

**SOUTH BAY COMMUNITY ASSOCIATION
BOARD OF DIRECTORS MEETING
May 13, 2021
9:30 am**

MINUTES

1. Call to Order at 9:31 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

Moved: Treas. Spagle

Second: VP Sprandel

Carried w/o Objection

4. Approval of Meeting Minutes

Move: Approve the minutes of the Apr 21 2021 BOD Meeting

Moved: Treas. Spagle

Second: VP Sprandel

Carried w/o Objection

5. President Bart Clark's Remarks

President Clark provided the following remarks:

In my personal opinion, Board service while on the road from the Bay Club's closing to a plan for reopening has consisted of the following:

- * A mission to protect members' safety and SBCA's survival during a world-wide pandemic
- * Responding to Members' questions, concerns, and criticisms for over a year
- * Adhering to well-established scientific research and facts about the virus: what it is, how it spreads, how sick can people become, among other factors.
- * Responding to assertions based on rumors and misinformation
- * Facing hostile attacks and frequent questioning of the Board's competence that featured insulting remarks whispered near microphones left unmuted. Example: "They're a bunch of idiots", and other ad hominem remarks.

* Perceptions of some members that viewed the Board, GM and Staff as having been “on Vacation” during the COVID pandemic. Nothing could be further from the truth. Moving on, I found this next issue to be particularly troublesome...

* Inaccurate knowledge and understanding of SBCA CC&Rs by some Village Presidents regarding the governing role of SBCA’s ARC in reviewing such projects as tree trimming, permissibility of building noncompliant fences, and structures attached to one’s home. I’m aware of at least two incidents of Village Presidents, their ARC and residents thinking that if the Village ARC and neighbors “approve” then the landscape, tree trimming and other noncompliant projects are approved to move forward. Nothing could be further from the truth.

According to our governing documents, the SBCA ARC has the authority, independent of the SBCA Board, to approve or disapprove such projects. While input is welcomed as information beyond the content of an ARC application, Villages and neighbors do not have the power to approve or to veto such projects. That power rests solely with the SBCA ARC and with the Board in situations where a member may want to appeal a veto decision made by the ARC. Such misunderstandings have resulted in many unnecessary additional days and hours of work by your volunteer Board in attempting to resolve the ensuing conflicts. Further, some of these inappropriately supposedly “approved” projects have produced violative outcomes that cannot be reversed.

Sadly, our Enforcement Policy with Fine and Fee Schedule does not address how to handle violations that cannot be corrected, for example, removal of limbs of trees larger than 6 inches in diameter beyond the allowed 5 feet above ground. Some trees on private property now look like telephone poles with some green sprouts near the very top. The Enforcement policy only addresses such destruction on common areas which carries a \$5,000 fine per tree. Homeowners are required to submit project plans to the SBCA ARC. Yet, there seems to be no recourse when the homeowner simply disregards the rules and then one morning neighbors are awakened to the sounds of chainsaws and industrial grade woodchippers. If the Enforcement Policy with Fine and Fee Schedule is updated to cover such violations, one possible remedy would be for the SBCA ARC and/or the Board to levy painfully punitive fines against those who have violated our CC&Rs. The members fined would then be free to pursue recovery of their funds through lawsuits filed against Village Presidents who have created the problem through their administrative overreach and possible misconduct that misled the violative member. In my opinion an update to the SBCA Enforcement Policy with Fine & Fee Schedule that provides for harsh monetary penalties for violations that cannot be undone is in order.

* Perhaps the 80-20 Rule is now the 90-10 Rule? Is it possible that 10% of the members provide 90% of the enforcement and conflict resolution work performed by the ARC and/or the Board? Such a view is buttressed by a concern that only a small minority of the membership have bothered to attend Board and/or Committee meetings throughout this difficult COVID-19 year even though these meetings are readily available online or by a simple telephone connection. In my opinion, the reward for our service is that notwithstanding our due diligence and best efforts to keep the SBCA’s membership and assets safe, we have, at times, been labelled as “pontificators”, “idiots”, and worse. I implore disgruntled members to

remember that we are your neighbors and fellow homeowners. We are performing valuable services for compensation that is less than zero when mere basic civility in communications directed to the Board is found lacking.

6. General Manager's Report

Active Projects:

- a. The fixed pane within the slider door assembly that failed has been replaced.
- b. Pool sand filter has been replaced.
- c. One of the spa jet pumps will need to be replaced; part is on order.
- d. HVAC project active and on schedule.
- e. Tennis Courts were pressure washed/cleaned (annual service - every April).
- f. Lighting conversion project (to LED) is now completed (on time, on budget).
- g. Club reopening preparation has begun; new signage, equipment, activity schedules, and other elements are being organized and/or gathered. Staffing could be a challenge. Only 4 of the 11 staff members have committed to return. No responses to existing help wanted ads, I will be broadening advertising. Lack of response is not unique to our type of job/business - many employers complaining of same difficulty due to assumed competition with CARES act unemployment compensation supplements (through September) or fears regarding covid/public interactions. Many employers are faced with increasing starting pay rates to try and lure in candidates. EXAMPLE: Walmart now hiring entry level workers at \$17 per hour.

