

July 20 2014 ACBC Board Meeting – unofficial notes taken by Karen Shaak

Board Members in Attendance: Dustin, Suzy, Fred, Steve, Chris (Kurt and Ed on the phone)

Suzy Palmer presided over the meeting; she asked everyone be quiet so Ed could hear from California and Kurt from Louisiana

Suzy explained the protocol to speak at the meeting; same as was explained at the last meeting. A new wrinkle added is that only members in good standing are allowed to speak at the meeting. Suzy explained that all members are allowed to attend the board meeting but it is meant for the board and not the members. For some reason this board scheduled NO member meetings this year. With the exception of the annual meeting they really don't want membership attendance or input. Since there is no forum for member interaction the meeting was interrupted by members attempting to understand what was going on.

Executive session is planned but no explanation of the subject for discussion was offered. Lack of transparency and disdain for membership input is de rigeur for this board. They want your money but not your input.

Recording Secretary

The board approved the minutes provided from June 21st meeting – they are posted on their website but Dustin said they were slightly different (those being approved are different than posted). Maria Chamberlain said she took offense to the notes being inaccurate and not including the community garden discussion that had occurred in the notes. She contends that that Kurt Blankenship obtained a vote that the garden was authorized and it needed to be added to the minutes. Steve provided his recollection of the garden club discussion and agreed that Maria's comments were different than Dustin's minutes. Dustin Frederick said he took the minutes the way he heard them and didn't agree with Maria's comments. Well Maria, I guess you can kiss your garden goodbye. Here's an idea for you, put the word POOL in front of it and call it the "Pool Garden Club" and they'll go for it!

Sue Corliss asked how the minutes handed out at the meeting were different from those posted. Since the minutes were approved as posted any edits are required to come forth as an edit at the meeting for the approval to be accepted. Protocol is to correct the notes (out loud to the assembly) and ask the notes be accepted as edited. The approval today was bait and switch (post one set of notes and provide a second set of notes).

➔ There was no input from Fred Salmon regarding correspondence or bills received. It must have been a slow month for mail.

Suzy Palmer reported that there is still a punch list of items to complete and the pool is not open yet.

Suzy shushed the audience. She repeated multiple times those members not in good standing should not speak or talk in the meeting. I think that other than me all other attendees were in good standing. Her scolding was clearly falling on deaf ears as everyone spoke regardless of her admonishments to do this or that. Last month Ed used the same protocol and although there were a few interruptions it was well run; nothing like the chaos we saw today. The membership does not respect Suzy Palmer so the meeting was a mess. Dislike and distain of the membership has gotten her nowhere and we saw that today.

Treasurer

Steve Morrow said he got a check from the IRS as a result of the efforts that Maria and Jean expended last year. The check was a refund for about \$4,000.

A new IRS issue exists with the partial year filing; the wrong EIN was recorded to the IRS. This is an offshoot of the club renaming itself as an HOA and obtaining a new identification number. At the June meeting Ed reported that the IRS granted a 90-day reprieve to solve the issue so hopefully there will not be a fine.

There weren't enough copies of the financials available so not everyone could have one. Marge Plecki had a copy and pointed out that the accounting presented (expense column) did not add up. Steve laughed and hemmed and hawed. I find it disturbing that the club is now keeping two sets of accounting records. One set is produced by the bookkeeper – they sum correctly. Steve Morrow presents the membership with his own set of accounting. Do you think this is a good idea? Which set of numbers do you believe?

Steve indicated that the club still has a lot of cash but that \$60k in dues is still outstanding. When asked how much money has been spent on the pool, Steve told the members that newly incurred pool expenses will be reported in August and provided no input.

➔ No warrants were reviewed or presented for signature. There must have been no bills to pay this month.

