

**BAYSHORE OWNERS ASSOCIATION  
BOARD OF DIRECTORS MEETING MINUTES  
January 17, 2017**

**BOARD MEMBERS PRESENT**

Michael Stahl, President  
Kari Miles, Vice President  
Dave Streit, Secretary  
Mohammed Naviwala, Treasurer  
Brian Collier, Director  
Doug Steffen, Director  
Joe Steger, Director

**STAFF PRESENT**

Susan Jensen, General Manager  
Karen Leszczak, ACC Inspector

**GUESTS PRESENT**

Darcey Carney, CPA, Carney Consulting

**HOMEOWNERS/RESIDENTS PRESENT**

Stefanie Armstrong  
Scot & Chrystina Coberly  
Bill Fischer  
Gary Gage  
Cathy Girard  
Paul Hafele  
Bill & Karel Hauser  
Larry Jelle  
Rob Larkey  
Robert Lloyd, ACC Chair  
Coleen Mueller  
Carmen Palma  
Richard & Thresia Raynor  
Elly Reed  
Darshia Roberts  
Danette Robinson  
Katherine Rockman  
Jose Saettone  
Ben Sizemore  
LC & Jana Smette  
Kevin Thomas  
Lauren Vetter  
Chelsea Yarbor  
Ryan Young

**ROLL CALL/DETERMINATION OF A QUORUM**

Michael Stahl, President, called the meeting to order at 7:00 p.m. There was a quorum of at least four board members.

**ADOPTION OF THE MINUTES**

Motion: To adopt the minutes of November 15, 2016  
By: Doug Steffan  
Second: Brian Collier  
Vote: All present in favor

## TREASURER'S REPORT

Motion: To approve 2017 Operations Budget (draft 1/13/17)  
By: Kari Miles  
Second: Mohammed Naviwala  
Vote: After discussion; All present in favor

Financials available to homeowners present:

- 2017 Proposed Operations Budget (draft 1/13/17)
- 10-year Balance Sheet Comparison
- 10-year Profit and Loss Comparison for homeowner association and event room
- 10-year Profit and Loss Comparison for preschool/early learning center

## HOMEOWNER/GUEST COMMENTS

**Mike Talbot** Mr. Talbot contact the office ahead of meeting and asked to be added to added to agenda under homeowner comments. He stated his confidence that the association can continue operating with no increase in homeowner dues.

Additional owners spoke about an increase in homeowner dues of up to \$15 per month:

Neighbor Comments:

1. Concern that many owners are on a fixed income;
2. Concern about cleanliness of facility and customer service by some staff;
3. Other than common ground, doesn't feel a value;
4. Funerals would be a good income source;
5. Frustrated about blue tarp in neighbors back yard;
6. Has been here 36 years and must respond to prior comments: Because of ACC (Architectural Control Committee), we have a pleasant and uniform neighborhood, a little deteriorated in last 36 years, but a lot more people around and it changes. Change is the only constant. Still a unique part of town. Any realtors put a tangible value on what we have. You can go to Bayshore Early Learning Center (in the clubhouse) on a sled or New Year's Eve party or Super Bowl potluck, fitness, swimming, greenbelts, a lot of value that is measurable. As a scientist, would like to see 1) where we have been, 2) where we are going, and 3) assurance;
7. Comment by another: What can we cut?
8. Raise quality of service, if I pay more I expect more;
9. Everybody gets a \$16 coupon from MOA to go to the dump. We already receive that free so no need to pay for a spring dumpster for neighbors to use here;
10. Agree that we can scale back or maybe not. Has served previously on Bayshore budget committee under past President Steve Neff. Money was set aside for future. All owners bought here knowing this is a planned community with dues;
11. New owners as of next day, in Alaska 35 years, works in finance. Can see association is operating on a small margin (i.e. income is very close to expenses), suggest doing a cost-benefit analysis, can observe from Resale Book he received that this is a very professional organization, lots of talent, offset expenses with volunteerism, you can only cut so far, any dues increase is better than an assessment, in his opinion increase should be more like \$50 per month instead of \$15;
12. Owner said don't judge why some people cannot come to meetings because they had to work on those nights;
13. Owner shared he had been here since 1970s and saw increases from \$25 to \$80 and now possibly \$95. He thinks \$83,000 set aside a year may be excessive. He felt owners should have had more say in swimming pool improvement last time. Only two came to meeting in

