

General Manager Report – May 2026

Operational Highlights

Firewise

SVCA conducted its annual Firewise program in May, removing tree limbs and other chippable material from all areas of the Association. This program reduces the risk of fire by removing potential ground fuels from the community. This year, the amount of vegetation being collected is noticeably less than in previous years. We attribute this to the significant clean up efforts made last year after the bomb cyclone. This program is the main focus of the Maintenance department for five weeks each Spring and is paid for through Operations. Maintenance made its last pickups today, right on schedule. We want to thank everyone in the community who spent time bringing tree limbs to the street and also let people know that there is a very large pile of woodchips available at Area Z!

2026 Community Survey Update

The 2026 Community Survey launched in May, with letters and emails sent to all property owners. We received 1135 responses, representing 36.4% of the membership, a very strong response rate. The data is now in the hands of Catapult Insights, the research company that will perform analysis and report the results. A presentation of the results is tentatively planned for Saturday, July 25th, in the Dance Barn, via Zoom, and on YouTube. Valley Fair is taking place on that same Saturday and we hope that members who might otherwise not attend the presentation will drop in as part of their participation in the fair. The presentation will include time for questions, and all results will be posted online.

Financial Performance, First Quarter

Financial performance in the first quarter of 2026 was very strong, with income almost ten percent (10%) higher than last year, and expenses four percent (4%) lower than last year. The overall expense to income ratio was 75.8% this year, compared to 86.8% last year at the same time.

The increase in income was due to higher than expected golf and marina revenue. Since these are seasonal revenues, it is not certain that this improvement will be sustained until the end of the year. Some categories of revenue have declined, specifically construction fees. The 2026 budget assumes that SVCA will collect \$85,000 in construction fees. We are unlikely to achieve that result since we project that the number of new construction projects this year is less than half of last year's total. We are taking steps to reduce costs in other areas to make up for that shortfall.

The decrease in expenses is being driven by three categories: salaries, legal costs, and hazard tree removal costs. The reduction in salaries is attributed to three departments posting fewer than budgeted hours: Maintenance, Golf, and Recreation. The other operating departments showed increases in salary, as expected. The reduction in legal and tree removal costs is somewhat out of the control of management, as unforeseen circumstances tend to drive those categories.

Capital spending from CRRRF is better than budget, with an anticipated increase in residual funds of approximately \$150,000 at the end of the year. This could change, however, if unexpected repairs are necessary. The Roads fund is expected to close with about \$25,000 less than the anticipated residual. This is due to bringing forward some design & permitting work that was planned for 2027, so the ten-year outlook for the Roads fund is still on track.

2026 Capital Projects Status

CRRRF Projects	Approved Budget	Status
<u>Facilities:</u>		
Austin Creek Bank Repair	\$ 34,585	In Progress
Turfcare Building Remodel	\$ 125,446	Complete
Clubhouse HVAC	\$ 214,114	In Progress
Golf Bridge Repair - #1 & #4	\$ 59,056	Complete
Marina Tennis Court Refurbishment	\$ 21,120	In Progress
Marina Security Upgrade	\$ 19,318	Complete
Marina Signage (from 2025)	\$ 15,000	In Progress
Directional Signage (from 2025)	\$ 20,000	In Progress
Off-Leash Dog Park Fence	\$ 70,067	In Progress
Marina Playground Design & Permitting	\$ 24,376	In Progress
Barn 6 Design & Permitting	\$ 253,924	In Progress
<u>Equipment:</u>		
Turfcare Tractor Replacement	\$ 48,048	Complete
Turfcare Equipment Replacement	\$ 232,506	In Progress
Driving Range Equipment Replacement	\$ 22,378	In Progress
Total Budgeted	\$ 1,159,938	

Roads Projects	Approved Budget	Status
Design/Permits for 2026 Projects	\$ 41,888	In Progress
Area Z Access Bridge/Culvert #4 Replacement	\$ 1,219,468	In Progress
On Call Engineering	\$ 44,995	In Progress
Fast Response - Roads & Drainage	\$ 95,613	In Progress
Ditches, Culverts, & Swales (CVC)	\$ 135,546	In Progress
Potholes & Minor Road Repairs	\$ 39,370	In Progress
Bridge Inspections	\$ 6,976	Complete
2026 Road Repairs	\$ 428,714	In Progress
Culverts 22 & 24 Design & Permitting	\$ 167,497	In Progress
Total Budgeted	\$ 2,180,067	

Capital Projects in Progress

Austin Creek Bank Repair

Design is underway and we are waiting for feedback from Whatcom County before finalizing design and submitting permit applications.

