**DHBA 2018 Annual Member Meeting**

Blue Ridge Clubhouse

October 16, 2018

Attendees and (by proxy). Memberships represented: 21 present and 13 by proxy

Kerri Donovan (Stephanie Secord, Suzanne Young)

Bryce Kisker (Russ Goede)

Duke Campbell (Spoor 1&2)

John Mannetti (Jon Claus)

Wanda Garfield (Catherine Peng)

Rolf Gruen (Susan Johnson)

Molly Rothwell (Kathleen Kelley)

Tim & Carol Coulter (Bud Askew, Craig Cooperstein)

Matt Wickens (Jolyn Thornburgh)

Gary & Helen Young (Chuck Russell)

Sara Wietholter

Scott & Barb Loners

John & Ellen Snow

Kelly Price

Steve Schell

Chris White & Bridget Charters

Paul Hoerlein

Sam Warren

Nick Loveless

John Burbank

Carmen Claus

*New members were invited to come prior to the start of the meeting for an informal question/answer session with board members. Attended by Mannetti, White/Charters, Schell, Wietholter.*

\*\*This document represents the agenda with notes taken during the meeting. These notes are in ***bold italics***.

Welcome - Bryce

* Introductions-***all members introduced themselves***
* Quorum?-***Yes***

[Attachment - "2018 DHBA Proxy" ]

Year in Review   - Bryce

* Highlights

***Excellent caretakers***

***Plan to do most member voting via email for more participation***

* + New wireless last fall
  + Updated website - aesthetic and content
  + Sale of shares - No sales since 6/2015, only 5 sale / transfers since 2009, was important for the lively hood of the organization to get shares selling again
    - Updated of website
    - Engaged local real-estate agent
    - Ran member specials to get additional visibility to the head by prospective new members
    - Lowered monthly dues $250 per month
    - Seth and Anita - upkeep of property
    - Adopted a procedure to allow for a onetime transfer fee if a second share was purchased for a family member and that intra family transfer was completed within 5 years of purchase

***New members discussed how they discovered Decatur through friends, real estate agent, website, family/previous owners***

Sold 7 shares ***and another will close in January****.*

Anita has a 5 person wait list and Sarah Jones has a couple additional interested parties

* New Members
  + **Sharon and Steve Schell**  have been happily married since 1972 and have lived in the delta of the Skagit River on beautiful Fir Island near La Conner for most of that time.  We have four adult children and 4 grandkids.   We have been self-employed and working together for more than 40 years, however mostly retired from our active graphic design studio now.  We keep busy with our little farm, traveling some and family.  We enjoy creative cooking, meals with friends and entertaining, hiking, biking and (newly) kayaking.  I do some drawing and painting.  Sharon has been a faithful runner for 25+ years and we both volunteer at the state prisons.

My parents had a DHBA membership in the 80's so we have many special memories and are eager to return.

* **Chris White and Bridget Charters** - Bridget and I have a 12yr old son named Spencer.  We are friends with Jane and Dave Hoerlein.  Dave's father has been a long time member.  We live in Ballard-Seattle.

Bridget 55, is a chef and culinary instructor and was with the Art Institute of Seattle for many years and then opened Tom Douglas's cooking school The Hot Stove Society, about 4 yrs ago.  She is now part time with Hot Stove and part time at Seattle Central CC teaching culinary arts.

Chris 54, is a landscape architect and has a small landscape design/build construction company, Christopher White Inc, here in Seattle.  I've been at it since 2001.  Before that I worked in landscape architects offices and took about 4 years and worked as a carpenter to get out of the office life.

Bridget grew up in the SF Bay area when young, and attended high school in Tacoma.  She went to the California Culinary Institute and worked in the Bay area for 10 yrs before coming to Seattle.

Chris grew up in Bellevue-Beaux Arts, to be exact and attended the U of W then University of Virginia for a masters in landscape architecture.  Chris was involved with  Camp Nor'Wester as camper and staff for many years.

We both have spent many years visiting the San Juans and sailing or boating.  So we are looking to Decatur Head to be our next and best place to call home away from home.

* **Jon Claus**
* Jon's daughter – **Emily and John Mannetti**
* The Wietholters are thrilled to be joining the Decatur Head Community.  **Mike and Sara Wietholter** have 3 daughters named Anna and Jane (twins, age 9) and Lucy (age 6). They are friends and neighbors with the Davis-Wickens family and live in the Laurelhurst neighborhood in NE Seattle.

