

**SOUTH BAY COMMUNITY ASSOCIATION  
BOARD OF DIRECTORS MEETING**

Friday, May 2, 2008

**UNAPPROVED**

The meeting of the South Bay Community Association (SBCA) Board of Directors was held at the Bay Club on the above date. Directors present were: Joe Kelly, Ed Knodle, Dan Meade, Ken Snider, and Chris Whitehurst. Also attending were Keith Allred, Marilyn Allred, Judy Archung, Ralph Archung, Dave Armitage, Mary Baldwin, Simeon Baldwin, Paul Boucher, Laurence Brown, Bev Browne, Bill Browne, Tom Callahan, Tom Carter, Mel Caskey, Mary Claudson, Tom Claudson, Linda Colasurdo (SBCA), Dan Darrow, Soozie Darrow, Steve Failla, Mike Fleming, Bea Frycklund, Mea Graham, Ruth Anne Hansen, Betty Harmon, David Wayne Johnson (Jefferson County, Audrey Kay, Lydia Kelly, Betty Kingston, Charlie Kraus, Kathy Larkin, Danae Larrance, Jan Lucas, Eline Lybarger, Sue Mac Stravic, Doris Monti, Jim Mort, Mike Morgan (SBCA), Dean Mosier, Deanna Richards, Dianne Ridgley, Al Scalf (Jefferson County), Barb Schafer, Bob Schafer, Bruce Schmitz, Dottie Schmitz, Kathy Snider, John Steger, Judy Thomas, Ken Thomas, Jim Walker, Sharon Walker.

In John Cragoe's absence, Dan Meade called the meeting to order at 9:00 a.m.

**Special Feature: Iron Mountain Mining**

Dave Armitage presented information on the Iron Mountain Mining Company's 142-acre project, which would start just south and east of the current Shine Pit. The presentation included an update on where the project currently stands, several maps and overlays describing its location, its possible effects on Port Ludlow, and options available to concerned residents. Port Ludlow residents need to know during the permitting process, where and when the opportunities will be for them to make their views known. Dave reminded all that Iron Mountain Mining will engage in hard rock mining and was present at a Shine Quarry blasting, standing within 1300 feet, and near an 85-90 decibel percussion. He mentioned that the area terrain currently shields much sound from Port Ludlow residents, but were the Iron Mountain project to continue, mining would eventually lower the protective rock hills, generate increased noise and dust, and possibly affect wildlife and the wells in the adjacent aquifer.

**(The PLVC website contains copious information.)**

PLVC and PLA have provided "seed" money (The LMC has not) for the Iron Mountain Legal Fund (Dave Armitage, Peter and Suzanne Graber), which will continue to monitor this mining issue. As part of the Special Feature, there was a lengthy permitting process discussion with Al Scalf, who described in detail the necessary checklists that must be completed along the way, and who is well aware of the public's opportunities to make its views known. He described the following: EIS statement (ground water, noise, and dust, impact on quality of life), including the times when people may have input. He reminded all that reclamation is not restoration, so mined areas will not be the same grade and elevation after mining. The class 3 forest practice permit currently being exercised by Pope is unrelated to the IMQ issue. No application for a storm water permit for mining activities has yet been received. Although this IMQ activity initially started last May, it was not discovered until February of this year because it involves property outside of the Master Planned Resort, and therefore would not have entered the domain of Port Ludlow

Lead Planner David Wayne Johnson. Johnson assured the SBCA members that the County will do everything to satisfy SBCA, PLVC and Port Ludlow.

**Community Input:** None.

**Prior Meeting Minutes:**

- **MSP to approve the minutes of the April 4th, 2008 general meeting of the SBCA (all ayes)**

**Reports:**

- **Correspondence**

- To Ken Snider (LRP) from Maria Biondi of Olympic Terrace, who feels the furniture in the great room needs to be replaced. Ken stated it is on the wish list and will be considered.

