

SOUTH BAY COMMUNITY ASSOCIATION
BOARD OF DIRECTORS MEETING
December 14, 2018
9:30 am

DRAFT MINUTES APPROVED

1. Call to Order

President Skinner called meeting to order at 9:30 am.

2. Determination of Quorum

Director Jurca was not yet at the meeting; Secretary Walkowski established quorum with all other Directors present. Approximately 8 additional SBCA members in attendance.

3. Approval of Agenda

President Skinner announced that the Compliance Policy would be discussed in Old Business and mentioned that that Board would adjourn to Executive Session to discuss a matter/consultation with legal counsel and a Personnel matter. *Motion for approval of amended Agenda by Dir. Spagle, 2nd by Dir. Shadrick: Motion carried 6/0.*

4. Approval of Meeting Minutes – November 9, 2018

Motion for approval by Dir. Sheldon, 2nd by Dir. Spagle: Motion carried 6/0.

5. President's Remarks

President Skinner announced he would add his remarks during the Activities and Amenities Committee report given he would be giving the report.

6. Manager's Report

GM Mark Torres was not in attendance so Director Derrenberger presented the Operations Report. The SBCA Holiday Gala was a great success and the food and services staff were wonderful. All volunteers for the event were thanked and acknowledgement and appreciation were given to Marie and Melinie for all their work coordinating and setting up the numerous meetings and events the past couple of weeks. Facility rental revenue is exceeding expectations as we approach mid-year. Improvements to the Club inside and out have helped us secure this meeting business. An update was given on the Bay Club entry improvements completed; and it was reported that a new piece of Fitness Equipment for the club - a Nu-Step cross trainer is on its way. A copy of this report can be obtained upon request.

7. Treasurer's Report

Treasurer Spagle presented the Treasurer's report as of 11/30. A copy of the report can be obtained upon request.

8. Board Communication

- a. Letter from a group of members regarding the zoning of the Gazebo property was received by the Board.
 - i. After discussion, it was decided that the letter from the group of members regarding the zoning of the property as well as the Board's response would be read aloud at the meeting. After the Board's response was read by Dir. Jurca, it was requested that the response be sent to the authors of the letter. It was also requested that both the member letter and Board response be attached to the minutes. Motion to adopt the formal Board response to the letter was made by Dir. Jurca, 2nd by Dir. Shadrick: Motion carried 7/0.
- b. Letter received from Phyllis Waldenberg regarding the Bay Club interior.
 - i. President Skinner noted that he responded to Phyllis' letter, thanked her for the input, and that the Board would consider her suggestions.

9. Committee Reports, Assignments, and Confirmations

a. ARC

Dir. Derrenberger (Chair) reported that only three applications were reviewed at the November ARC meeting. These applications were related to a tree trim, deck replacement, and a small retaining wall. Further, the committee gave a 90-day extension on a project that hasn't been completed yet. Next ARC meeting will be Friday 12/21.

b. Activities and Amenities

President Skinner gave the AAC report – the Gala was a wonderful success with approximately 95 in attendance. The decorating at the Bay Club is outstanding and the tree lighting event went very well. The next member social/Happy Hour will be held on Friday, January 11 and a new local jazz group will be there for entertainment. The next pancake breakfast will be held on Friday, January 4. Motion to split net proceeds from the SBCA Pancake Breakfast as follows was made by President Skinner – 50% to a local charity, and 50% to SBCA. If an identified Port Ludlow group chooses to volunteer and help put on the breakfast, the SBCA portion can be used as an offset against that group's room usage fees. There will be no offset for fees beyond a one year period and any excess over needed offset will revert to SBCA. 2nd by Dir. Sheldon: Motion carried 7/0. This was discussed at the last Board workshop and is an attempt to provide: a win for a local charity, a win for the community as an alternative breakfast, a win for SBCA, and for volunteering, a win for a Port Ludlow group for their usage fees.

c. Facilities

Chair John Sweet gave the Facilities report and reported that the Reserve Study was still ongoing and would be presented at the February meeting. The committee also is looking to add more storage and options for the storage shed as well as adding more art work and sent a recommendation to the Finance Committee for art. There are some wall

repairs that need to be done due to a recent construction project and Chair Sweet suggested a 10% retention for projects going forward so that contractors complete the work correctly.

