



Annual Meeting

SBCA Members
Wednesday, July 16, 2025





Annual Meeting Agenda

- Call to order
- Determination of Quorum
- President's Remarks
- Financial Reports
 - Fiscal Year Ending 6-30-2025
 - Reserve & Operating Budgets, 2025-2026
 - Treasurer Summary



Annual Meeting Agenda

- Membership Voting
 - Approval of Minutes
 - Budget Ratification
 - Waiver of Audit
 - Election of Directors
- Discussion; SBCA Long Term Planning
- Committee & Staff recognition
- Member Comments
- Closing Comments
- Adjourn to reception



President's Remarks

Year in Review



Annual Review

- Fiscal Policy
 - Sustained Member Assessment Delinquency Level
 - Current delinquency rate near zero %
 - Operational Performance at or under budget.
 - “no overspending”; \$20K net surplus for FY 2024-2025
 - Reserves; Sustaining Full Funding Contribution model.
 - Cash Flows – aggressively managed idle cash by investing in higher rate CD’s, increasing interest yield (x 400%) over forecast.

Annual Review

- Commitment to sustaining or increasing the number of Member Events and Activity at the Club.





Activities at the Bay Club this year

- Tai Chi, Zumba, Yoga, Pilates, Quigong, Aqua Zumba, Line Dancing, Tap Dancing, Virtual Water Aerobics, Meditation classes.
- Quilting, Clay, Fly Fishers, Fiber Arts.
- Member Dinners (Taste & Toasts, Pasta Night, Holiday Gala), Coffee Klatch, Members' Lounge, Pancake Breakfasts, Member Socials, Fitness Demonstrations, and Jefferson Healthcare Wellness lecture series.
- SBCA business meetings – Board meetings, committee meetings, Village HOA meetings and host to the many Port Ludlow Community Groups.



Annual Review

- Coordinated Reserve Expense repair & replacement projects
 - Completed all; all on budget.

Asphalt Project

Repaired, seal coat, and
restripe Spinnaker Place
road & Bay Club parking lots



Locker Room Project

Clean, repair grout in
Bay Club Locker Rooms.





Cardio Room Project

Replace Recumbent Bike and Elliptical.





Card Room Project

Replaced Card Room chairs.



Kiln Project

Replaced Kiln





Annual Review

- The Member's Lounge continues as a weekly amenity





Annual Review

- Priority recommendations for next SBCA Board
 - Review timeline and action items related to the reconciliation of any applicable SBCA policies, practices, and governing documents with the upcoming RCW changes that will govern all HOA's in Washington State (currently and until full transition in 2028).
 - Work with new Long Term Planning Committee to establish a clear scope of the Committee's mandate, to facilitate a quick start to building a plan for the SBCA's future; ensuring great experiences for our members and strong fiscal health for the business.



Annual Review

- Priority recommendations for next SBCA Board
 - Review the current Trails Maintenance Agreement and develop a strategy to strengthen future support and sustainability of the Port Ludlow Trails Committee.
 - Work with Communications Committee on establishing a plan for updating the current SBCA website, and strategy for future maintenance.



