SPECIAL BOARD OF DIRECTORS & FINANCE COMMITTEE
BUSINESS MEETING MINUTES

ASSOCIATION NAME: Sudden Valley Community Association
DATE AND LOCATION: Thursday, September 7th, 2017 in the Dance Barn
CALLED TO ORDER AT: 7:01 PM
AUDIENCE MEMBERS: 28

BOARD MEMBERS PRESENT:
1. Larry Brown 4. David Narsico 7. Carol Bauman
2. Leslie McRoberts 5. Mike D’Angelo 8. Linda Bradley
3. Carol Houlton 6. Eric Trower

BOARD MEMBERS ABSENT:
1. Directors Holmstrom, Bailey, and Chiarello with excused absences.

FINANCE COMMITTEE MEMBERS PRESENT:
1. Rick Gray,
2. Collin Morrow
3. Tony Louzao

FINANCE COMMITTEE MEMBERS ABSENT:
1. Sarah Holmstrom
2. Jack Levine

STAFF MEMBERS: Mitch Waterman, Managing Director; Jennifer Spidle, Accounting Manager; Ashley Neuman, Administrative Specialist.

I. ADOPTION OF AGENDA
   a. The agenda was adopted as submitted by acclamation.

II. ANNOUNCEMENTS
   a. Director Houlton introduced three of the Finance Committee members in attendance; Rick Gray, Collin Morrow, and Tony Louzao.
   b. Director Houlton noted that Tuesday began the 8-week CERT program at the SWFA Fire Hall. Please contact BODHoulton@suddenvalley.com if interested.
   c. Director Bauman announced the Flu Clinic would be held Saturday, September 23rd from 1p.m.-3p.m. in the Community Center; most insurance accepted.
   d. Director D’Angelo announced the Blood Drive would be held September 16th from 9a.m.-3:00p.m. at the South Whatcom Fire Station.

III. PROPERTY OWNER COMMENTS AND BOARD COMMENTS
   a. A property owner stated he is in favor of the upcoming November proposals and was in favor of the discussion to be had because it would improve the community. He felt the current proposals were fiscally responsible and were beneficial to the community.
b. A property owner made comments regarding the Marina and stated it is currently not a “cash cow,” it is a “neglected cow” and he is in favor of the current proposals presented for the marina.

c. A member thanked the Board for the countless hours they had put towards bettering the community. This member wanted to make sure the Board knew that not all “no” voters were strictly “no,” some members were afraid of the amount of the previously suggested loan amount and she supported the current proposals.

IV. CONTINUING BUSINESS & VOTING AS NECESSARY

a. 2017 CRRRF Approval

i. Director Houlton requested to have a discussion and an update prior to making her motions as to how the Finance Committee and SVCA Staff got to this point, as to not cause confusion.

ii. The GM gave a historical overview of how the committee reached their current concepts regarding the Marina, Barn 6, and Pool repairs and ADA upgrades.

iii. The GM stated we have funds in specific accounts to deal with specific items that must be maintained.

1. Jennifer noted that handouts were provided replacing pages 2-8 in the agenda packet. All handouts will be corrected within the online agenda packet by the Admin Specialist.

2. The GM stated there was too much contingency in the first version of numbers; the second version was reduced. The motions and the Explanation of Cost CRRRF Variances for 9/07 Treasurer Motions were reviewed in tandem.

3. The second motion was discussed.

a. Director Trower inquired what work at the Marina would have been postponed until 2020 in Revitalization based on the Fire Marshall’s request and regulation and requirements.

i. The GM stated the Soft Armoring would have been postponed until 2020.

4. The GM reviewed an additional Handout titled September 2017 Contingency and Over/Under Run Status. (See Attachment)

a. The 2017 amount of contingency to be returned to Capital accounts totals $41,513.42. This is tracking to what had been expected.

b. The GM explained the difference between contingency and new scope and how that was applied to the proposals under discussion.

i. The GM stated that we are anticipating some unknowns from the County which is why the contingency is a higher percentage than w included in the Revitalization. The GM thinks this will cover known and unknown factors.

5. Regarding the Marina Gangways (Motion #4), The GM anticipates the County will require the East and West gangway replacement due to the required new standpipe which will transition from the ground, to the shore, to the water.

a. This would not include replacement of the gates and the work could be done at any point in time.

b. This request did not include the gangways to the launch dock.
6. The GM noted the Barn 6 Demo and Sprung Structure (Motion 5) had a high contingency due to County requirements and the fact that contracts will be based on time and materials.
   a. Director Trower inquired if it was considered to place a Sprung Structure on the Barn 7 foundation.
      i. The GM stated this was considered, however, the foundation is not stable enough to hold necessary equipment nor support the structure.