Pool expenditures and questions:

- Cathie Harrison asked where the money is coming from for the pool repairs.
 - Steve Morrow responded that the board elected to move around the funds in the budget because they believe they are required by the court to open the pool.
- Cathie remarked that it is irresponsible to take the money paid as dues and spend it in a manner that the membership didn't approve.
 - Dustin provided input that the budget is not a document that must be followed by the board. The board will use the money as it sees fit. Dustin also said the board received legal advice to open the pool. He said that it is the decision the board has made regardless of what the neighborhood says; it is the board's decision. Well folks, you elected these members. You have a couple of options if you don't like them giving you the finger – don't vote for them again and don't pay them to give you the finger.
- Sue Corliss -asked which areas of the budget are being reallocated. She asked how the budget was being plundered to open the pool. She indicated that she has asked the board who the contractors were and has yet to receive a response. So much for transparency! Sue, vote with your money – don't pay and there will be no contractors to hire.

Irresponsible spending

Dan Jones was recognized and spoke to the need for fiduciary responsibility. He urged the board to make wise financial decisions. He stated that he sees no reason why the board was not saving money to refurbish the pool in the future instead of spending it all in a reckless fashion. He stated that saving money would enable the board to open properly with a pool that was up to ADA and safety standards. Board members rolled their eyes and Suzy cut Dan off before he could finish his statement.

Fred Salmon said he was working with contractors (Barron heating) and has repaired some items on the boiler (approximately \$1500 has been spent). The state still needs to inspect the boiler. Some 'pool people' did the work for free on the pump and VGB valve. Fred says it operated for 36 hours. I wonder what 'pool people' is an aphorism for – unlicensed contractor. I asked Fred who from the state will be certifying that the VGB valve works as required. He said he didn't know. Suzy shushed me because I am not in good standing.

Temporary Restraining Order (TRO) requires the board to open the pool?

Marge Plecki asked if it is the position of the board that the TRO requires ACBC to open the pool this year. Steve Morrow responded and said it does not require it to be open but the board has decided to do it anyway. Marge then commented that the bylaws also require members to vote on amounts more than \$4000 and the board is obligated to come to the membership. She asked for a pool budget. She got a shoulder shrug. Basically the board gave Marge the finger; with this kind of response why would Marge pay the club another dime?

Budget discussion:

Mike King was recognized and said he took offense that Dustin said the budget was a suggestion. He indicated that the budget was a tight guideline that the board needed to follow. Mike commented that if the budget is just a suggestion then why would the members vote to approve it? Dustin said it was legal for the board to use the money as they saw fit to do their job. It's not about what the members want or voted on; it's about how the board wants to use the budget. OK folks, you voted for these members to responsibly spend your money. Your options are to vote them out of office or stop paying them to spend your money as they choose.

Maria Chamberlain said the prior board always worked within the budget. This is true. On a number of occasions we wanted to spend for this or that but funds had not been budgeted so we did not spend. Recklessly robbing Peter to pay Paul was never done by the prior board.

Steve Morrow commented that the board can spend as they want because operating the facilities is usual business regardless of budget or exceeding spending limits. I think it is disingenuous to tell the community you are doing the right thing and then pointing out that you are using a loop-hole to spend as you see fit. Clearly you are violating the intent of the bylaws.

Fred Salmon provided his opinion that everyone he speaks with says the pool is a 'diamond in the rough'. He admitted that not everyone will or can use it (since the board is discriminating against the disabled they can't use it but they must pay for it). Fred said he believes that with the exception of ACBC that only billionaires have pools like this. Clearly Fred needs to get some new glasses because this pool is a run-down ramshackle mess. It's not a diamond or even a cubic zirconium. Most three-star hotels have better pools than this; we all have eyes. Board members, please don't lie to us, we know more about the decrepit pool than you can imagine. It's no diamond!

I attempted to ask a question but Suzy Palmer told me I could not speak because I not in good standing. If she was trying to shame me or intimidate me she didn't succeed. Only small and narrow-minded people employ vindictive tactics. Silencing perspectives that are different than yours only draws attention to those views and questions your motives. I would hazard a guess that the more threats this board levies against the membership the more non-payers will result. Being exclusive does not endear would-be members to the facility or encourage them to pay.