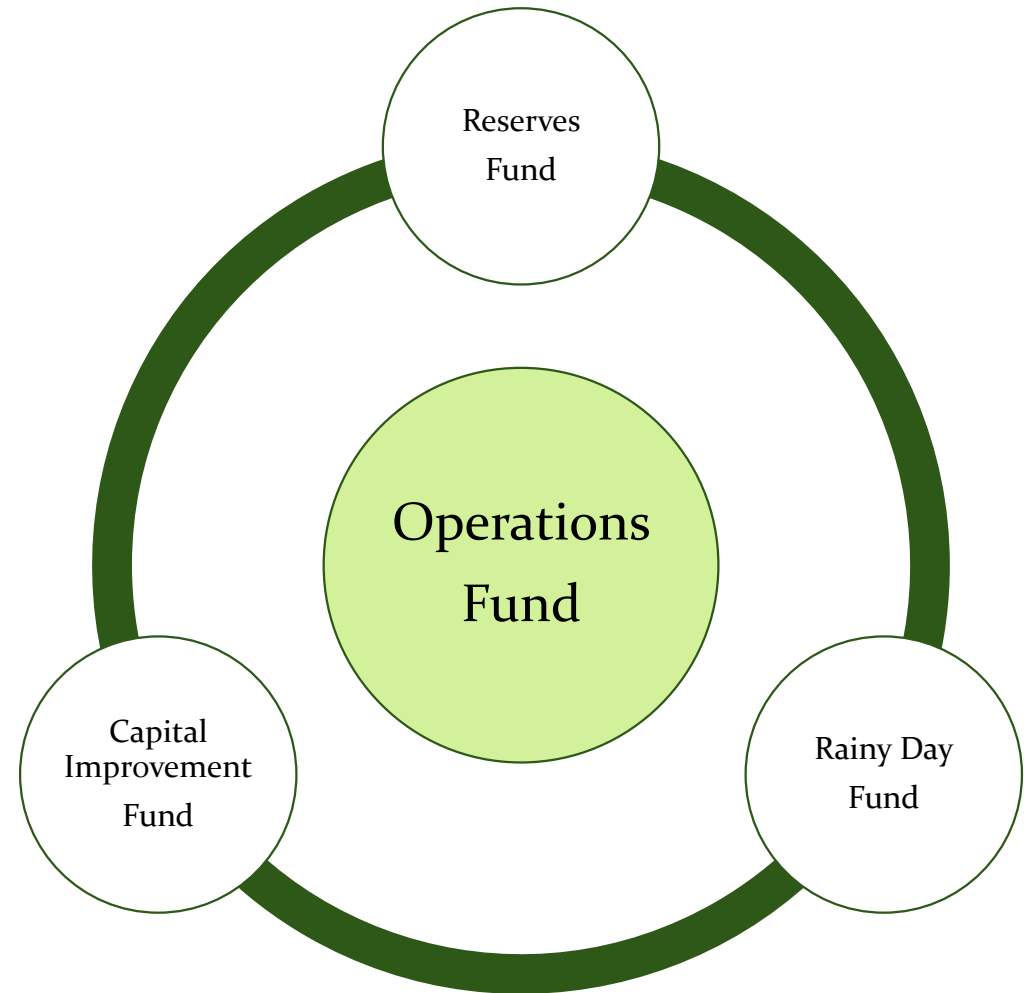
2024/2025 Year End Reports

- Year-end Bank Balances
- Operating Budget Review
- Reserve Expenditure Review



SBCA HOA Funds

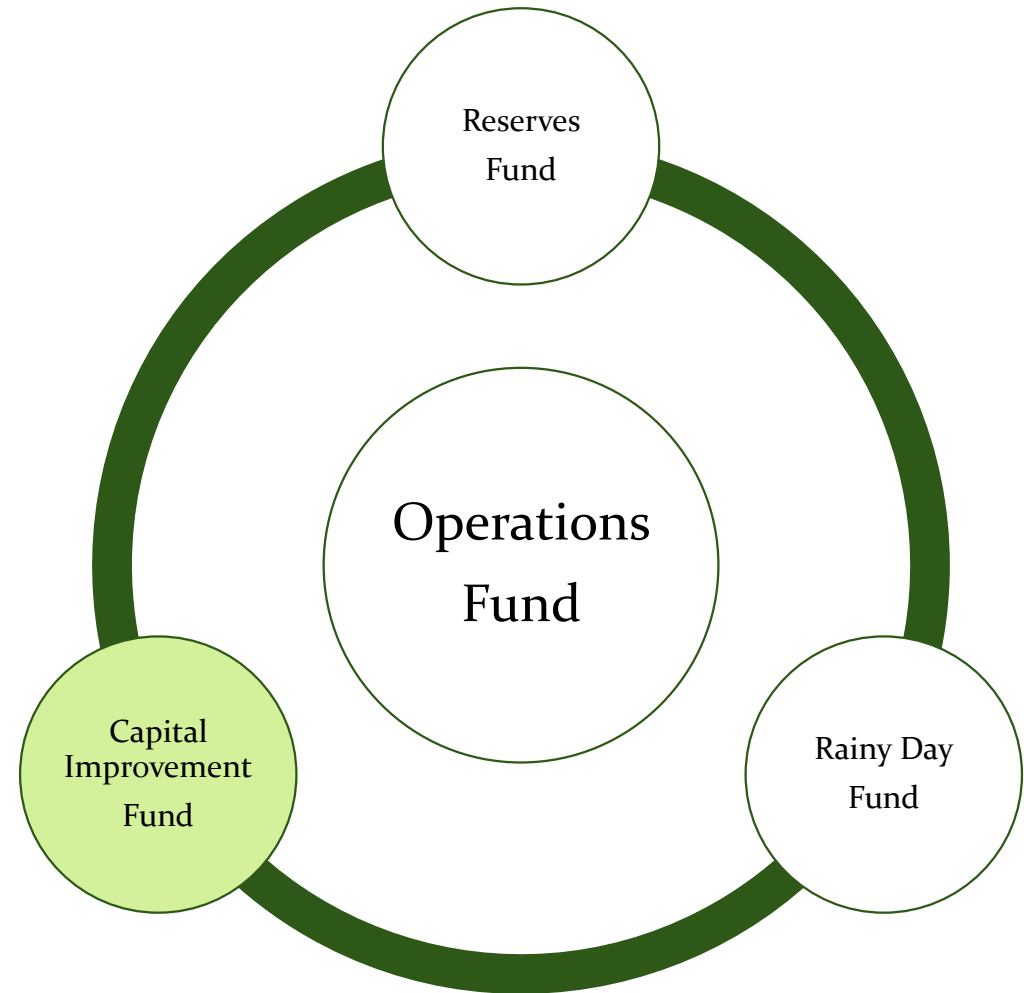
- **Operations Funds:** to pay bills, to capture SBCA revenue, to fund petty cash expenses.
- **Capital Funds:** to resource HOA enhancements.
- **Reserve Funds:** to pay for all Reserve Component expenses.
- **Rainy Day Funds:** to help resource any large unanticipated or emergency expenses.





