

**SOUTH BAY COMMUNITY ASSOCIATION
BOARD OF DIRECTORS MEETING
JUNE 9, 2022
9:30 am**

DRAFT MINUTES

1. Call to Order

President Skinner called meeting to order at 9:32 am.

2. Determination of Quorum

Quorum present to start the meeting, with Gil Skinner, Christine Spagle, Joe Guillien, Peggy Ponto, Dave Jurca, and Bob Chadwell present. Gary Caven was absent. Six additional SBCA members were in attendance along with the SBCA's General Manager.

3. Approval of Agenda

Motion for approval of Agenda (as amended): update on status of new Associate Members was added to New Business. Motion carried 6/0.

4. Approval of Board Meeting Minutes for May 12.

Motion for approval of meeting minutes. Motion carried 6/0.

5. President's Remarks

President Skinner greeted the members in attendance.

6. Manager's Report

GM Torres reviewed Club Operations, Bay Club projects and administrative; items of note were an alternative Bay Club staffing plan that was shared with the HR Committee for the purpose of gaining Board authorization to have the GM draft the plan (detail) since the search for an Operations Supervisor has stalled, and recent completed projects associated with the tennis courts and Bay Club. GM Torres then continued the operations report, reviewing status of Annual Meeting Packet materials production, Torres also reviewed status of update to the HR policies and Employee Handbook, and reported on final count on ballots received for the Amendment to the Master Declaration campaign. GM Torres then asked the Board to advise him on next steps; to conclude the Amendment Campaign or to extend the deadline. Torres reported that there were 207 lots that had not yet voted by the initial deadline of June 1. The Board responded to Torres' request later in the meeting (Agenda item 10.b).

7. Treasurer's Report

Treasurer Spagle proceeded to read through the Treasurer's report on SBCA financial performance, year-to-date ending May 31, 2022.

8. Board Communications

GM Torres noted there was informal correspondence received via email regarding the Kraengel Complaint, the Amendment to the Master Declaration and an active Olympic Terrace complaint.

9. Committee Reports, Assignments, and Confirmations

a. ARC

GM Torres provided a brief summary of notable actions of the last ARC committee meeting, including applications received and approved. There were no action items for the Board.

b. Activities Committee

President Skinner summarized outcome and attendance of events that had already taken place late in May or earlier in the month, and also reviewed the upcoming Activities Committee's planned events for remainder of June and July.

c. Communications

President Skinner noted there was a short meeting. Expanding and enhancing the SBCA's event marketing efforts was the primary focus of the meeting.

d. Facilities

Treasurer Spagle reported for Facilities Committee. Facilities committee met and discussed a number of issues including updating the SBCA asset inventory list, roof replacement, back lawn area drainage issues, back area long-term enhancement plan that included the patio.

e. Finance

Treasurer Spagle reported on meeting discussion points; SBCA collections policy, YTD financial review, Roof project financing, projected current fiscal year net income & expected surplus. The expected surplus this fiscal year coupled with carry-over surplus funds from prior years initiated the following motion; A motion was made to establish a "Rainy-Day" fund from the accumulated surplus funds; the fund threshold would be equal to up to three months of average operational expenses and would be used to cover any unexpected operational expenses or any shortage of or disruption to HOA operational cash flows from income sources; the 3mo. (average) expense level is currently \$135K-\$165K. If surplus funds exceed the threshold range, then excess funds could be transferred into either the Capital Improvement Fund or Reserves. Motion carried Motion carried 6/0. It was noted that all funds including a Rainy-Day fund, Capital funds, and Reserves help to limit increases to annual assessments (dues), prevent special assessments, and avoid the necessity of borrowing to cover operational or non-capital expenses.

f. Health & Fitness Committee

GM Torres noted that the committee did meet, reviewed status of all fitness areas and had no action items for the Board. GM Torres noted that a new

commercial-grade stepladder was ordered and received and added to the equipment in the weight room.

g. HR

President Skinner reported for the HR Committee. HR Committee met to review/renew the General Manager's Employment contract, to conduct a General Manager performance review, to decide and recommend to the Board a change to the General Manager's salary, and to review the General Manager's alternative (to Operations Supervisor) staffing plan.

