

Decatur Head Beach Association Annual Meeting

Tuesday, October 15th

Blue Ridge Clubhouse
10040 15th Ave NW, Seattle

6:30-7:00 PM

Meet and Greet- Some members gathered early and caught up on the year.

7:00 PM- Start

Attendees with proxy votes noted:

- Denotes vote by proxy

Bryce Kisker

- Shell
- Goedde
- Collins
- Cooperstein

Duke Campbell

- Gruen
- Lincoln Spoor
- Sarah Spoor

Stephanie Secord

Tim and Carol Coulter

- Eske
- Hoerline

Carmen Claus

William and Annjette del Valle

Nick Loveless

Catherine Peng

Suzie Rinne

Scott and Barb Loners (Blue Ridge hosts)

Jeff and Wanda Garfield

Kerri Donovan

- Chuck Arnold and Kathleen Kelly

Kelly and Christi Price

Sara Wietholter

Sam Warren

John Snow

Gary Young

John and Emily Mannetti

John Burbank

Dave Hoerline (Paul's son) and Pam ("Hoerline"-Paul's daughter)

Chris White

Welcome - Bryce

Introductions were made by all attending

We had 22 memberships in attendance and 32 shares represented in total including the proxy votes.

Year in Review - Bryce

Highlights

- Healthy market for share sales.
- Cabin 6, Locker, and Gas shed roofs completed.
- Cabin 4 roof this fall (paid for in last year's assessment).
- Cabin 1 Wood and Fire pump moved off of septic.
- New water mainline installed.
- New electrical main installed and connected.
- Welcome New Members - Suzanne Rinne and Mark Holzman.
- Seth and Anita Survived another prime time season and are "happy".
- Challenges
- Weather and high tides (multiple waterline breaks, dinghy's flying away, and dock damage).
- Fire south beach - 4th of July (quick discussion of island fire district).
- Mink nest under Cabin 7.
- Electrical short under the locker shed.
- \$5k Tax increase.

Review of Budget strategy

- Operating expenses – “Keep the lights on”. Cover all operating costs not associated with improvements. Gap between use fees and expenses is covered by **Monthly Dues** (caretaker pay, utilities, upkeep, etc.).
- Capital expenses – Projects, equipment, and Remodels. Covered by **Annual Assessment** (roofs, remodels, new equipment, etc.).

Review compensation philosophy for Caretakers

Bryce laid out the boards philosophy on caretaker compensation (with notes from call with Labor Attorney, Vicky Norris - Anderson Hunter
Tuesday, January 24, 2017
3:01 PM)

Minimum wage - State vs Federal

- If requires sleep / live at place of employment or not active but mostly on-call, "Don't meet definition of employee"- are considered "property, resident manager"
- Minimum wage requirements for Property or Resident Managers are Federal Minimum Wage
- Current Federal Minimum Wage - \$7.25/hr.
- Other benefits count toward minimum wage purpose? Yes - but then would need to tax and pay based on that for OT
- Exempt vs non-exempt -
Caretaker role is non-exempt but can continue to pay on salary
Over Time - Seth and Anita are OT eligible and need to be paid 1.5 hourly wage for hours over 40 in one week

Board Recommendations for 2019/20 compensation:

- *The proposed budget will include a 3% raise.*
- *Holiday gift - Weekend getaway, Cheese Cake of the Month*
- *Boat use of up to 5 boat hours per month for recreation use*
- *DHBA pays all their utility expenses other than cable.*

There was a motion to consider the Budget and all approved. A motion was made to amend the budget by John Burbank. John's amendment was to raise the Caretakers compensation to State Minimum Wage, or about \$56,150.00. The current budget has a 3% increase to \$53,544.00.

Debate discussion was had.

Against the greater wage increase proposed:

- The caretakers undisclosed compensation would benefit them more than paid compensation
- Healthcare cost on the Exchange is low for them. They pay less than \$20/month at the moment for healthcare.
- WA State min wage is currently \$12 and will rise to \$13.50 in January 2010, and then it is fixed to COLA. Seattle min. wage law does not apply to San Juan County.
- The Caretakers have asked for their hours to remain at 40/wk. and are happy with their compensation now. They would prefer other perks of time and travel opportunities.
- The Caretakers have told the BOT that they are not expecting more compensation, but if they had we would then want to address that.

For the greater increase proposed:

- We are asking them to be flexible with their work time and work hard. We don't want to lose them. We should consider making their compensation.

No second motion to approve the additional wages was made and the motion to amend the budget died. Motion was made to approve the proposed budget as presented, with a second motion and the Annual Budget for 2019-2020 was passed by quorum.

Capital projects / Budget -Tim / Stephanie

Capital Projects / Maintenance Priorities – Stephanie

See attachments for "2019-2020 Capital Improvements and Maintenance".

Dredge Update - Duke / Tim

2018/19 Actuals and 2019/20 proposed Budget - Tim

See Attachment "2019.2020 Projected Budget - 3% Raise"

- *\$5k for waterline*
- *3% raise*

- *Tax increase*

Tim Coulter reviewed the budget and ongoing dredge project.

Dredge:

- The permit to dredge the mouth of the lagoon has been issued after a number of years and ever-changing requirements. The permit is valid for 3-4 physical dredges over a period of 10 years.
- The cost of the dredge has increased to about \$40K in total.
- Why do we need it? The permit process was started when we had a boat that needed to winter over in the lagoon. Today we need to store the new boat there during rough weather and the dock for winter months. We may not need to do this in the future and we will need to evaluate the need for dredging in the future, as costs increase. Tim noted that the lagoon has been open since the 1800's when first surveyed and one of the consultants believes that the lagoon will likely not close off in the future. It is helpful to have the width widened to navigate the entrance.
- We have \$10K in reserve to initiate the first dredge.
- Notifications to the authorities as required. These are 4 months in advance of any work which puts the earliest start of the work at Jan 25th, 2020. The yearly window of work July 16th to February 15th.
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BOT Priorities

Member Feedback – Bryce

The membership feed-back was helpful to the BOT and was discussed at our retreat. Some things that came out of this are listed below.