- **Financial Reports**

- Chris Whitehurst presented the financial highlights for March, showing Total Current Assets for the month to be \$331,482.08 and Total Assets to be \$535,209.24 with an increase of \$56,196.96 over last year's Total Assets. The Income Statement for March showed total revenues of \$3,258.77 and total operating expenses of \$34,538.17, and a net operating surplus of \$28,665.33 for the current fiscal year. The Maintenance reserve is \$140,898.42 and the Renovation Fund is \$130,733.85. (see encl)

**MSP to approve the financial report for March, 2008 (all ayes)**

**Committee Reports**

**SBC ARC:** Linda Colasurdo reported six applications submitted; thirteen Village ARC approvals for satellite dishes. She welcomed Sharon Walker to the SBCA ARC. (see encl)

**Finance & Long-Range Planning:** Ken Snider reported on the meeting held April 21. The information gathering system at the front desk is producing meaningful results that should now prove useful to the committee. Estimates are coming in for lights in the classrooms (two lights in small rooms, three in large rooms). The committee feels that, as an added bonus, the facility rental income should be sufficient to pay for the lighting. A firm proposal will be made to the Board at the June meeting. A Washington state code change now requires commercial pools to have either two drains or an emergency shutoff valve. At a cost of approximately \$800 the SBCA will install a shutoff valve before June 1 to comply with updated requirements.

**Operations Report:** Mike Morgan reported membership at 538, no new sales, and two resales. He also thanked members for their support in his time of bereavement, praised his staff for their performance and spirit in his absence, and thanked all those who attended the celebration honoring his ten years of service at the Bay Club. (See encl)

**Directors' Reports:**

**Port Ludlow Village Council:** Chris Whitehurst reported that one year remains until Hood Canal Bridge replacement. She also encouraged all members to view the PLVC minutes on the website concerning the following: Puget Sound Energy presentation; temporary water rates in place by OWSI; electronic recycling in August;

**Old Business:**

Iron Mountain Mining: In an executive session, there were monies verbally approved by the SBCA Board (\$200 for attorney's initial time and \$1500 to support the combined legal effort) as "seed money" for the Iron Mountain Mining issue.

**MSP approve amount not to exceed \$1700 in support of the Iron Mountain effort**  
(all ayes)

Dan Meade cautioned the PLVC, PLA and Bay Club members not to count on the SBCA to continue to contribute; individual monies must be forthcoming.

**New Business:** none

**Member Questions:**

Chris Whitehurst thanked Mike Morgan on behalf of all members for his ten years of service.

Meeting adjourned at 10:18 AM.

Next monthly meeting: **Friday, June 6, 2008**

The

Bay Club at 9:00 a.m.

Respectfully submitted,  
Joe Kelly  
Secretary, SBCA

Encl.

Financial Reports - [March Bal Sheet](#), [March Inc. Stmt.](#)

SBCA ARC May status report

Operations report

**FINANCIAL HIGHLIGHTS  
FOR  
MARCH 31, 2008**

cdw 4-26-08

**BALANCE SHEET**

	<b>Current Year</b>	<b>Last Year</b>	<b>Difference</b>
Total Current Assets	\$331,482.08	\$330,248.94	\$1,233.14
Total Assets	\$535,209.24	\$479,012.28	\$56,196.96

**INCOME STATEMENT**

	<b>Current Month</b>	<b>Fiscal Year</b>	<b>Budgeted</b>
Total Revenue	\$3,258.77	\$291,993.19	\$293,400.00
Total Operating Expense	\$34,538.17	\$263,327.86	\$287,672.00
<b>Net Operating Surplus/(Deficit)</b>		<b>\$28,665.33</b>	

		<b>Expenses</b>
<b><u>MAINTENANCE RESERVE</u></b> **	as of 3-31-08	\$140,898.42 NONE
<b><u>RENOVATION FUND</u></b> **	as of 3-31-08	\$130,733.85 NONE