Sara, 42, is now a homemaker but prior to running after her 3 girls, she worked for Ernst & Young and then moved to Seattle for a job at Microsoft in 2002.  Prior to that, she went to Florida State (Go Noles) and high school in Florida, and spent the first half of her childhood growing up in the suburbs of Portland, OR.

Mike, 45, has also spent his career in the technology space and currently is a Sales VP for Salesforce.  His career brought him to Seattle in 1998.  Prior to that, he spent the early part of his childhood in Kansas and Tennessee and moved to Texas for high school and college (Texas Tech).

They love the Northwest and all it has to offer.  Their family loves to snow ski in the winter, bike, hike, and swim in the summer, and play some sports in between including tennis and soccer.  They look forward to many memorable getaways in the San Juans with their 3 girls.  If anyone has any helpful tips or tricks for making the most of the Head, they would love to hear from you.  Their contact info is below...

* **Jolyn Davis**
* **Sam and Neela -**Neala and Sam live in Seattle above the Arboretum and have two sons: Mo, age 4 (starting kindergarten in the fall), and Bowie, age 2.  Neala is a salmon and steelhead biologist for the Washington Department of Fish and Wildlife and Sam is a primary care internal medicine doctor with his own practice on Capitol Hill.  Neala grew up in Pullman, WA and Sam outside Moscow, ID.  Sam misses the rural lifestyle so was especially interested in having a less crowded retreat to take his kids to.  Neala is an avid swimmer and enjoys any place that smells like kelp. Sam likes to trail run.  On Decatur Island, we look forward to hikes, crabbing, kayak camping, kayak fishing?, exploring beaches, and lots of ball sports (Mo’s latest obsession).  We also look forward to meeting fellow DHBA members!
* Sold the Straight Shooter
* Bought the Straight a'Head
* Replaced all of the original buoys
* Purchased New Truck and Trailer
* New roofs on Cabin 1 and 2
* New roof on 6 and Locker / Storage by the end of fall
* Cabin 2 Remodel is complete
* Seth and Anita Survived  another prime time season and are "happy"
* Challenges
  + Biggest challenge we saw coming into the year was having 15% of the shares on the market with no shares moving
  + Boat - Aging boat that was taking a large portion of our operating budget each year
  + What to do with a share coming on the market at a "below market"  price
  + How to continue to make capital improvements while keeping the workload for the caretakers manageable
  + Sale procedures ***Process is convoluted and not consistent in all DHBA documents. Currently consulting with real estate lawyer to streamline and update process***
* Review of Budget strategy
  + Capex - Annual Assessment (roofs, remodels, new equipment, etc)
  + Opex - Monthly dues close the gap (caretaker pay, utilities, upkeep, etc)

Capital projects / Budget -Tim / Stephanie

***Hole in tennis court-Seth to fix this. Caretakers plan to do deep clean of cabins and assess electrical this year. Seth found bare wires under cabin 2. Cabin 4 roof install fall 2019. One roof per year is more realistic workload for Caretakers. Past 2 years Caretakers were overworked.***

* Capital Projects / Maintenance Priorities - Stephanie

[Attachment  "DHBA Capital Projects 2018"]

* Dredge Update – Tim

***Requirements for disposing of dredge spoils has changed. We were asked to barge the spoils and dump into the Strait which would be very costly. Now have found an acceptable place to dump them on George Lamb’s property. Total cost of permit will end up being around $45K, but actually dredging will cost will be a few thousand. We have asked for a 10 year dredging window which will allow us to dredge every 2-3 yrs. Concern is losing lagoon. This may be the last time we are able to get a permit to dredge. Boat will be taken out of the water and stored dry on the island this year.***

* Boat / Buoy Update - Duke (behalf of Jon)

[Attachment "2018 Boat Update"]

***Previous boat maintenance was almost $50k/yr x 8 years. New strategy is to keep the boat under warranty. Plan to do assessments for boat (or just the engine) replacements every 5 years. Seth can do basic boat maintenance when boat is in dry storage over the winter for about $1K/yr. Boat loan terms were 3 x $10K loans at 5% for 5 years.***