- New member orientation- Duke will head a new member orientation.
- Communication from the BOT to Members.
 - Meeting minutes are posted on website and members will be notified by email when posted.
 - The BOT's goal is to handle day to day and ask for help larger impact items
 - Advisory votes may be needed to guide the BOT in their decision making.
 - Member votes needed for items required by by-laws or that are large impact to association.
 - Electronic voting - Because of the large number of proxies at most annual meetings and ease of voting electronically, most votes other than BOT nominations and annual budgets will be done electronically.
- Controlling costs was a priority for membership in general
- Continue Cabin improvements are still desired by many members too.
- Dinghies- note the attachment from Duke Campbell regarding the desired reduction of dinghies at the head.
- Crab cooking- wind break and more stable crab cooking areas will be installed. Crab cooking is not allowed in the cabins and we need to have a place to cook when wind and weather makes it more difficult.

Items that have been recently completed:

- Remaining incandescent swap to LED,
- Cabin 1 driftwood log/car-stop moved toward the road to keep vehicles away from grass area around fire pit area. This was to increase usable lawn area for cabins 1 and 2.

- Non invited Visitor on S. Beach, Head, and Dock –There has been a lot of use of South Beach by non-Decatur Head islanders or visitors. Parking on the spit, dogs and types of use have been an issue. The BOT discussed and approved installing two gates and will have Seth install them installed in the near future. See the Annual Retreat Minutes on line.

Feedback from the Caretakers included the number of non DH members and guests using South Beach and wandering onto DH property. The BOT discussed installing two gates on road with signage.

- The first one with a “Park Here” sign just at the bottom of the hill. We have contacted the two property owners that have access easements on the road and they are OK with this. This first gate will likely always remain open, but indicate private property.
- The second gate just after the “Y” where the road necks down, would have a “Private” sign on it and likely remain open except on special days like the 4th of July if deemed necessary.
- Also: A sign or painting “Private” on the dock will be done in some fashion.
- Cabin 4- remodel plans for larger improvement. An advisory committee will be headed by Stephanie and Chris White. Charlie Davis has volunteered as well to present options to the board and membership in the coming year for possible capital improvement in 2021
- Fire safety - 4th of July- there was a flair that was shot off near the County ramp and started a small fire along the shore towards DH.
- The BOT intends to Keep Caretakers happy. Gift cards, days off, extra perks. What was most important for them is their privacy and simply free time. Extra hours of boat use were suggested to get them off-island as well.

Reservations policies - Reservations update – Kerri Donovan

- 40 members, 78 adult children. It is not possible for all members to get 3 weeks during the core of Prime-Time. Almost no one got their 3rd pick this year.
- Reminder that when reserving for Prime-Time members are encouraged to send in the \$50/week or \$150 for the 3 allowed requests. That way members can ask for other time up to the 3 reservations allowed beyond the 30 day limit if they so desire to fill out their reserved time.
- Caretakers need a min day notice for booking reservations.
- 2 night minimum for primetime. One day “turns” are hard for Anita.
- The BOT will clean up the blue Handbooks that are on cabin mantles (remove reservation procedure for separate documents) and make sure they are consistent with policy.

New Water Lines - Bryce

- OPALCO electrical and water main install compete
- We need to complete the water hook-ups to cabins this year, but have not got bids at this time.
- \$5k was allocated in this years proposed budget but will be updated once final bids come in.

Boat / Buoy / Docks – Duke Campbell and Jon Claus

- Boat / Buoy / Dock strategy update (behalf of Jon)

See the attached “Boat Review 2019” and “Boat use 2017-2019 Prime Time” from Duke Campbell.

Caretakers Review: - Bryce noted:

BOT and Member feedback is very positive, overall they have settled in to working for the association and being a member of the Decatur community, working on the balance of continuing to tackle major projects and deferred maintenance while balancing their desire to only work 40 hours per week and giving them enough space on their time off.

Members noted of the Caretakers:

- Prompt and timely communication
- Appreciate their skills and work ethic
- Love the Garden
- Keep caretakers happy

Bryce noted that Seth and Anita would like to stay with the DHBA for 5 more years and then retire.

Things members can do to help the caretakers:

- Dogs under control- there have been some issues and control may mean on leash for some dogs.
- Members are encouraged to help manage South Beach
- Caretaker off hours – Treat them like "neighbors". If you need something with regard to immediate needs please do contact them. But if it can wait, they prefer to work on their scheduled time.
- Invites to dinner and or other gatherings are greatly appreciated but may not always be accepted
- The BOT would like to membership to limit each share to 1 motor per membership)
- Cabin Cleaning: Follow check list if you clean on your own. The Caretakers do go in and set the fire and "fluff" once we are out of the cabins. They noted that it would help if we all use the check list.

DHBA - Selling procedure update, effective Jan 1, 2020 - Kerri / Bryce

See Attachment "DHBA Share Selling Policy - FINAL effective 1-1-2020"

Cabin 4 remodel committee – BOT members: Stephanie / Chris. Additional members were asked for and can email Stephanie Secord and Chris White to join. Charles Davis will be on the committee as well. The Committee is looking for additional 3-4 members to participate.

Tim Colter is stepping down after 3yrs as Treasure. BOT nominations were asked for and John Mannetti stepped up to volunteer for a position on the BOT. A motion was made and was seconded. A vote was taken and all were in favor, none opposed; John is now an active member of the BOT.

Meeting was adjourned.