

SOUTH BAY COMMUNITY ASSOCIATION
BOARD OF DIRECTORS MEETING
September 11, 2025 9:30am
Draft Minutes

1. Call to Order

The meeting was called to order at 9:32 am.

2. Determination of Quorum

Quorum was present to start the meeting with six Board members (of 7) in attendance: Carolyn O'Keeffe, Christine Spagle, Donna Colosky, John Cacho, Faye Beuby present. Rick Conrey was also present, remotely, by telephone. Michael Stuber was absent. There were approximately 10 SBCA members in attendance along with the SBCA's General Manager, Mark Torres.

3. Approval of Agenda

Motion to approve the agenda. **Approved 6/0.**

4. Approval of meeting minutes for August 14, 2025

Motion to approve the agenda as amended (correct status of attendance for Beuby and Conrey). **Approved 6/0**

5. President's remarks – Carolyn O'Keeffe

- a. Pres. O'Keeffe acknowledged members in the audience. Commented on the success of the last Member Social and complimented the Activities Committee on their work. Pres. O'Keeffe also summarized progress on a number of items being worked on by the Board, such as long-range planning and reserve projects.
- b. Pres. O'Keeffe did not attend the PLVC meeting and asked Treasurer Cacho to report.
 - i. Treasurer Cacho reported that the JEFF CO PUD representative spoke to residents about upcoming rate increases and improvements to the systems PUD manages, including broadband services. The newest elected Jefferson County Commissioner attended and spoke, Greg Brotherton did not attend the PLVC meeting. Also, PLVC is finalizing promotions for a community "dog costume contest". This event is scheduled for late October.

6. Manager's report – Mark Torres Club Operations

- i. General Manager Torres reported on a number of various items.
 1. Staff performance reviews are ongoing and will be completed next week. Once completed, performance reviews along with any proposals for merit-based increases to wage rates will be sent to the HR Committee for review.
 2. The recent SBCA fundraiser Pancake Breakfast earned nearly \$1,700 for the charity, Backpacks for Kids. The Members' Lounge is ongoing, but attendance is diminishing, and the General

Manager will bring the attendance/profitability concerns to Facilities, Activities and Finance committees for sustainability strategy review.

3. Reserve Projects were discussed, namely the IT upgrade project. GM Torres noted the project will be scheduled to start in the next 7-10 days and be completed by end of the month. GM Torres also noted that electrical system inspection and preventative maintenance service was completed earlier in the month. The service report was favorable. However, there was an area that resulted in an alert. There was a recommendation to replace electrical panels in the pool pump room (sooner than later). Different to every other area of the Club the pump room panels, due to the caustic chemical environment, have experienced accelerated wear and will require replacement in the next year or two. The preliminary cost for the future project is expected to be in the range of \$11K-\$15K.
4. Other administrative projects that GM Torres commented on were as follows:
 - a. The 2024-2025 closeout of the fiscal year end financials. Newman CPA firm is finalizing a year-end review. The report should be made available to Finance and the Board in advance of the next Board meeting.
 - b. The SBCA's legal team is reviewing a number of different issues associated with upcoming (required) changes to the SBCA's Bylaws and Enforcement and Collections policies due to Washington State's ongoing transition to RCW 64.90 (new laws) for HOA governance.
 - c. Other matters involving Trails in the SBCA will be reviewed and matters involving rules enforcement clarifications for SBCA and Village HOA's are being looked into. *There was a question from one of the members in attendance asking GM Torres to clarify in detail the kinds of questions being provide to the attorney to answer. GM Torres responded with a broader summary of each question/item of concern.*
 - d. GM Torres asked the Board to advise on two items:
 - i. A request from the widow of a deceased Associate Member household for a full refund, or at least a partial refund of the Associate Membership Initiation Fee. The Board then made a Motion to provide a partial refund. The motion received a second. There was a short discussion period addressing all the considerations to be made. When discussion concluded the matter required more consideration, there then was a call for the

question; the **Motion Failed, and the matter was Tabled.**

- ii. A request from a Port Ludlow resident to use the Bay Club before/after hours of normal operation, and for the purpose of conducting a religious service. Because of the existing SBCA Facility Use Policy prohibiting use of the Bay Club for religious service(s) the Board was not adequately prepared to discuss all considerations to allow for a decision to approve an exception to the policy. **The matter was Tabled.**

e. GM Torres advised the Board of the following:

- i. GM Torres reported that he had advised the Finance Committee of the need to secure a new source of Director & Officer liability insurance coverage as well as Liquor liability coverage other than through Homer Smith Insurance in Port Townsend. GM Torres disclosed he is working with CAU and was provided with another option by a member of the Finance Committee that the GM will contact as well.
- ii. GM Torres noted that time was running out to find new support for website maintenance. The current (volunteer) SBCA member's service was never intended to be permanent and now requires a strong Communications & Board effort to define the scope of website support to allow the effort to locate and secure a permanent solution to start. The current (volunteer) SBCA Member was in attendance and provided some added perspective on the preferred timeline. *There was a question from the Board to the GM related to a cost-benefit analysis comparing staff-based solution vs. outside contractor. The GM reported that no study has been done, given that the website has been managed by volunteers up until now, when there is a need to change.*

7. Treasurer's Report – John Cacho

- a. We are 2 months into the fiscal year and financially in good shape.
- b. YTD there is a net surplus (\$28K) due to the timing of some planned expense occurring later than planned, however most positions of expense and income categories are consistent with expectations.
- c. Cash flows in August and YTD are as expected.

8. Board Communication – n/a

9. Committee Reports

a. ARC – Mark Torres

- i. ARC Committee Report (August meeting): There were 6 applications submitted for August, five of the six were unconditionally approved, and one application was conditionally approved. There was no other business discussed or acted upon. No action items for the SBCA Board. *GM Torres noted that the conditional approval was for an application related to Richmond American Home development in OT II. The condition for the retaining wall application also involved a fence. The SBCA prohibits fences but allows it, if supported within a supplemental declaration, as does the OT II HOA's supplemental declaration. Condition was compliance with OT II approval to standard allowed within the OT II supplemental declaration. President OKeeffe added more detail related to the wall and fencing. Pres. OKeeffe is an OT II resident and Board Member. GM Torres also noted that three homes in the Richmond American Home development area have received certificate of occupancy allowing the SBCA to begin collections process of regular assessments from each Lot.*

b. Activities – Lauren Wagoner reported for Michael Stuber.

- i. 65 attendees for the recent backpack for Kids Pancake Breakfast fundraiser. Nearly \$1700 in proceeds donated. Dove House is the next recipient for October Breakfast.
- ii. The September Member Social and concert is sold out and is taking place on Friday, November 12.
- iii. Upcoming events for people to note on their calendars: *Bratfest* in October, *Salmonfest* in November and the Holiday Gala in December.
- iv. There is a new “Decorations Sub-Committee” to be in charge of decorating Member events and a “Speakers Committee” to work as a “talent-scout” and secure quality speakers for the SBCA. Currently the group is planning on a three-talk series on the topic of First Nations. Gil Skinner advised the attendees on the speaker, David Brownell and his background. This series of talks will be open to the public.

c. Communications – Christine Spagle reporting for Chair Michael Stuber.

- i. *The committee established its monthly meeting date. The Communications Committee is now scheduled to occur on Tuesday following the monthly Board of Director meeting – see 11.a.* Christine reported the committee meeting was devoted to establishing priorities and process. Also, main focus was on the SBCA website as primary tool of communication, reference for activities (schedule) and convenience tool for members. There was also discussion focused on how to maintain and update the website in a sustainable and consistent manner.

d. Facilities – Carolyn OKeeffe

- i. Meeting was devoted to updating committee members on results and/or progress of Reserve Projects scheduled for this fiscal year.