Budget Committee

Dennis Egan reported that the committee is close to submitting a 2015 budget. Dennis asked for a ruling on his prior presentation of tiered membership and Suzy said the attorney is studying the issue. Dennis asked the name of the attorney and Dustin said that the board spoke with Chris Nye. Mr. Nye gave Ed several names of attorneys who could help him but no action has been taken yet. Ed said he has not checked on the tiered dues issue as he doesn't see it as urgent but would do it this week. Dennis then commented that when Ed assigned members to the budget committee he was told that members not in good standing or non-members can be on the committee. Suzy said this is not so, Ed is wrong and non-members and those not in good standing can only be on a committee when the club needs special help

and only for a limited time and for a limited goal. There is no reference to this new rule anywhere in the bylaws. Suzy pulled this out of her ass and it is contrary to what Ed (the real president) has said on multiple occasions. Since Ed was out of town, today we are operating under Suzy's rules. Dennis contested Suzy's opinion saying that it was not the rule but just her opinion. Suzy whined that the membership was rude by asking questions. Dennis stated that the meetings will now be at his house and non-paying members were welcome. Suzy scored yet more points for endearing members to the club. She is continually anti-social and unfriendly. She cannot seem to pick a battle; all things become a dumb battle. The bylaws were written specifically to include anyone for multiple reasons – the club cannot attract enough committee members and any committee member with knowledge that can help the club is an asset to the club.

Dan Jones spoke in favor of the tiered dues option. He suggested they attach dues to the member instead of the land. Suzy had no idea how members were charged today and asked Dan for clarification. Dan went on to explain that billing is per lot not owner so someone with 10 lots would pay a pool assessment of \$16,000 but still only have one vote.

Building and Grounds

Nate Palmer commented that Udo Poos funded the effort to cut the weeds on Lower Byrd Rd. Nate said he has called and asked Udo to finish it but hasn't heard back as to when or if that will even occur. This is awesome; thank you Udo. Nate asked for members to volunteer to cut grass. Russ was recognized as the trash collector. He indicated that members are dumping trash on top of the dumpster and this is creating a mess and costing the club money. That's why the dumpster was moved inside the pool fence.

Long Range Planning – Dustin said there was no meeting - no report

Pool Report

Suzy - Pool Maintenance and operations has been functioning together as a single committee. This is clearly a violation of the checks and balances intended by separating these committees. Suzy and Susie Petterson are working on a PR brochure about the pool opening. The fees and hours will be forthcoming. Limited use issue – the entire membership doesn't understand that there are limits and how they apply to their situation. The Island County Health Dept required the board to inform the membership about the change in pool permit status so a motion was read into the record to satisfy that need. A limited use permit requires that a member be a resident of the community.

Mike King was recognized and stated that a limited use permit prevented people who did not live here from using the pool. Mike claimed he wasn't a resident and therefore not able to use the pool but was expected to pay for it. Suzy responded that it was all open to interpretation. Suzy's opinion is like kelp – it moves in and out with the tide. If she likes something it is interpreted as legal, else not.

Cathie Harrison was recognized and asked what precluded this from being the approach to open the pool every year. She asked if there would be more volunteer patchwork and all of the money spent year after year as an excuse for the board not doing the right thing. She indicated that the board's approach indicates they will likely open the pool next year as a limited use pool. Cathie stated that special assessments must be approved by the members as a yes or no option. The board did not respond to her questions.

Gwyn Staton said a special assessment is not required to be approved by the membership at all; the board can just levy it if they see fit. Gwyn is living la vida hoa!

Maria – stated the motion read into the record is a violation to our bylaws and that the health dept. cannot provide a policy to change the bylaws. She indicated that the board is continually trying to skirt the law. I think Maria is correct;

all of the exceptions to rules are tiresome and causing members to question why the board continues to operate in the margins of all issues.

