signaling that they will abandon the phase approach to reopening, the County is going to ask for more local control.

- The County is dealing with its second large outbreak that was traced back to a Halloween party.
- The Pleasant Cove NPR is moving forward with infrastructure starting in 2021 and building scheduled for 2022.
- The County is developing plans for how to control the vehicular speed on Paradise Bay Rd near the Bay Club and North near the fire station. There is a delicate balance between traffic engineering control and enforcement. The County is working with the Sherriff's office to determine the best way to enforce the local speed limits through a transparent map of enforcement.
- The County is looking to PLA for possible multi-family housing in Port Ludlow along with pushing for continued emphasis on development of existing lots.

## 7. **General Manager's Report**

### General News & Announcements:

We are currently supporting a fundraiser for the Tri-Area Food Bank as the SBCA does every year at this same time. Our goal is to raise \$10,000 and so far, we have received \$3,800 in member donations.

We will not be able to serve as a collection venue for the Toys for Tots and the Christmas for Children programs this year, like many other places of businesses, due to the pandemic. I will be sending out an eblast to SBCA members early next week that will inform them how they can still participate this year (just differently)..

### Completed Projects:

1. Processing of assessments is nearly complete. Approximately 96% of expected assessments for quarter received.
2. Marie is working reduced hours (3 days per week); 1-2 day per week is working on organizing and filtering the entire second level of the shed (decorations and misc. seasonal goods). 1-2 days per week are spot checking, cleaning, and maintaining all areas of the Club inside and out. Remainder of days not worked are being supplemented with accrued PTO. Melinie is working reduced hours now that assessment processing is nearly done. She is now working on average 1 day per week (instead of 3) to help GM address Member correspondence issues and manage member records.

### Other Active Projects:

1. Pool resurfacing – is still scheduled for January and 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 financing is an ongoing project for finance committee. The committee should have recommendations for the Board next month.
3. The continuing high priority item for me/finance committee is fiscal planning, for the next budget and beyond (3-5 years). The Pandemic and PLA development (lack of) related concerns are making this task somewhat of a challenge. The Finance committee should have recommendations for the Board next month so that the process of building next year's budgets can begin.
  - a. A new forecast for the remaining fiscal year (4 mo. actual plus 8 mo. forecast) was recently presented to the Finance Committee in order to provide perspective on implications of considering a "dues" reduction for next quarter as well as updated

projections on total estimated savings in expenses while the Club remains closed (possibly through rest of the FY). The Finance Committee will report on their conclusions and recommendations later.

4. Working on a QuickBooks comprehensive review with one of our CPA partners. The CPA is a HOA specialist and expert QuickBooks consultant. We are looking at all HOA reporting, and all Chart of Account /Payroll items (setup). Preliminary review of payroll items has led to discovery that PTO set up while accurate with current state law, is however different than described in our Company Employee Handbook. The handbook has not been updated in quite some time, so is now outdated regarding Sick Leave (so that it aligns with state requirements). The Employee handbook was one of the Board priorities to review, edit and update along with all other SBCA policies. This review and update has not yet occurred. Given the lengthy agenda today, I suggest that the Board, at next month's meeting, or at a special meeting, review the list of Board priorities once again, established back in July, so that we acknowledge if any of the priority items are actively being worked on, and if not, establish new level of priority and resolve some of the items before the end of the current Board's term.

#### Admin:

##### 1. Savings

- a. Energy Savings: Total Utilities Expense down by approximately 60%; as colder months lie ahead, savings will remain significant but could drop a little as we will be required to turn heating systems back on at various times, in most areas of the Club over the next 4-5 mos.
- b. Payroll Savings: down approx. 40% and savings will increase as hours worked decrease, through the end of calendar year.
- c. Supplies: While closed we have very little demand on consumable based supplies other than cleaning supplies. Total Supplies expense down 94%.
- d. Total savings to-date is averaging approximately \$10K per mo., however current YTD savings on P&L is only \$28K (because offset by approximately \$20K in unplanned legal fees for multiple issues over last 5 mos.).

##### **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 Oct 31, 2020.

##### **9. Board Communications**

- a. LPV1 Homeowners – To be discussed in Executive Session
- b. Membership Complaint(s) - The Board received a complaint about a basketball stand in a front yard. The Pres. Clark directed the GM to send a letter to the homeowner asking for the basketball stand to be removed.

##### **10. Committee Reports**

- a. Activities and Amenities – No report
- b. Architectural Review (ARC) –
  - The SBCA-ARC Regular Meeting was held on October 16, 2020 via a web-based conference call.
  - A Quorum was established and the meeting agenda approved.

- The meeting minutes were approved for the September 18, 2020 meeting.
- Correspondence regarding the election and political signs was acknowledged.
- The Committee considered 9 new homeowner SBCA-ARC applications, unconditionally approving 8 applications, and conditionally approving 1 application.
- The Committee reconsidered one application that received conditional approval on 9/18/2020, and rescinded the conditions as originally approved by SBCA-ARC on 9/18/2020.
- The Committee discussed possible amendments to DS 5.1.21 (Signs) and DS 5.1.27 (Flagpoles), but tabled the discussion to edit the draft language and to further discuss before finalizing.

