

ADMIRALS COVE BEACH CLUB
ACBC-Whidbey.org
MINUTES FOR BOARD OF DIRECTORS MEETING
11-15-2016

CALL TO ORDER

Kurt Blankenship, President, called the meeting to order at 7:00 PM

BOARD MEMBERS PRESENT

Kurt Blankenship, Ed Delahanty, Steve Morrow, Suzy Palmer, Dennis Egan and Greg Behan (Greg had to leave almost immediately because of a fire duty call). A Quorum remained, so the meeting continued.

APPROVAL OF PREVIOUS BOARD MEETING MINUTES

4/27 Regular BOD meeting minutes have been approved but **haven't been posted**

5/26 Special BOD meeting minutes are posted

5/17 Regular BOD meeting minutes are posted

6/28 Regular BOD meeting minutes **haven't been posted**

7/19 Regular BOD meeting minutes **haven't been posted**

8/16 Regular BOD meeting minutes **will be approved by email** and then posted

9/20 Regular BOD meeting minutes have been approved but **haven't been posted**

10/18 Regular BOD meeting minutes **will be approved by email** and then posted

11/1 Special BOD meeting minutes are posted

BOD is to approve via email minutes of 6/28, 7/19, 8/16 and 10/18.

PRESIDENT'S REPORT: KURT BLANKENSHIP

Newsletter has been mailed. There has already been some reaction on Facebook. Kurt will comment later during Committee reports and New Business.

OFFICER REPORTS

VICE PRESIDENT: ED DELAHANTY

Will report later during Committee reports.

TREASURER – FINANCIAL REPORT – STEVE MORROW

Ordinary Income/Expense 10/31/16 YTD

Income -Pool Assessment	16,615.00	
Property Changing Hands – 7	350.00	
Dues Revenue		
Dues, Members Annual	218.05	98,101.30
Prior Balances 08/30/2016	<u>0.00</u>	<u>2,470.80</u>
	218.05	100,572.10
Rental Expense Income	0.00	50.00
Facility Usage Revenue	80.00	870.00
Pool Assessment 2016	16,615.61	389,397.11
Pool Donation Revenue	0.00	808.00
Pool Usage Fee Revenue	0.00	10,035.00
Return Check Fee Income	0.00	7.00
Service Charge Income	50.20	2,562.75
Transfer Fee Revenue	<u>350.00</u>	<u>2,100.00</u>
Total Income	17,293.86	506,401.96

Checking/Savings

Capital One #6669

C1 – 2016 Pool Assessment	360,000.00
C1 – Interest – Pool	<u>968.96</u>
Total Capital One #6669	360,968.96

Capital One #9078 – Savings

C1 – Contingency/Reserve	35,000.00
C1 – Interest – Savings	460.66
C1 – Restricted – Playground	4,958.72
C1 – Savings	<u>35,052.13</u>
Total Capital One #9078 – Savings	75,471.51

Heritage Bank Business Checking

Pool Assessment 2016	32,398.45
Pool Donations	908.00
Restricted – Erosion Reserve	9,581.05
Restricted – Hardship Fund	1,650.00
Swim Scholarship	162.42
Unrestricted	<u>64,349.04</u>

Total Heritage Bank Business – Checking 109,048.96

Total Checking/Savings 545,489.45

A/R Balances as of 11/14/2016

Owed	Members	Amount	Avg/Owner
<=\$10	323	-39	0
<=\$100	2	147	73
<=\$250	15	2,878	192
<=\$500	29	12,704	438
<=\$750	36	23,322	648
<=\$1000	96	92,608	965
<=\$1500	38	48,041	1,264
<=\$1500 +	<u>51</u>	<u>122,927</u>	2,410
	590	302,588	

Lots = 690

Non-Perc = 86

Owners = 590

Including Assessment:

Good Standing = 323

Payment Plan Current = 46

Not in Good Standing = 221

Excluding Assessment:

Good Standing = 515

Not in Good Standing = 75

SECRETARY: SUZY PALMER

No report. She expressed her thanks to the Board for their patience with the delays in getting the minutes completed. Kurt told her they appreciated her efforts in trying to get caught up.

