

**MINUTES OF THE SVCA BOARD OF DIRECTORS MEETING HELD ON
MONDAY, FEBRUARY 25, 2008 IN THE ROTUNDA
OPEN SESSION: 7:00 P.M.**

IN ATTENDANCE:

Russ Harlan, President
Chuck McGroddy, Vice President
Naomi Bunis, Secretary
Barbara Audley, Treasurer
Ben Brigham
Mac Carter
Curtis Casey
Laura Weide
Dee Spreitzer, N&E Representative
John Gordon, ACC Representative

EXCUSED ABSENCES:

None

STAFF IN ATTENDANCE:

Dave Wareing, General Manager
Andy Schwartz, Controller
Alisyn Maggiora, Admin. Support
Tim Newcomb, *Views* Staff

COMMUNITY MEMBERS IN ATTENDANCE:

21

I. OPEN SESSION:

II. CALL TO ORDER:

President Russ Harlan called the meeting to order at 7:00 p.m.

III. ROLL CALL:

President Russ Harlan noted the presence of all Board members and staff persons.

IV. ANNOUNCEMENTS:

None.

V. PROPERTY OWNER COMMENTS:

Jim Huthert, 8 Westbrook Ct., requested that the Board get an official status from community members regarding purchasing lots for density reduction. He believes that while the proposal was voted down in the Nov. '07 General Meeting, it likely does not accurately reflect the assumption that the majority of people would not want to buy more lots.

Les Bjorkstam, Div. 28/Mult.Lots, commented on the Feb. 20th Finance Committee meeting with regard to his question about the General Manager's salary, the Board replied with the figure. He also questioned the number of lots Sudden Valley owns and has in green space and has no objection about lot-swaps. Mr. Bjorkstam is also concerned that the costs for the differing departments within the recreation facility are being "co-

mingled.” Accounting Controller, Andy Schwartz, replied clarifying that the four departments within Recreation are costed separately for both the operating and capital budgets, and therefore the departments are not co-mingled.

Dennis Jones, Div.23/Lot 53, commented on the dues increase proposal and agrees that one needs to occur. Mr. Jones then discussed the Lake Whatcom Unified Management project and reconveyance of actions taking place in the Lake Whatcom Watershed, especially with regard to the Department of Natural Resources’ (DNR) Forest Management Plan. He urges citizens to look at this conservancy agenda drawn from a host of agencies including the County, City of Bellingham, DNR and Department of Ecology.

Dave Scott, Div.39/Lot 8, agreed with Mr. Jones about the current agenda mentioned above. He reiterated the importance of a collaborative meeting held in 2003 by those agencies, wherein a turning point occurred with DNR and their Forest Management strategies within the Lake Whatcom Watershed.

Curry Miles, 43 Valley Crest Way, asked for clarification from the Board regarding the golf course budget and why a net loss resulted for 2007.

Chuck Luttrell, Div.32/Lot 49, supports the dues increase and enjoys the golf course and its amenity value. He stated he has concerns with the increase in Marina fees, the 2008 budget for the Recreation Department, and using the revenue from the Marina to support that department. Mr. Luttrell stated that Sudden Valley should not base their use fees on those charged at Squalicum Harbor when we don’t have the similar amenities. There needs to be consistency when applying the fee structure.

Tom Solin, 15 Lookout Mt. Ln N., asked for a copy of the budget details.

Dave Scott, Div.39/Lot 8, approached the question about whether or not the golf course is profitable. He commented that since 1999 the golf course has been in a budget surplus, which goes towards the Valley for other expenses, so those questioning the golf course should take a deeper look.

Gary Gallant, Div.31/Lot 17, commented on the Marina and that he incurred an almost 100% increase in slip fees. While that may need to happen, it shouldn’t be all at once.

Penny Carter, 8 Morning Beach Dr., stated it seems as though we have some members looking for everything to run on itself. Some amenities lose money and some make money, hence they balance each other and that’s how most businesses run. This is a Community Association and cannot always be run as a profitable business.

Sean Messiter, Div.7/Lot 135, has lived in several places around the country and sees the reality of this community – that it needs more money to support the amenities provided. It is significantly undervalued, and the poor condition of many of those amenities is evident in the current lack of funding.

