

**MINUTES OF THE WORK SESSION OF THE
SVCA BOARD OF DIRECTORS
HELD ON SATURDAY, MARCH 24, 2007 IN THE ADULT CENTER
AT 9:00 A.M.**

IN ATTENDANCE:

Russ Harlan, President
Chuck McGroddy, Vice President
Naomi Bunis, Secretary
Andy Schwartz, Treasurer
Barbara Audley
Calece Cass-Healy
Mac Carter
Roger Bull
John Gordon, ACC Representative
Lee Langdon, N&E Representative

SVCA COMMUNITY PLAN STEERING
COMMITTEE MEMBERS:

Bob Cooper

REVENUE AND CAPITAL PLANNING COMMISSION:

Jim Huthert

STAFF IN ATTENDANCE:

Dave Wareing, General Manager
Rosemary Tate, Admin. Support

I. CALL TO ORDER:

President Russ Harlan called the meeting to order at 9:00 a.m.

Mac Carter gave an overview of the agenda presentations and that 5 minutes would be given for each proposal followed by comments from the Steering Committee and General Manager and then the Board for discussion.

II. REVENUE AND CAPITAL PLANNING PROPOSALS:

Jim Huthert presented an overview of the format of the upcoming proposals.

1. Proposal for the Establishment of a Non-Profit, Tax Exempt Group:
Elizabeth Huthert presented the Revenue and Capital Planning Commission's proposal for the establishment of a non-profit, tax exempt group to establish itself in Sudden Valley. She explained that SVCA is a for-profit entity and cannot extend tax benefits to people wishing to make donations to improve Sudden Valley. The commission proposes an organization with the specific purpose of improving Sudden Valley in order to enable money to flow into the valley through club fundraisers such as Bingo, private donations, memorial gifts and bequests. It would also enable SVCA to seek grant money.

Steering Committee Comments:

Bob Cooper commented that although the Steering Committee is interested in the concept, they are not clear that this is a SVCA role or responsibility. He said that the committee does not have the expertise to determine the feasibility of such a concept but believes it has enough merit to warrant further study.

General Manager Comments:

Dave Waring stated he supports the proposal and thinks it gives us a pathway to

furnish programs important to the community. He said he thinks it would be a good opportunity.

Board of Directors Comments/Discussion:

Roger Bull stated his support and said it is important to separate it distinctly from SVCA as it is a separate entity from a legal standpoint.

Russ Harlan stated legal research would probably have to be done.

Andy Schwartz inquired as to the cost of setting it up. Lee Langdon responded there would be attorney costs, but it would just be a matter of time and paperwork. She suggested it be created as an umbrella.

After further discussion, it was the consensus of the Board that a select committee be formed comprised of select individuals with expertise to work with Dave Wareing so that there would not be so much work put on staff.

MOTION:

Andy Schwartz made a motion to form a select committee to review potential choices that could be presented to the Board. The motion was seconded.

MOTION PASSED WITH 6 YES VOTES AND CHUCK MCGRODDY VOTING AGAINST.

2. Secured Storage – Phase 1 – Open Storage:

Revenue and Capital Planning Commission member Curry Miles presented a proposal to improve the RV storage in Area Z by including a larger, sunnier section of Area Z which would be dryer and have a more appealing look. Rates could then be increased and match other storage areas in the county. A 90% capacity rate could produce an estimate \$50,000 per year income. The old secured storage area could be rented to contractors for storage of trailers, which would add to our annual income.

Steering Committee Comments:

Bob Cooper turned the floor over to the General Manager.

General Manager's Comments:

Dave Wareing stated his support of the proposal saying it is very much needed. He said there is a waiting list of more than 50 people waiting for marina storage and in the winter, wet slip boats could go into closed space.

Board of Directors Comments/Discussion:

There was a discussion regarding the fact that the School Board may want this site. Mac Carter proposed that if the area were expanded, it could be torn down if the school ends up wanting the site.

Calece Cass-Healy stated that the Marina is an eyesore and this proposal would help facilitate taking care of that problem.

Barbara Audley stated her disagreement with Mac Carter regarding the tearing down of the storage area if the School Board wants it. She explained it would leave some very unhappy people. She asked if there is somewhere it could be put if that happened.

Chuck McGroddy stated if we were to go ahead with the proposal, the School Board might be prompted to go ahead with their plans. Mr. McGroddy feels it could be an

enhanced value. He suggested it be approved as a concept and referred to the General Manager to investigate the practicality of the proposal.

Further discussion followed.

Russ Harlan stated the General Manager needs to continue with what he is doing and come back to them with actual costs.

No motion was brought forward.

Phase 2 – Closed Storage:

Revenue and Capital Planning Commission member Curry Miles present the proposal to develop an inside storage building for personal goods. He stated that combined with secured storage, it makes it a good site for people to store their items. He proposed that it could be done in prefabricated groups and said that the General Manager has already investigated some preliminary costs.

Steering Committee Comments:

Bob Cooper stated the Committee believes there is a market for dry, lockable storage units in Sudden Valley and it could be an additional source of long term revenue. Since the School Board is considering this property as a potential school site, this could conflict with the proposals and should be explored.

General Manager Comments:

Dave Wareing stated his full support of both concepts and said there is a real need and market for this. He added that it would be an excellent source of revenue and fits the Village model he proposes. It can be build in phases and can be expanded as needed.

