

**MINUTES OF THE SVCA BOARD OF DIRECTORS  
SPECIAL MEETING HELD ON MONDAY, MARCH 31, 2008  
DANCE BARN  
OPEN SESSION: 7:00 P.M.**

IN ATTENDANCE:

Russ Harlan, President  
Chuck McGroddy, Vice President  
Barbara Audley, Treasurer  
Naomi Bunis, Secretary  
Ben Brigham  
Jo Jean Kos  
Curtis Casey  
Laura Weide  
Dee Spreitzer, N&E Chair  
John Gordon, ACC Chair

EXCUSED ABSENCES:

STAFF IN ATTENDANCE:

Dave Wareing, General Manager  
Alisyn Maggiora, Admin. Support  
Andy Schwartz, Controller

COMMUNITY MEMBERS IN ATTENDANCE: 35

I. OPEN SESSION:

II. CALL TO ORDER:

President Russ Harlan called the meeting to order at 7:25 p.m.

III. BOARD MEMBER COMMENTS:

Laura Weide commented that it would be difficult to look at the Budget Reduction Proposals given to each of the Board members and make a judgment on which proposal to agree with, all at one meeting.

Chuck McGroddy apologized to those employees that will have to be let go due to budget reductions.

Ben Brigham commented on the dues increase failing and noted that he believes it was a result of the anonymous group against it and refuses to “run the ship into the ground.”

IV. PROPERTY OWNER COMMENTS:

Jim Huthert, Div.14/Lot 137, concerned with the amount of apathy in Sudden Valley, especially with regard to the lack of voting members at the March 29<sup>th</sup> Special General Meeting.

Keith Anzalony, Div.9/Lot 56, commented on several items including budget details, mailboxes, marina slip fee increases, and increasing security at the beaches.

Curry Miles, Div.1/Lot 133, reiterated a question about the mailbox setup and fees.

Tom Solin, Div.2/Lot 128, stated that a demographics study needs to be conducted in order to assess the new changes that have occurred over the last 5 years.

Keith Anzalony, Div.9/Lot 56, thought that the Board failed to market this dues increase.

Elizabeth Huthert, Div.14/Lot 137, expressed her desire for the Board to save the staff and cut other amenities.

Sue Solin, Div.2/Lot 128, addressed the previous comment made and clarified that some of those positions are seasonal that likely just won't be hired in. In addition, for those who voted against the dues increase, it wasn't necessarily that they wanted anyone to lose their job; it was just that they didn't feel the Board was spending the money responsibly.

Stu Mellander, Div.31/Lot 3, proposed reducing salaries in order to make the budget.

Georgia Allen, Div.5/Lot 78, responded on the lack of communication that exists when buying houses in Sudden Valley and feels a good part of that is due to the realtors.

Bill Audley, Div.35/Lot 9, pressed the issue of personal budgets and that if one can't afford the small increase that was proposed to maintain our community, perhaps one shouldn't be a part of a Home Owner's Association.

Schuylar Dartt, Div.30/Lot 6, discussed the gym and his feelings on its benefits to the Community.

Leslie McRoberts, Div.23/Lot 22, provided some insight as to the City of Bellingham's view on Sudden Valley and believes that over the past few years Sudden Valley has built up its reputation.

Doug Murphy, Div.7/Lot 2, mentioned that the Board should clarify that many of the facilities are revenue producers and they are paid for by those who use them through fees, not by the General Membership with dues.

V. NEW BUSINESS:

1) Budget Discussion:

General Manager Dave Wareing presented and discussed the "Proposed Spending Reduction Budget" for 2008 with the Board. The discussion entailed particular jobs/staff positions that will be cut and the direct impacts to those departments affected. It also approached several amenities, including the pools and recreation programs, which will be reduced or curtailed as a result of the budget reductions required.

President Russ Harlan moved to open the topic for discussion prior to the Board making a decision on which budget profile to approve.

**MOTION**

Treasurer Barbara Audley made a motion that the Board, in order to maintain the financial viability of Sudden Valley for the remainder of the 2008 year, direct the General Manager to limit spending to a maximum of the revenues received from all sources and to take all necessary steps to keep the Sudden Valley Community

Association within those bounds. The motion was seconded. A discussion followed.

**MOTION PASSED WITH 6 YES VOTES AND 2 NO VOTES**

**MOTION**

Treasurer Barbara Audley made a motion that the Board explore making a loan from the Board Density Reduction Fund to Road Reserves Fund in the amount of \$100,000 to fund the 2008 Road Plan; such loan to be repaid through a future road dues increase. The motion was seconded. A discussion followed.

**MOTION CARRIED UNANIMOUSLY**

**MOTION**

Ben Brigham made a motion that the Board direct the General Manager not to make any staff cuts before the April 2, 2008 work session. The motion was seconded.

**MOTION CARRIED UNANIMOUSLY**

VI. BOARD MEMBER COMMENTS:

Russ Harlan noted that now is the time for the Board to do their homework and meet back at the Adult Center on Wednesday April 2, 2008 at 7 p.m.

Laura Weide commented that she bought her home out here because it was cheap and the value has now doubled. She asked the Community to come forward with any ideas.

Naomi Bunis stated that the Board has tried several ways to communicate to the Community, therefore don't tell the Board they haven't tried.

Dee Spreitzer announced there is a vacant seat on the Board.

Andy Schwartz announced that he and Dave will be available all day Tuesday and Wednesday hashing out the new budget.

VII. PROPERTY OWNER COMMENTS:

Dave Scott, Div.38/Lot 9, questioned the need for a legal assessment. President Russ Harlan clarified that it would have to be proposed at an Annual General Meeting for the General Membership to vote upon. Mr. Scott is also aware that there is a demographic of residents who only live and drive here. He reiterated that people need to remember that they are buying into a community association and may often forget what they are getting into.

Jim Huthert, Div.14/Lot 137, urged the Board to balance this budget very carefully and is tired of the apathy in this Community.

Norman Freund, Div.53/Lot 17, questioned whether any consideration could be made in decreasing the capital budget, or if there were rules prohibiting this.

Terry Fischer, Div.13/Lot 38, suggested the Board implement a questionnaire for the residents to better understand where they're coming from.

VIII. ADJOURNMENT:

There being no other business, President Russ Harlan adjourned the meeting at 9:15 p.m.

Board approved \_\_\_\_\_ / Date \_\_\_\_\_