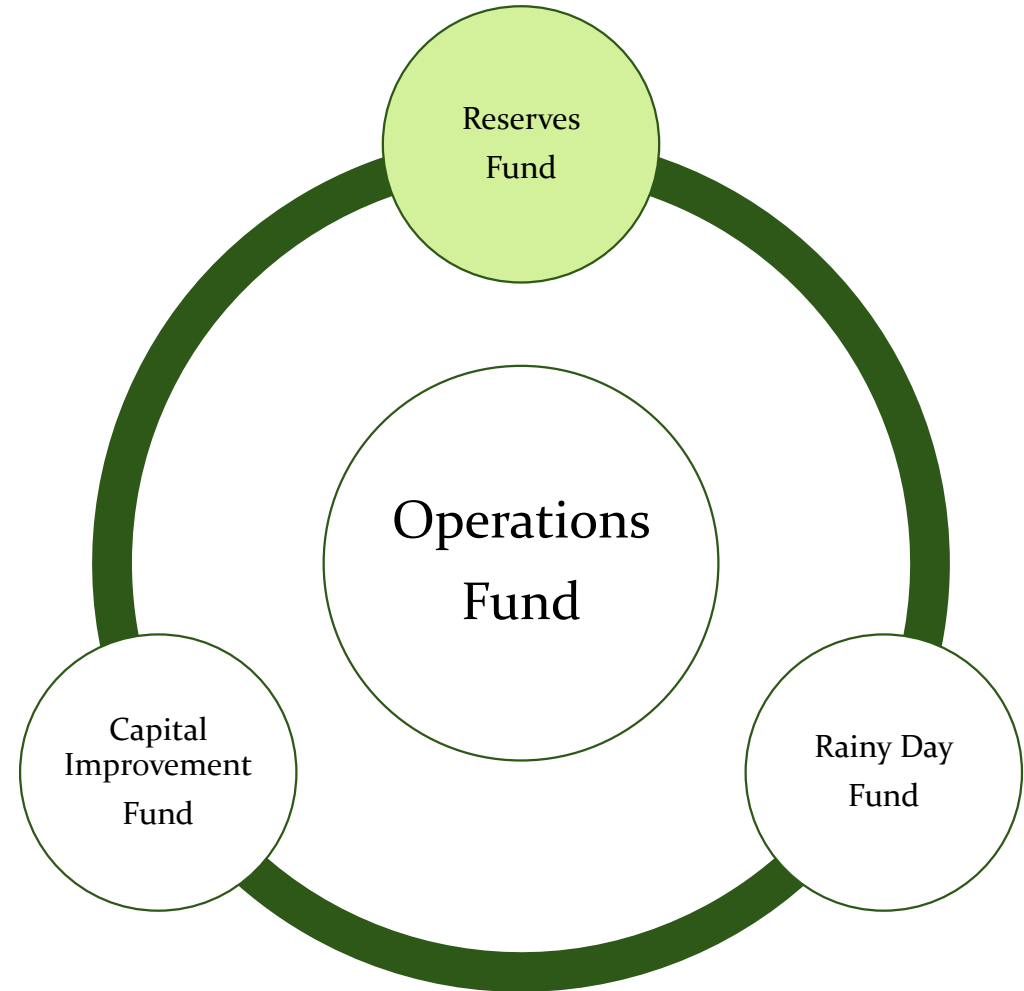
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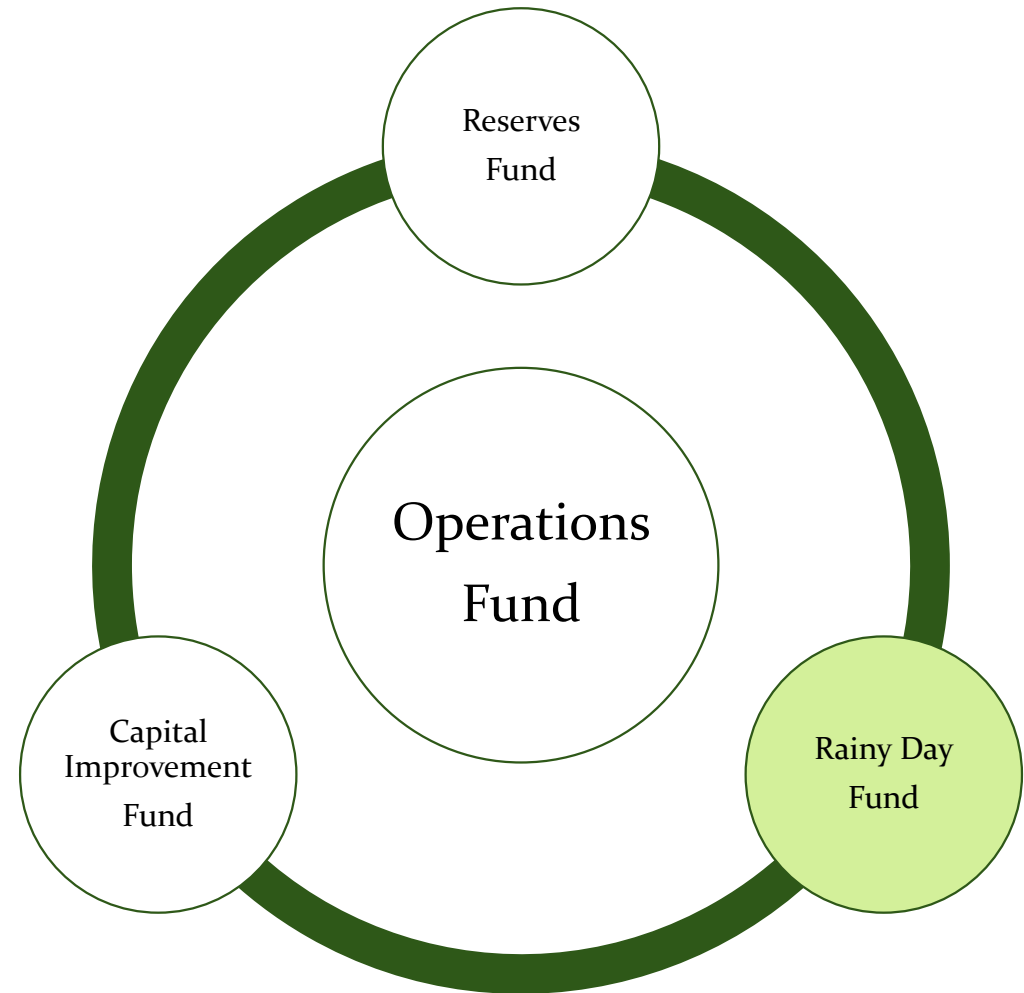
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Operations balances as of 6/30/2025

- Bills paid from this fund
- Assessment & Revenue Fund
- Member's Lounge Revenue Fund
- Small expenses (online or cash)

Operations Funds

Business Checking	\$1,607
Money Market	\$77,860
Food & Bev. Acct.	\$1,086
Petty Cash	\$1,436
Total	\$81,989



