

Minutes of ACBC Board

Saturday August 16th 2014

The meeting was called to order at 2 pm

Board members present: Ed Delahanty, President, Suzy Palmer, vice president, Steve morrow, Treasurer, Fred Salmon, Secretary , Chris Hendrickson, Dustin Frederick , Recording Secretary, (via phone) and Kurt Blankenship, (via phone).

A new meeting format was utilized and members were allowed to speak on various issues as the first item of business. Several members made comments; Maria Chamberlain regarding a letter sent to the Board by Sue Corliss, Judy Eggerton regarding tiered dues and the need for a dues increase along with the assessment, Suzy Palmer mentioned an anonymous donor of three swim passes, and Maria Chamberlain urging the board to exercise "financial discipline".

Approval of July 20, 2014 minutes

M/S/C Suzy palmer/Steve morrow/unanimous

Reports:

President---Ed reported that there are no remaining issues with the IRS regarding the 2013 tax return.

Vice President---Suzy Palmer reported that we received an anonymous gift of three family swim passes, that the pool brochures are available with the fee schedule and operating hours. In addition, we have three life guards that the Board supported hiring despite the fact that we are operating as a limited pool this summer and life guards are not required. A flag flying over the pool will signify when it is open.

Suzy made special mention of recognition and gratitude for the many volunteers who contributed considerable time and energy to get the pool ready for use. The manner in which the community came together in support of the pool was really heartwarming.

Treasurer---Steve morrow reviewed the financial statements and explained the difference between a "cash" and "accrual" reporting basis. He provided examples of each method for the month of July and recommended that we eventually change to a "cash" method because it is easier to understand and is compatible with out tax filing requirements.

He reported on the pool expenses necessary to get the pool open with the total amount being \$5,920.

President Delahanty mentioned that the cost to put an approved "cover" over the pool if we had not opened this year would have been between \$5,000 and \$7,000.

Secretary---Fred gave a summary of the last few weeks activities needed to get the pool open. The inspectors scrutinized the facility and gave the "OK" to open. They reviewed all of the critical issues and

were extremely thorough. We will use a manual method to distribute and control the chlorine content. Fred also expressed a big “thank you” to all the volunteers who helped.

Committees:

Budget and Finance---Committee Chair Dennis Egan provided a budget projection based on 450 dues paying members generating total annual dues revenue of \$130,845 at \$257.04 per paying member.

Building and Grounds---Suzy Palmer reported for Nate Palmer and expressed a big “thank you” to Udo Poos, the volunteer who is cleaning the road ditch—it looks great!

Long Range planning---Dustin Frederick, Committee Chair explained that there have not been any committee meetings because the key element in future planning is the renovation of the pool and until that is accomplished it is difficult to develop a vision for the rest of the community assets.

Pool Maintenance and Improvement/ Pool Operations and Safety ---Suzy Palmer reported for both committees and outlined the cost of swim passes, pool operating hours and the hiring of lifeguards as a an extra safety precaution even though we are operating as a “limited” use pool and lifeguards are not required.

Nominating---Committee Chair Russell Chamberlain provided an itemized report covering the costs involved in generating member interest in Board positions. He was pleased to report that the total cost was less than the \$550 budget allocated by the Board and it produced six nominations.

Unfinished business:

Outstanding dues and assessments---Treasurer Steve Morrow read a motion to move forward and collect outstanding dues and assessments. He also read a draft “collection letter” (attached). There was general discussion and Kurt Blankenship proposed several changes i.e. rearranging some paragraphs, a reminder that a payment plan could be arranged and a new phrase that essentially stated it would be unfair to the members who do pay dues if the Board allowed other members to not pay.

There was additional discussion regarding whether there should be a minimum amount i.e. cut off amount with regard to which accounts should be included in the lawsuit e.g. members owing \$50 or more, members owing \$10 or more or all members –regardless of the amount. The motion was amended and reread by president Delahanty.

Motion---that we send out final collection letters similar to the letter attached to these minutes to all members owing more than \$10 except for those who are on payment plans and current in

their payments, and that after 30 days, we proceed to file a single collection lawsuit against all who have neither paid nor made payment arrangements and owe enough to cover the cost of legal fees and turn others over to an agency for collection. I further move that we post the text of the lawsuit to be filed on our website without the names of the debtors prior to its being filed as it is finalized.

There was additional discussion regarding the fact that once the lawsuit is filed it will be a public document and the defendant members may be upset. It was the consensus of the Board however, that the Board has a fiduciary responsibility to attempt to collect outstanding dues pursuant to the bylaws and AOI.

M/S/C Steve Morrow/Kurt Blankenship/ unanimous

Procedural Review---Steve morrow reported that no additional action has been taken on this item since the last meeting. There was general discussion regarding the differences between the reporting requirements of the bylaws versus IRS requirements, particularly with regard to the end of the fiscal year.

The discussion ended with the following motion.

Motion---that the procedural review be conducted as early as possible after close of the fiscal year on December 31, 2014, but not later than March 31, 2015.

M/S/C Steve Morrow/Kurt Blankenship/unanimous

Additional discussion occurred regarding whether or not the Motion was in compliance with the bylaws and it concluded with the consensus of the Board that the motion---as stated above--- was in compliance with the ACBC bylaws.

Wireless Camera installation---Steve Morrow reported that the camera was purchased and plans have been developed for installation. Steve is looking for volunteer assistance for the actual installation process.

