

Attendance

Board Members

Dustin Fredrick, Maria Chamberlain, Bob Peetz, Karen Shaak, Carol Delahanty, Daniel Jones, Gwen Staton

Membership: 10 members

Call to Order: 7:11PM

President Report (Dustin Fredrick)

Welcomed the membership. Announced that meetings will be run as close to Robert's Rules of Order as is practical. Stated that the agenda will be approved at the beginning of each meeting and that Items can be added by the membership. The proposed agenda will then become formal.

Feedback

- *Carol Delahanty – requested to add paid associate members to committees.*
- *Sid Iverson – asked if the audience can vote on motions. Dustin said no it is a board meeting with spectators.*
- *Dustin – agreed to do research on agenda creation.*

Secretary Report (Karen Shaak)

Minutes read (Nov 8) and approved

- Gwyn requested notes regarding tax filings be amended with input from Attorney letter dated 10-28-2011. (Notes were amended to reflect attorney input)
- Gwyn requested notes regarding non-filing of prior taxes be amended to reflect that filing occurred. Taxes were paid but not filed. Notes not amended.

Correspondence (Bob Peetz)

- Membership address changes
- Dues checks received
- Shelter rental checks
- Multiple bills received
 - NW HotSprings - large bill includes a part that was incorrect. We will return the part for credit but will need to pay a re-stocking fee
 - CondoLaw - Gwyn will contact to sort this out as we shouldn't be getting new bills. She will re-inform of discontinuance of service
 - Whidbey Telecom - monitoring was stopped in August. Dustin will contact and straighten out.

Treasurer Report (Dan Jones)

P&L through November was handed out; it will become a permanent part of the minutes
IRS:

- IRS Form 1120 Corporate Income Tax was completed by CPA at a cost of \$1,100. No tax was due. It included formal notification to the IRS of Admiral's Cove Beach Club Inc. name change to accompany previously submitted letter notifying them of the same.
- Since no IRS Form 990 Income Tax Return had been filed for the 2007-2008 fiscal year as in past years, a \$10,000 fine had been imposed in the fall of 2010 by the IRS. The fine was rescinded through the efforts of new Treasurer Sam

Pulley.

- The 2007-2008 income tax return had been submitted without properly notifying the IRS of the name change by checking a box on IRS Form 1120H that had been filed. Per letter from the IRS, they had presumed ACHOA was a new corporation rather than a name change, resulting in their issuance of a new EIN by mistake.

Invoices & Payments:

- An L&I bill appeared to have been over-billed. It may have been billed based upon an exaggerated estimate by L&I due to failure to submit the report in a timely manner.
- Some reimbursements of payments made to individuals by directors were paid based upon time sheets and others based upon emails or notes, but withholding was not applied to these employees on the belief that they were independent contractors.
- Sometimes hand-written notes were the only evidence to support some reimbursements to directors.
- We paid some invoices more than once in the prior year. Some were reissued, but the original check/debit card charge remained on the books.
- Terri Campbell, accountant and an owner of Whidbey Water Services, LLC, will audit our books for \$25.00 per hour, less than using our CPA.

Employment taxes:

- For some past employees where we didn't pay taxes, the club owes the tax. Many had been paid as independent contractors but were unlicensed and did not qualify as independent contractors.
- Estimate of taxes without fees is about \$1,000+ dollars. There may be penalties but they can sometimes be waived.
- Pay roll is reported by calendar year; Oct 1-Sept 30 is the club fiscal year for income tax reporting.
- Feedback: Cove members present at this meeting were not happy about ACBC assuming taxes for individuals; Treasurer said he will track down as many individuals as possible and get SSNs to issue W-2 forms for income earned by year-end.

Invoices & Payments:

- An L&I bill appears to have been over-billed. It was based on the total income of the corporation instead of that of the employees
- Some bills were paid with time sheets and sometimes hand-written notes, etc. As a result of inconsistent processes we have been over-paying bills.

Whidbey auditor will audit our books for \$25.00 per hour. She will audit based on a sampling of records. It will be cheaper than using an accountant.

Employment taxes:

- For some past employees where we didn't pay taxes, the club owes the tax due to negligence. Many were paid as contractors but were not actual contractors.
- Estimate of taxes without fees is about \$1,000+ dollars. There may be penalties.

- Pay roll is calendar year; Oct 1-Sept 30 is the club fiscal year.
- *Feedback: Cove members present at this meeting were not happy about ACBC assuming taxes for individuals; Dan said he will track down as many individuals as possible and get SSNs to issue W-2 forms for income earned by year-end.*

Committee Reports

General committee discussion:

Dustin encouraged committees to nominate a chairperson prior to his appointment.

Question proposed to the membership:

Should members not in good standing be on committees?

- Member response: No, only good standing members
- Dan Jones: committees operate without authority or power. What they decide must be approved by the board or membership. By excluding people we are not getting the most proficient committee members to provide input.
- Member response: Question asked - if we could make exceptions on a person by person basis or if the decision had to be a common determination for all committees.
- Bob Peetz: doesn't believe a member need even be a resident
- Dustin Fredrick: Bylaws are ambiguous and not explicit about the situation
- Gwyn Staton: we welcome people onto committee (members or not). Suggested members not in good standing can be on a committee but not have a vote
- Carol Delahanty: agreed that members not in good standing can be on a committee but not vote

Gwyn Staton: Made a motion that anyone can be on a committee but those not in good standing may not vote. Motion seconded.