COMMITTEE REPORTS

GROUND AND BUILDING: Marty Lull

Latest developments were covered in the November Newsletter. Even with the few volunteers that came to the work party, a lot was accomplished. Landshapers is to come back after Thanksgiving to clean another portion of the ditch. Kurt, Ed and Doug did some shovel work in the ditch, but we still need Landshapers. Ed will follow-up with Landshapers.

LAKE OUTFLOW: Ed Delahanty

Ed was not able to finish the necessary paperwork in time for November's hearing. A local contractor looked at the outflow pipe and believes we could put a smaller pipe in it. There are many other things to consider. Question to consider: Would there be a difference to go from a 24" pipe to an 18" pipe? We could push or pull the smaller pipe through and then remove the larger pipe but that would cost a lot more money. Ed advised someone had put a stick, a beach walking type stick, in the Tide Gate to hold it open. It was noticed fairly quickly and removed. There was no apparent damage from by this vandalism act.

LAKE ECOLOGY: Mike Tenore

No report.

POOL MAINTENANCE & IMPROVEMENT: Dennis Egan

Covered in November Newsletter.

POOL OPERATIONS AND SAFETY: Darla Allen

Covered in November Newsletter.

BUDGET AND FINANCE: Steve Morrow

Not all of the Committees have turned in their "budget". It is anticipated, assuming the Board so approves, that dues will increase to \$201.00 for perc lots and \$100.50 for non-perc lots, so those figures will be used in the budget.

LONG RANGE PLANNING: Suzy Palmer

We are still waiting for resolution of the lawsuit regarding the pool renovation. Maria Chamberlain, member attending meeting, stated she had provided the LRP chair with documentation for the upgrade of the playground equipment. Suzy Palmer acknowledged receiving same and thanked Maria for this information. Kurt advised another LRP meeting should be scheduled to discuss issues other than the pool.

COMMUNICATION: Kurt Blankenship

Good November Newsletter

BY-LAWS COMMITTEE: Kurt Blankenship

Kurt advised they had had two meetings and have come up with some suggested changes and those are to be discussed and voted on by the Board tonight under new business.

NOMINATING COMMITTEE: Kurt Blankenship

Signs are posted throughout the Cove asking for those interested in running for the three open spots to come forward. If we do not have enough applicants, we can still have a minimum board of five (5) because under the Bylaws, the four Board members who are not up for reelection could appoint a fifth member. Hopefully enough candidates will come forward so that won't be necessary.

GOVERNMENT RELATIONS

No report.

SOCIAL COMMITTEE

Greg Behan: as indicated in the November Newsletter, free AED training will be offered soon at the Tuesday morning coffee

Dennis Egan: the Saturday after Thanksgiving from 1:00-3:00, at the Shelter, there are plans to make Christmas wreaths, etc (see November Newsletter).

There are also planning to have a Christmas Party at the Shelter from 2:00 – 5:00 PM just before Christmas.

UNFINISHED BUSINESS

Bluff Pipe: Marty Lull reported that one more bluff property owner has neighbor has expressed interest for the pipe. There are four (4) so far that appear to be

seriously interested. Marty and Dennis have volunteered to help move the pipe to the bluff owners' properties. Russ Chamberlain suggested drilling a couple of holes on one end and pull the pipe up the hill. Kurt suggested that we could possibly use a truck winch.

Status of strengthening toe along ditch and/or clean out: as indicated above, Ed Delahanty will follow up with Landshapers.

Collection efforts for 2012-2013 balances: Kurt Blankenship reported that five collection actions have been filed in Island County small claims court. These targeted the five oldest balances. The Small Claims Court has a new rule that mandates that the parties first attempt a mediation with a court supplied mediator. If the matter is not resolved at the mediation, then the Court sets it for trial.

Three of the five defendants were properly served by registered mail. The other two (2) have not been served. Kurt intends to go back to the Court to pay the applicable fees to have the sheriff and hopefully we serve the last two . There is a possibility we will be able to request/recover filing cost and fees.

