

Discovery Bay Resort BOD Work Session Minutes

Date: September 19, 2019, 10:00 AM

Call to Order Time: 10:04 AM

Count of Leaseholders Present: 38

Board Members Present: All present - Mary Wynn, Penny Barrett, Susie Thrune, Char Schulz, Tenna Matthews

Staff Present: Barb Gilger, Facilities Manager, Melinda Dewey, Office Manager

President's Opening Statement: Mary did a quick overview of the forthcoming 2020 Budget Proposal, explained that the BOD signed a Board Code of Conduct, which will be sent to all DBR residents, and announced a new Suggestion Box System in the office area that can be used by all DBR residents.

Facilities Manager's Report: Barb reported that she is still looking for a berm mower person, less expensive than \$800/mow available. All shop damage repair parts are on order. Status on the two septic proposals is: RJ Services cannot start until possibly next spring, and the NW Cascade proposal is \$150, 000 higher. Barb and Mary Wynn will call RJ Services after the BOD meeting for clarification.

Discussion Topics:

- **2020 Budget Proposal** – Kate Higgins, Finance Committee Chair, thanked the Committee for a terrific job on the Budget Proposal Package, as well as thanking all the new BOD members for attending budget week, to learn how the annual budget process works. Kate then reviewed the Budget Rationale Talking Points, and described, slide by slide, the 2019 End of Year Estimate, and both Option #1: 2020 increase @ \$225/lot/month, and Option #2: 2020 increase @ \$200/lot/month, budget proposals in detail. She announced that the Finance Committee is recommending Option #1, including a request that the BOD form a task force to explore ways to assist leaseholders who may have difficulty with the increased maintenance fees. All talking Points and Budget Slides will be sent out to the leaseholders. Questions from the floor were addressed. (Questions/Comments noted without names)
 - Do you have an estimate of what the dues would be in 2021 if Option #2 at \$200/lot/month is chosen? None calculated yet.
 - Is there a state law that limits dues increases? No
 - Why was the CPI used for so many years and not used now? The DBR attorney verified in 2017 that the CC&R's are the highest authority, rather than the individual signed Lease.
 - Is the septic permit annual or one time only? Annual and higher due to more gallons. Why a septic manager? He must do quarterly testing. Is

electric/laundry recovery more or less than the expense? It averages out.

How many years will it take to recover from this septic cost? 3-5 years. Will we increase our maintenance dues 3% each year now? Maybe.

- You have talked about total income, but where are the special assessments? They are shown in the Balance Sheet in the Key Bank Reserves line.
- Can we save money on more gravel by raking the gravel from the sides of the road? No, not enough to rake due to gravel being pulverized by the cars. Can we get a cell tower above the water tank land to make \$1,200 a month income? Need someone to research the subject.
- It really helped me see what a 3% increase in dues over many years can do.
- There is a psychological impact on raising the dues so much, so why not another special assessment as a 3rd option? A special assessment would only cover the septic, not the Operations increases needed, and we cannot have another special assessment until we know exactly what the new septic is going to cost us.
- Are there going to be more dues increases in 2020 and 2021? Yes
- Who wrote bad checks? That's in the past, we won't go there.
- Are SKP owners or renters? Owners and renters
- Some folks are telling things outside the park that aren't true, such as DBR has financial troubles. What can we do about it? Don't discuss DBR outside; also some workers spread stories, so watch what you say in public.
- Several favor Option #1, do it now, even though it is hard for some, but a task force can help find ways to provide supplemental services.
- Some favor Option #2, due to many with small/lower incomes.
- Can we get a bank loan so we don't have to spend our money now? Way too expensive, DBR not eligible due to low Reserve funds.
- Straw poll Option #1 = 21 votes, Option #2 = 7 votes, bank loan = 1 vote
- What is the process to increase dues? BOD approves Option #1 or #2, leaseholders ratify in December with a simple majority of votes, dues increase on January 1, 2020. If a tie or BOD approval voted down, dues stay the same until Finance Committee/BOD develop another option for approval and ratification.
- How does everyone pay their fair share if some have less money? CC&R's say everyone must pay an equal share, not fair share.
- How can we go anywhere else? This is the least expensive place to live, compared to the surrounding areas.

Other:

- **DRC Process Diagram Proposal** - Postponed

- **Status on Left Turn Lane repair** – Jeri Nieberding reported that the WSDOT Olympic Region Traffic Operation Engineer, Sarah Ott, P.E. will have maintenance crews revise the channelization as soon as the weather is dry enough to complete the work, which is as soon as possible.

Announcements: Mary announced that the lights are being left on at the gate house 24 hours a day for safety. Please do not talk about DBR to outside entities, in order to keep untrue statements to a minimum. The DBR Website password is being changed for security purposes.

Committees – All Committee Chairs report at monthly BOD meeting, except Septic Task Force

Motion to Adjourn: Char moved to adjourn at 12:07 PM, seconded by Tenna.

Respectfully submitted by: Susie Thrune, DBR BOD Secretary