[Bloomberg](#)

The number of vacancies exceeded hires by more than 2 million, the largest gap on record and evidence of current hiring challenges. Many employers say they are unable to fill positions because of ongoing fears of catching the coronavirus, child-care responsibilities and generous unemployment benefits.

[CNBC](#)

Job openings soared to a record high in March as employers struggled to find workers to fill those positions, the Labor Department reported Tuesday. Even as help wanted jumped from February by 597,000, or 8%, to 8.12 million, hires rose just 215,000, or 3.7%, to just over 6 million. "When valuations remain high, even factoring in yesterday's and today's selling, the promise of rock bottom interest rates fades as the market questions the strong job openings report against the availability of labor and the need to boost wages to fill the positions, not to mention concerns that fiscal largesse is keeping workers from moving back into the labor force," said Quincy Krosby, chief market strategist for Prudential Financial.

[Marketwatch](#)

Yet many companies say they are struggling to find qualified workers to hire. A record 44% of small businesses, for instance, said they could not fill open jobs in April, according the National Federation of Independent Business. Some contend that extra government unemployment benefits have given people less incentive to take a job. The Biden administration in March approved

\$300 in extra federal benefits each week to unemployed workers as part of a massive \$1.9 trillion stimulus.

Admin:

1. Operations Savings
 - a. Status of net expense; under -\$148K. Energy while closed is a significant contributor to the YTD total savings (approx. 28% attributable to utilities savings, 19% from supplies, with biggest portion of savings is from payroll - 53%).
2. The SBCA budget process is ongoing and status update will be expanded upon in the Finance Committee report.
3. Preparation for SBCA Annual General Meeting has begun.

7. 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 Apr 30, 2021.

8. Board Communications

Community eBlast - Discussed eBlast draft that will be reviewed by the Board in the immediate future. The Communication Committee and GM will finalize and send to the Board.

Annual Meeting - GM will finalize the draft packet for the Board to review and approve.

Motion: Schedule special Board meeting for June 3 2021 at 9:30 to review and approve annual meeting packet.

Moved: Dir. Jurca

Second: VP Sprandel

Carried w/o Objection

9. Committee Reports

- a. Activities and Amenities - Carol Riley announced her resignation from the Committee. VP Sprandel has offered to take the Chair position in the interim.
- b. Architectural Review (ARC) -
 - The SBCA-ARC Regular Meeting was held on April 16, 2021 via a web-based conference call.
 - A Quorum was established, the meeting agenda was approved, and the March 19, 2021 meeting minutes were approved.
 - The committee discussed and acknowledged further correspondence with Inner Harbor Village regarding village roof replacement planning, and also discussed interim applicant feedback regarding new SBCA-ARC application forms. No specific SBCA-ARC action is required at this time.
 - The Committee received and considered 8 new homeowner SBCA-ARC applications. 7 applications were approved without condition, and 1 application was conditionally approved. One of the applications that was approved without conditions indicated a work start date that was prior to the SBCA-ARC meeting date. Applicant was sent a notification along with the approval letter reminding applicant that applications must be timely submitted to SBCA-ARC for review and that SBCA-ARC approval must be received prior to any work being performed.

- The committee approved a motion amending DS 5.1.27, as amended and approved by the SBCA Board on April 12, 2021.
 - The committee acknowledged and discussed the SBCA Boards request that SBCA-ARC review DS 5.1.14 Exterior Lighting (including illumination of flags) and evaluate how to handle illumination (allowances/restrictions). Item was tabled for committee members to review options and report back on findings..
- c. Communications -
- The following items from the recent committee meeting were mentioned
 - The President's Voice article was submitted for June
 - The community eblast was drafted
 - "Meet the Candidates" was posted
 - SBCA web redesign is progressing
 - A naming convention and revision control format was developed for Board minutes
- d. Facilities -
- HVAC and lighting project was progressing on plan
 - Determination of the applicability of ADA is on hold. Still trying to get counsel identified
 - Consideration of expenditure from Reserves for:
 - Roof repair
 - Refurbishment of bathrooms
 - Loan payment for HVAC project
- e. Finance -
- Income continues below budget due to:
 - \$40 dues reduction for 3rd qtr
 - No outside facility income
 - Delinquencies: 2 ongoing deal with for about \$10K and half a dozen more than one quarter late.
 - Mark continues working to resolve the issues.
 - Committee reaffirmed exercising rule relating to delinquent accounts
 - On the plus side, 3 PLA home sales as reported last month
 - Bad debt of \$1,244 = Associate Membership terminated after failure to respond to Mark's overtures to resolve.
 - We continue to see savings from payroll, utilities, and supplies
 - March GM Budget Report
 - Lighting project completed
 - HVAC on track for end of May completion
 - With regard to HVAC - vendor portion for action HVAC work coming in on budget, but we experienced unanticipated overages due to electrical issues.
 - Mark is securing multiple bids
 - Time is critical if we want to open before the next Board meeting
 - Additional costs covered by current year surplus
- Motion:** That the Board approved expenditure of additional funds for the HVAC project NTE \$25,000.