Savings Account balances as of 6/30/2025

- Enhancement expenses
- Emergency funding
- Reserve Components

Capital, Reserves & Emergency Funds

Capital Improvement	\$27,998
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Rainy Day Fund	\$77,420
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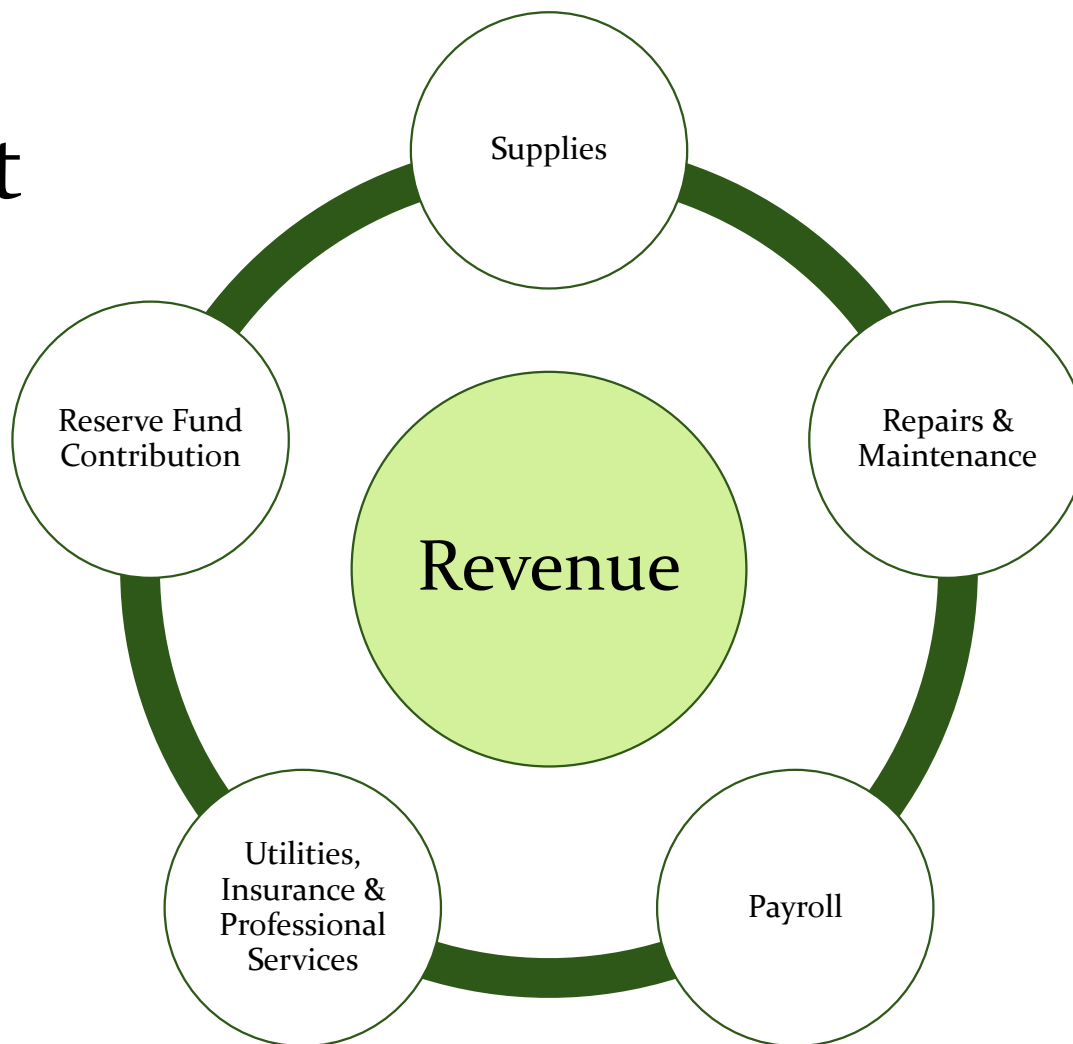
Reserves	\$223,130
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All Savings Acct. Funds	\$328,548
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SBCA Operations Budget

- Revenue from Member Assessments: 90%, other sources: 10%
- SBCA Expense Drivers (of Total Revenue)
 - Payroll Expenses: 42%
 - Reserve Funding: 16%
 - Repairs & Maintenance: 9%
 - Supplies: 7%
 - Insurance & Prof. Fees: 12%
 - Utilities & all other Expenses: 14%



Ops. Budget Variance Report; FY 2024-2025

	Actual	Budget	Variance
• Income	\$858,701	\$854,755	\$3,942
• Payroll Expense	\$363,220	\$367,310	-\$4,090
• Repair & Maintenance	\$76,397	\$87,262	-\$10,865
• Professional Fees	\$20,434	\$35,335	-\$14,900
• Insurance	\$82,141	\$70,658	\$11,483
• Total		Net Income/Surplus	\$20,799



Savings Funds Variance Report; FY 2024-2025

	Actual	Budget	Variance
• Other Income	\$139,693	\$137,312	+\$2,381
• Reserve Expense	\$73,880	\$66,700	+\$7,180
• Capital Expense	\$0	\$0	\$0
• Net Total Other Income	\$65,340	\$70,612	-\$4,798
• Net Total (All Income)	\$86,147	\$70,612	+\$16,001



Budget-to-Budget Variance Report - Income

	2024-25	2025-26	Variance
• Assessment Income	\$764,700	\$837,525	+\$72,825
• Assoc. Member	\$9,000	\$9,000	-\$0
• Capital Contribution	\$4,400	\$21,225	+\$16,825
• Rental & Services	\$76,655	\$76,992	+\$337
• Net Income	\$854,755	\$944,842	+\$90,087



Budget-to-Budget Variance Report - Expense

	2024-25	2025-26	Variance
• Payroll	\$393,273	\$442,063	+\$48,790*
• Repair & Maintenance	\$87,262	\$88,856	+\$1,594
• Supplies	\$56,303	\$54,890	-\$1,413
• Insurance & Prof. Fees	\$80,030	\$76,773	-\$3,257

*\$15K increase in Health Ins. Annual premiums.

Budget-to-Budget Variance Report - Expense

	2024-25	2025-26	Variance
• Reserves & Capital	\$136,220*	\$172,320	+36,100*
• All other Expenses	\$101,687	\$109,940	+\$8,253
• Total Expense Forecast	\$854,775	\$944,842	+90,067 / 10.5%

Reserves. 2024-2025, \$10.5K front-load deposit to Reserves.



Planned Reserve & Capital Expenses; 2025-2026

- Reserve Projects:**

Concrete repair/replace,
Trees; trim, front/back areas of
Bay Club for uniformity, safety,
and view maintenance.

