

February 8, 2014 Board Meeting

Unofficial Notes taken by Karen Shaak

Ed, Suzy, Chris and Fred (present) Kurt (phone) introduced themselves.
Absent -Dustin (ill) and Jean Salls resigned – now open position

Ed asked for approval of the minutes from Jan12th and Jan25th board meetings. There weren't enough copies and not all board members had reviewed them so Fred read them into the record. Both sets of minutes were approved.

President's report:

Ed mentioned there is still no Treasurer so he will continue to recruit for the position (no board members are willing to accept the position). The Treasurer needs to be a year-round resident due to the nature of the job. Ed will continue to act as the Treasurer. Dues statements will be ready to mail the week of Feb 17th along with the newsletter.

Finances:

- Checking and saving ~ \$68K, about \$11K is unrestricted and available
- Receivables – past due accounts ~ \$42k

Correspondence:

James and Colleen Deymonz (Sp?) – sent a letter requesting to withdraw from ACBC as members. The Club received a number of these letters last year; it appears a fair amount of residents do not want to be members of the Club. Having spoken with many of these members personally; there are several reasons stated but most folks just can't afford to be members. A large number of foreclosures purchased by members in the past two years are by folks living on a tight budget. The prospect of increasing dues and the potential pool assessment is more than they can afford.

Registered mail – Peterson Trust re: tree cutting. The Peterson's they feel they have acted as custodial managers of the land owned by ACBC over the years and have done so responsibly. The arborist's report of their tree cutting indicated otherwise; serious damage to Club property has occurred. The Peterson's requested the Beach Club to deed the bank to the residents of Farragut for maintenance. The Peterson action was a trespassing cut, no permission was requested.

--Kurt will read the documents and provide guidance so Ed can respond to the Peterson family. ----Dan Jones spoke up and indicated that boundary line adjustments are lawful and get recorded at the county regularly. But, if the Club did deed the land and the bank slides, it would then become the problem of the Farragut owners to pay the Club for damages.

--Bob Wilbur mentioned that the homeowners would need to post a bond if the Club redrew the boundary. A fair amount of conversation occurred about what this would mean one way or another with members at this meeting supporting both possible positions.

--Maria disagreed that we should deed the land to the Farragut homeowners citing the continual neighborhood infighting as a potential outcome. She's probably right; another thing to fight about.

Registered letter from Jean Salls confirming her resignation from the board was received.

Past Due Accounts

A community member suggested the Club report members to credit agencies as deadbeats if they are not paying dues and assessments. Ed agreed to look into this.

I am against sending neighbors to collection in any form; it's a beach club not a homeowners association. Fixing the problems that cause members not to pay is a better approach than jousting at neighbors. In 2010, the board engaged a collection agency to report member debts and make collections (note: collection agencies keep about ½ of any collections). This effort did not have a desirable outcome (members did not pay) but significant negative sentiment from the membership resulted in more members protesting and not paying dues.

A comment was made about applying liens. There are no common-law liens in Washington State. The Club would need to file against each community member and a judge would need to rule on each and every filing. A lien would get satisfied when the property was sold which could be years away so no funds would be available immediately as a result of this action.

Water District or Cove Rulers?

At this week's coffee meeting Sid Iverson suggested that the Water District act as a collection agency for the Beach Club by turning off the water of delinquent members until they pay their bill and he'd been meeting with Ed and Suzy about enacting his plan. Sid apparently told Jackie Pritchard that he had the paperwork all filled out and ready to file and there was no need for committees or anything to complete the job. There would be no cost to the members and everybody would swim free. (Oh, and by the way I have a bridge for you to buy.)

I think the big plan is for the water district to take over ACBC, assets and all, repair the pool and run it. I'm wondering when Ed and Suzy are going to inform the membership about the pool plans moving forward. There are other districts on the island that do this (co-mingle funds between their water district and organization but they are all HOAs). It seems to me that the membership would have to vote to turn over assets to the water district.

I would like to know what the law says about co-mingling water fees with recreational facility upkeep and what the limits are on how much they can charge for water consumption.

I wonder what papers are drawn up and will be filed with whom?

I'm going to check with the state about this being within the jurisdiction of our municipal water district. There was no mention of this at the meeting today even though the water commissioners were in attendance; why wouldn't they want your input to this scheme?

Adel Saba (also a water commissioner) suggested to Ed that the Beach Club simply charge the members a maintenance and operation fee to raise money. He said this is what the water district does so the club should do it as well. Clearly Adel needs a copy of the bylaws because the board has no such power.

