SOUTH BAY COMMUNITY ASSOCIATION
BOARD OF DIRECTORS MEETING
July 9, 2026 9:30am
Draft Minutes

1. Call to Order
   The meeting was called to order at 9:30 am.

2. Determination of Quorum
   Quorum was present to start the meeting with all Board members in attendance: Carolyn OKeeffe, Christine Spagle, Faye Beuby, Owen Dennison, Donna Colosky, and John Cacho. There were four SBCA members in attendance along with the SBCA's General Manager, Mark Torres.

3. Approval of Agenda
   Members in attendance and the Board were provided with the opportunity to suggest changes or additions to the agenda. There we no comments or suggestions. *Motion to approve the agenda*. **Approved 6/0**.

4. Approval of meeting minutes for June 11, 2026, *Motion to approve*. **Approved 6/0**.

5. President's remarks – Carolyn O'Keeffe
   a. Pres. O'Keeffe commented on activity at Club. Short discussion on Landscape Project and the Member Event (BBQ & Dance) on June 12.
   b. PLVC matters. Pres. OKeeffe summarized discussion topics at the PLVC meeting in July. The following meeting discussion items were acknowledged:
      i. PLVC is already working on Fall Elections, and recruitment for Board.
      ii. A Jeff. Co. Sheriff representative was in attendance and spoke about the movement of a homeless encampment near Paper Mill, and fireworks danger.
      iii. PLA update included acknowledging large and numerous potholes in commercial areas and on Breaker Ln. No date for resolution was provided, only that status was "work in progress". Smeland also stated that boundary line adjustment requests to Jeff. Co. DCD has caused some delays in proceeding with plans for "Falls Terrace". Smeland also announced new services offered by OWSI, such as a vac truck. Pres. O'Keeffe noted that although services could be of value to Village HOA's cost for the service is likely prohibitive for frequent use.
      iv. A free community concert sponsored by John L. Scott is planned for July 11 at the Village Center.
      v. A PUD representative spoke about new rate increases, and recent power outage.

6. Manager's report – Mark Torres Club Operations
      i. General Manager Torres reported on several matters.

1. The General Manager noted continuing staffing shortages. Two additional Front Desk staff members have recently resigned; Val Dangler and Karen Wiggens. Both individuals are unable to continue an employment relationship with the Bay Club because of commute/proximity to work (and the Hood Canal Bridge). The GM noted that a meeting took place with the HR Committee to discuss staffing issues and the future staffing model. The recent new position approved for the new fiscal year that provided support for the Front Desk and Event planning is being modified to be less limited and positioned to focus on all Member Services; the new position is now identified as a "Member Services Assistant Manager". HR and the GM are working on a modified job description and targeting August for recruitment.
2. The GM provided more information on the recent Bayside Services Pancake Breakfast fundraiser. Attendance was good. Approximately 65 people were served. Direct donations and proceeds amounted to nearly $600 for the organization.
3. The GM reminded all that the SBCA Annual Meeting of Members is next Wednesday, July 15 at 1:00PM. There will be a reception after the meeting. Appetizers and drinks will be served from 3p-5pm.
4. Club Projects were discussed:
    a. GM said planning for pool area and cardio area closure are still being coordinated. Delays have been cause be status of asphalt project tentatively scheduled for last week of July. The closure when it occurs will allow troubleshooting to occur on the failed pool area deck drains, installation of new lockers in the locker rooms and to address re-grouting areas in need in the pool room.
    b. The pool area heating status was resolved. Emergency heat (needed in winter period) is still being worked on.
    c. The GM announced that the Bay Club front area landscape project is nearly complete. One small area (front entry planters) is being left for Fall. The work was all completed on time and on budget. Northwest Landscaping Services (aka NLS/Monarch) was the contractor.
    d. Bay Club window cleaning was completed.
    e. The GM noted last month our legal counsel has created a Board Correspondence and Records policy for the SBCA, the corrections the Board wished counsel to make were completed. The GM asked that the Board consider a motion to adopt later in the meeting.
    f. The transition for website maintenance duties is ongoing. The firm has completed a design concept. Training for staff

will take place next week. Once training is complete, the final changes to content can occur.

g. Next year's insurance renewal options are still being assessed. A new broker has been added to help with resourcing potential insurance partners. There is no new information to report.
h. The GM announced that Annual Meeting Packets were sent out a couple weeks ago and to date, we have received absentee ballots and/or proxy forms sufficient to establish quorum for the meeting.
i. GM stated that a bid was received for refurbishing the two countertops in the Great Room Lobby (Front Desk and Business Office). Facilities and Finance will report in more detail later.

7. Treasurer's Report – John Cacho reported.
   a. John noted the period reported was for SBCA's full fiscal year. The fiscal year ended on June 30, 2026.
   b. Year end, the net variance to budget for the period ending June 30, 2026, is favorable at +$94,000. John noted contributors to approximately $30K over budget in Income were due to Associate Member Fees, Facility Rental program, and a substantial closure in a delinquent account, that added assessment income and recovery of legal fees. On the Expense side savings of over $60K were noted to come from payroll associated expenses as primary savings, with supportive savings coming from Repair & Maintenance, Energy costs and Supplies.
   c. Then John spoke to Reserves next, indicating that Reserve Fund balances were approximately $15K more than forecast at $327K. Total year-end surplus for fiscal year 2025-2026 will be reviewed by the new Board and supported by Finance Committee recommendations on transfers of surplus monies to Reserves and/or Rainy Day Fund. Current Reserve Funds are mainly held in CD's, and recently maturing CD's have been transferred back into cash, to match anticipated cash flows for the budgeted Reserve Projects coming up in the 2026-2027 period. Once major expenditure occurring in next 90 days is paid for, the CD reserves/savings balances will be grown over the remaining period.