Board of Directors Comments/Discussion:

There was a discussion regarding an option to lease the land or to do it ourselves. Andy Schwartz said if we leased the land, it would be totally taxable. If we do it, it would be member income. He said we need to look at the tax implications.

An additional option to bid it and hire a company to run it was discussed.

It was the consensus of the Board that the General Manager continue to investigate and to have him come back to the Board with information and let them know what kind of support he will need.

No motion was brought forward.

Russ Harlan recessed the meeting at 10:10 a.m.

The meeting was reconvened at 10:20 a.m.

2. Professional Service Center:

Revenue and Capital Planning Commission member Curry Miles presented the proposal for the development of shops and small stores at the old airstrip site. This site is approximately 12 acres and is centrally located right off of Lake Whatcom Blvd. The Commission's proposal states that SVCA has grown, but commercial services have not kept up. There is a need for a substantial stream of income to help broaden and maintain community services and a need for small business and

services required by a community of our size such as a walk in health facility, pet services, hardware shop, and miscellaneous small offices.

Steering Committee Comments:

Bob Cooper stated the committee supports the proposal and believes that the Airport Strip presents a unique opportunity to develop revenue producing facilities for SVCA. Also, by providing services that would curtail trips to Bellingham, we would be acting in the best interests of being a good watershed neighbor.

General Manager Comments:

Dave Wareing stated his support for the proposal and said that an essential element of a viable community is something that is missing here. All services we need have to be obtained in Bellingham. He said it can be looked at as a village concept model and cautioned about word usage when presenting the proposal so it will not be thought of as a strip mall.

Board of Directors Comments/Discussion:

There was a discussion regarding the businesses in the mini mall at present and about other areas, such as the land that belongs to Roger Ufkes, as a proposed site.

MOTION:

Barbara Audley made a motion that the Board endorse the Village concept as the General Manager has brought forward and let him develop it and come back to the Board as needed. The motion was seconded.

MOTION CARRIED UNANIMOUSLY

3. **Pacific Coffee Roasting Lease Proposal:**

Jim Huthert brought the proposal forward and stated he would recommend the proposal provided a use permit could be obtained. He stated the county only wants it for forestry. The proposal is only for the small building at the old campground site.

Steering Committee Comments:

Bob Cooper stated the committee believes the proposal has merit as a win-win situation for SVCA and it should be turned over to staff and professional council for further investigation and negotiation. He said they do not see any conflict with the proposal in terms of its potential use of the campground per se, however they do see operational and environmental issues that must be addressed.

General Manager Comments:

Dave Wareing stated he does not support the proposal and that it is clearly a commercial use in a non-permitted area. He said the County's reject mind set has a trickle down effect.

Board of Director Comments/Discussion:

Chuck McGroddy stated his agreement with Dave Wareing and added, in proposing this to the County, we would be leading with the weakest card. He stated that Mr. Sherman's proposal shows no experience in the coffee roasting business and in the terms of real estate, he would be considered a weak tenant. Calece Cass Healy stated a safety concern and explained that with a two lane road with a blind corner there might be better places for this type of business.

MOTION:

Mac Carter made a motion to decline the proposal as currently presented and to refer the General Manager to Mr. Sherman of the Pacific Roasting Company.

MOTION CARRIED UNANIMOUSLY

3. Discontinue Use Fees Beginning in 2008

The proposal was presented by Jim Huthert. He added that there have been many instances when he sees that the rules are not enforced and that lifeguards at the main pool do not check id cards.

Steering Committee Comments:

Bob Cooper stated the committee recommends a thorough review of the basic philosophy and a thorough analysis of the financial workability of use fees so as to determine if a more fair and user friendly system can be created.\

General Manager Comments:

Dave Wareing stated that care needs to be taken that we have a funding structure that works and that is adequate to meet our needs.

Board of Directors Comments/Discussion:

Barbara Audley wondered if the facilities could stand the increased usage if the user fee was discontinued.

Chuck McGroddy stated he would be in favor of anything that would get the members out of their homes and using the facilities, adding that it would make us more of a community.

Lee Langdon stated that if there is concerned about usage, it would only increase by 3 or 4%.

Mac Carter stated he likes the proposal, but that the name brings up a larger topic. He said it should be an equitable funding process. He said he likes it because it is provocative and he would like to build on that energy as part of the multi-facility concept.

Andy Schwartz stated we need to look at the way we fund this place. He said the General Manager should look at it and come up with real costs for next year and come up with sources of revenue.

Roger Bull stated he is happy to see initiative coming from outside the Board. He would like to promote the idea in the community and create a community mind set

Noami stated we need to address how we fund and set up a dues structure and that she is hoping that at Monday night's Board Meeting a motion will pass concerning this.

John Gordon stated that in fairness to Jim Huthert's comment on lack of enforcement, we can even consider charging non-members to use the facility.

MOTION:

Mac Carter made a motion to decline the proposal as it is. The motion was seconded.

MOTION CARRIED UNANIMOUSLY

III. PROPERTY OWNER COMMENTS

Dale Rings stated he applauds the Board for the amount of work being covered and encourages them to hang in there. He added they are providing a lot of direction.

Bill Audley stated his agreement with Jim Huthert's comments about lack of enforcement of the use fee.

Sandy Chasteen stated a lot of young families are very excited to move here but then are very disappointed in the amenities. She said a lot of people want to donate money and support Sudden Valley.

IV. ADJOURNMENT:

The meeting was adjourned at 11:40 a.m.

Board approved _____ / Date _____