The cost to have the sheriff make the service is \$60.00 per person. It is believed the sheriff will try more than once to properly serve each person. He further advised that it is possible to file in Island County Court against Cove property owners who do not live here, but if that owner asks the Court transfer the claim to his/her home venue, then we couldn't stop that. We need to make a decision as to how best to seek payments of outstanding dues/assessments from such owners, quite possibly through a Collection Agency. Kurt will consult our new outside attorneys about this and report back.

NEW BUSINESS

(1) Approval of disbursements: Steve Morrow reported that there were 24 disbursements to approve totaling \$11,042.76. Thirteen for refund of the pool assessment were received. Total was \$10,508.00

MOTION MADE, SECONDED AND UNANIMOUSLY PASSED TO APPROVE DISBURSEMENTS

(2) Revisions to standing rules for returned checks:

Steve moves to add item 4[e] to the standing rules as follows: “A fee of \$25.00 will be charged for each check returned from the bank [e.g., non-sufficient funds, blocked account, closed account, etc.]

MOTION MADE, SECONDED AND UNANIMOUSLY PASSED

(3) Revisions to standing rules for interest and fees for quarterly statements:

Steve recommends also changing the last two sentences of 4(a) to now read as follows: “Interest will be 1.5% per quarter. Statements will be sent quarterly”.

MOTION MADE, SECONDED AND UNANIMOUSLY PASSED

(4) New standing rule re policy for lot combinations:

Steve raised the point that maybe a standing rule was needed for those property owners with outstanding balances who apply to the County to combine their lots. Discussion: when a lot is combined, what do we do with outstanding dues, fees and assessments? Do we waive them? If so, for how long after they are booked? Do we transfer the fees to the surviving lot? Case in point – two (2) lots combined on 10/28/16 – both owing \$1,209.34 [\$1,000.00 for pool assessment, \$183.50 dues and \$25.84 late fees. There has been no payment made on either property during 2016. Someone made the comment that when Wanda kept the books, she required that dues and fees on combined lots stop incurring charges for both after the combination, as it should be, but the old pre-combination charges still had to be paid. Steve Morrow indicated that he will draft a standing rule to address this issue and circulate for approval by email. **MOTION MADE TO DO SO, SECONDED AND UNANIMOUSLY APPROVED.**

(5) Agreement on good standing for purposes of voting at annual meeting:

Steve requested clarification on the criteria for voting eligibility since this is the last scheduled BOD meeting prior to the mailing of the ballots for directors or any other business. He sees no provision to override the By-Laws net thirty (30) day terms for assessments other than the payment plan language. Same issues apply to Agreement of basis for Late and Finance charges.

From the By-Laws:

Article X1V – Dues and Assessments

Section 4 – Billings and payments

Paid up membership shall be from January 1 to December 31 each year. Special Assessment billings shall be prepared by the Secretary promptly upon approval of any special assessment, unless a different effective date is set by the motion or other action proposing such special assessment. From time to time, as when any such dues and/or assessment, described in this ARTICLE are levied, each member with respect to the land or interests therein to which his membership is appurtenant, **shall pay the amount of such dues and/or special assessments against the same, to the Club offices, within thirty (30) days after the mailing of the notice of such dues and/or special assessment to the member.** (emphasis added).

From Standing Rules

4. In accordance with Article X1V Section 4 of the by-laws, **dues and special assessments are due in full thirty (30) days after they are invoiced.** a. **Interest will be charged, beginning April 30, 2015, on the entire outstanding balance in each account with a balance greater than \$5.00.** Notice interest charges will be given with each invoice/statement beginning January 1, 2015. Rates will be set by the Board of Directors, not to exceed 1.5% per month. Initial rate will be .05%. Interest will be assessed monthly and statements sent quarterly. b. Payment Plans will be accepted for terms not to exceed nine (9) months for dues or forty-eight (48) months for special assessments, and with payments not less than \$25.00 per month per payment plan. Each payment plan must begin before the payment is past due and shall require a written agreement from the member submitted with the first payment. Payment amounts will be equal monthly amounts calculated to amortize the assessment or dues plus interest over the term of the payments. Each dues and special assessment billing will include a range of payment plan options and member agreement form. The Treasurer will provide agreements for alternate payment periods upon request. c. A Late Service Fee of \$20.00 will be charged and a statement sent **when no payment has been received for sixty (60) days for each dues billing and each special assessment.** In the event that payments were made on a payment plan,

the payment plan will be cancelled and may not be re-established. (emphasis added).