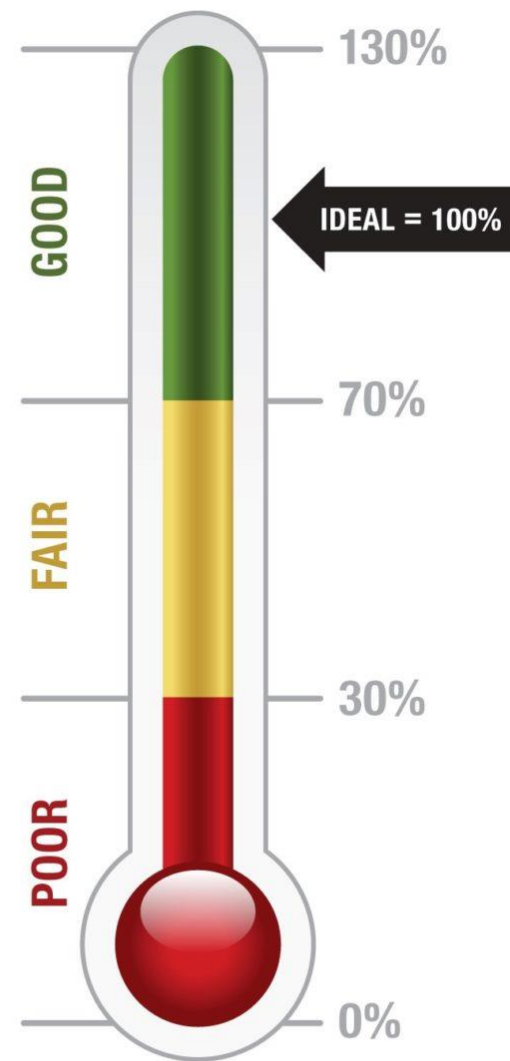
Reserves	Capital Improvement
\$35,000	No specific additional expenditures identified at this time.
\$37,500	

Replace lockers in both locker
rooms, replace SBCA server,
laptop, and upgrade
workstation OS software and a
Bay Club Plumbing System
evaluation.



Reserve Funding Position

Association Reserves Recommendation

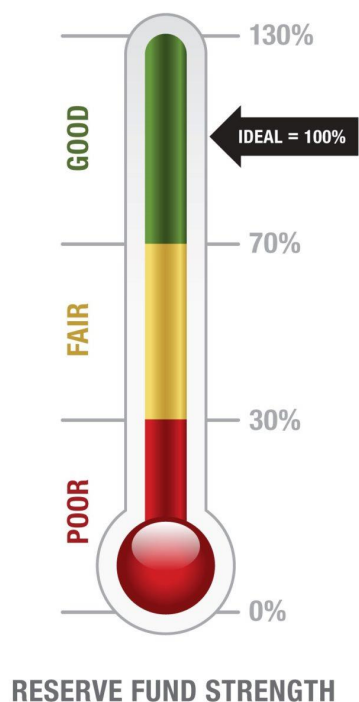


RESERVE FUND STRENGTH



Reserve Funding Position

Association Reserves Recommendation



Percent Funded / Fully Funded =

Ratio of Reserve Fund cash in bank compared to total accrued deterioration value.

Component = Has 5-year useful life. Cost to replace = \$1000
Cost / Useful Life = annual funding target to match the annual deterioration value.



$\$1000 / 5 \text{ years} = \text{A } \$200 \text{ deterioration value year.}$

If in Year 3 cash in bank is \$600, Percent Funded would be 100%.

If in Year 3 cash in bank is \$300, Percent Funded would be 50%.



Reserve Funding

						Net After Tax Interest: 1.0%		Avg 30-Yr Inflation: 3.5%		
Reserve Fund Strength Calculations: (All values of Fiscal Year Start Date)						Projected Reserve Balance Changes				
Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded		Special Assmt Risk	% Increase In Annual Reserve Funding	Reserve Funding	Loan or Special Assmt	Interest Income	Reserve Expenses
2025	\$222,352	\$851,952	26.1%		High	202.32%	\$172,320	\$0	\$2,672	\$85,000
2026	\$312,344	\$910,894	34.3%		Medium	3.00%	\$177,490	\$0	\$3,873	\$31,050
2027	\$462,657	\$1,031,836	44.8%		Medium	3.00%	\$182,814	\$0	\$4,947	\$123,298
2028	\$527,120	\$1,065,776	49.5%		Medium	3.00%	\$188,299	\$0	\$6,147	\$18,848
2029	\$702,717	\$1,213,400	57.9%		Medium	3.00%	\$193,948	\$0	\$7,939	\$18,934
2030	\$885,670	\$1,370,645	64.6%		Medium	3.00%	\$199,766	\$0	\$7,933	\$391,818
2031	\$701,551	\$1,152,163	60.9%		Medium	3.00%	\$205,759	\$0	\$6,517	\$311,432
2032	\$602,395	\$1,014,101	59.4%		Medium	3.00%	\$211,932	\$0	\$6,914	\$40,204
2033	\$781,037	\$1,156,966	67.5%		Medium	3.00%	\$218,290	\$0	\$8,652	\$57,808
2034	\$950,171	\$1,291,825	73.6%		Low	3.00%	\$224,839	\$0	\$10,401	\$54,516
2035	\$1,130,895	\$1,440,209	78.5%		Low	3.00%	\$231,584	\$0	\$11,901	\$124,133
2036	\$1,250,246	\$1,527,318	81.9%		Low	3.00%	\$238,531	\$0	\$13,317	\$87,890
2037	\$1,414,204	\$1,660,769	85.2%		Low	3.00%	\$245,687	\$0	\$14,685	\$150,502
2038	\$1,524,074	\$1,740,070	87.6%		Low	3.00%	\$253,058	\$0	\$16,150	\$86,018
2039	\$1,707,264	\$1,895,081	90.1%		Low	3.00%	\$260,649	\$0	\$17,818	\$127,877
2040	\$1,857,854	\$2,018,604	92.0%		Low	3.00%	\$268,469	\$0	\$18,952	\$211,094
2041	\$1,934,182	\$2,066,954	93.6%		Low	3.00%	\$276,523	\$0	\$20,036	\$156,059
2042	\$2,074,682	\$2,180,824	95.1%		Low	3.00%	\$284,819	\$0	\$22,070	\$40,380
2043	\$2,341,190	\$2,425,514	96.5%		Low	3.00%	\$293,363	\$0	\$22,974	\$401,868
2044	\$2,255,660	\$2,311,983	97.6%		Low	3.00%	\$302,164	\$0	\$23,990	\$37,489
2045	\$2,544,325	\$2,579,224	98.6%		Low	3.00%	\$311,229	\$0	\$25,824	\$258,673
2046	\$2,622,706	\$2,634,773	99.5%		Low	3.00%	\$320,566	\$0	\$27,523	\$86,496
2047	\$2,884,299	\$2,878,623	100.2%		Low	3.00%	\$330,183	\$0	\$29,803	\$165,405
2048	\$3,078,880	\$3,057,778	100.7%		Low	3.00%	\$340,088	\$0	\$32,411	\$45,225
2049	\$3,406,154	\$3,376,325	100.9%		Low	3.00%	\$350,291	\$0	\$35,651	\$65,075
2050	\$3,727,021	\$3,694,519	100.9%		Low	3.00%	\$360,800	\$0	\$38,269	\$196,149
2051	\$3,929,940	\$3,897,545	100.8%		Low	2.50%	\$369,820	\$0	\$39,873	\$291,558
2052	\$4,048,075	\$4,018,615	100.7%		Low	2.50%	\$379,065	\$0	\$42,049	\$103,794
2053	\$4,365,396	\$4,348,283	100.4%		Low	2.50%	\$388,542	\$0	\$45,432	\$74,413
2054	\$4,724,957	\$4,730,275	99.9%		Low	2.50%	\$398,255	\$0	\$49,072	\$78,644