Clubhouse HVAC

Work began in May and is expected to finish in June.

Marina Tennis Court Refurbishment

Design is complete, and a permit application was submitted. The project was put out to bid and a contract was awarded to WRS. The timing of this project is dependent on when the permit is issued.

Marina Security Upgrade

This project was completed in May.

Marina and Directional Signage

Work is underway on these two projects.

Off-Leash Dog Park Fence

Design is complete and a permit application was submitted. A contract was awarded and work will be completed once a permit is issued.

Marina Playground Design & Permitting

Design began in May, and permit applications will be submitted in June. Construction is anticipated in the Summer of 2027.

Barn 6 Design & Permitting

Design is underway. The Geotech scope and survey/utility potholing are complete. Design is expected to be completed in June.

Turfcare Replacement Equipment

The equipment has been ordered and is expected to arrive this summer.

2026 Road Repairs

Permits are complete, and work will begin in June.

Area Z Access Bridge/Culvert #4 Replacement

We are waiting for permits to be approved by the county. We hope to complete the work this summer, assuming permits are issued in time.

Culverts 22 & 24 - Design & Permitting

Design is expected to be finished in July and permit applications will be submitted after that. Construction is planned for summer 2027 and 2028.

Department Reports

Administration

Activity Summary

- Continued support for rental registration process.
- 2026 Community Survey was launched. Continued support of residents needing help to access the survey.
- Linked website announcements to Facebook automatically.
- Continued developing Standard Operating Procedures (SOPs) to reflect current processes.
- Continued work on identifying more affordable healthcare options for employees.
- Began work on the annual inventory and budgeting process.
- Partnered with RSU to plan for a smooth transition to SVCA's new Security Services provider.
- Worked to resolve several issues with the website; multiple days of downtime.

Successes

- We had a strong response to the Community Survey, with 1,135 surveys completed.

Planned Work

- Finalize the new POS software implementation and plan transition to the new system.
- Implement events calendar on website.
- Continue updating SOPs.

Maintenance

Activity Summary

- Cleaned and prepared pools for season opening.
- Repaired water heaters on main pool.
- Painted parking spaces at lower golf parking area.

- Opened overflow parking area at AM/PM Park.
- Painted parking spaces at AM/PM Park.
- Improved entrance to overflow parking at the Marina.
- Re-painted parking lines at overflow parking at Marina.
- Opened overflow parking area at the Marina.
- Painted parking spaces at Marina wet slips and office.
- Assisted in installation of new cameras at Marina entrance.
- Painted parking lines at Welcome Center parking lot.
- Trimmed tree at lower golf parking lot that was impacting camera connection.
- Pothole repairs at various locations.
- Serviced OP-24, installed new backup camera on OP-21, and replaced windshield on OP-22.
- Repainted crosswalk & stop bars at Marigold and Clubhouse Circle.
- Started pothole repair and grading at the Marina.
- Replaced broken belt on deck mower.
- Completed scheduled mowing of parks and greenspaces.
- Evaluated pavilion pilings at the Marina and AM/PM Park.
- Located utilities at Barn 6.
- Started Firewise Pick ups in Gate 5. Completed Firewise Program in Gates 5, 28, and 3.
- Repaired BBQ at the Adult Center.
- Pressure washed Marina Pavillion.
- Pressure washed Gate 3 bus stop.
- Replaced outdoor flood light at the Welcome Center.
- Replaced headlight, front brakes, and flat tire on AD-1.
- Replaced outdoor lighting with brighter bulbs at Clubhouse entryway. Repaired outdoor lighting at Clubhouse parking area.
- Installed roadside mower on Yanmar tractor.
- Completed roadside mowing in Gate 5.
- Replaced bearing on zero turn mower.
- Cleaned and pressure washed Marina gazebo.
- Pressure washed light poles at the Clubhouse.
- Turned on outdoor showers at the Adult Center for summer season.
- Assisted with HVAC project at Clubhouse.

Successes

- Maintenance staff are working well together.
- Firewise program is on schedule despite issues with rented woodchipper.