VI. BOARD MEMBER COMMENTS:

Treasurer Barbara Audley thanked residents for coming to the Finance Committee meeting the previous week and for their input.

Vice-President Chuck McGroddy commented on an example of a capital expenditure for golf, a mower, which has a 20 year life. Therefore, we can expect not to have that expenditure for another 20 years.

Ben Brigham agreed with Penny Carter's comments about the profit mentality, and that not everything has to make a profit since our amenities often have an intangible value.

VII. AGENDA CHANGES/APPROVAL:

None

VIII. APPROVAL OF MINUTES:

The minutes of January 21, 2008 were approved as amended.

The minutes of January 28, 2008 were approved as amended.

The minutes of January 31, 2008 were approved as amended.

IX. COMMITTEE REPORTS:

1. Finance Committee

a. Appointments to FC:

MOTION:

Treasurer Barbara Audley made the motion to nominate Earl Settlemyer and Radcliffe "Pug" Edmonds for membership on the Finance Committee for fiscal year 2008. The motion was seconded.

MOTION CARRIED UNANIMOUSLY

b. Financial Statements:

Controller Andy Schwartz presented the financial statements including YTD 2007 information and the January 2008 financials categorized by department.

c. Treasurer's Motions:

MOTION: Water Heater Replacement

Treasurer Barbara Audley made the motion that the Board approves modification of the previous request for replacement of the water heaters in the Community Center showers from \$15,000, which was approved at the last Board meeting, to an amount not to exceed \$9,000. The funding will continue to come from the Major Repair and Replacement (MR&R) Capital Reserve. The requested amount is unbudgeted, responds to an unanticipated aging equipment failure, and falls under the contingency category of the approved 2008 Capital Budget. The motion was seconded.

MOTION CARRIED UNANIMOUSLY

MOTION: GIS Computer Purchase

Treasurer Barbara Audley made a motion that the Board approve the purchase of a computer with monitor for GIS use in an amount not to exceed \$3,500 from the MR&R Capital Reserve. This purchase is included in the approved 2008 Capital Budget and is \$1,000 less than budgeted. The motion was seconded. A discussion followed.

MOTION CARRIED UNANIMOUSLY

MOTION: Purchase of Recumbent Bike

Treasurer Barbara Audley made a motion that the Board approve the purchase of one recumbent exercise cycle and exercise table in an amount not to exceed \$1,408 from the MR&R Capital Reserve. This purchase is included in the

approved 2008 Capital Budget and leaves \$5,200 for acquisition of an additional three recumbent cycles. The motion was seconded. A discussion followed.

MOTION PASSED WITH 7 YES VOTES AND 1 NO VOTE

MOTION: Laminate Floor Replacement

Treasurer Barbara Audley made a motion that the Board approve the purchase and installation of laminate flooring for the Multipurpose Room of the Community Center based on four competitive bids received in an amount not to exceed \$4,500 from the MR&R Capital Member Assessment Reserve. This purchase is an unbudgeted expense to be covered by the approved 2008 Capital Budget contingency funds and responds to a safety hazard in space rented by the Barn Theater and other facility rental customers of the Association. The motion was seconded. A discussion followed.

MOTION CARRIED UNANIMOUSLY

d. Resolution for LRPC

Treasurer Barbara Audley read the Resolution aloud.

MOTION:

Treasurer Barbara Audley made a motion that the Board approves the Resolution to establish the Sudden Valley Community Association (SVCA) Long Range Planning Committee. The motion was seconded. A discussion followed.

MOTION CARRIED UNANIMOUSLY

MOTION:

Treasurer Barbara Audley made a motion that the Board refers the capital item of replacing the Area Z electrical pole to the executive committee. The motion was seconded.

MOTION CARRIED UNANIMOUSLY

2. Communications Outreach Committee:

MOTION:

As authorized chair of the Communications Committee, Secretary Naomi Bunis made a motion that the Board elect a new chair to the Communications Committee, Curtis Casey. The motion was seconded.