**NOTE**

\$40,000 added to Renovation Fund and \$20,000 added to Maintenance Reserve from FY 2007 surplus ...BOD approved July 6,2007

Starting 7-06, assessments split \$50/\$10, rather than \$40/\$20...per BOD vote on 5-5-06  
(.8333/.1666)

**SBCA  
BALANCE SHEET  
MARCH 31, 2008**

Acct No.	Title	Current Year	Last Year
<b>ASSETS</b>			
<u>Current Assets</u>			
105	Petty Cash	500.00	500.00
111	Money Market - A.M.B.	23,065.96	12,921.34
113	Checking Account- A.M.B.	5,412.52	11,027.95
114	new Holding CD- A.M.B. 5.35	228,717.55	217,107.28
115	Working CD - A.M.B. 3.2	0.00	277.39
116	new Working CE - A.M.B. 4.7	73,786.05	87,346.28
150	Ferry Ticket Inventory	0.00	1,068.70
<b>Total : Current Assets</b>		<b>331,482.08</b>	<b>330,248.94</b>
<u>Long Term Assets *</u>			
215	Equipment	255,082.91	222,803.96
240	Signs	2,022.96	2,022.96
241	Tennis Court	14,498.10	14,498.10
242	Road Improvements	16,111.23	16,111.23
245	Building Improvements	115,682.74	81,684.96
250	Expansion Plans	34,161.88	34,161.88
<b>Total : Long Term Assets</b>		<b>437,559.82</b>	<b>371,283.09</b>
262	Less Accumulated Depreciation	(233,832.66)	(222,519.75)
<b>Net Long Term Assets</b>		<b>203,727.16</b>	<b>148,763.34</b>
<b>Total Assets</b>		<b>535,209.24</b>	<b>479,012.28</b>
<b>LIABILITIES &amp; CAPITAL</b>			
<u>Current Liabilities</u>			
320	FICA/FWT Payable	(0.04)	3,812.40
326	Industrial Insurance Payable	126.86	114.32
<b>Total : Current Liabilities</b>		<b>126.82</b>	<b>3,926.72</b>
<b>Total Liabilities</b>		<b>126.82</b>	<b>3,926.72</b>
<u>Capital</u>			
492	Capital - Beginning of Year	491,062.91	432,115.06
	Current Income	44,019.51	42,970.50
<b>Total Capital</b>		<b>535,082.42</b>	<b>475,085.56</b>
<b>Total Liabilities &amp; Capital</b>		<b>535,209.24</b>	<b>479,012.28</b>
* The value of the land and Bay Club owned by the SBCA is not reflected here as they were a gift to the Association from the Developer.			

