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Driftwood Key Club  
Board of Trustees Meeting  
Thursday, June 9, 2011  
7:00 p.m.

The meeting was called to order at 7:00 p.m. by Larry Schwerin, President.

The following Trustees were present: Brooke, Buegel, Schwerin, Hell, Goldingay, Bryant; A proxy was filed by John Remington who was out of town. A copy of the proxy is attached to these minutes. (Appendix 1)

Schwerin led the attendees in the Pledge of Allegiance.

Schwerin asked for additions to the agenda. Hearing none, the agenda was approved as presented.

Hell moved to approve the minutes of the May 12, 2011 Board of Trustees meeting. 2nd; PASSED.

#### Officer Reports

President: Schwerin commented on the wonderfully successful Driftwood Key Day event held on May 28, 2011. He also reminded members that the Annual Meeting will be held on August 27, 2011 and that planning for that is underway. The budget will be up for a ratification vote by the members.

Vice President: Buegel thanked the DK Day organizers for their hard work.

Secretary: Bryant shared early information about the balloting that will be conducted this summer and culminate at the Annual Meeting in August. An elections committee has been formed to manage the balloting. Community members were reminded that there will be three seats on the Board of Trustees up for election this summer and interested community members should contact Mark Bell, Nominating Committee Chair or Mary Bryant.

Treasurer: Hell explained that there is a special account established for the incoming dues in the accounting system. He also noted that due to the cut-off date for the development of the Profit and Loss statement that the final income/profit for DK Day is not reflected in the report. The full text of the treasurer's report is attached to these minutes. (Appendix 2)

#### Committee Reports

Governance: Marilyn Johnson, Governance Document Committee Chair, thanked the community members who served on the committee and gave input to the committee's work. A copy of her report is attached to these minutes. (Appendix 3)

Architectural Control: Buegel reported that 1 project is underway and in full compliance. A second project (Laureen Davis, 37880 Buck Rd) is in the pipeline—elevations have been recorded.

Docks & Waterfront: Buegel reported that the committee is considering moving the boat trailers from the trailer parking area and returning that area to the club for event parking. The dinghy storage area may also

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be moved to different spot so that the prime area occupied by this storage can be used for other purposes—possibly, picnic tables for community use. Buegel reported that a boat sunk at the dock in the marina due to a failure of a boat plug. The boat has been removed. The recovery has been given the “all clear” by the Coast Guard. Brooke asked if there was a “Spill Kit” at the marina. Buegel reported there is not a spill kit and when questioned further by Brooke about plans to attain one, Buegel stated that this would be a topic of discussion by the next Docks and Waterfront Committee. The EPA was notified though such notification was not required as there was no evidence of fuel in the water. The Docks and Waterfront Committee will meet on Friday, June 10, 2011 at 12 noon at Steve Lindberg’s house.

Pool: Brooke reported that the pool has been open for 2 weekends and will be open again the weekend of June 10-12, 2011. The pool will open for daily use on Friday, June 17, 2011. A greeter system has been established to make the community aware of pool safety and policies, answer pool-related questions and gain input for future pool features and plans. Pool users are reminded that tags are necessary to identify users as authorized DK members. The systems are working well and the water is warming with increased sunshine. Bryant asked about the absence of an emergency phone in the pool area. Discussion followed and it was decided that Dietmar Hell will contact the phone company about getting a phone in the pool area that will be able to dial 911 only. Issues related to opening and closing of the pool on the caretaker’s day off have not been addressed. The following maintenance and security items need to be addressed by the board: the replacement of the lattice panel on the west fence with a plexi-glass panel and installation of security cameras to monitor pool activity. The next meeting of the Pool Advisory Committee will be July 12, 2011 at 7:00 p.m. at the clubhouse.

Policies & Procedures: Buegel reported that there are 2 policies that are before the board and will be voted on later in the meeting.

Events: Bryant reported on the tremendously successful DK Day that was held on May 28, 2011. She thanked the planning committee (The Sheas, the Borgomainerios and Michelle McDougall and Jack Larrison) and all the volunteers who made it a success. Families turned out with many coming from distances for the fun day. The Veteran recognition organized by Bob Bock was larger than ever with over 60 veterans recognized and honored for their service. Bryant announced that an events committee is being formed (Marlene Bock, Jeanne Shea, the Borgomainerios and Michelle McDougall) and will be meeting in early July to plan more fun events for the community. Community members are encouraged to join, volunteer to work on an event and/or give us ideas for events that you have seen here or in other places that we might want to consider. The New Years Eve Committee (The Borgomainerios, Diane Quayle, and Ruth Thomas) presented to the club the 8 new round tables that were purchased for the club with profits from the past New Years Eve events. They were thanked for their hard work.