Reserve Funding Position

Reserve Funds on 6/30/2026:

\$312,344

Fiscal Year 2025/26 Reserve Fund Planned Expenditures:

- **Interior Projects:** Replace lockers in both locker rooms, replace SBCA server, laptop, and upgrade workstation OS software and a Bay Club Plumbing System evaluation.
- **Exterior Projects:** Concrete repair/replace, Trees; trim, front/back areas of Bay Club for uniformity, safety, and view maintenance.

\$37,500

\$35,000

2024/2025 amount of annual contribution to reserve account:

\$ 147,000

2025/2026 Planned contribution:

\$ 172,320

Full Funding Plan upon which the contribution rate is based:

2023 Reserve Study Update

Next Reserve Study Update:

2026, October

Reserve Special Assessments 2025-2026 :

None anticipated



Member's Comments?





Voting, Ballot Items

Ballot Item 1 – 2024 AGM Minutes Approval

Ballot Item 2 – 2025-2026 Budget Ratification

Ballot Item 3 – Whether to Waive Audit



Voting, Board of Directors

Candidates for the Board, select only 3:

Michael Stuber, Edgewood Village

John Cacho, Woodridge Village

Faye Beuby, Timberton Village

Write-In Candidate, _____

Nominations from the floor, _____



Cast Ballots

- When finished filling in your ballot, please hold it up in the air to be collected.



Discussion Item

- Long Term Planning for the SBCA HOA business
 - Revenue Strategies
 - *Asset management* (required)
 - *Risk management* (required)
 - *Rules; enforcement and compliance* (required)
 - Services, Activities & Amenities (discretionary)
 - Capital Improvement (discretionary)



Discussion Item: Long Term Planning

Why is this important?



SBCA HOA's primary revenue, from assessments, is stagnant. Without member population (growth), or other income streams, the SBCA is essentially on a "fixed income" and currently ill prepared to resolve the assured and uncontrollable growth in future expense burden due to inflationary and other factors.



Inflationary impact to SBCA's Total Expense grows each year without fail and is mostly uncontrollable.



SBCA's ability to grow its own population of members is limited. Resourcing new (non-assessment) revenue streams to maintain or enhance HOA services, amenities, and health of the business takes time, and is also somewhat restricted/limited.

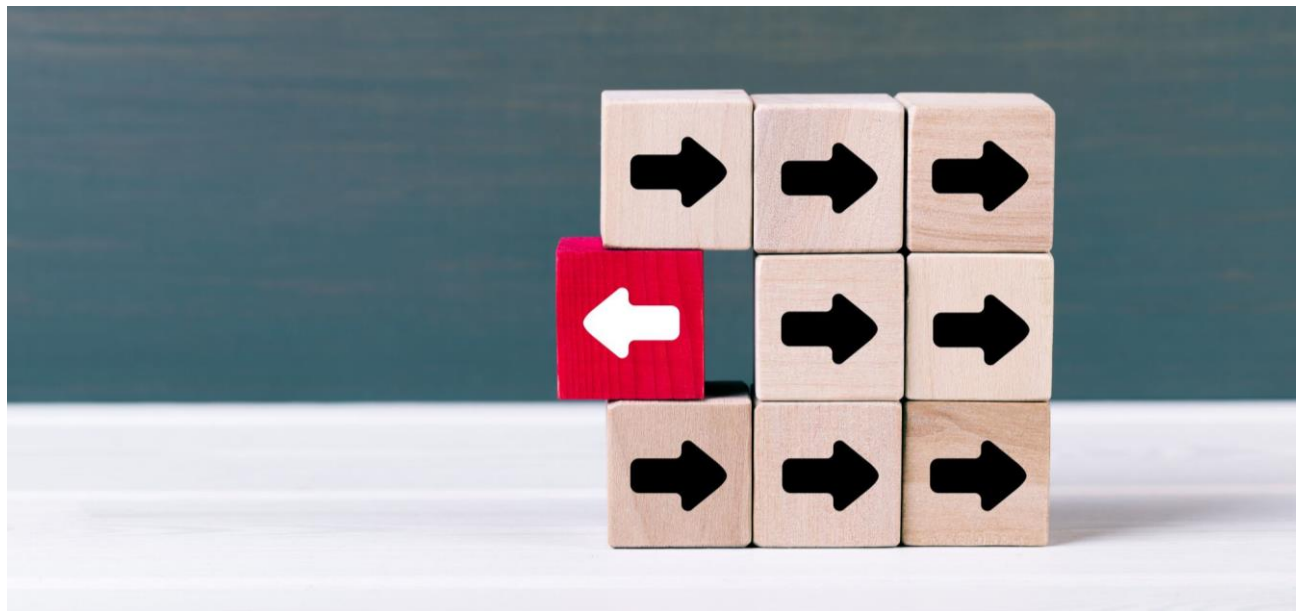


Discussion Item: Long Term Planning, Why now?