Shelter Wi-Fi ---Steve morrow reported that we do have Wi-Fi in the pool office but it does not extend very far out from the office and is very problematic in the Shelter.

The account is---ACBC Guest1 and the password is -----ACBCpool---case sensitive.

No parking signs---Chris Hendrickson reported on the status of the issue. The Sheriff advised us that “no parking signs” and “violators will be towed” signs need to be posted before the Sherriff can enforce the restrictions. General discussion occurred which ended with the following motion.

Motion---that the board makes contact with a Whidbey Island towing company and make an arrangement for the appropriate “no parking” signs to be posted.

M/S/C Chris Hendrickson/Fred Salmon/unanimous

Road Easement ---this item was deferred to Executive Session

Architectural Control Committee (ACC)---there was general discussion regarding whether or not this ACC was properly disbanded pursuant to the bylaws and AOI. The discussion ended with the following motion

Motion---that President Delahanty investigates the history of the ACC issue and reports his findings to the board.

M/S/C Steve Morrow /Kurt Blankenship/unanimous

New business:

Part time Administrative employee---Dustin Frederick raised the issue of how much administrative work will be involved in the board's attempts to collect outstanding dues and assessments. General discussion occurred and concluded with the following motion.

Motion---It is hereby moved the ACBC Board hire a part-time administrative person to assist the Treasurer/Board in all functions related to the collection of dues and assessments. The position will be for a limited period of time as determined by the Board and will be paid not more than fourteen (14) dollars per hour.

M/S/C Dustin Frederick/Steve Morrow/unanimous

Members Forum:

There was discussion and comments made regarding the following items:

The total amount of cost to open the pool

The history of the ACC

Towing signs being subject to vandalism and unauthorized removal

The dues collection letter, the requirement to belong to the ACBC, why new keys to the pool and Shelter were issued and whether or not the person who cleaned the ditch was paid.

The liability the Club might incur if it tried to enforce actions of the ACC because the bylaws are allegedly vague and the history unclear

The difference between the requirements of the County for building permits and the requirements under the ACC

The meeting was adjourned to Executive Session at 3:56 pm

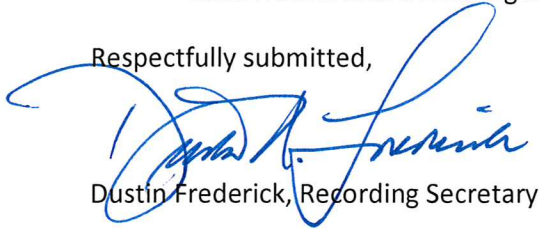
Executive Session:

Convened Executive Session at 4:20 pm

Adjourned executive Session at 4:55 pm

Reconvened Board meeting at 4:58 and adjourned Board meeting at 4:48 pm

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Dustin Frederick". The signature is stylized with large loops and a long horizontal stroke at the end.

Dustin Frederick, Recording Secretary

Admirals Cove Beach Club, Inc.

PO Box 366

Coupeville, WA 98239

(Date)

THIS IS AN ATTEMPT TO COLLECT A DEBT AND ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE

Re: Delinquent Payment due to ACBC

Dear _____ :

According to our records, although we have sent you several requests for same, you have failed to pay your dues to ACBC. You are hereby notified that you are in default for failure to pay. Another copy of the accounting of the amount you owe is attached. The amount you owe is **(\$ amount)**. Please submit your payment to ACBC within 30 days of the date of this letter or contact the Board care of **[Board member name(s)]** to make arrangements for a confidential plan to pay same. If your payment is not received within the time period specified, or if you have not made arrangements for a payment plan by then, then the Board will take all such further action against you to collect the debt as is authorized by applicable laws, including filing a lawsuit against you or turning the matter over to a collection agency. In the event a judgment is obtained against you as the result of any such lawsuit, then a lien will be placed against your property and ultimately a foreclosure proceeding could be initiated to collect the amount of the lien plus costs and attorney's fees.

We sincerely hope that such actions will not be necessary and that you will submit payment of the past due amount voluntarily and then continue to make your future payments of dues and assessments in a timely manner. If you have any doubt that what we are saying is not true, we strongly suggest that you seek the opinion of a competent real estate attorney. Please understand these dues are used for the proper and necessary maintenance and improvement of community assets of the entire community, and therefore, you, your family, and your guests benefit. It also benefits you, as an owner of property in Admiral's Cove, in the form of support of property values. The majority of your neighbors have paid their dues in support of our community and we hope we can now count on you to do the same. It is simply not fair to those who do pay to allow others to get away without paying.

It is important for you to know that once your delinquency is brought current, your obligation to make future payments will continue, as will all of your other duties as a member of ACBC as set forth in the Articles of Incorporation, Bylaws, standing rules and court decisions. These documents are posted on the official ACBC website at www.admiralscovebeachclub.org . We encourage you to read the decisions by the Island County

Superior Court in the Roger Close and Bob Wilbur cases which further expound on the duties and obligations of members and the ACBC Board of Directors.

Again, please send in your payment in the amount of **(\$ amount)** or contact one of the board members listed above to arrange a payment plan within 30 days of the date of this letter to avoid further collection efforts.

Thank you very much for your attention in this matter.

Board of Directors

Admirals Cove Beach Club, Inc.