d. Finance

Dir. Spagle (Chair) reported on items that were covered at the last Finance meeting held on Tuesday 12/11. Income is exceeding budget largely due to the increase in rental revenue. Electric expense continues to be an issue – the new HVAC system has helped bring kilowatt usage down, however there is a “demand fee” from the PUD that causes the cost for electric to remain high. A review of petty cash and debit card expenses is underway and a review of the physical inventory for SBCA is wrapping up. Chair Spagle is attending the Facilities meetings to gauge how the Finance Committee will be impacted by requests. There was a request for \$550 for artwork near the bookcases – this was not approved and instead it was decided the SBCA will work with the Port Ludlow Artist’s League to display rotating artwork in this space, which is at no cost. There was also a request that the fireplaces be equipped with remote controls to turn on but this also did not pass given the cost would be about \$3100. There is a safety issue with the table saw in the wood working area – there is no safety mechanism/guard on the saw. Motion was made by Dir. Spagle to accept a \$750 donation from the woodworking club to be used to help purchase a new saw at an amount not to exceed \$2500; 2nd by Dir. Derrenberger: Motion carried 7/0.

e. HR

President Skinner reported there was a HR meeting held recently and year-end staff bonuses were discussed. Motion to approve the staff bonuses as recommended by the HR Committee was made by President Skinner; 2nd by Dir. Shadrick: Motion carried 7/0.

f. Communications

Dir. Derrenberger (Chair) reported on items that were covered at the last Communications meeting held on Tuesday 11/27. The Committee focused on two items – the first dealt with working on the overall aesthetics of the website and work continues on more consistency among the pages. The other item concerned the types of articles we will be submitting to the Voice each month. Thoughts are to submit articles from various committees, promotions for various clubs and organizations, as well as announcements of activities such as the pancake breakfasts, member socials, and movie nights. Dir. Derrenberger also noted that there are potential security issues with publishing the name and location of new SBCA members and it was decided names would no longer be published until new members have the opportunity to opt out of having their names published.

President Skinner requested motion to accept GM, Treasurer, and all Committee reports. Motion for approval by Dir. Spagle, 2nd by Dir. Shadrick: Motion carried 7/0.

10. Old Business

a. Compliance Policy

- i. There was discussion on two different approaches to a proposed Compliance Policy. Dir. Derrenberger gave an overview of a proposed policy that she and Dir. Spagle have worked on. There was also discussion that an overview of the policy and fines (fee schedule) be added to our existing Rules rather than a separate policy. President Skinner suggested a community meeting be held to fully discuss both approaches and to gain input. The community meeting will be held Friday 12/21 at 1:00 pm.

11. New Business

None.

12. PLVC Report

President Skinner reported on discussion and reports at the monthly PLVC meeting.

13. Additional Member comments

Additional discussion took place regarding the Compliance Policy and the role of the SBCA policy over individual villages. There were also member comments related to the division of the pancake breakfast proceeds as well as a request for a Board workshop to further discuss usage fees.

14. Executive Session to discuss matter/consultation with legal counsel and a Personnel matter

At approximately 10:47 am, Motion to move to Executive Session was made by Dir. Spagle, 2nd by Dir. Derrenberger: Motion carried 7/0.

15. Reconvene in Regular Session

At approximately 11:15 am, the meeting reconvened in Open Session.

A Motion to approve a 3.5% mid-year salary increase for the SBCA General Manager effective 1/2/19 was made by Dir. Shadrick; 2nd by Dir. Derrenberger: Motion carried 7/0.

16. Adjourn

At approximately 11:38 am, Motion to adjourn was made by Dir. Derrenberger, 2nd by Dir. Shadrick: Motion carried 7/0.

Next SBCA Board Meeting: Friday, January 11, 2019

Next SBCA Community Meeting: Friday, December 21, 2018

Next SBCA Board workshop date: TBD

WE ARE WORKING WITH THE COUNTY AND WOULD LIKE THE BOARDS SUPPORT. DAN MEADE

To: Jefferson County Commissioners

From: Teresa Forrest

Patricia Lea

Daniel Meade

Dianne Ridgley

Date: November 7, 2018

Subject:

Restoration of Bay Club to its Intended Recreational Zoning Designation.

The Problem:

Through a mapping error in the November 4, 1998 Jefferson Country Zoning Map, the South Bay Community Association (SBCA) was incorrectly zoned Multi-family (MF). Due to a series of mistakes and the assumption by property owners that the County had corrected this mistake, the miss-classification went unnoticed until 2016 when this problem came to light during a valuation analysis for a loan.

Why the Mis-Classification Problem is Important:

The Bay Club and the 11-plus acres of land it occupies are an integral part of the SBCA. From inception, the intent of the developer, Pope Resources (Pope), was that the Bay Club land be zoned Resort Complex/Community Facilitates/Recreational (RC) and not commercially developed. As Pope sold homes and building lots, buyers bought with the understanding that the Bay Club land would retain its recreational character and not be commercially developed.