- The **SBCA** (HOA) has reached a point where it has corrected most imprudent business practices of the past.
- The **SBCA** currently **has 595 developed Lots** (only 74% of the total intended) and no other platted lots other than the 37 lots in OT II, Phase II, are planned for development.
- The SBCA has delayed long-term fiscal planning **for over 25 years** while awaiting full build of its HOA by the Developer. It is now time to declare the SBCA HOA complete and begin planning a path to optimum experiences for its members and sustained fiscal health for its business.



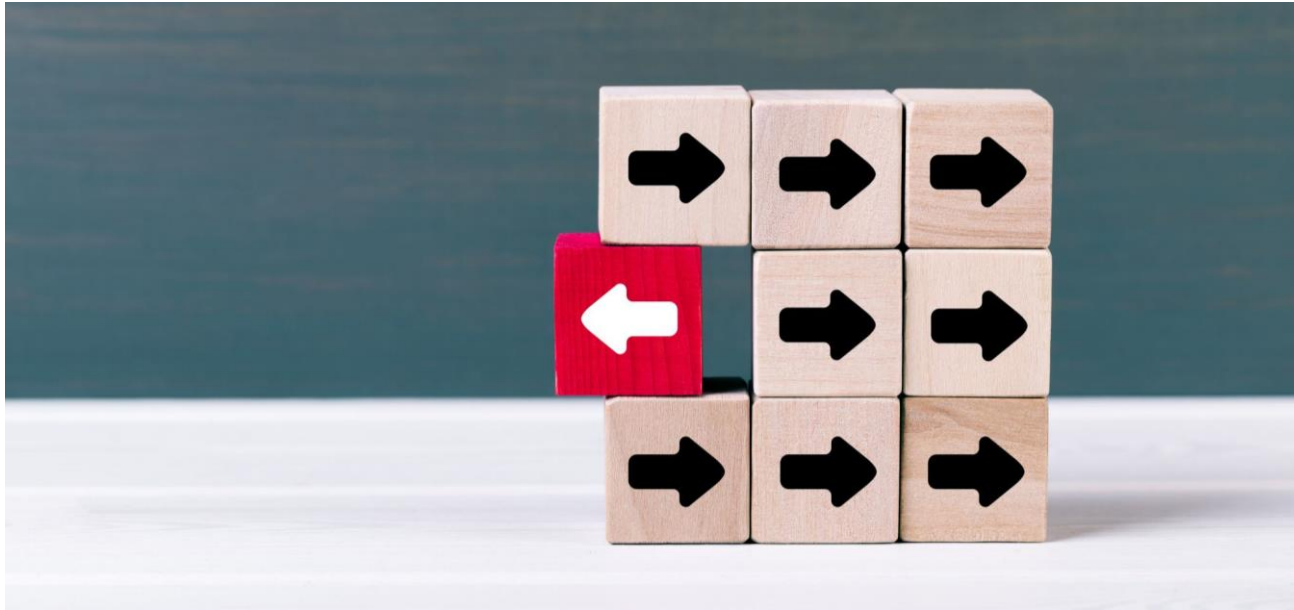
Long Term Revenue Challenge



- SBCA is a Business, required to fund for the following HOA Duties of Care: **Asset Management**, **Risk Management mitigation**, **compliance with all applicable laws and regulations**, and **Rules Enforcement**.



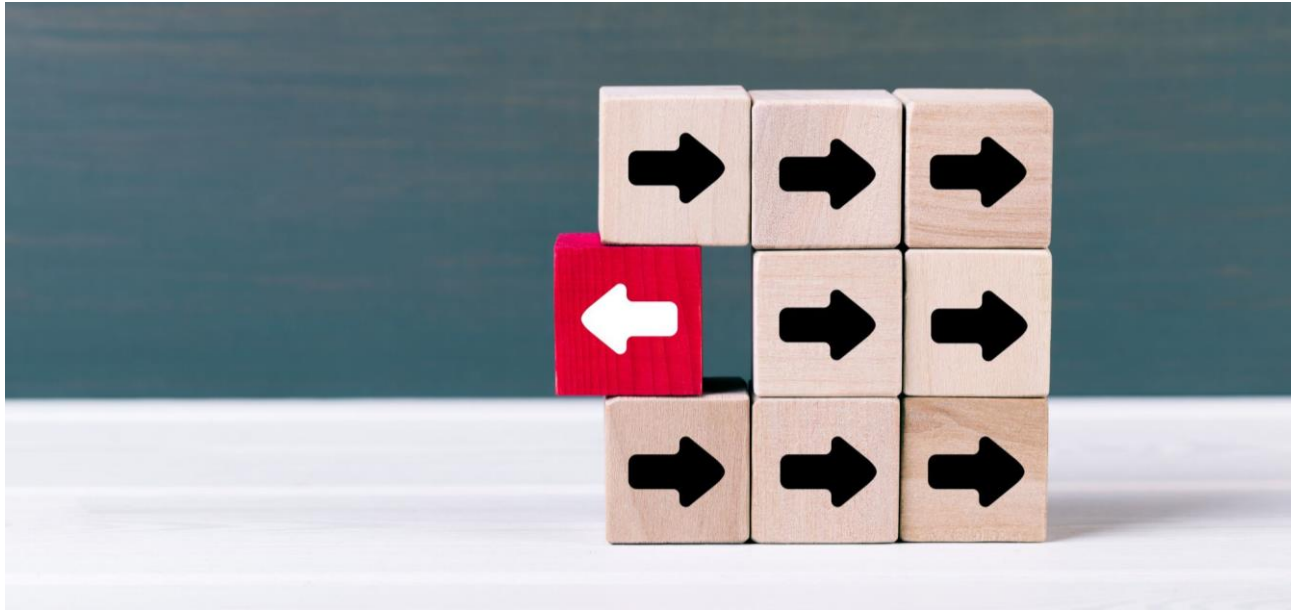
Long Term Revenue Challenge



- SBCA spends a significant amount of money on items not associated with SBCA **Fiduciary Duties**, namely Member & Community entertainment, amenities, event services, social gatherings, and use of the Bay Club as a host venue for a myriad of other community events.