***Reminder that Island Express gives Decatur members a discount. We are looking for a more convenient slip at Skyline. Member mentions that Skyline has valet service and can we look into that.***

* 2018 Budget – Tim

***Member pointed out the continued use of incandescent lightbulbs with high electricity costs at Decatur. This was an oversight that the board also became aware of at the retreat. Plan to replace with LEDs.***

***Operating expenses are paid by monthly dues. Plan to keep at $250/month. Capital improvements and large purchases are paid by assessments.***

***Seth’s roofing jobs have cost roughly 1/3 that of previous roofs.***

***Variance-$23K in transfer fees.***

***Plan for 5% salary increase for caretakers. Member recommends increasing caretaker pay by even more.***

***Discussion: Association to give caretakers 3-5 boat hours and pay cable bill, explored paying down their debt in lieu of salary increase, but would be taxed as regular income, their health coverage is approx. $20/mo, Very difficult to replace caretakers.***

[Attachments-

"Assessment Analysis"

"Summary 2017-18 Budget"

"Working  copy 2017-18 Budget - Actuals"

"Working Copy Budget…2019" x3 versions]

* Vote - new budget

***Bryce motions to vote on Option 3, J. Burbank seconds. C. Claus amends to option 2, W. Garfield seconds.***

***Vote: Option 2 10 yes, 19 no fails***

***Burbank motions for increase caretakers’ salary to $52, 000 (7.38% increase instead of 5%). Loveless seconds.***

***Vote: $52K salary for caretakers 1 opposed passes***

***Vote: Budget Option 3 none opposed passes***

BOT  Priorities

* Member Feedback – Bryce

***Board requests more feedback from members who haven’t done the survey***

* + **Continue cabin improvements**
  + **Keep dues / assessments low**
  + **Sustainability - Lightbulbs, stewardship committee,**
  + **Boat slip**
  + **Kitchen / BBQ supplies** - 2018/19 refresh /enhancement, 1x year inventory / refresh at time of BOT retreat
  + Explore more shared recreation resources - golf cart, bikes, dinghies, kayaks

***Board assured members that there would be a vote on any purchases***

* + Adult Children - 19 responses, 70% of responses were no the adult children policies do not need modification at this time.
  + **Engage new members -** had informal q&a this eve, working on a welcome committee and new member documents
  + **Court repair**,  Cabin 4 remodel, etc

***Stewardship: will reach out to Nancy Stevens and need board liason***

* New Water Lines - Bryce
  + OPALCO bringing in new power
  + Will run new water lines for us at the same time (just need to purchase the materials)
  + Will explore whether Centurytel will upgrade our internet capacity at the same time
* Boat strategy - Duke
* Articles, Bylaws and policies – Kerri

***Legal review of sales/transfer procedure:***

***DHBA is consulting with a real estate lawyer regarding our sale procedure. one recommendation is that when a member is listing their membership for sale they should be required to notify the board only and that in our documents “association” means “board.”***

***There are discrepancies among the documents: Articles of Incorporation, Bylaws, Policy and Procedures that need to be cleaned up. Kerri to work on changes and membership will vote on the final document.***

* Caretakers - Bryce

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.

Things members can help the caretakers:

* Member feedback - Keep caretakers happy, that they were doing well with communication, accounting, community involvement, cost control, creative reuse, and that cabin / grounds maintenance and roofing looked great
* Caretaker off hours - "neighbors" ***In their time off hours treat them as you would treat your neighbors. Do not ask them to do things for you, but don’t pretend like they don’t exist either.***
* Invites to dinner and or other gatherings are greatly appreciated but may not always be accepted
* Cabin / bathroom use of un-occupied cabins ***Please don’t use unoccupied cabins because effort has been put into getting them clean.***
* Truck usage - Use book to schedule, limit use to 90 mins
* Review / Compensation
  + 5% raise (willl need to update with member motion to increase)
  + Holiday gift - Weekend at B&B in Friday Harbor (Omit from notes as will give at Holidays to Caretakers)
  + Boat use of up to 5 boat hours per month for recreation use
  + Paying of cable bill

***Bryce and Duke will do formal caretaker review next week.***

* BOT nominations

***Sam Warren nominated Chris White to fill the open board spot (Molly stepping down with membership sale). No one opposed. Chris joins board.***

* Vote new BOT member

Open topics / Q&A with the BOT - BOT