

Minutes from the Annual Members Meeting

Admirals Cove Beach Club
Saturday, January 28, 2017

Approved by Committee: 2/8/17

President Kurt Blankenship called the meeting to order at 2:05pm.

Board members Kurt Blankenship, Ed Delahanty, Steve Morrow, Suzy Palmer, Dennis Egan, Mike Tenore, and Greg Behan introduced themselves.

A motion was entered to limit discussion by members to 3 minutes during the members forum. The motion passed.

Presidents Report: Kurt Blankenship

- a. Membership: ACBC has 588 members. 512 ballots were sent. 87% of members are in good standing.
- b. Pool lawsuit status: The Appeals Court has remanded the case back to Island County Court for further proceedings in accordance with their opinion. The Appeals Court decided that in 2013 the ACBC Board had the authority to put forth a ballot to remove the pool and that the 2012 Motion was not binding on the ACBC Board. The case is moving slower than the Board expected. Appeal costs were awarded to the intervener as the prevailing party in the amount of \$1,800. The insurance company is paying those costs.
- c. Algae in the lake was tested and one test found that the algae was toxic. Testing of the lake will continue.
- d. The pool was open in summer 2016.
- e. Ballot on By-Laws: There were 2 errors on the ballot regarding the by-laws. The vote regarding combining the Lake Committee and the Lake Outflow Committee was valid.
- f. Bluff issues: Some sloughing of the bluff on Farragut has occurred. The Board met with residents with bluff property and with County officials. It was suggested by the County that bluff property owners use pipe to improve drainage. Pipe was donated by Farmer's Equipment Company. Pipe has been made available but it appears that no bluff property owners have used it yet.
- g. There was some limited cleaning of the ditch on Byrd Drive. The ditch is now draining into the Lake.
- h. The lake outflow pipe continues to be of concern. If the pipe collapses there will be a serious problem with rising lake levels. The Board received estimates for lining the pipe, but is still considering options.
- i. Communication issues: There were difficulties in getting the minutes from Board meetings posted and the Board apologizes. All minutes are now available on the website. The Board would like to establish a block email list to share announcements and for emergency communications. This would be

- a one-way communication with no ability for members to respond or comment. The Board is considering sending newsletters electronically.
- j. Bookkeeping issues were present in 2016. Changes to the bookkeeping system are underway.
 - k. The Board has new attorneys to consult with about organizational matters. These attorneys are different from the ones working on the lawsuit.
 - l. The Board wishes to thank our volunteers. Special thanks were given to Dennis Egan, Darla Allen, Marty Lull, and Gary Winlund. Gary Winlund is available after the members meeting to respond to questions about the Navy's testing of the Cove's water.
 - m. The 2017 budget is heavily dependent on volunteers.
 - n. Outgoing board members Ed Delahanty, Suzy Palmer, and Steve Morrow were thanked for their service.

After the President's report there were questions from members. In response to a question, Kurt Blankenship stated that it is the Board's intention to open the pool in the summer of 2017. A question was asked about bluff stability, and Kurt stated that there are conversations with County officials about installing a drainage pipe. There is an existing easement to accomplish this. If the County decides to go forward, the County would pay for the draining pipe. One member stated that this is on the County's list of projects to be completed. A question was asked about jet noise from the Outlying Field and Kurt shared his view that this is something the Board should discuss. Kurt encouraged members to come to Board meetings to voice concerns. In response to another question, Kurt stated that money will be allocated to keep the pool open. One member suggested that the Board consider having a phone message system. Kurt also stated that members who do not have internet access would receive newsletters through standard mail.

Vice President's Report: Ed Delahanty

Ed stated that he collaborated with Kurt in preparing the President's report and did not have additional items to add. Ed acknowledged Doug Fielding for his volunteer efforts.

Treasurer's Report: Steve Morrow

- a. Report on Assets: Total assets amount to \$544,874. There is a total of \$394,817 in the pool assessment fund. A total of \$34,817 is in Heritage Bank. The unrestricted fund amount is \$61,018. Of that total, \$29,000 will be moved to a contingency/reserve fund.
- b. Report on Income: A total of \$102,280 was collected in dues and fees, and \$394,817 was collected from the pool assessment.
- c. There were more than 50 lot transfers. It was discovered that 2 lots are located in Admirals Cove but were never included in ACBC. The Board will be billing those lot owners.

- d. There are 589 members as of 1/25/17. There are 73 members that owe a total of \$44,177. There are 12 of those members who owe in excess of \$1500. There are 691 lots, 84 of which are non-perc lots. There are 589 individual owners and 514 are in good standing. There are 319 of the 691 lots that have outstanding assessment balances for a total of \$259,468.
- e. Total receivables are \$303,483. There are two bank accounts. A Capital One bank account is for pool assessment funds and reserved funds. A Heritage Bank account is for other funds.
- f. A financial review was conducted in 2016. Issues were found with IRS form 990 from Whidbey Water Services and these issues have been resolved. Errors in 2015 entries were corrected. Minor issues were also found with wrong entries, and a lack of recording sales tax in some instances.
- g. An independent review of the books is expected in 2017.
- h. The Board was using Whidbey Water Services but an employee left and was the only one who knew QuickBooks. Whidbey Water Services suddenly terminated their service and Steve managed the books with consultation from an accountant. ACBC now has a bookkeeper who works under the supervision of a CPA. There is a new phone service to respond to customer calls.