As long as the SBCA property retains its MF zoning, it will attract developers and remain a problem with which we must deal. This festering problem should be dealt with now.

If this land is clear cut and commercially developed, it would destroy the village-in-the-woods environment we purchased and reduce the value of surrounding homes and those that overlook the property.

Similar to Successful Efforts to Stop Clear Cutting in the South Bay:

In the not too distant past, Jefferson County, the SBCA Board and the Port Ludlow Village Council vigorously supported successful community efforts to stop clear cutting in the South Bay. This effort insured that the environment promised by the Developer to people who bought into this community was upheld.

Errors get made, we understand that. But, they also get corrected. If the SBCA property remains incorrectly zoned for high density development, there is a chance that some or all of this land could be clear cut and developed. The negative effect would be at least as great as what would have happened

had our organs of local government not stepped in and stopped clear cutting of our village's peripheral open areas.

What We are Asking of the Commissioners:

We ask that the commissioners approve restoration of the SBCA property to RC status.

Please read the enclosed Power Point Presentation. It represents several hundred hours of detailed work and supports our contention that the MF zoning is an error that needs to be corrected.

Patty Charnas at DCD sat through all of a two hour presentation and question and answer session on this issue at the Bay Club and is very well informed and up to date. We appreciate Patty's efforts and recognize that she has much on her plate. However, should the Commissioners decide that this correction of a past error is something that they support, conveying that assessment to her would help to unite this effort and would be quite helpful.

Lastly, because it appears that this is a County error, we would appreciate the County initiating the correction process and waving all fees.

Concluding Comments:

As far as we can tell, restoring the RC zoning is supported by at least 90% of the SBCA members. In addition to the many members of our community that put in their time and expertise working on what we all view as an important endeavor, this analysis and effort is supported by at least four former SBCA Presidents.

The counter argument centers on money. Specifically, the SBCA property has a higher commercial value zoned MF and future loans could presumably be at a lower rate due to the land's development potential.

Our counter to the counter argument has three points. First, the property was never legally zoned MF and should revert back to the original intended RC classification. Second, to receive cash for value this property would have to be developed. Development would be detrimental to the value of surrounding homes and those that overlook the parcel. Finally, even if there is a loan discount obtainable from a MF designation (which we question for several reasons) we are unwilling to risk development for what could be a future loan discount that may not materialize.

As was the case with the clear cutting, we would appreciate local government entities supporting the quality of life promises made by the developers of our "Village in the Woods." Our quality of life supersedes money concerns.

We are working to further explain our analysis and thinking to the community and the current SBCA board.

Attachment:

We believe our documented research is compelling.

SBCA Board Response to Proposal to Ask County to Rezone Bay Club/Gazebo Property

A number of well-intentioned South Bay residents have asked the SBCA Board to support their request to Jefferson County to rezone the parcel where the Bay Club and Gazebo are located. The property is owned by SBCA and has been zoned MPR-MF (master planned resort, multifamily) under the County's Comprehensive Plan ever since the Port Ludlow Master Planned Resort was formed in 1999. Everyone who bought a home or lot within the MPR within the last 20 years was on legal notice of the MPR-MF zoning for the Bay Club/Gazebo property.

The persons seeking a rezone contend that the developer originally intended the property to be zoned MPR-RC/CF (master planned resort, resort complex/community facilities) and that the MF zoning was a "mistake" that should now be "corrected." The SBCA Board has carefully considered the arguments presented by those seeking a rezone and has concluded that it will not support the rezone request. Simply stated, the Board's reasons are as follows:

- 1. There is no need for a rezone. The present zoning has been in place for the past 20 years without a problem. There are no plans to remove any trees or to change the way the property is currently being used.*
- 2. Rezoning the property from MF to RC/CF would substantially reduce the value of the property. The Board would be violating its duties owed to SBCA and its members if it needlessly supported an action that would substantially reduce the monetary value of SBCA's principal physical asset.*
- 3. Under SBCA's articles of incorporation, any sale of the property would require not only approval by at least 2/3 of all SBCA members but notarized acknowledgments (sufficient for recording) signed by them. Even if the Board wanted to sell the property (which it does not), it would be nearly impossible to obtain such approvals and notarized acknowledgments from more than 2/3 of all SBCA members.*
- 4. The persons seeking a rezone are trying to solve a problem that does not exist. If they have any legitimate concerns about how property owned by SBCA is being used or may be used in the future, the Board would be pleased to work with them to try to find satisfactory solutions to any real problems.*