- opposition (note: all owners were invited to cast negative ballot). He suggests threshold for capital savings account;
14. Owner doesn't want threshold to capital projects savings;
  15. Suggest more volunteers should be used, that they would be happy to talk to people about what we can do to cut costs and would love to volunteer herself;
  16. Neighbor had food truck in yard and removed per request by ACC and feels our neighborhood and association has great value;
  17. Long time neighbor shared that Bayshore in distant past had been embezzled two times and that slashed the savings for projects;
  18. Neighbor was on an association board in another town and no one showed up for meetings;
  19. Benefit when kids can walk down to clubhouse for sledding and families for swimming. That realtors will bring your buyers to clubhouse to show what a great place this is to live and some of the benefits available;
  20. Suggest freeze in dues raise with sunset clause;
  21. Suggest tying dues raises to *Consumer Price Index (CPI)*;
  22. Suggest having small increase every year looking to CPI for guidance;
  23. Owner commented there's no inflation but the proposed increase is a big jump;
  24. Suggest 'credit' in dues for volunteering;
  25. Comments of thanks to Board and to General Manger and not to take any of the owner comments 'personal'; and
  26. Came to meeting against increase but after listening to rationale is strongly in support.

Board comments:

1. Clubhouse used to be for owners only and no income, neighbors met for socializing and now income keeps dues lower than without;
2. Was unhappy with increase to \$65 and did not know why, so came down and got on the Board of Directors, now on Board for last several years. Association subsidized by events by \$155,000 annually. Dues are low considering amenities;
3. Board spends like it is their "mom on a fixed income," getting deferred maintenance caught up, keep getting bits done, looking at minutiae, the operations is not given a lot;
4. Board members put in their personal time, they are all homeowners and volunteers;
5. We are saving in savings account, we know certain large project are coming, we had a major upgrade to the swimming pool and changed it from chlorine to salt, we put \$15 per month per home into rainy-day account, we have made adjustments to make sure capital comes out of rainy-day savings. Looking at when is clubhouse being used. The carpet is at least 13 years old, we purchased LED TV to stay competitive in events. We have done a lot to stretch dollars;
6. If neighbors come to the meetings we are covering financial and other topics every month, but most meetings are empty of neighbors;
7. Prior to being a board member, he previously served in a *capital projects committee* that put together list of deferred maintenance and his 'thank you' (tongue in cheek) was \$15 increase in dues to go toward capital projects;
8. Previously Architectural Control Committee used to send out 'nastigram' letters with violations. Now (since July) we have someone who is reaching out positively and able to handle a lot of things, but this is a slow process to get compliance by neighbors;
9. Re volunteerism: There are two Board positions opening up in May and suggest people may want to volunteer!
10. BRIAN COLLIER moved to cap capital savings at \$175,000. No second to motion.

Comments by ACC Inspector:

1. She has magnetic stickers on her vehicle to make sure neighbors know who is stopping to look at their home or take photos or make a note or make a phone call.

Comments by General Manager:

1. Explained that the shortfall for next year does not mean that Bayshore is losing money. It means that after estimated income of \$28,204, when we take into account setting aside \$83,700 towards capital projects, that is where the shortfall comes in. We are about \$55,496 short from reaching that goal;
2. New Architectural Control Inspector, Karen, is able to make positive connections with neighbors with a phone call or email to get friendly compliance to simple violations. She is getting caught up with a backlog since we have gone through two people prior to her since our long-time neighbor owner/inspector Rudy Acuna retired and moved out-of-state;
3. Perhaps we can reduce Capital Savings of \$15 per home per month to \$10 per home per month to reduce the size of dues increase for now to just \$10 per month.