Questions about the Treasurer's Report were asked by members. One member asked about pool expenses, noting that pool operating expenses were significantly more than the \$10,000 in revenue from the pool, and that there is a negative cash flow with respect to the pool. There was discussion about the costs of liability insurance and Steve and Kurt explained that the greatest insurance cost was for liability for directors and officers in the amount of approximately \$13,000. The cost of the general liability insurance is \$8,900 per year. This liability insurance includes the pool. Steve explained that members will receive 2 statements, one for dues and one for the pool assessment. The pool assessment is not due now. Another member expressed the view that financials are the key to the organization and that ACBC financials are heavily weighted towards expenses for the pool. This member expressed concern about more money towards the pool, and the fact that disagreement about the pool has created lots of disturbance in the community. Kurt responded that there is a diversity of opinion about the pool and noted that this member expressed concerns thoughtfully and respectfully. Kurt also said the most recent vote was to keep the pool open and the Board intends to open the pool. Kurt also said the issue is back in the court and we have to wait to see what prevails. Steve said that the insurance company is paying litigation costs in relation to the pool. The insurance premium increased to almost \$14,000 due to two lawsuits: The Close case and the pool lawsuit. Kurt and Steve also stated that the pool enhances property values and that the 2016 vote was to refurbish the pool, and if community members decide to remove the pool, there needs to be a discussion of what to put in its place.

Secretary's Report: Suzy Palmer

Suzy apologized for the delay in getting minutes published, and thanked Darla Allen for her help. Suzy noted that sign-up sheets for committees were available in the room and asked members to think about how they can contribute.

Grounds & Buildings Committee Report: Marty Lull

- a. A septic inspection was done and 3 septic lines were cleared. Marty reported that if we expand buildings, we will likely need a new septic system.
- b. Two work parties occurred in 2016. There were about 30 projects and most of them were completed.
- c. The septic report recommended that brush by the septic system be cleared and that was done.
- d. The playground was pressure-washed.
- e. The parking lot had to be re-graded twice in 2016 due to vandalism (cars doing doughnuts in the parking lot). The Board plans to expand the security system to monitor the shelter and the parking lot areas.
- f. ACBC has contracted with a landscaping service and is considering changing to a new contractor.
- g. Marty reported that Kurt already described the activity concerning the bluff. Bluff property owners should contact Marty if they would like some of the pipe that was donated.
- h. The budget for grounds and buildings was cut in half and is heavily dependent on volunteers. ACBC is considering a monthly work party so that maintenance costs can be reduced.

After the Grounds and Buildings Committee report, a member suggested that ACBC consider defining parking spots with some barriers, perhaps wood barriers to potentially reduce vandalism. This suggestion will be considered.

Long Range Planning Committee Report: Suzy Palmer

There was no report. There have been no committee meetings since May 2016. Suzy explained that having the pool issue on hold calls for renewed energy on this committee in 2017.

One member stated that she had submitted ideas about options for this committee to consider and Suzy confirmed she had received that list. Suzy also stated that the Board will be relying on the survey that was conducted to help inform the work of the committee.

Pool Maintenance & Improvement Committee: Dennis Egan

- a. In 2016, dressing rooms were re-painted, lockers were upgraded, a diaper changing station was installed and railings were added. The outside restrooms were painted. The outside bathroom floors will be done in 2017.
- b. The pool is winterized.
- c. One restroom is open year-round but there is no hot water.
- d. In 2017, the plan is to replace the pool building wall that is on the shelter side of the building. The pool building will also be painted.

One member asked whether any facilities are ADA compliant. Dennis stated that locker rooms are not ADA compliant, nor are the bathrooms or locker rooms. It was also mentioned that the ramp to the pool building is not ADA compliant. Dennis stated that ADA compliance will not happen until the pool is refurbished.

Pool Operations & Safety Committee: Darla Allen

- a. In 2016, the pool operated on Memorial Day weekend and from June 11 to September 15. There were some free swim days on the holidays.
- b. ACBC is not required to have lifeguards but the Board felt they were needed for safety reasons.
- c. Lanes were dedicated in the mornings and evenings for lap swimmers
- d. A member volunteer taught water aerobics and swim lessons
- e. Open swim was from 12:30 to 7:30 each day.
- f. In 2016 there were 3,872 individual swimmers. There were also accompanying grandparents, parents and guests who did not swim.
- g. 477 swim passes (both family passes and individual passes) were issued, and 79 passes were awarded via scholarship.
- h. A total of \$18,776 was collected at the pool office. However, \$8,000 of that amount was collected for the pool assessment.
- i. It was noted that the epoxy floors were slippery and mats were purchased.
- j. Darla stated that the hope is that pool will be reconditioned and available for members to gather and for future generations to learn to swim.