**SBCA INCOME STATEMENT**  
**March 2008**

	Category	Month Actual	Month Budget	Variance	Year to Date Actual	Year to Date Budget	Variance	Monthly % var	Annual % var
	<b>REVENUES (500)</b>								
510	Assessments	2,640.00	0.00	2,640.00	285,998.63	291,600.00	(5,601.37)		-2.0%
515	Initiation Assessments	0.00	0.00	0.00	2,500.00	0.00	2,500.00		
520	Facility Rentals	450.00	1,000.00	(550.00)	12,382.69	11,500.00	882.69	-55.0%	8.0%
530	Assessments to Long Range Maint. & Renovation	(219.91)	0.00	(219.91)	(23,820.84)	(24,300.00)	479.16		-2.0%
540	Interest Income	18.68	1,434.00	(1,415.32)	11,728.71	11,900.00	(171.29)	-99.0%	-1.0%
599	Other Income (use fee)	370.00	300.00	70.00	3,204.00	2,700.00	504.00	23.0%	19.0%
500	<b>TOTAL : OPERATING INCOME</b>	<b>3,258.77</b>	<b>2,734.00</b>	<b>524.77</b>	<b>291,993.19</b>	<b>293,400.00</b>	<b>(1,406.81)</b>	<b>19.0%</b>	<b>0.0%</b>
	<b>EXPENSES (800)</b>								
811	Salary & Wages	13,677.63	14,656.00	(978.37)	130,652.44	131,877.00	(1,224.56)	-7.0%	-1.0%
812	Insurance - Medical/Dental	1,284.88	1,566.00	(281.12)	13,940.72	14,100.00	(159.28)	-18.0%	-1.0%
813	Taxes - FICA	1,046.34	1,166.00	(119.66)	9,990.09	10,500.00	(509.91)	-10.0%	-5.0%
819	Other Taxes	0.00	284.00	(284.00)	2,329.87	2,550.00	(220.13)	-100.0%	-9.0%
810	<b>Total : Payroll Expense</b>	<b>16,008.85</b>	<b>17,672.00</b>	<b>(1,663.15)</b>	<b>156,913.12</b>	<b>159,027.00</b>	<b>(2,113.88)</b>	<b>-9.0%</b>	<b>-1.0%</b>
821	Repairs & Maintenance - Building	357.61	666.00	(308.39)	3,680.73	7,000.00	(3,319.27)	-46.0%	-47.0%
822	Repairs & Maintenance - Equipment	1,764.35	400.00	1,364.35	5,390.54	3,600.00	1,790.54	341.0%	50.0%
823	Repairs & Maintenance - Pool	182.59	334.00	(151.41)	1,506.38	3,000.00	(1,493.62)	-45.0%	-50.0%
824	Repairs & Maintenance - Trails	1,000.00	0.00	1,000.00	1,000.00	1,000.00	0.00		
825	Other Repairs & Maintenance(Tennis)	0.00	75.00	(75.00)	542.45	675.00	(132.55)	-100.0%	-20.0%
826	Landscaping - Grounds	2,711.08	1,466.00	1,245.08	12,196.08	13,200.00	(1,003.92)	85.0%	-8.0%
829	Other Landscaping	0.00	0.00	0.00	1,451.99	2,500.00	(1,048.01)		-42.0%
820	<b>Total : Repair, Maint., Landscaping</b>	<b>6,015.63</b>	<b>2,941.00</b>	<b>3,074.63</b>	<b>25,768.17</b>	<b>30,975.00</b>	<b>(5,206.83)</b>	<b>105.0%</b>	<b>-17.0%</b>
831	Electricity	5,162.60	5,834.00	(671.40)	35,791.42	38,600.00	(2,808.58)	-12.0%	-7.0%
832	Telephone	289.12	300.00	(10.88)	2,975.86	2,700.00	275.86	-4.0%	10.0%
833	Sewer	0.00	259.00	(259.00)	1,998.16	1,875.00	123.16	-100.0%	7.0%
834	Water (Building, Pool, Grounds)	0.00	150.00	(150.00)	1,981.08	2,400.00	(418.92)	-100.0%	-17.0%
835	Waste Disposal	161.43	184.00	(22.57)	1,460.84	1,750.00	(289.16)	-12.0%	-17.0%
839	Other Utilities	119.29	215.00	(95.71)	1,997.12	1,935.00	62.12	-45.0%	3.0%
830	<b>Total : Utilities</b>	<b>5,732.44</b>	<b>6,942.00</b>	<b>(1,209.56)</b>	<b>46,204.48</b>	<b>49,260.00</b>	<b>(3,055.52)</b>	<b>-17.0%</b>	<b>-6.0%</b>
841	Taxes - Business	0.00	0.00	0.00	0.00	10.00	(10.00)		
842	Taxes - Real Estate	0.00	0.00	0.00	17.90	0.00	17.90		
843	Taxes - Real Estate	0.00	0.00	0.00	0.00	0.00	0.00		
840	<b>Total : Taxes</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>17.90</b>	<b>10.00</b>	<b>7.90</b>		