Documents available for dues discussion

1. Chart comparing value of dues from 1973 through 2016 (Attachment A)
2. Formula in Covenant's, Codes & Restrictions showing maximum dues can be increased by vote of Board of Directors per Consumer Price Index (Attachment B)

Discussion about association dues increase will continue at Board of Directors meeting on February 21, 2017.

## **COMMITTEE REPORTS**

### **Architectural Control Committee**

Karen Leszczak, Inspector  
ACC@bayshore.club | 907.223.4577  
January 17, 2017

Minutes of the January 10, 2017, ACC meeting was available for review. Items discussed during the ACC meetings included:

Members in attendance: Robert Lloyd, Chair; TL Stanbro, Teri Stanbro, Jerry Kupris

### **Business**

- Community Bulletin Board Improvement. Bids will be obtained by Susan for landscaping around community board. A suggestion was made to contact Eagle Scouts to do the work at a reduced rate.
- Garden Plot. Lowes agreed to sell lumber for the garden plots at cost. Bayshore Elementary School will be contacted for a possible water source. Weeds to be used for compost.
- Spring Flowers. Karen has contacted Municipal Parks and Rec and King Career Center regarding flowers for spring planting.
- Pathways to Bluff. Two pathways leading to the bluff need maintenance.
- 2016 Project Completion Dates. Karen will contact owners to obtain 2016 project completion dates by the end of January. As stated in earlier meetings it was designated a winter project.

## **Projects**

- Owner of home destroyed by fire has submitted a hand drawn design of new home. Karen mailed owner a copy of the covenants for review and a project request form to be completed before construction begins.

## **Violations discussed**

- Kvichak Circle. Owner will be notified to cease parking on the lawn in the rear side yard until a wood screening fence is built.
- Marmot Circle. Owner has agreed to build a wood screening fence by May 31, 2017.

## **FACILITY REPORTS**

### **Bayshore Early Learning Center**

Lauren Dowd, Administrator

lauren@bayshorekids.com | 907.522.4907

January 17, 2017

### **Enrollment**

- The full-day Preschool Dragonfly classroom (Age 3-4) currently has 9 of 10 students enrolled.
- The full day Pre-Kindergarten Grasshopper classroom (ages 4-5) currently has 16 of 20 students enrolled.
- The Before-After Care Butterflies program (Grades K-1) currently has 5 of 10 students enrolled.

Four parent packets are out and the parents will be responding within the next week.

### **Staff Update**

Administrator is working on advertisement for the center. She is posting bi-weekly articles and information about the program on all our social media sites. Teachers are being encouraged to get involved by writing one of the weekly articles. On another note, the BELC staff is looking forward to attending the AAEYC (Anchorage Association for the Education of Young Children) Annual three-day conference January 26<sup>th</sup> – 28<sup>th</sup>. It is a way for them to learn new activities and information in the childhood field, as well as gather and connect with other professionals.

### **Program Update**

The annual renewal for continued NAEYC Accreditation (National Association for the Education of Young Children) has been approved. The center is up for full re-accreditation in 2017, which occurs every five years. Paperwork is ready for the onsite visit of NAEYC slated for March 2017.