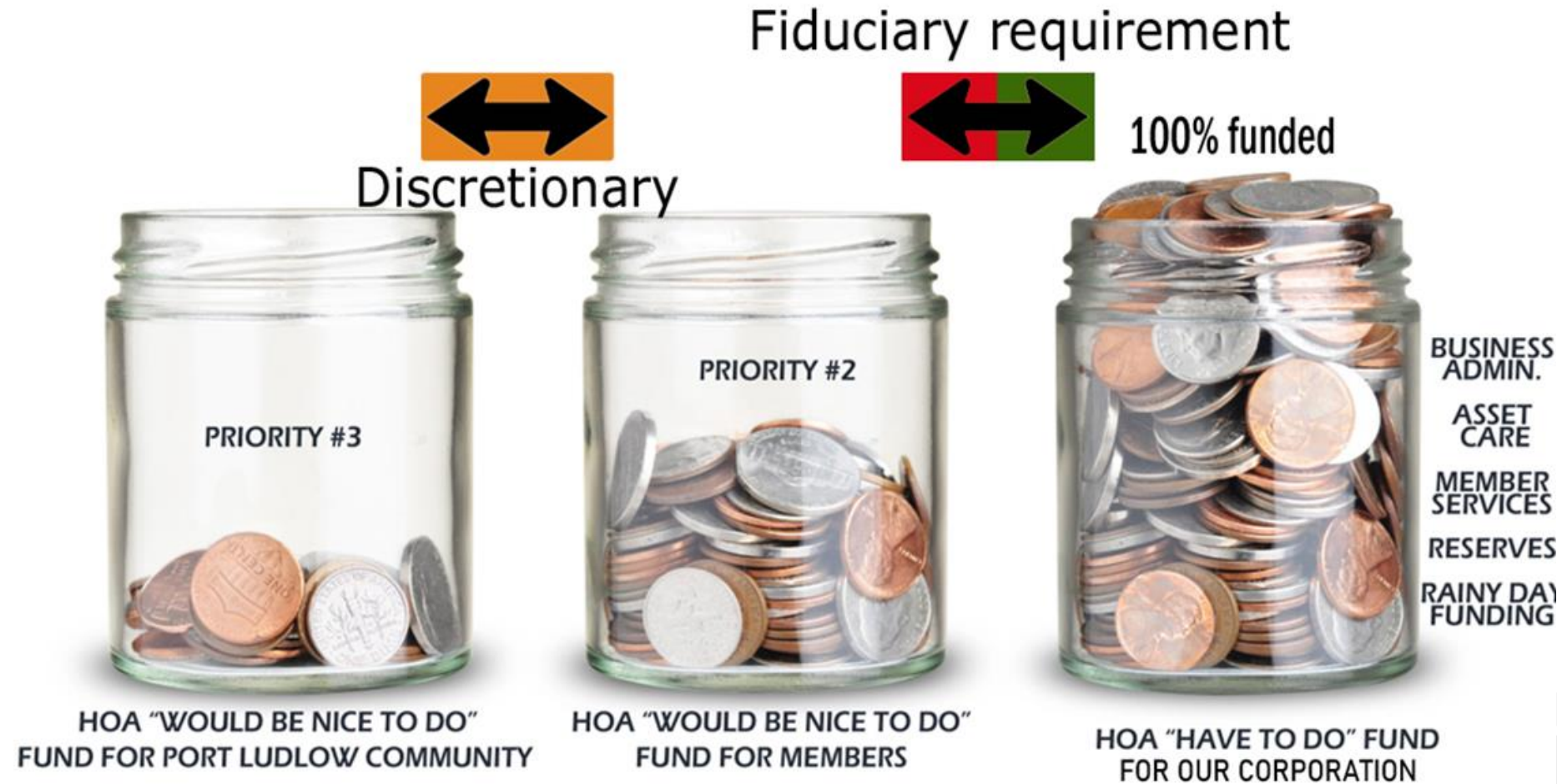


Long Term Revenue Challenge



- How should the Board approach future challenges to ensure **adequate revenue for the required HOA business demands**, while **striving to secure additional funds to sustain the discretionary expense burden** associated with entertainment and event services for Members and the Community?

Long Term Revenue Challenge





Member's Comments?







Recognition

ARC

J. Leach*
Carolyn O'Keeffe
John Cacho
Sheila Twohey
Peggy Thuotte

SBCA WEBSITE

Tom Sprandel
Geoff Lang

*Committee Chair

FACILITIES

Ted Ross*
Rob York
Carolyn O'Keeffe
Mike Wyer
Christine Spagle

HR

Mike Boock
Susan Shadrick
Cynthia Shaffer
Carolyn O'Keeffe*
Christine Spagle
Michael Stuber

FINANCE

Dan Darrow
Michael Stuber
Christine Spagle
John Cacho*

ACTIVITIES

Kare Sargeant*
Katie Schwendener
Mark Schwendener
Geoff Lang
Michael Stuber
Adina Rivers
Laureen Wagoner



Recognition

Event Volunteers

Ted Ross
Mark & Katie Schwendener
Susan Shadrick
Peggy Thuotte
Gil Skinner
Michael Stuber
Bob Gilbert
Geoff & Christie Lang
Rick Conrey
Laureen Wagoner
Keith Paton
John Sweet
Randy Edwards
Peggy Kulm
Cheryl Antley
Susan & Nelson Atkin
Linda Burger-Grafstrom
Pamela Schrubb

Event Volunteers

Lynn Maier
Deb Cacho
Peggy Hatheway

Health & Fitness Committee

Dean Rosenthal
Jeanette Hanson
Diane Olson
Barb Sweet
John Sweet
Randy Edwards
Carolyn O'Keeffe*

Woodshop Sub-Committee

Rob York*
Rob Hamilton
Rick Stafford



Staff Recognition

Member Services

Melinie Perry*

Val Dangler

David Ullmann

Ross Axiotis

Edie Baffaro

Karen Wiggins

Julie Forville

Facility Care

Marie Brown*

Deneca Huff

Tiffany Thompson

Event Support

Edie Baffaro

Ian Eisenman

Max Torres

Maintenance

Ross Axiotis

Don Baker

General Manager

Mark Torres

***Melinie Perry, 21 years of service!!**

***Marie Brown, 19 years of service!!**

 Adjourn to Reception

THANK
YOU!