Planned Work

- Firewise Program – Gates 9,13,2, and 1.
- Prepare for summer road projects.
- Refurbish Rec Center gazebo.
- Replace handicap parking sign at Dance Barn.
- Gravel restoration of parking areas and keyways.
- Continue roadside mowing in Gate 3.
- Repair outdoor shower at Adult Center.
- Replace shower heads in women's locker room at Rec Center.

- Inventory equipment and assets.
- Schedule street sweeping to take place following Firewise.

Golf

Activity Summary

- Hosted a very successful WA Women's Four Ball Championship.
- Completed the SV Cup member event.
- Hosted a Squalicum high school fundraiser event.
- PGA Jr. League and additional golf clinics are underway.
- Booked two new outside events for the Fall.
- Preparing for our Two Person Scramble and Ryder Cup event.
- Completed sand and seed party to fill divots on the golf course.
- Completed photo and drone video footage of the golf course.
- Completed 2025 outing reports for annual golf course audit.
- New website is live.
- Set up all the member Match Play Brackets.
- Completed the US versus Canada Ryder Cup event.
- Hired a new 1st Assistant Professional.
- Prepared for the Snip Snip Hooray event – new outside event.
- Ordered all materials for the Junior Golf Camp.
- Promoted the Triple Six event on June 6th.
- Learning new email marketing system and making changes to our new website.

Successes

- April and May will both be record revenue months.
- Turf crew did an amazing job grooming the course for the WA Golf event.

Planned Work

- Prepare for upcoming outside and member events.
- Set up Summer Match Play brackets.
- Set up the commercial campaign schedule with KJR radio.
- Assemble range picker and hook up to new range cart.
- PGA League matches begin next Tuesday through July.
- Finalize itinerary for Men's Invitational with the Men's club.
- Schedule of staff meeting to prepare busy season.

Turfcare

Activity Summary

- Intensive course conditioning leading up to WA State Women's event.
- Laid out new sod for turf nursery.
- Focused hand/hose watering on all greens to minimize dry down for event.
- Sprayed all sand trap interior edges.
- First mow on new tee box turf done.
- Verti-cut and light top-dress all putting greens with sand.
- Clean up around golf club entrance sign and putting green.
- Line trimming throughout the course.
- Clubhouse gardens clean up and re-mulch.
- Started lowering mowing height for newly constructed tee boxes.

- All sand traps received fresh tan colored sand. Complete for this season.
- Work at Native Plant Garden spring cleanup and planted replacement plants.
- Diver checked and cleaned debris and lily pad growth on and around irrigation intake at Lake Louise.
- Repaired two broken irrigation sprinkler heads.
- Replaced rear main seal on John Deere Pro-gator.
- Hired one seasonal and one full time employee.

Successes

- Course conditioning for the Washington State Woman event went well with great reviews of conditions.
- SV Membership pleased with overall conditioning of the golf course for this time of year.
- Course conditioning continues at a scheduled pace.
- Irrigation intake and pump station at Lake Louise still in good operating order.
- Expenses ytd are within budget.

Planned Work

- Monthly irrigation system operation p/m continues.
- Focus on the little things i.e., line trimming sprinkler head clearing, tree branch trimming.
- Continue course conditioning.
- Annual granular fairway fertilizer application.
- Tree care.
- Finish replacement plants and cleaning up at Native Plant Garden.

Recreation

Activity Summary

- 16 lifeguards onboarded for the pool season, 2 new Rec staff onboarded.
- Held a Community Listening Session regarding the Fitness Center Equipment Replacement Project.
- All wet slips filled. Working on filling remaining open Area-Z spots & kayak racks.
- Submitted article in Views about the Pools & pool opening.
- New signage put up regarding Quiet Pool rules, main pool rules, Area-Z Storage Facility, and rec corridor Tennis Courts.
- Had all Rec Staff training on Saturday, May 16th.
- Held Lifeguard Certification Course for lifeguard staff May 15th-17th.
- Pool opened on May 23rd.
- Valley Fair planning continues.
- New pool umbrellas purchased & put up.
- Maintenance Help Shoutouts: Fixed broken lane line & lifeguard supply cart.

Successes

- Lifeguard team is very strong this year.
- We are working with Matrix FitnessFitness Machines Replacement Project.

Planned Work

- Party at a Park on June 3rd.
- Demo Garden Ribbon Cutting on June 4th.
- Lifeguard in-service training on Wednesday, June 10th.
- Valley Fair.