### **Bayshore Clubhouse Event Report**

Glenn Hagberg, Event Manager

glenn@bayshore.club | 907.522.4910

January 17, 2017

### **Summer Bookings**

We are seeing an increase in inquiries for booking Bayshore Clubhouse for events in 2017. Nearly 40% of engagements occur between November and February. We are in what has been coined "Engagement Season." The top ten most popular dates on which to become engaged include major holidays such as Christmas Eve, Christmas Day, New Year's Day, and Valentine's Day. In fact, 17% of

engagements happen on the same 10 days each year. The holiday season is the perfect time for many engagements, given that many couples have time off work and travel home to visit their families. 76% of weddings occur during the summer and fall months. It turns out that in 2015, 25 dates made up 50% of all weddings that year, and as you probably guessed, they're all on Saturdays. (source: weddingwire.com)

For Bayshore Clubhouse bookings in 2016, August was the month that seemed to fill up first among the summer months. In 2015, it was July. In 2017 June is the hot month. Out of all the Fridays, Saturdays and Sundays in June, we have Friday, June 9 still available. All of the other dates are booked. We do have mid-week availability, but weekends are virtually sold out. There is still good availability in July and August.



### **Anchorage Wedding Fair**

The Anchorage Wedding Fair, the largest show of its kind in the state is on Sunday, January 22 at the Dena'ina Center. We will be there with a booth talking with brides and grooms, mothers and attendants sharing with them the benefits of holding their wedding and reception at the Clubhouse. We will also have a television in the booth broadcasting whatever playoff football game is on. That also draws attention, especially for the future grooms who are in attendance.

### **Bayshore Buzz**

The latest issue of the Bayshore Buzz newsletter hit mailboxes before Christmas. It is jam packed with information and many homeowners have commented and complimented us on the piece. If you have any story ideas for future issues, please let Glenn know.

### **New Year's Eve Party**

The New Year's Eve Party at the Clubhouse was a success and built on last year's improved event. We had much more participation of families in the afternoon on the sledding hill and at our hot dog stand. The first few hours of the party were very busy and we hustled to keep the buffet line stocked. Through professional vendor contacts, we were offered an incredible deal on catering. We also received a significant discount for the disc jockey. Though it was a successful event, we can always improve and we received some good feedback from a few homeowners and we noticed how we can take this event to the next level yet again in 2017 with a few adjustments.

### **Game Day Party**

Sunday, February 5 is the big game and everyone is welcome to join neighbors and friends to watch the big game at the Clubhouse. Folks can bring dishes along with their favorite soft or adult beverages. Kick off time is approximately 2:30 p.m. Alaska time. Make plans to join us.

### **Event Rental Add-ons**

We include many amenities in each event rental. These include all the tables and chairs, a kitchen, a portable bar, a built-in dance floor, a pro sound system with handheld wireless microphone, free Wi-Fi, a 70" flat screen TV with a Blu-Ray player, a fireplace, an outdoor deck with gas grill, a wedding arbor, a bridal dressing suite and after-event clean-up.

But there are a few other amenities that we have begun charging additional for. One of those items is coffee service. If the client desires, we provide a pump pot full of fresh hot coffee, all of the cups and coffee condiments for \$20 per pump pot, made on demand and charged to their account or paid for at the time. There have been groups in the past, including homeowner and non-homeowner, that just made coffee from our supplies that are intended to be for homeowner use in the mornings. We have sold the coffee service a number of times which more than pays for the coffee that the homeowners enjoy daily.

We also have been renting the patio heater for an additional fee. Clients enjoy the heat on the deck while smoking or getting some fresh air. We have rented that unit many times and have paid for it a few times over. The rental cost for the patio heater is \$50 which is an attractive rate compared to Party World, not to mention its convenience.

Sometimes, non-homeowners call to inquire about renting the Clubhouse for baby showers, in particular. This kind of an event is not one that is associated with a large budget like a wedding or corporate party. In this case, I have gotten a bit creative and encouraged them to take the 10:00 a.m.-2:00 p.m. slot on Sunday mornings in the off season for a fee that is less than the full day rate. Baby showers do not need a full day rental. This is a time slot that homeowners could use at no charge, but considering the time of day, it rarely gets booked. So the non-homeowner that can make that slot work takes it, pays us \$500 for it, and enjoys the Clubhouse for their event. They even clean it up before the next group comes in at 2:00 p.m. which is the favorite time slot for homeowner small events. I also encourage them to pay for an additional hour before the 10:00 a.m. start so they can get set up early and prepared for their guests. Additional hours are charged at \$50 each. We have sold a few of these off-the-rate-sheet rentals and created a win-win situation for the client who would never book a full day rental for that kind of event, and the Clubhouse which would likely have had no group using the space at that time.

