

SOUTH BAY COMMUNITY ASSOCIATION

BOARD OF DIRECTORS MEETING

February 15, 2021

9:30 am

MINUTES

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

2. Determination of Quorum

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

DIRECTOR	PRESENT	ABSENT
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

Agenda was amended to reflect a change to the next regular meeting from March 12, 2021 to March 15, 2021.

Motion: Move to approve agenda as amended.

Moved: Dir. Jurca

Second: VP Sprandel

Carried w/o Objection

4. Approval of Meeting Minutes from January 08, 2021 Board Meeting and January 18, 2020 Special Board Meeting

Moved: Dir. Jurca

Second: VP Sprandel

Carried w/o Objection

5. President Bart Clark's Remarks

President Clark remarks included excerpts from his February 11, 2021 article written for the PL Voice addressing the possibility of reopening the Bay Club, highlighting the realistic challenges and open communication to members' questions and concerns.

6. Special Guest: Greg Brotherton, Jefferson County Commissioner

Mr. Brotherton was not able to join the meeting due to other obligations.

7. General Manager's Report

General News & Announcements:

I am arranging a call with all the area HOA GM's to review status of "reopening" for each Club facility and to review general assumptions about reopening dates and preparation. I will report back to facilities and the Board once I have consolidated the data.

Completed Projects:

- a. Pool resurfacing is complete. After care is ongoing.

Other Active Projects:

- a. Touchless faucets installation for bathrooms & locker rooms will occur sometime in next 3 weeks.
- b. A fixed pane within the slider door assembly has failed and will need to be replaced. It is out of warranty. This item was purchased and installed in 2004/2005. Commercial warranty on Milgard products is 10 yrs.
- c. A few areas (primarily backside) of Club of fascia/roof flashing have separated from main portion. A General Contractor (that repaired the Shed) is working with a roofer to schedule the repairs.
- d. Engineering plan is being finalized for HVAC efficiency/safety upgrade. Once done will be used to update and finalize/confirm total project cost (firm bids on HVAC and electrical). Project start date expected to be between end of March or early April.
- e. Lighting conversion project (to LED) is expected to begin sometime mid-March.
- f. The annual budget process has begun. A rough draft of budget has been submitted to the Finance Committee for comprehensive review.

Admin:

- a. Savings
 1. Commercial liability insurance renewal packet received from CAU. I will be working with Treas. Spagle and Dir. Jurca on submitting the annual application and renewal documents over the next week.
 2. The employee health plan renewal documents were received. I have completed a comprehensive review. My preference would be to stay with the current carrier. The increase in premium is approximately 11% or \$2200 for the year. SBCA portion will be \$1500 more per year and my portion will be \$670 per year. There was one other option available, going back to Premera, for comparable coverage, however trade-offs in certain areas of coverage would not add, or be applicable, or benefit me or my family. The Premera option would increase annual expense for SBCA and I by 7% (\$920) instead of 11% (\$2,220). I would like to request that the Board authorize me to renew our current employee health care policy/coverage through our current provider.
 3. Overall Expense savings YTD (mid-year) while closed compared to budget remains at approx. 30%. Savings of significance come from - Utilities Expense down by approximately 65%, Payroll Savings: down approx. 40%, Supplies expense down 93%.

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 Jan 31, 2021.

9. Board Communications

- a. Announcement of "Town Hall Meeting" proposed by Finance Committee

Motion: Move to send Town Hall Meeting eblast announcement for March 25, 2021 at 1 pm.

Moved: Treas. Spagle

Second: Dir. Jurca

Carried w/o Objection

10. Committee Reports

a. Activities and Amenities – No report

b. Architectural Review (ARC) –

- The SBCA-ARC regular monthly meeting, originally scheduled for 1-15-2021, was cancelled because no new applications or extension requests had been received and no other time sensitive matters needed to be addressed at that time.
- SBCA-ARC later received an application to remove a hazardous tree. SBCA-ARC decided to hold a Special Meeting on 1-20-2021, via web based conference call, to consider the hazardous tree removal application. A quorum was established, agenda approved, and the application was considered and unanimously approved. The special meeting adjourned.

c. Communications –

- Soliciting ideas for partial safe reopening.
- Informational meeting to be held on Feb 17, 2021 with Village Presidents and Web Designers to review the new website design.
- A member has commented that the general board meeting minutes needs to be more expeditiously posted on the SBCA website.

Discussion: The Board will consider posting the draft minutes once they have been routed for review by the Board members, then post a final version once approved at the next board meeting.

d. Facilities –

- HVAC project start date expected to be between end of March or early April.
- Lighting conversion project (to LED) is expected to begin sometime mid-March.
- Discussion on reopening with emphasis on access to pool and fitness area. An issue was raised regarding the cleanliness and control of distancing in the locker rooms and restrooms. Dir. Grieves volunteered to review the techniques used by the Washington Athletic Club (WAC) in Seattle which is currently open, then report back to the Board with his findings.
- Tennis subgroup meeting is planned for Feb 18, 2021.

e. Finance –

- Finance agenda: At the request of one of the Committee members, the agenda was modified to include a status report on the Lewis lawsuit.