Moved: Treas. Spagle

Second: Dir. Jurca

Passed 6-1 with Dir. Wight abstaining

Comment: Dir. Wight commented that he was not aware of the overrun and finds this extra cost troubling. He believed the HVAC project was (is) progressing on plan and recalled \$180,000 was approved by the board for the project. He noted that in the BOD meeting that we were told an added \$25,000 (a 14% overrun) was required to finish the project, or it couldn't be completed.

- Reviews
 - Bill Dennis and Ed Knodle - reviews for January and February with no discrepancies found but a reminder to GM and Treasurer that computer maintenance contract is expiring in May Bill Dennis & Ed Knodle
- Tennis Courts
 - Lengthy discussion regarding the tennis courts due primarily to ADA issues. The committee by a vote of 5 for and 1 abstention recommending the following motions be made:

Motion: That GM Torres be authorized and directed to communicate with Diana Smeland at PLA about amending the lease for the tennis courts to (i) eliminate PLA's right to give its hotel and marina guests access to the courts on the same basis as SBCA members and (ii) broaden the permissible recreational uses of the tennis courts.

Moved: Treas. Spagle

Second: Dir. Jurca

Passed 6-1 with Dir. Wight opposing

Motion: That if and when the lease for the tennis courts is amended, by a document in a form approved by SBCA's counsel, to eliminate the right of PLA to give its hotel and marina guests access to the courts, the tennis courts be opened for use only by SBCA members and their personal guests when accompanied by the member.

Moved: Treas. Spagle

Second: Dir. Jurca

Carried unanimously

Motion: That GM Torres be authorized and directed to seek one or more proposals from architects or contractors describing what work would need to be done to make the tennis courts and the relating parking area ADA-compliant and estimating the costs of doing such work.

Moved: Treas. Spagle

Second: Dir. Jurca

Carried unanimously

- Draft budget
 - Discussion to alter the draft budget to reflect a scaled opening over the next fiscal year - this proposed budget was sent to the Board Wednesday/yesterday for review.
 - You have also been provided a recap of line items changed from the original draft to the scaled draft.
 - The initial draft budget showed a deficit of \$13K

- The Scaled Draft Budget shows a surplus of \$36 K
 - o This allows for some unknowns in the event we open more quickly and consequently incur more costs.

Motion: To approve this scaled budget and include in the packet for the annual meeting.

Moved: Treas. Spagle

Second: Dir. Jurca

Passed 6-1 with Dir. Wight opposing

Motion: To make a transfer of \$175,000 from the Surplus account to the Reserve account to cover additional HVAC project expenses and loan payment.

Moved: Treas. Spagle

Second: Dir. Jurca

Passed 6-1 with Dir. Wight opposing

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

10. Old Business

GM amended proposal for reopening the Bay Club

- This topic was discussed previously in the meeting.

11. New Business

a. Board discussion regarding whether SBCA should take any position or submit any comments to the Washington Utilities and Transportation Commission (WUTC) about OWSI's proposed water rate increase. The relevant WUTC meeting will convene on Thursday, 06-03-21 at 9:30 a.m. Comments can be sent to comments@utc.wa.gov.

- This topic was covered under the Communication Committee report above.

b. Dir. Jurca raised a new issue for a reopening of the March 1, 2021 hearing on Complaint 2021-01.

Motion: To set a reopening of the Hearing for Complaint 2021-01 for Wednesday May 19, 2021 at 3:00 PM.

Moved: Dir. Jurca

Second: Treas. Spagle

Passed 6-1 with Sec. Birch abstaining

12. Member Comments

- A member asked for the completion date of the HVAC project.
 - o Response: the HVAC project is on schedule to be completed by end of May 2021.

13. Convene Executive Session for the purpose of discussing Human Resources issues and recent communications from legal counsel at 11:17 AM.

Motion: Move to convene Executive Session for the purpose of discussing Human Resources issues and communications with legal counsel.

Motion: Dir. Jurca

Second: Treas. Spagle

Carried without objection

14. Resume Open Session at 12:24 PM

15. Adjourn. Meeting was adjourned at 12:26 PM

Motion: Move to adjourn.

Motion: Dir. Jurca

Second: Treas. Spagle

Carried without objection

Next SBCA Board (Special) Meeting: Wednesday May 19, 2021 at 3:00 p.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

Drafted: 05/19/21

Revision 1 05/21/21

Revision 2 05/24/21

Revision 3 05/25/21