7. Regarding Motion #6 Director McRoberts inquired if updating the pool liners would fix the leaks that are currently causing issues.
   a. The GM stated the specific cause of issues would be found during replacement of the liners, however, if bigger issues are found that’s what the contingency would be used for.
   b. The pool liner replacement will impact the pool season either at the beginning or the end of the season.

8. President Brown requested that measure #7 read 1-6 rather than 2-7. This was adopted by acclamation.

9. It was noted after the change to Motion #7 should read 2-6 rather than 2-7. This correction was adopted by acclamation.

10. The GM stated Motion #7 would allow for the projects presented to be completed in the last quarter of 2018.
    a. Construction Management will come from Wilson Engineering.
    iv. The GM noted that Finance Committee member Tony Louzao would review proposals from the banks and recommend the best option moving forward as his history is in banking.
    v. Jennifer noted that on the SVCA CRRRF Cash Flow 2018 Projection handout under potential notes should read 5.5% following the first sentence.

*Personal Privilege called at 9:06. Returned at 9:13 p.m.*

vi. Director McRoberts noted this loan does not raise the dues.
    1. Director Trower added to her statement and said the loan makes our dues effective.
    vii. Director Houlton stated it only appears on paper that our CRRRF account carryover amount will dip below the minimum in the first year; we will have enough cash, but once projects are approved the money will be earmarked and on paper it appears that we will go below the minimum.

1. Treasure’s Motion to the Board #2: As requested by the SVCA General Manager and reviewed and recommended by the Finance Committee, I move that the Board of Directors approve a CRRRF allocation not to exceed $267,032, this includes a $29,172 contingency, taxes, permitting, design/bid, and construction, for the Marina standpipe, A&E and construction.

MOTION BY: Director Houlton SECONDED BY: Director D’Angelo
APPROVED: X NOT APPROVED: _____ TABLED: _____ DIED: _____
IN FAVOR: Unanimous
AGAINST: None
ABSTAINED: None

2. Treasurer’s Motion to the Board #3: As requested by the SVCA General Manager and reviewed and recommended by the Finance Committee, I move that the Board of Directors approve a CRRRF allocation not to exceed $378,062, this includes a $64,111 contingency, taxes, permitting, design/bid, and construction, for the Marina softshore Armoring A&E Construction.

MOTION BY: Director Houlton SECONDED BY: Director Bauman
APPROVED: X NOT APPROVED: Tabled: Died: 
IN FAVOR: Unanimous
AGAINST: None
ABSTAINED: None

3. Treasurer’s Motion to the Board #4: As requested by the SVCA General Manager and reviewed and recommended by the Finance Committee, I move that the Board of Directors approve a CRRRF allocation not to exceed $41,850, this includes a $4,307 contingency, taxes, permitting, design/bid, and construction, for the gangways at the Marina.

MOTION BY: Director Houlton SECONDED BY: Director Bauman
APPROVED: X NOT APPROVED: Tabled: Died: 
IN FAVOR: Unanimous
AGAINST: None
ABSTAINED: None

4. Treasurer’s Motion to the Board #5: As requested by the SVCA General Manager and reviewed and recommended by the Finance Committee, I move that the Board of Directors approve a CRRRF allocation not to exceed $504,821, this includes $53,250 contingency, taxes, permitting, design/bid, and construction, for the demolition of Barn 6 and purchase and installation of the sprung structure.

MOTION BY: Director Houlton SECONDED BY: Director Bauman
APPROVED: X NOT APPROVED: Tabled: Died: 
IN FAVOR: Unanimous
AGAINST: None
ABSTAINED: None

5. Treasurer’s Motion to the Board #6: As requested by the SVCA General Manager and reviewed by the Finance Committee, I move that the Board of Directors approve a CRRRF allocation not to exceed $493,059, this includes $39,390 contingency, taxes, permitting, and construction, for the construction to replace (2) pool liners and decks, and ADA compliance.

MOTION BY: Director Houlton SECONDED BY: Director Bauman
APPROVED: X NOT APPROVED: Tabled: Died: 
IN FAVOR: Unanimous
AGAINST: None
ABSTAINED: None

6. Treasurer’s Motion to the Board #7: As requested by the SVCA General Manager and reviewed and recommended by the Finance Committee, I move that the Board of Directors approve a CRRRF
allocation not to exceed $80,000 for a SVCA CRRRF Project Manager to manage the oversight and
evaluation of the projects in Motions 2 thru 6.