Other Stuff

- Ed is still trying to get contractors to provide quotes for roofing/shingle damage to the shelter
- Late ballots arrived; they were shredded. Some refund checks have returned due to address issues of members that may have sold their homes and moved away.
- Back-flow valve that was recently repaired was insulated to keep it from freezing. An extension cord is running across the parking lot due to the cold weather to keep the pipe warm. Cost of the repair was about \$1k
- Phone and internet cost quoted at the last meeting was a pre-tax value— the cost of service would be about twice as much so no action will be taken to sign up for service.
- Suzy had nothing to report but requested members to sign-up for committees
- Gwyn asked for a bylaws committee sign-up sheet. Suzy indicated that she'd get one set-up. Dan remarked that it was considered ad hoc and Ed said he wasn't sure he agreed with establishing a bylaws committee this session. I guess they will discuss it and we'll see what happens.
- Ed asked for topics for the newsletter. He will post emails on the bulletin board by the pool if you want to send a topic to him by email. A survey will be included in the mailing to ascertain when members would like to have the board meetings held. Gwyn remarked that holding the meetings on Saturdays is discriminatory to Jewish members. Since the board meeting is actually for the members of the board it's really up to them when to meet based on their convenience. The membership is invited to be informed but not required to attend so there is no discrimination issue.
- Ed indicated that he will be contacting people about the empty board position. Nobody has been appointed yet.

Member Forum

- Members have asked for access to the restroom when visiting the beach. Much discussion occurred about how keys could work. Another member asked that all members have access to the restrooms. Sue Corliss noted that vandalism mostly occurs in the summer and suggested the bathrooms be open every day during the daylight. Someone would have to unlock it in the morning and lock it in the evening. There was some discussion about restroom mess during fishing season. Sue suggested solving the issue by potentially providing a fish cleaning station for fisherman on the beachfront. This sounds like a good idea to try.
- Harry asked about which board member would be on each committee. Chris and Suzy stated that they both want to be on the pool committee.
- Gwyn asked for status of the web site. She also asked that surveys be done on the web versus via paper. Suzy wanted to discuss this in executive session and make a decision on what to do about the website today. One can only wonder why this requires an executive session discussion.

- Gwyn stated she wants the newsletter to be sent when the lawsuit results can be reported. Earlier in the meeting Ed reported the dues statements being mailed on the 17th with the newsletter so either the lawsuit will be resolved by then or he'd have to hold the invoice mailing to please Gwyn.
- Maria asked about Dan's motion from the membership meeting and wanted to know if Ed checked with the attorneys as was decided at the last meeting. He said he heard from Mr Nye and is waiting for a response from Vasu Addanki to provide a legal opinion on Dan's motion.
- Gwyn asked about raising the dues. She didn't think that anyone understood the budget or realized the dues weren't going up or they wouldn't have voted on it. Gwyn thinks that board should increase the dues based on her opinion of what members think. The membership approved budget; there was a statement indicating the budget was based on \$138.50. Ed confirmed that the board met and agreed to hold the dues at this amount.
- Gwyn commented that she knows folks who can fix the roof. Maria commented that we should only use folks that are licensed, bonded and insured in response to Gwyn's statement.
- Dennis Egan inquired about an official attorney for the club outside of those representing the lawsuit filed by Bob Wilbur and Dustin Frederick. He suggested that the club have an attorney to ask various questions when required. Gwyn suggested Condo Law – they represent HOAs. Ed agreed that having an attorney was a good idea. We have Gwyn and Kurt, do we really need an attorney on retainer? The club has a history of hiring attorneys, paying very large sums of money (one year Sid spent \$23K) and then not taking their advice.
- Sue Corliss stated about having so many board members not living here as a detriment when it comes to being effective to working on committees or the club getting things done. Ed stated he likes this because it represents the community – half not living here. Ed said he is fine with them participating by phone even though they cannot be chairs of the committees. I think the absentee board member issue will become a bigger issue when the weather gets warmer and more board members are needed to deal with the facility, alarm, vandalism, etc. that the Club faces every year.
- Sue asked whether we renewed our liability insurance. It will be renewed on the 21st of this month. The D & O insurance is due in June; money was budgeted for a potential increase because of the lawsuit.

Executive session – stated reason was communication with the plaintiff.

Meeting only lasted an hour. A fair amount of members were inquiring about the status of the lawsuit. Last meeting Dustin stated he would either step away from the board or not be a plaintiff in the lawsuit but there was no comment.