- HR committee made the following recommendation for the Board. Motion to approve renewing the General Manager's employment contract as revised. Motion was made by Pres. Skinner, 2nd by Director Jurca: Motion carried 6/0.
- HR committee made the following recommendation for the Board. Motion to approve increasing the General Manager's annual salary to \$100K. Motion was made by Pres. Skinner, 2nd by Treasurer Spagle: Motion carried 6/0.
- HR committee made the following recommendation for the Board. Motion to approve the General Manager to draft alternative staffing plan using existing staff as alternative to hiring an Operations Supervisor. Motion was made by Pres. Skinner, 2nd by Director Jurca: Motion carried 6/0.

President Skinner recommended a motion to approve all committee reports. Motion carried 6/0.

10. Old Business

- a. Updated Polices re: Covid.** There was brief discussion on masking policy, in light of the increased case counts in Jefferson County. Until there are any new requirements for masking in Jefferson County, the SBCA shall continue to make wearing of masks inside the Bay Club optional.
- b. Lot Amendment.** GM Torres already had reported that 393 ballots had been received and secured. Ballots were not opened or processed. There are as of the initial June 1 ballot submission deadline, 207 lots that have not yet responded. Motion to extend the deadline for ballot submission to August 10, 2022. Motion was made by Dir. Jurca, 2nd by Director Guillien: Motion carried 6/0.
- c. Update on the Annual Meeting Packet Materials.** With exception to any minor edits to some of the pages, the annual meeting packet materials were determined to be complete.
- d. Kraengel Complaint.** Director Jurca summarized the complaint for the members attending the meeting. The complaint involved SBCA's mask policy during heightened Covid safety restrictions. Board is currently working with the SBCA's D&O defense counsel for all communications to the complaint Investigator. SBCA's General Liability carrier and D&O claims department have already been notified for purpose of disclosure.

- e. Status update on Associate Member.** GM Torres reported that there have been no changes to the Associate Member population in the last month. There are currently only 30 Associate Members. A display advertisement was placed in the Port Townsend Leader in April. So far, 6-8 inquiries followed but to-date, no new contracts have been approved. Another advertisement will be placed in the PL Voice in coming months. The goal is to build the Associate Member population back up to levels pre-pandemic.

11. New Business

- a. Fill vacant SBCA Board Secretary position.** No action taken. Matter was tabled until next Board meeting.
- b. GM Contract renewal.** This matter was addressed during HR committee report.
- c. Future Owner request for the Board.** A couple that has purchased a home in Olympic Terrace II, Phase One asked if they could join as Associate Members for a few months until their house was fully built and ready for occupancy but be exempted from paying the \$3000 initiation fee. Motion to approve the exemption was made by Dir. Jurca, 2nd by Director Chadwell: Motion carried 6/0.

12. PLVC Report

Director Jurca and a member in attendance provided a short report on some discussion items that took place at the PLVC meeting.

13. Member comments

Comments and questions were received about the Amendment to Master Declaration and Architectural Review process.

14. Convene Executive Session

At approximately 11:05 am, Motion to convene an Executive Session to review communications with legal counsel. Motion carried unanimously, 6/0.

15. Resume Open Session

At approximately 11:19 pm Open Session resumed.

- Motion to authorize the General Manager to respond to SBCA's defense counsel and reject the settlement offer for the reasons set forth in SBCA's May 20 letter in response to the Kraengel complaint. Motion was made by Dir. Jurca, 2nd by Director Chadwell: Motion carried 6/0.
- Motion to authorize the General Manager to send out an e-blast message to members on Monday, June 13 informing them the deadline to submit ballots for amending the Master Declaration of the SBSCA has been extended to August 10, 2022.

16. Adjourn

Motion to adjourn at 11:25pm. Motion carried unanimously, 6/0.

Next regular SBCA Board Meeting: Thursday, July 14, 2022
Next SBCA Board workshop date: TBA