Dan Jones: commented that the board did not need to pass this motion. Per the bylaws, the only requirement to serve on a committee is board approval of the appointment. If the board did not want someone on a board, they could vote to block their appointment or vote to remove them. Committee members could only be prevented from voting on the committee if the the bylaws contained such a restriction.

The motion was withdrawn. Committee members are appointed and approved by the board.

Dan Jones: proposed the addition of Wanda Grone to the budget committee without opposition.

Current Committee status:

Nominating – Maria Chamberlain chairwoman

Grounds/building and lakes– no meeting. Carol Delahanty is temporary chairwoman

Pool & Pool Maintenance – no meetings

Bylaws – Russ Chamberlain chairman

Budget - Dan Jones chairman

Long Range Planning - no meeting

Lake Committee status:

- Lake discussion of ownership – ACBC owns the lake. Respective land owners own the shore but there are specific laws about rising waters.

- Bob Wilbur (committee member)- recommended we recognize the lake committee as a special entity. He does not believe it is in the community best interest to place it under the Grounds & Building committee.
- Carol Delahanty– agreed with Bob Wilbur and wants the Lake committee members to stay interested and remain a stake-holder so recommended that it should remain as a special committee. The lake committee has been making progress albeit slow.
- Dan Jones – sees the Lake as real property and thinks it should be subsumed in Grounds & Building
- Dustin Fredrick – believes the Lake committee should meet as a sub-committee but be part of Grounds/Buildings

Budget & Finance committee report:

Dan Jones:

- Proposed a set of rules of how to operate/budget standards
- Committee requested access to financial information
- Proposed standing rules for finances (flow chart)

Pool committee:

Gwyn Staton & Carol Delahanty

- Gwyn applied for a grant for the heat pumps (could be 30-70% of acquisition cost)
- Pool parking lot lights – Bob Peetz may have a solution – LED light from Home Depot
- Facility Manager position – Carol re-drafted the position (not ready for posting yet) to be reviewed by the committee with a recommendation

Grounds committee:

- Ditch: Morrison (existing contractor) did not call back
- Andrew from Andrew's Land Shapers is willing to bid on finishing the work by adding a shoulder with gravel for about \$900. A member suggested we request the Water District provide an indication of the water line prior to doing any work.
- Burn pile: the pile will be burned when the inversion layer lifts.
- Dick Newsham – glass broken on the shelter due to vandalism; partying folks are burning the plywood supply but most of it was junk. Lexan pool window blew out during the wind storm and was repaired by Carol Delahanty and Bob Peetz.

Social committee:

Dick Newsham -

- Shelter decorated for the holidays
- Holiday pot luck was successful
- New Years celebration starts at 7:00pm

Business

Shelter Rental

- Forms for rental of shelter available on the web.
- Form will be amended to indicate payment at time of reservation
- Bob added a Google calendar to track reservations

- Associate members – can rent the shelter at the member rate published. We need to limit non-member income to 10% of income to be in compliance with non-profit status.
- Rental Fees - ACBC board should amend the standing rules to change the rental fees for the shelter. Decision is to wait for bylaws committee to make changes and make the fee changes at that time
- Types of meetings to be allowed for rental – Dick Newsham commented that political and religious meetings should not be allowed. This may have an impact on a standing rule amendment.
- A member suggested that from time to time events for charitable use should be exempted from payment.
- Dick Newsham suggested that memorial services for cove members that pass away should be at no charge.

Board Meeting schedule

- Board meetings on Tuesday nights may be disenfranchising members due to time (late at night) and during the week.
- Dan Jones made a motion to move monthly meetings to Saturday for 2012
- Dick Newsham suggested 10-12:00am to keep it to 2 hours as a goal
- Several members strongly supported the argument to move to Saturdays
- Carol Delahanty suggested Saturday meetings start in February to accommodate all of the board members
- Member suggested a quarterly Saturday meeting
- Next month's meeting will include a schedule of details of dates
- Next board meeting is January 10, 2012

Newsletter

- Content collection – Karen Shaak to make a recommendation
- Schedule for board meetings will be included
- Locations of documents should be included
- Goal for newsletter:: end of January 2012

Roberts Rules Application to meeting

· Deferred

Dues Increase

- Gwyn Staton commented that we could bill any month we want
- Dustin Fredric said that the prior board failed to formally vote on an increase
- Bob Peetz made a motion to agree to the support the approved budget income as a dues increase.
- Dan will calculate the increase based on membership stats. If more than 10% it will become \$136. If it turns out less it will be whatever amount supports the budget.
- MMSA (5:2) – Maria Chamberlain and Dan Jones - opposed.

Website content

- Everything we have discovered has been posted

Member forum

- A member was upset as he does not believe we are a social club as Dan Jones purports we are per the IRS guidelines
- Dan Jones explained that the name is an IRS naming convention not an ACBC name.
- Member suggested we be called a Common Interest Development or an association of homeowners.

Meeting Adjourned 10:04PM

Submitted,

Karen Shaak
Secretary