Sue Corliss stated that the bylaws state that classes of membership shall be active and associates. By way of the motion the board is temporarily suspending the bylaws. She told the board that it is not within their right to do. She also stated that, "As a member in good standing I have the right to vote on that along with everyone else."

Suzy Palmer said that the board is not going to accept Associate members. The membership had no say in the matter. Another reason to stop paying, you don't get to vote even if you do pay.

Suzy whined and rudely asked members to sit down and stop asking questions.

Nominations Committee (Russ Chamberlain)

Russ obtained input from a limited survey of the neighborhood and indicated that nobody was interested in running for office. Darla resigned from the committee for personal reasons. Russ discussed drumming up interest by sending out a postcard and requested money is allocated to the project. He provided postcard and signage examples and stated that applications were due in about a month. Russ asked for about \$550 to recruit applicants. Gwyn said the club should put it in the newsletter and save the money. A motion was approved for Russ to spend the money, he expects to mail cards this week to all members. There have been no applicants for board to date.

Dues and Assessments

Suzy discussed hiring a collections agency. She complained that the board couldn't create a budget because they don't know who is going to pay. This is yet another indication of the disingenuous nature of the Suzy's statements - a pay rate of 70-80% is always used to create the budget. Collections are not a factor in creating a budget.

Gwyn spoke up and asked the board to add interest in addition to a service charge to members in arrears. The board said they could not do that, only a service charge was added.

Kurt said he had been looking at collection agencies and is still researching Seattle law firms to narrow it down to 2-3. His criterion is 'how much they charge' to collect. Steve indicated that a letter is going to be sent to the membership telling them to "cough up or we're going to turn you over to collection". The next step would be contracting with a legal firm. Gwyn indicated a fair debt collection notice needs to be sent now and said she knows of law firms that will collect from members for 25-33% of what they collect. She told the board that they should be proactive and get quotes on what a law suit would cost to sue each member if they can't collect when they speak to law firms about collections.

Cathie Harrison stated that she was appalled at the board's behavior and how it wasn't neighborly to chase the membership around. She pointed out that the board was more interested in suing and harming members than in helping them.

Marge Plecki asked which members would get the collection notice. Steve said that anyone owing over \$10 is not in good standing would get sent to collections. The board became highly animated; you can tell they are really excited about suing the membership. This is the only part of the meeting that seemed to get them all engaged.

Gwyn asked when the incremental 10% of dues increase notice is going to be sent. The board told her next year and she wasn't happy. Gwyn, I think there are butterflies that are in their adult life stage and flying now- time for you to pull the wings off!

Procedural financial review

Steve obtained a contract to evaluate for a procedural accounting review. The accountant had some input about a review being disruptive. ACBC has never had a review. The board had no input as to what they'd be doing about the review. Fred complained about the bylaws not being clear and providing direction about a review.

Security Camera

Steve showed that the club had purchased a camera for surveillance. Windows were broken, people were on the roof, and people have been in the pool over the past month. Now this will be on video, maybe.

Pool renovation assessment ballot

Steve said the board has approved the ballot but legal questions have not been answered. The goal is to send the assessment ballot in August.

Mike King asked if the ballot will have a NO option. Steve said a legal opinion has been requested that has not been received. We saw Sid use this technique – he hired one attorney after another until he found one that agreed with him. Then he'd say, we did this based on such and such legal opinion.

Sue Corliss asked the name of the lawyer who will be providing a legal opinion. None was given. She asked to see the written opinion. Sue, Suzy asked that records requests be put in writing with the intent of use. You need to start documenting everything.

Cathie Harrison asked what happened to the ballot that was voted last year. Steve said the court found it as invalid. Then Suzy said it was her opinion that the judge made it invalid.