Kurt states there is nothing in the By-Laws that prohibits payment plans and that he believes it is within the Board's general authority. Dennis stated that for any member on a payment plans, monies should first go toward dues. For the Jan. 28th, 2017 Annual Member Meeting, good standing will be defined as current on a payment plan for dues and fees or having been paid in full. Because of the previous Board decision to suspend efforts to enforce collection of the pool assessment pending a resolution of the pool lawsuit in Island County Court, non payment of the assessment will not be considered in determining member in good standing status for this specific Member Meeting. Members in Good Standing based on this criteria will receive ballots. Members Not in Good Standing WILL NOT get ballots.

MOTION MADE, SECONDED AND PASSED WITH UNANIMOUS APPROVAL

(6): Changes to Bylaws to include in ballot for approval by Members as proposed by Bylaws Committee

[a] By-Laws: Article 3, Section 4 – strike participation – change to “thereafter” – entitled to any member benefits

MOTION MADE TO ACCEPT SAME , SECONDED, AND PASSED WITH UNANIMOUS APPROVAL

[b] Article 4, Section 5: change to 35 days in advance of meeting.

Purpose: to allow more time for the Board to include any such proposed motions in the annual meeting packet. Discussion: mailed ballots are required by the By-Laws for dues increases above 10%, election of board members, special assessments, and bylaw changes.

MOTION MADE, SECONDED AND PASSED WITH UNANIMOUS APPROVAL

[c] ARTICLE 11, SECTION 2 – see draft of By-Laws change

MOTION MADE, SECONDED AND PASSED WITH UNANIMOUS APPROVAL

[d] ARTICLE 12, SECTION 1 –Change in duties

Suggested to take out ‘without any changes”

MOTION MADE, SECONDED AND PASSED WITH UNANIMOUS APPROVAL

[e] ARTICLE 12, SECTION 2 – Pool Committees

Combine the two Pool Committees

MOTION MADE, SECONDED AND PASSED WITH UNANIMOUS APPROVAL

[f] ARTICLE 12, SECTION 3 – **NEW** – Combine the two lake committees and make surviving committee permanent. As part of the discussion, Mike Tenore advised our lake is shown as “Admiral Lagoon” on County records. The new committee, if the bylaw change passes, would monitor water quality and test condition of outflow pipe as needed, no less than annually. Sid Iverson stated that criteria were needed for such monitoring with proposed corrective action is the monitoring shows that the water quality is bad. Need recommendations on same from the Committee, assuming the change passes, for the Board.

MOTION MADE, SECONDED AND PASSED WITH UNANIMOUS APPROVAL

[g] SECTION 3 – Special Assessment. Change is only technical to refer to correct provision of bylaws.

MOTION MADE, SECONDED AND PASSED WITH UNANIMOUS APPROVAL

[h] An *“index”* for By-Laws to be added at the beginning of same.

MOTION MADE, SECONDED AND PASSED WITH UNANIMOUS APPROVAL

(7) Dues increase: Kurt advised that under the Bylaws the Board can approve a dues increase of less than 10% without going to the membership for a vote on same. Motion was made and seconded to increase the dues in 2017 by slightly less than 10% to \$201.00 for perc lots and \$101.50 for non-perc lots. **PASSED UNANIMOUSLY**

(8) Establishing and funding a reserve account:

Dennis, who put in a lot of work on this, led the discussion by reviewing the proposed reserve study figures and assumptions (rate of inflation, etc.). Steve suggested that the first step in deciding this issue would be for the Board to approve the budget for next year, particularly what operating expenses would go into the “base” budget, then once that is determined, figures could be factored into the proposed reserve account. Kurt suggested that this issue deserves some thoughtful consideration and that since it was getting late, a special board meeting should be scheduled to again review and discuss this. After checking

calendars and availability, it was agreed there would be a Special Board of Directors meeting on November 29, 2016 at 7PM.

Motion was made, seconded, and passed unanimously to adjourn the regular meeting. Adjourned at 9:50 PM.