- New Business

January Treasurer's Report: questions from Darrow what's included in the \$60,000 accounts receivable: dues (current quarter not yet paid and prior delinquent dues), special assessments, compliance penalties & fees asserted. No other issues raised,

Unanimous approval to accept the Treasurer's report

- Financials: Current Month and YTD:
GM Torres reported the Special Assessment account currently has about \$55,000 with the expectation that by June 30, the end of the 5-year period for payment, it will have about \$63,000.

PLA now has a zero balance due on their Special Assessment balance.

The **Capital Improvement** account balance is \$12,000 and tapped for the down payment on the lighting project, pending the loan from Kitsap Bank.

Reserves are just under \$200,000.

Year-end operating surplus is projected at about \$250,000.

There are 7 **delinquent** Associate Members.

Mark is working to resolve the accounts.

One significantly delinquent has a lien filed already.

Another "no response account" (\$1800) – Mark will send last chance letter, and if no response Finance will likely vote to recommend the Board approve filing a lien on the property.

The one Associate Member who asked for accommodation was contacted in January and has not responded.

We've lost several Associate Members due to club closure.

Some have asked for dues suspension which has not been granted.

If dues are not paid, letter issued notifying of membership cancellation if account not resolved.

Year to date income is down due to loss of Associate Members, the \$40 reduction in dues per lot 3rd quarter and no outside rentals due to Club closure.

Insurance Items: GM Torres has received package from CAU with a smaller increase in premium that initially anticipated. He has also received the package for employee health insurance and will be reviewing that shortly.

- **Reviews:** Bill Dennis & Ed Knodle
There was a very slight discrepancy (10 cents) in the November review, and no discrepancies found in the December review.
- **Finance:** Finance Town Hall
- Dave Jurca gave a status report on the **Lewis** lawsuit.
- Old Business
6/30/22 Draft Budget
Brief review of the draft budget. The committee members will be reviewing the draft, and line-item assignments were made. GM Torres will update the draft to reflect assignments and Treas. Spagle will send on to the Finance Committee members.

Status of HVAC/lighting project – finance impacts

We are awaiting maturity of the CD at Sound Bank and will then move those funds to Kitsap Bank to serve as security for the loan. GM Torres estimates the HVAC project will get underway in April. The lighting project should get started shortly, as the down payment has already been made.

- Reserves – status of current year authorizations/expenditures
The spreadsheet was shared with the committee. We are on track to date with expenditures, and so far there are no unexpected, big-ticket items.
- Finance Issues from Facilities Committee Meeting
None other than a brief discussion of the Club reopening.

Next SBCA Finance Meeting: March 9, 2021

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

11. Old Business

- a. Lewis Complaint – To be discussed in Executive Session

12. New Business

- a. Letter to PLA regarding additional capital contributions

Motion: Move to authorize and direct Pres. Clark to send letter to PLA regarding additional capital contributions.

Motion: Dir Jurca

Second: Treas. Spagle

- b. Bay Club Re-opening/Covid status evaluated by Board on a monthly basis

- The Board understands the need for a reopening plan, but recognizes that legal issues (including HIPAA) and regulatory compliance should not be addressed by the volunteers on the Board and requires guidance and advice of a professional. The Board will look into available professional services.
- Tentative reopening Plan:
 - Initial information will be reviewed from Dir. Grieves' observation of the WAC operating techniques.
 - Continue monitoring WA state guidelines and reviewing any changes
 - Seek legal help as needed with decisions and planning
 - Facilities Committee to work on initial framework of information and observations for review by the Board
 - Provide timely communication to the membership regarding the reopening plan

- c. LPV-3 complaint re: Violation of CC&Rs

Based on information provided in the complaint, a hearing is scheduled for March 1 2021 at 10:30 AM.

13. Member Comments

A member asked for a response to the following questions regarding the Lewis lawsuit:

- a. What is the cost to date for the lawsuit?

Board response: Cost to date is just under \$30,000. We expect most of that amount to be recovered from the defendant.

- b. Why did Escrow fail the SBCA?

Board response: SBCA was not a party to the escrow agreement and has no information as to why title was conveyed without a lien release from SBCA. The lien remains in place.

- c. Why has SBCA not contacted the new owners?

Board response: About what? The new owners do not owe a debt to SBCA.

The member asked for the Board to send a communication to the membership with information on where we are with the lawsuit, what options we have, and what it will cost from here.

Board response: The Board will take it under advisement.

14. Convene Executive Session for the purpose of discussing and reviewing communications with legal counsel and considering personnel matters at 12:10 PM

Motion: Move to convene Executive Session

Motion: Dir. Jurca

Second: VP Sprandel

Carried without objection

15. Resume Open Session at 1:06 PM

Motion: Move to resume Open Session

Motion: Dir. Jurca

Second: VP Sprandel

Carried without objection

16. Adjourn. Meeting was adjourned at 1:07 PM

Motion: Move to adjourn.

Motion: Dir. Jurca

Second: Dir. Grieves

Carried without objection

Next SBCA Board Meeting: Monday, March 15, 2021 at 10:30 a.m.

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