**SBCA INCOME STATEMENT**  
**March 2008**

	Category	Month Actual	Month Budget	Variance	Year to date Actual	Year to Date Budget	Variance		
851	Supplies - Office (net)	54.04	100.00	(45.96)	(1,015.04)	900.00	(1,915.04)	-46.0%	-213.0%
852	Supplies - Social Events (net)	(532.47)	67.00	(599.47)	(137.43)	600.00	(737.43)	-895.0%	-123.0%
853	Supplies - ARC (net)	30.00	50.00	(20.00)	146.62	650.00	(503.38)	-40.0%	-77.0%
854	Supplies - Building	382.83	300.00	82.83	2,452.31	2,700.00	(247.69)	28.0%	-9.0%
855	Supplies - Janitorial	696.96	475.00	221.96	5,534.55	4,275.00	1,259.55	47.0%	29.0%
856	Supplies - Postage	0.00	100.00	(100.00)	680.68	900.00	(219.32)	-100.0%	-24.0%
850	<b>Total : Supplies</b>	<b>631.36</b>	<b>1,092.00</b>	<b>(460.64)</b>	<b>7,661.69</b>	<b>10,025.00</b>	<b>(2,363.31)</b>	<b>-42.0%</b>	<b>-24.0%</b>
860	Member Consumables(coffee/candy/mo-social)	132.66	666.00	(533.34)	3,493.51	6,000.00	(2,506.49)	-80.0%	-42.0%
891	Insurance	4,945.00	0.00	4,945.00	12,811.28	9,400.00	3,411.28		36.0%
892	Accounting	600.00	634.00	(34.00)	5,400.00	5,700.00	(300.00)	-5.0%	-5.0%
893	Legal	0.00	1,000.00	(1,000.00)	982.20	8,500.00	(7,517.80)	-100.0%	-88.0%
894	Auto expenses	0.00	209.00	(209.00)	1,264.88	1,875.00	(610.12)	-100.0%	-33.0%
895	Dues,Subscriptions & Newsletters	280.00	333.00	(53.00)	2,081.94	3,000.00	(918.06)	-16.0%	-31.0%
896	Member Event Fund	0.00	166.00	(166.00)	(711.42)	1,500.00	(2,211.42)		
899	Other (security, recording secretary, etc)	192.23	266.00	(73.77)	1,440.11	2,400.00	(959.89)	-28.0%	-40.0%
890	<b>Total : Miscellaneous</b>	<b>6,017.23</b>	<b>2,608.00</b>	<b>3,409.23</b>	<b>23,268.99</b>	<b>32,375.00</b>	<b>(9,106.01)</b>	<b>131.0%</b>	<b>-28.0%</b>
800	<b>TOTAL : OPERATING EXPENSES</b>	<b>34,538.17</b>	<b>31,921.00</b>	<b>2,617.17</b>	<b>263,327.86</b>	<b>287,672.00</b>	<b>(24,344.14)</b>	<b>8.0%</b>	<b>-8.0%</b>
	<b>NET OPERATING SURPLUS/(DEFICIT)</b>	<b>(31,279.40)</b>	<b>(29,187.00)</b>	<b>(2,092.40)</b>	<b>28,665.33</b>	<b>5,728.00</b>	<b>22,937.33</b>		
	<b>ADJUSTMENTS(900)</b>								
910	Depreciation	940.72	949.00	(8.28)	8,466.66	8,541.00	(74.34)		
920	Federal Income Tax	0.00	0.00	0.00	0.00	0.00	0.00		
930	Assessments to Reserves	(219.91)	0.00	(219.91)	(23,820.84)	(24,300.00)	479.16		
900	<b>TOTAL : ADJUSTMENTS</b>	<b>720.81</b>	<b>949.00</b>	<b>(228.19)</b>	<b>(15,354.18)</b>	<b>(15,759.00)</b>	<b>404.82</b>		
	<b>NET SURPLUS/(DEFICIT)</b>	<b>(32,000.21)</b>	<b>(30,136.00)</b>	<b>(1,864.21)</b>	<b>44,019.51</b>	<b>21,487.00</b>	<b>22,532.51</b>		