In response to members' questions, Darla stated that one of the largest expenses is for the lifeguards. A member asked if there were any safety incidents during the pool season and the answer was no.

Lake Ecology and Outflow Committees: Mike Tenore

- a. Mike asked members to consider volunteering.
- b. Mike presented a joint report from the Lake Ecology and Outflow Committees.
- c. The lake was tested in June and blue-green algae was present. One test revealed that the algae was toxic. Warning signs were placed.
- d. It was recommended that salt water come in to the lake, and some board members met with Island County to find out about options for doing so.

- County officials said the lake is classified as a saltwater lagoon. Therefore, the tide gate could be altered to let salt water in.
- e. Board members asked the County about minimizing shoreline erosion. County officials stated that permits would be needed and current vegetation could not be left dry.
 - f. With respect to the outflow pipe, County officials stated that a biological assessment would be needed to line the outflow pipe.
 - g. The priorities for the lake are the outflow pipe, shoreline erosion, and water quality.

Members asked questions regarding the Lake committee report. One member asked about the Board hiring someone to remove trees along the lake. The Board stated that they did not hire anyone. A member asked about the condition of the outflow pipe. The pipe is 300 feet long and is about 50 years old. Mike noted that there isn't a lot of cost associated with making the lake healthier. However, an assessment may be needed to line the outflow pipe. The Board got 2 estimates for lining the outflow pipe. One estimate in the amount of \$80,000 seemed excessive. Another estimate was for \$30,000. The Board continues to work on this issue. One member asked for a 10 year outlook on the number and amount of assessments that are likely. What is the minimum and maximum? Board members responded that this is what the reserve study did. In response to another question about the lake, Kurt stated that the goal is to make the lake healthier and cleaner. Board members asked County officials about the future possibility of stocking the lake with juvenile salmon and perhaps putting in a dock.

Teller's Committee Report: Elaine Fielding

- a. Ballots were counted on January 27, 2017. There were 9 members on this committee and all were present for ballot counting.
- b. 512 ballots were mailed on 12/12/16. A total of 224 ballots were received. Two of those ballots were invalid due to lack of a signature on the envelope, resulting in 222 valid ballots.
- c. The second ballot on the by-laws was invalid.
- d. The new directors are Karen D'Ewart, Martin Lull, and Jennifer Wilder. On January 10, 2017, Dustin Frederick withdrew his name.
- e. All by-law changes on the first by-law ballot were approved. See the report on the ACBC website for specific vote tallies.
- f. The ballot regarding establishing a reserve fund received 107 yes votes and 114 no votes. This item did not pass.

Social Committee: Dennis Egan

- a. There are about 15-20 people who attend Tuesday coffees.
- b. Barbeques/potlucks were held on Memorial Day, 4th of July, and Labor Day.
- c. Potlucks were held at Thanksgiving time, Christmas time, and New Year's Eve.

- d. In 2017, there will be game nights on the first and third Thursdays. Movie nights will be held on the second and fourth Fridays.
- e. An AED training class was held. The AED device is in the shelter now and will be moved to the pool in the summer.
- f. It is hoped that a CPR/First Aid class will be scheduled, likely in April.

New Business

Dennis Egan asked members for suggestions of admirals to consider for replacing the picture that is adjacent to the Admirals Cove entry sign on Admirals Drive. Leahy and Bridge were suggested.

Members Forum

The following points were raised by members:

- a. A thank you to all the volunteers.
- b. An observation that this meeting was a lot better than previous meetings.
- c. A request for dog owners to please pick up after your dogs. It was noted that there is a dispensary with disposal bags for members' use.
- d. Given the reserve fund did not pass, the Board should come back with a new proposal. Kurt responded that the Board will take up the issue of reserve funding.
- e. Do we have a leash law in Admirals Cove? Several responded that Island County has a leash law. Another member suggested signs be posted that leash laws are present in Island County.
- f. It was reported at a Central Whidbey Lions meeting that petty crime has increased in central Whidbey, with much of it occurring in Admirals Cove. These are crimes of opportunity such as unlocked doors.
- g. A future reserve fund should not be folded into annual dues. It should be a separate fund, with a specific start and end date.
- h. The OLF is an issue that should be discussed.
- i. Well water quality is another issue to address. Gary Winlund was available to talk with members after the meeting adjourned.
- j. A reminder that the speed limit in the Cove is 25 mph.
- k. A comment about whether we need a pool, especially given increased jet noise.

A motion to adjourn was approved. The meeting adjourned at 4:05pm.