8. Board Communication
   a. None

9. Committee Reports

   a. ARC - There were nine applications for the Committee to review. All applications were unconditionally approved. There was a short discussion on garbage enclosure standards and restrictions No other actions were taken.
   b. Activities – Carolyn O'Keeffe.

i. Carolyn noted the Committee had established all next year's Pancake Breakfast charitable organizations. Three new non-profits were selected.
ii. Educational/Speaker Events were also all established through November of 2026.
iii. Carolyn announced that the Committee was working on "re-branding" what has been known as the "Member Socials" to a new description of Member Food & Beverage Events" or (FAB's). There will be six planned for the year (every other month) with two recurring familiar events (Annual Meeting Member Reception, and the December Holiday Gala). The focus of remaining events will be Food, Beverage, Live Music and Dance. In March of 2027 the Committee is working with Ludlow Village Players on a Murder Mystery Dinner Theatre event.

c. Facilities – Director Dennison
    i. Spoke to Committee's review of several different items including;
        1. The Lobby Front Desk counter repair/enhancement project was discussed. A bid for remediation was received. Amount was higher than possible to resolve both counters at $8.8K. A second bid is now being sought. Additional finishes and color for material are also being researched.
        2. The Landscape Project was discussed post installation. Additional adjustments to irrigation were noted (eliminate overspray, flooding, and timing). There were also some concerns noted about the health status of some of the plantings.
        3. The woodshop reported there are new issues to address with all users regarding allowable materials (to cut) and cleanup and other usage rules. The woodshop steward has requested that the Woodshop population be required to go through a new Woodshop orientation and safety training to renew familiarity with old and new rules of the woodshop as well as introduce new users to the amenity. Announcements will go out to the Woodshop users and general membership sometime after the annual meeting.
        4. A comment was made about the Pool area clocks. One clock was removed due to malfunction. The GM advised that a replacement will be located. A request from pool user was that it be as big or bigger than the one removed. LED was also preferred.

d. Health & Fitness – Christine Spagle
    i. Christine noted that there was no meeting; not enough of the Committee members were available to establish a quorum.

e. HR –Carolyn O'Keeffe
    i. HR Committee did meet in July and discussed the current staffing deficiency but focused on modifying role and expectations for the new leadership position. It was decided that the new role would be called "Member Services Assistant Manager" and HR and the GM would be

working on updating a job description so that recruitment could begin in August.

f. Long-Range Planning –Carolyn O'Keeffe
   i. Carolyn reported that the Committee did not meet as the Committee continues to be on hiatus until insurance matters are clarified and the new Board is established.
g. Finance Committee - John Cacho reported.
   i. John noted the following:
      1. Gil Skinner has resigned from the Committee. John thanked him for his service.
      2. John stated that a new SBCA member attended the meeting and expressed interest in joining the Committee to replace Gil Skinner. The new SBCA committee member will be added to the list of those wishing to continue serving on the Finance Committee in the fiscal year. The new SBCA Board will review and approve all Committee Chairs and members after the Annual Meeting on July 15th.
      3. John stated there was a delinquency matter to bring to the Board's attention. Two SBCA member accounts were discussed in Committee, and the conclusion was to make a recommendation to the SBCA Board to transfer collections efforts to SBCA's legal firm, Laurel Law Group. <u>*Motion to have the SBCA Board approve and authorize Laurel Law Group, PLLC, as counsel for the Association, to pursue covenant and rule enforcement and all collection actions regarding Accounts #LC-04 and #LP3-16. This authority includes but is not limited to: issuing demand letters and pre-foreclosure notices; recording and releasing liens; preparing or responding to payoff requests; negotiations and payment plans with the owner(s); and handling all related collection matters, as authorized attorney for the Association.*</u> **Approved 6/0**.

h. <u>*Motion to approve all committee reports.*</u> **Approved 6/0**.

10. Old Business
    a. Owner Inquiry and Records Policy
       i. The corrections the SBCA Board wished to resolve have been implemented by SBCA's attorney. <u>*Motion to adopt the new policy as revised.*</u> **Approved 6/0** (*as corrected*. *After a discussion point was resolved involving electronic media, there is one last typo to address noted by Director Dennison; the GM stated he would correct it*).
    b. Update to Associate Membership Policy
       i. Carolyn O'Keeffe noted that working modifications to the policy had not yet been finalized. Once completed a draft version will be sent to the full Board for review. Carolyn noted that areas of modification involved

consideration to define any exceptions to allow for waiver of initiation fees.

11. New Business
    i. None.
12. Member Comments
    a. A member in attendance thanked the Board for their services.
13. Adjourn at approximately 10:15 AM a ***Motion to adjourn***. **Approved 6/0**.

Next SBCA Board Meeting: August 13, 2026, 9:30 AM.
Next SBCA Board workshop: TBA, to be established/confirmed by new SBCA Board Members on July 15, 2026.