**MOTION BY:** Director Houlton  
**SECONDED BY:** Director Bauman  
**APPROVED:** X  
**NOT APPROVED:**  
**TABLED:**  
**DIED:**  
**IN FAVOR:** Unanimous  
**AGAINST:** None  
**ABSTAINED:** None

7. **Treasurer’s Motion to the Board #1:** As requested by the SVCA General Manager and reviewed and recommended by the Finance Committee, I move that the Board of Directors approve that the General Manager and Accounting Manager obtain the best value CRRRF construction loan funding for signature by the Board President and Board Treasurer for the $1,125,000 plus closing fees at an interest rate not to exceed 5.5%, on a fixed rate loan, with a minimum 1-year construction period and 10-year term loan, to be paid out of the current CRRRF Assessments.

**MOTION BY:** Director Houlton  
**SECONDED BY:** Director D’Angelo  
**APPROVED:** X  
**NOT APPROVED:**  
**TABLED:**  
**DIED:**  
**IN FAVOR:** Unanimous  
**AGAINST:** None  
**ABSTAINED:** None

8. **MOTION TO AMEND:** Treasurer motion to the Board Motion #1 to read “…with a minimum one year construction period…”

**MOTION BY:** Director Trower  
**SECONDED BY:** Director Bauman  
**APPROVED:** X  
**NOT APPROVED:**  
**TABLED:**  
**DIED:**  
**IN FAVOR:** Acclamation  
**AGAINST:** None  
**ABSTAINED:** None

9. **MOTION TO:** The Board approve the transfer of $175,000 from the Capital Reserve Holding Fund (CRHF) to the CRRRF fund to these projects effective immediately.

**MOTION BY:** Director Houlton  
**SECONDED BY:** Director Bauman  
**APPROVED:** X  
**NOT APPROVED:**  
**TABLED:**  
**DIED:**  
**IN FAVOR:** Unanimous  
**AGAINST:** None  
**ABSTAINED:** None

V. **NEW BUSINESS & VOTING AS NECESSARY**
a. Capital Requests  
i. Roads – Gate 28 Stabilization  
1. The GM reviewed the Capital Request.

10. **MOTION TO:** Approve a Roads allocation not to exceed $26,325 to complete the work as defined in the Southern Court Stabilization Project.

**MOTION BY:** Director Houlton  
**SECONDED BY:** Director D’Angelo
11. MOTION TO AMEND: For the Recommendation to read, “…to complete the work as defined in the Southern Court Stabilization Project.”

MOTION BY: Director Houlton SECONDED BY: ____________________________

APPROVED: X NOT APPROVED: ______ TABLED: ______ DIED: ______

IN FAVOR: Acclamation AGAINST: ______ ABSTAINED: ______

b. Ballot Box Outline
   i. Director Bradley reviewed page 16 of the packet. She noted this would be a trial run using this process. A ballot box would be placed by the Admin office to alleviate the responsibility and handling of ballots from staff.
   1. The GM noted he was in favor of this concept but that this will be a trial.
   ii. Directors expressed their concern with not keeping the ballots in one place at all times.
      1. Director McRoberts noted with this type of process seemed like it could leave room for error.
   iii. Director Bradley noted it was worth giving this process a try.
      1. The GM added that it would alleviate a lot of stress for staff.
   iv. President Brown suggested that the ballots never be taken off-site and that the N&E Committee conduct their business within the Administration Office.
      1. The GM suggested the use of the Conference Room with storage in the closet under the stairs; the GM could alarm that door and give the N&E Chair the alarm code.
      2. Director Bradley requested that she and Mitch work the process out further. The Board agreed to them continuing their negotiations to find a solution.
   v. Director Bradley noted the numbers were changed on the amount of the loan that is within the consolidated budget and the old numbers still appear.
      1. The GM, Treasurer, and Accounting Manager will make sure the numbers for the AGM ballot were correct.

VI. PROPERTY OWNER COMMENTS AND BOARD RESPONSE
   a. A member stated the Board was disconnected from the community. He noted he had spoken with the Attorney General and the state of Washington so they should expect push back. He stated the Board meetings should never last more than 2 hours. He stated his contract was with the membership not the SVCA Board and felt the entire process and structure should be abandoned.

VII. ADJOURNMENT
   a. The meeting was adjourned at 10:08 p.m.

Minutes Approved By: ____________________________

Carol Bauman, Board of Directors Pro Temp