Lot Clearing: Goldingay reported that we are still awaiting response on mediation from one Boughner. The board needs to establish a mechanism to remove privileges from members who refuse to maintain lots in compliance with our governing documents, policies and procedures.

Old Business

Budget and budget motions:

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Insurance Policy Description and Cost Share with Marina: **Hell moved that board establish that the premiums for all insurance policies held by the club be paid 75% from the Club account and 25% from the marina account. 2<sup>nd</sup>; PASSED. 6 years (including proxy) and 1 nay.**

Property Tax Cost Share: Hell and Finance Committee member Jim Liljemark discussed the background on the taxing of club property. **Hell moved that Acct. #4257-007-021-0002 (lots # 21 thru 24 making up the Marina parking lot), though tax exempt still must pay the noxious weed and storm water management assessments. This assessment is paid by the Marina. Acct. #4256-005-025-0003 (lot #25 (1-5-25) located on Hood Canal Drive) This assessment is paid 100% by the Club. Acct. #192802-1-017-2000 (lots #25 and 26 located across from the clubhouse that holds the drain field for the Club and the Marina) though the assessment is tied to the listed lots the tax is based on the assessed value of the rentable lineal footage of the docks. Therefore, this assessment is paid by the Marina. All remaining Driftwood Key Club property is tax exempt. 2<sup>nd</sup>; PASSED. 6 years (including 1 proxy) and 1 nay.**

Hell shared the final budget for board approval. He was asked for more information on the dredging loan and the assessment appearing on the members' annual invoice. The dredging assessment will pay off the commercial loan in the 2011 fiscal year, pay back the loan from the marina fund and then begin to build a reserve for future dredging needs. Brooke stated that she was disappointed that her requests for additional detail on expenditures year to date and anticipated expenditures for the fiscal year have not been satisfactorily addressed by Treasurer Hell. Bryant suggested that the detail presented in the proposed budget reflects the amount budgeted in 2010, actual nine months, projected to end of the fiscal year, estimated total for fiscal year and the proposed 2011 budget. This is typical detail for budget preparation. Bryant asked if the entire package presented to the board at this meeting will be included in the ballot to members for ratification and Hell indicated that it would. **Hell moved that the budget be approved as submitted. 2<sup>nd</sup>; PASSED 6 years (including 1 proxy) and 1 nay.** (The approved budget is attached to the minutes as Appendix 4)

Hell presented a description of the Building and Maintenance Fund Purpose for inclusion in the balloting in 2011. **Hell moved that the Building and Maintenance Fund Affirmation of Fund Purpose be placed on the 2011 ballot for member approval. 2<sup>nd</sup>; PASSED 6 years (including 1 proxy)** The language of the referenced affirmation is attached to the minutes as Appendix 5)

Articles and By-Laws revisions: Marilyn Johnson, GD Chair, presented to the board the final recommendations of the Governing Documents Committee. These recommendations include changes to the Articles of Incorporation, Bylaws and a summary of the changes being proposed. (The report of the Governance Document Committee is attached to these minutes as Appendix 6)

Johnson pointed out the that Bylaw Article VII, Section 1, k related to establishing an \$8500 limit on expenditures for depreciable assets is in the final report and is not recommended for increase. There was concern expressed by committee members and audience members that increasing this amount in 2011 vote could jeopardize the passage of the larger governing document revisions. **Hell moved that the limit be increased to an amount to be determined by the Board. MOTION WITHDRAWN.**

Johnson drew board member attention to the change that will remove the Pool Committee as a separate and free-standing committee and will subsume the responsibilities for the pool under the Building and

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Grounds Committee. Discussion ensued and Brooke stated that the Pool Advisory Committee is an active committee and should be retained. **Hell moved that the report of the Governance Document committee be accepted as presented. 2<sup>nd</sup>. Brooke offered an amendment to reinstitute the Pool Advisory Committee. 2<sup>nd</sup>; AMENDMENT FAILED. The original motion PASSED. 6 years (including 1 proxy) and 1 abstention.**

Storm water ballot measure: **Bryant moved that the board approve the following storm water language to appear on the 2011 ballot unless we receive counsel from the attorney that this could open the club to litigation. ARE YOU IN FAVOR OF GRANTING A CONSTRUCTION AND MAINTENANCE EASEMENT TO KITSAP COUNTY STORM WATER DEPARTMENT ON LOT 54 (DKC OWNED BEACH PROPERTY)? THESE EASEMENTS WILL ALLOW THE COUNTY TO DESIGN, BUILD AND MAINTAIN A STORM WATER RETENTION SWALE ON THE SOUTH SIDE OF LOT 54. YES \_\_\_\_ NO \_\_\_\_ . 2<sup>nd</sup>; PASSED 5 years (including 1 proxy) 1 nay and 1 abstention**

Discussion from community members in the audience expressed some concern over the plan for the swale and county maintenance of the facility. Board members assured members that input will be sought in the design and that any agreement with the county will address maintenance issues.