The ARC acknowledged:

- The status of finalizing the draft amendments to the SBCA Design Standards and related forms, for SBCA Board final review and possible approval.
- The SBCA Board eblast regarding Political Signs

c. Communications –

- The Committee met but did not have a quorum.
  - Susan Shadrick announced she was resigning
  - Janice Harper announced she was resigning
  - John Goldwood will be the new South Bay Comm. Assoc. Editor for the Voice
- Website redesign is progressing. Access accounts now working and the domain name has been renewed for another year.

d. Facilities –

- There was no meeting in Oct, but the committee did meet on Nov 10 with Treas. Spagle chairing the meeting.
- There is an effort by the Committee to form a new ad hoc team for the review of the tennis court usage, maintenance and responsibility.
- The Committee discussed the proposed replacement of the faucets in the bathrooms and locker rooms with touchless faucets.

**Motion:** Move to approve the Facilities Committee’s further consideration for replacement of the existing faucets in the bathrooms and locker rooms with touchless faucets not to exceed \$6000, with a recommendation to be made to the Board.

**Moved:** Treas. Spagle

**Seconded:** VP Sprandel

Vote called after extensive discussion:

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

**Motion Carried 7-0**

Comments:

There was a concern that this is an expense that may not need to be incurred at this time.

It was noted that this upgrade is for public safety, enhanced safety protocol and for a safe environment in public spaces.

e. Finance –

- Review of financials
  - Member assessments down approximately \$11,000, about 60 late payers as of 10/31;
  - Zero outside income as a result of Club closure due to OCVID 19;
  - Legal expense exceeds budget but reduced costs anticipated;
  - Monthly review: Ed Knodle and Bill Dennis reviewed selected transactions for September and noted no discrepancies.
  
- GM Report
  - Same as covered in GM general report above.
  
- Surplus Funds
  - Current FY – anticipated surplus at the end of this fiscal year – committee recommends 3<sup>rd</sup> quarter assessment reduction of \$40.
  
  - Lengthy discussion on disposition of operating surplus from prior years.
    - Options are deposit to the Reserves Fund or,
    - Use to offset operating deficits for the next several years.
    - The committee tabled the issue pending financing information on the HVAC project.

**Motion:** Move to reduce the dues for Q3 from \$240 to \$200.

**Moved:** Treas. Spagle

**Seconded:** Dir. Jurca

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

**Motion Carried 7-0**

- f. Health & Fitness – No report
- g. Human Resources – No report

**11. Old Business**

- a. The Board discussed the proposed revisions to South Bay Design Standards submitted by the SBCA ARC.

**Motion:** Move to approve the current revisions to the South Bay Design Standards as submitted by the SBCA ARC.

**Moved:** Dir. Jurca

**Seconded:** VP Sprandel

**Motion Carried w/o Objection**

- b. Lewis Complaint – To be discussed in Executive Session
- c. LPV1 Homeowners – To be discussed in Executive Session
- d. DeDonato Complaint – No further complaints have been received regarding Bluto the Cat.

**12. New Business**

A complaint was received regarding a basketball stand in a front yard. As noted in the Board Communications above, no action is needed by the ARC as the GM was directed to send a warning letter to the homeowner for removal of the equipment.

**13. Member Comments**

The following comment(s) were recorded from the general membership and the online chat:

- A member asked why is the LPV1 topic discussed only in Executive Session.  
Board Response: The discussion in closed Executive Session will be for consultation with legal counsel about issues and options. No action will be taken by the Board without full and open discussion in open meetings with opportunity for input from SBCA members.

**14. Convene Executive Session for the purpose of discussing and reviewing communications with legal counsel at 11:02 AM**

**Motion:** Move to convene Executive Session

**Motion:** Dir. Jurca

**Second:** Treas. Spagle

**Carried without objection**

**17. Resume Open Session at 12:13 PM**

**Motion:** Move to resume Open Session

**Motion:** Dir. Jurca  
**Second:** Treas. Spagle  
**Carried without objection**

**Motion:** Move to ratify approval of motion in Executive Session to ask counsel for legal advice on new topic raised during Executive Session (not related to LPV1 issues).

**Motion:** Dir. Jurca  
**Second:** Treas. Spagle  
**Carried without objection**

**Motion:** Move to ratify approval of motion in Executive Session regarding counsel's proposed communication with opposing counsel in Lewis lawsuit.

**Motion:** Dir. Jurca  
**Second:** Treas. Spagle  
**Carried without objection**

**18. Adjourn. Meeting was adjourned at 12:15 PM**

**Motion:** Move to adjourn.

**Motion:** Dir. Jurca  
**Second:** Treas. Spagle  
**Carried without objection**

**Next SBCA Board Meeting: Friday, Dec 11, 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**