MOTION CARRIED UNANIMOUSLY

MOTION:

Communications Committee Chair Curt Casey made a motion that the Board nominate Ken Schacht, Karen Skillern, and Audrey Schwartz for membership of the Communications and Outreach Committee for fiscal year 2008. The motion was seconded.

MOTION CARRIED UNANIMOUSLY

Curt Casey then gave an overview of the Communications Committee meetings of January 14, 2008 from the minutes presented. He discussed the need to revamp the website, and improve other aspects of disseminating information throughout the Valley, including coordination with Views editor, Tim Newcomb.

3. Disaster Preparedness:

Barbara Audley reported on the Disaster Preparedness Committee meetings of January 17, 2008 and February 7, 2008 from the minutes presented.

4. ACC:

John Gordon reported on activities from the February 7th and 21st ACC meetings, including their February 5th meeting with Phil Sharpe.

5. N&E:

Dee Spreitzer reported on N&E activities and the need for volunteers for the week of March 24th to assist in the voting process at the SGM.

X. GENERAL MANAGER'S REPORT:

General Manager Dave Wareing reported on his activities for the month of February.

XI. OLD BUSINESS:

1. Barn Theater Contract:

General Manager Dave Wareing has been working diligently with Barn Theater President Ruth Broward to update their contract and informed the Board as to the changes they have made.

Resident Gary Gallant, founder of the Barn Theater, requested that the Board support its continuance.

2. Condo Mailboxes Purchase:

MOTION:

Barbara Audley made a motion that the Board authorize the General Manager to negotiate with the Deer Creek and Lake View Condo Associations to bring a proposal back to the Executive Committee for the purchase of the cluster mailboxes at those two condos. The motion was seconded. A discussion followed.

MOTION CARRIED UNANIMOUSLY

3. Community Center Plan:

General Manager Dave Wareing presented the Capital Renovation Project Plan for the Community Center to the Board, which will review the plan and comment on it at the next Board meeting.

XII. NEW BUSINESS:

1. Sale of Excess ULIDs:

MOTION:

Chuck McGroddy made a motion that the Board authorizes General Manager Dave Wareing to offer six ULIDs, at market price, for sale to Sudden Valley lot owners. The General Manager is to submit purchase requests at monthly Board meetings. The motion was seconded. A discussion followed.

MOTION CARRIED UNANIMOUSLY

2. Lot Trade/Purchase:

MOTION:

Naomi Bunis made a motion that the Board accept the General Manager's request to trade the unrestricted Sudden Valley lot Div.9/Lot 42 for Div.6/Lot 45, subject to a Real Property evaluation, given the buyer incur the costs of the assessment. The motion was seconded.

MOTION CARRIED UNANIMOUSLY

3. Political Signs:

General Manager Dave Wareing is to draft a memorandum with details to bring back to the Board regarding the posting of political signs and their display characteristics, on private property.

XIII. PROPERTY OWNER COMMENTS:

Lance Hillengass, Div.3/Lot 190, supports Andy Schwartz's position on the proper account for revenue from the sale of ULIDs.

Dave Scott, Div.39/Lot 8, wanted to make sure that the ULID motion was referred through the Sudden Valley attorney.

Les Bjorkstam, Div.28/Mult.Lots, commented that the Board should consider Area Y for ULIDs in the future. He was also stated that he thinks Community Members are concerned about the cost of the Community Center.

Curry Miles, 43 Valley Crest Way, encouraged the Board to maintain transparency with regard to the Finance Committee resignations. He suggested they be included in the Views, or at least made available to the general members.

Chuck Luttrell, Div.32/Lot 49, read a quote from the General Manager in the February Views about each unit of operations supporting itself. Also, if we're going to operate these units at a loss, the community should share the cost of those losses.

Sean Messiter, Div.7/Lot 135, stated that the trails crew needs more gravel for the Area Y Trail. This item was tabled by the Board.

XIV. BOARD MEMBER COMMENTS:

None

XV. ADJOURNMENT:

The Board planned to adjourn to Close session, but due to the hour decided to meet for the closed session at a later date. There being no other business, the meeting adjourned at 10:20 p.m.

Board approved _____ / Date _____