Legal engagement letter: **Hell moved to authorize the Schwerin to sign the letter of engagement from Gordon Thomas Honeywell for legal counsel services for the Driftwood Key Club. 2<sup>nd</sup> PASSED.** (The letter of engagement is attached to these minutes as Appendix 7)

#### New Business

Policies BR03 and BR08: **Buegel moved that the Board approve policies BR 03 and BR 08 as submitted. 2<sup>nd</sup>; PASSED** (The policies as approved are attached to these minutes as Appendix 8)

Discussion among board members addressed imposing selective restrictions on members. For example, allowing the club to restrict pool access to someone who abuses pool privileges but allowing continued access to other amenities. This would be allowed with board action. This would be an action short of determining the person is a member NOT IN GOOD STANDING. Discussion also addressed the disclosure of lists of members not in good standing. According to legal counsel this is allowed and the RCWs allow this as part of the open records law.

E-mail software proposal: **Goldingay moved that the board authorize a subscription to Constant Contact for e-mail communications with community members by the Driftwood Key Club and that the club credit card be used to pre-pay the subscription. 2<sup>nd</sup>; PASSED.**

Discussion: Goldingay shared details of the service and the cost (\$72 for a 6 month subscription plus 2 months free trial) (The detailed recommendation is attached to these minutes as Appendix 9)

Webpage hosting proposal: **Goldingay moved that the board authorize a subscription to ENOM to host the Driftwood Key Website for \$10 per month and the registration of the domain name at approximately \$20 per year (www.driftwoodkey.org) and that the credit card be used to pay for this. 2<sup>nd</sup>; PASSED.**

Discussion: Goldingay gave the history of the website and thanked Robin Bookey for maintaining the site on her server at her cost. The new service will allow for improved response time on the website. The site

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is an important tool for communicating with club members and with potential property owners. (The detailed recommendation is attached to these minutes as Appendix 10)

Finance Committee chair appointment: **Hell moved to table this item until the next meeting of the Board of Trustees. 2<sup>nd</sup>; PASSED**

Committee structure and assignments: **Brooke moved to table this item until the next board meeting. 2<sup>nd</sup>; PASSED.** It was suggested that committee chairs make efforts to secure volunteers for their committees and that these be approved after volunteers have consented to serve.

Caretaker Contract: **Hell moved to approve the caretaker contract as presented. 2<sup>nd</sup>; PASSED.**

Unresolved Lot Clearing: Sharon Lockwood asked if any action had been taken to address the unresolved lot clearing issues shared with the board members in May. Schwerin stated that he had not written the letter as he promised and will do that within the next several days.

Property owners and dues: An issue has arisen regarding dues payments for properties owned by married partners with only one name on each property. Such a case exists in DK and the members had paid dues on both properties for many years. Last year the former treasurer refunded \$2000 to these members claiming that owners of multiple properties only pay dues on one property. The problem arises because these two properties are owned by separate individuals and not owned jointly hence the two properties are not owned by both members and should pay dues on each property. Hell asked for board action to clarify this issue. **Bryant moved that DKC not attempt to recoup the \$2000 refunded in 2010 and that the owners be notified that they owe dues on both properties. 2<sup>nd</sup>; PASSED.**

Pool issues: **Goldingay moved that Hell contact the phone company to arrange for a phone at the pool for emergency use only as required for pool safety. 2<sup>nd</sup>; PASSED.**

**Hell moved to table consideration of OC11 Pool Advisory Committee Charter. 2<sup>nd</sup>; PASSED**

**Brooke moved approval of CP04 Swimming Pool Policy. 2<sup>nd</sup>; PASSED.** (The Policy is attached to these minutes as Appendix 11)

The Board recessed their regular meeting and entered Executive Session to consider legal advice on delinquency and governing document. No action was taken in the Executive Session.

The board reconvened and Brooke moved to adjourn the regular meeting. 2<sup>nd</sup>; PASSED

The meeting was adjourned at 10:22 p.m.

There being no community members remaining in the audience there were no Good of the Order announcements.

Submitted by Mary Bryant, DKC Secretary