e. Finance – John Cacho

- i. John reported that the committee meeting was devoted to doing a monthly variance review of financial performance (see Treasurer's Report) but most of the meeting was devoted to optimizing returns on idle cash (in savings accounts). John went on to make the following motions:
 1. Motion to move \$22,580 in accumulated surplus funds, held in the SBCA Sound Bank Money Market checking account (Operations) to the SBCA Rainy Day Account (Savings) to increase its balance to \$100,000. Approved 6/0.
 2. John reported to the Board and members in attendance that the SBCA works with three different banks to manage and hold SBCA funds in thirteen different accounts. This action will support further organizational money management efforts to make it easier to manage SBCA funds and maximize investment returns with minimal risk. *There were questions from attendees at the meeting regarding an explanation of what services Edward Jones would provide, the costs related to the services provided, and if current FDIC protections would be sustained for all funds invested w/ Edward Jones.* John Cacho addressed all member questions. Motion to establish an investment account with the Port Ludlow branch of Edward Jones. Approved 6/0.
 3. John reported that there are three CD's approaching their maturity date. A motion was made to move (approx.) \$75,000 in funds from maturing CD's into the newly created Edward Jones account when established. Approved 6/0.
- f. Health and Fitness Committee – Christine Spagle
 - i. The discussed ongoing efforts to create a comprehensive plan for equipment replacements to help expedite budget planning process for reserve expenditures associated with aging fitness equipment.
 - ii. There was discussion on the current project involving replacement of the men's and women's lockers. The committee is still deciding on style and function preferences. Once concluded, the committee will forward to the General Manager and Finance Committee.
 - iii. One committee member advised the committee of a new piece of safety equipment available to purchase. The item is called LifeVac, a rescue device for choking victims. The General Manager will consider purchasing for the Bay Club safety equipment inventory.
 - iv. The committee recommended that the General manager find a resource for First Aid & CPR Training to be held at the Bay Club. The General Manager will be providing the committee with options and pricing at the next schedule H&F committee meeting.
 - v. The committee is actively searching for speakers to address all Wellness/Self-Care topics and then will work with Activities Committee to schedule presentations to members.

- g. HR – Carolyn O’Keeffe
 - i. No report/meeting. HR was anticipating a meeting next month to review compensation schedule and staff performance reviews and any applicable merit-based wage rate increase proposals.
- h. Long Range Planning – Carolyn O’Keeffe
 - i. The Board met in an LRP workshop and continued to work on establishing operational parameters to allow the long-range financial planning to begin.
 - i. Motion to approve all committee reports. **Approved 6/0.**
- 10. Old Business – Upcoming changes (WUCIOA) require updates to SBCA Bylaws and Collection Policies. – General Manager.
 - a. The General Manager reported that the SBCA’s attorney David Huhs has been provided the applicable documents that are subject to (required) amendments in order to harmonize with new laws taking effect on January 1, 2026. The amendments will require a Special Meeting of Members (to approve).
- 11. New Business – General Manager
 - a. Formalize/restate SBCA Board & Committee regular meeting schedules. In advance of the new laws that will require changes to “Notice” the General Manager recommended that regular (SBCA) meeting schedules be included in the meeting minutes and also posted (permanently) on the SBCA’s website for members. The general manager provided a page with schedule of meeting dates as reference for the Board, included in these minutes as Appendix A. Motion to approve meeting schedule as presented to the Board by the General Manager and also to post permanently on the SBCA website. **Approved 6/0.**
 - b. Post (permanently) on website (see above).
- 12. Members’ comments.
 - a. Jay Bakst a SBCA member and representative of the PLVC Emergency Preparedness Committee reported on the upcoming “Great ShakeOut (earthquake) Drill” on October 16. He also talked about importance of knowing your Block Captain. Block Captains serve as support for residents during periods of emergency. Block Captains are information/communications support between residents and Port Ludlow Communication Center and the Department of Emergency Management. He advised all to visit the PLVC website and review the information on the PLVC emergency management pages.
 - b. A comment was made by a member of the SBCA Finance Committee. A request was made to the Board to send out another solicitation eblast to SBCA members inviting them to serve as a Finance Committee member. Currently there are more SBCA Board members on the Finance Committee than Lot owners. *President O’Keeffe directed the General Manager to re-send solicitation for Committee involvement to the SBCA membership.*
 - c. Another comment was made regarding the traveling Vietnam Veterans Memorial replica, “The Wall That Heals”, on display 24 hours a day at the Jefferson County International Airport in Port Townsend, September 11–14. The member stated that the memorial presentation is exceptional.

13. Adjourn – A motion to adjourn was made at approximately 11:13 am. **Approved 6/0.**

Next SBCA Board Meeting: October 9, 2025 / Next SBCA Board workshop: TBA

APPENDIX A

Meetings

HOA Board & ARC Meetings

- Board Meeting, 2nd Thursday of the month
- SBCA ARC Meeting, 3rd Friday of the Month
- SBCA Annual Meeting, 3rd Wednesday of July

Committees

- Finance & Facilities, the Tuesday preceding the Board Meeting date.
- Activities, the Monday preceding the Board Meeting date.
- Communications, the Tuesday following the Board Meeting date.
- Health & Fitness, 1st Thursday of the month.
- Board Workshops, HR, Long-Range Planning, Woodworkers, all TBD