Dan Jones commented that the judge said the pool must be ADA compliant and the board cannot cherry pick when the judge's opinion matters and when not.

Suzy Palmer whined that the membership kept providing input they did not want to hear or have time to listen to. Your job as a director is to serve the community. If you don't like hearing from the community, resign.

Reinstating the Architectural Review Committee

Suzy stated that it was not legal to remove the Architectural Control Committee. Suzy now believes that the committee must exist because old deeds contain the verbiage that Admirals Cove Inc (an entirely separate corporation) had this power. Yes it did but it no longer exists. You cannot automatically usurp the power of another organization. In this case, the club has no jurisdiction over private property, only its own. The county simply does not care what you approve. To be legal on any land decision, property owners must comply with CC&Rs and county regulations.

Easement (lower Byrd Rd)

Mike King asked if he could be accommodated and has some time to discuss ownership of the easement with respect to the contract between himself and the club. The Kings have sent multiple communications and the board has not

responded. The Kings requested a meeting to explain the background and issues. Steve asked Kurt if it was appropriate to meet with Mike and Marge prior to selecting an attorney. Kurt said they should not be allowed in the executive session. The membership asked what was going on. The easement (access to the club property via the road) is provided by Mike King and Marge Plecki (they own the road); the agreement with the organization has problems.

Other stuff

Lifeguards – two have been employed - Garrett Love and Joelle Anthony.

Records requests - if you want to look at specific records, you have those rights. Suzy asked for a written statement of intent and the name of specific records you'd like to review.

Wi-Fi is now on. The password is ACBC_p00l (oo's are zeros)

Member Forum

Russ Chamberlain

Russ said he had heard a rumor that the board is looking into bylaws changes. Suzy stated that there is no committee but Kurt is working on it by himself. Maria said that she is on the committee and hasn't been notified of any meetings or changes. There is a committee posted. Suzy seemed surprised that there was a committee said they will keep her posted.

Sue Corliss

Read the judges statement from the Order 3B – Final Order

She told the board that they were violating the law by removing associates and cherry picking items but not adhering to all items as ordered by the judge.

Suzy Palmer

Although this was the member's forum Suzy imparted her words of wisdom onto the attendees. She said that members are slowing down the board and it is discouraging to her. She only wants it to be a better place for herself and that is why she joined the board (a bizarre and condescending speech). It doesn't occur to her that her definition of better is different than that of others.

Joanne McMillan

Attempted to ask a question but Suzy banged her gavel and said the meeting is over.

All other members, several with their hand up to speak, got the finger from the board. The board did not want to entertain member questions. I spoke to a member in the parking lot who had questions about fishing. I told him to do whatever made sense to him, the board only cares about the pool. He indicated he would never attend again and would stop paying since they didn't have the courtesy to listen to his question. This will make them happy; they now have another member to sue.

If you want member decorum you must give them an opportunity to speak. If you don't allow input you get no respect and encourage acrimony.

Intimidation via wild accusations

After the gavel banged I was chatting with some neighbors when Nate Palmer approached us. He was not part of our conversation. Nate poked me in the arm three times and accused me to interfering with ACBC vendors. He accused me of intercepting them at the pool, contacting them and slowing down progress. I stepped forward and said NEVER TOUCH ME, NEVER. He backed up and said I didn't touch you and in unison everyone standing there watching said "YES YOU DID". I told him I had never visited the pool, had never interfered with a vendor, had no idea who the vendors were and had called no vendors. I work off-island and don't hang out at the pool spying on the vendors. I told him he should get his facts straight and never accuse me or touch me again. He then said, "Well somebody is interfering" he needed me to know that I guess. I told him to "go accuse somebody and leave me alone". (I filed a complaint with the sheriff's department) After his encounter with me he moved on to attempt to intimidate Sue Corliss and didn't appear to gain traction there either. Nate appears to have some serious anger issues – intimidation and baseless accusations may be the way it's done in Chicago but it doesn't resonate here.