### **Adjustments to Homeowner Event Rates**

We are looking closely at our existing policies for homeowner rentals and have some suggestions to be flexible, fair and more in line with covering costs, making a few bucks and still providing an incredible deal for homeowners. More details, proposals, justifications and discussions will occur in the near future.

### **Do You Pinterest?**

We have started a Pinterest page and our pages are collecting wedding reception ideas, centerpiece ideas, Rustic Signs for weddings, Food and beverage service, and save the date ideas. More topics will be "pinned" in the future. Visit the Bayshore Clubhouse Pinterest pages and get inspired for your events.

**OLD BUSINESS**

*None*

**NEW BUSINESS**

Dues increase (see discussion under homeowner comments section herein above, page 2)  
Discussion will continue at Board of Directors meeting on February 21, 2017.

**MEETING ADJOURNED at 9:47 p.m.**



Respectfully Submitted,

Dave Streit, Secretary



**CHART COMPARING SPENDING VALUE OF DUES**

Year	Value of \$25 in 1973 in Anchorage	Dues	
2016	\$120		
2015	\$119		
2014	\$117		
2013	\$114	\$80	\$15 increase with all funds to go towards capital projects
2012	\$111		
2011	\$108		
2010	\$106		
2009	\$105		
2008	\$100	\$65	\$10 increase with \$5 to go towards capital projects and the other \$5 going towards combo of operations and capital projects
2007	\$98		
2006	\$95		
2005	\$92		
2004	\$90		
2003	\$88		
2002	\$86		
2001	\$83		
2000	\$82	\$55	\$10 increase
1999	\$81		
1998	\$80		
1997	\$79		
1996	\$77		
1995	\$75		
1994	\$73		
1993	\$71		
1992	\$69		
1991	\$66		
1990	\$62		
1989	\$60		
1988	\$60		
1987	\$60		
1986	\$59	\$45	\$10 increase
1985	\$57		
1984	\$55		
1983	\$54		
1982	\$51		
1981	\$47		
1980	\$43		
1979	\$39		
1978	\$36	\$35	\$10 increase
1977	\$34		
1976	\$32		
1975	\$28		
1974	\$25		
1973	\$25	\$25	Original dues amount set by covenants was \$300 annual

Source <http://live.laborstats.alaska.gov/cpi/calc.cfm>

Board of Directors can vote to increase  
 dues up to CPI based on original annual dues in 1973 of \$300

1973 Anchorage	45.3	
2015 Anchorage	<b>216.9</b>	
Difference	171.6 / 45.3 =	<b>3.79</b> % of change

**Formula in the Covenants, Codes & Restrictions**

*\$300.00 plus the sum derived by multiplying  
 the sum of \$300.00 by such percentage of change*

- = \$300 + (\$300 x **3.79**)
- = \$300 + 1,137
- = \$1,437           Maximum annual dues allowed by board
- = **\$119.75**       Maximum monthly dues allowable by board approval  
 without a vote of the neighbor/members

**Consumer Price Index for Anchorage Municipality & U.S.  
 Not Seasonally Adjusted  
 All Items - All.1 Urban Consumers  
 (CPI-U) 1973-Present**

Year	Annual			
	Anchorage		U.S.	
	Annual Anchorage Average	Annual Anchorage Percent Change From Previous Year	Annual U.S. Average	Annual U.S. Percent Change From Previous Year
2016	not yet published			
2015	<b>216.909</b>	0.5	237.017	0.1
2014	215.805	1.6	236.736	1.6
2013	212.381	3.1	232.957	1.5
2012	205.916	2.2	229.594	2.1
2011	201.427	3.2	224.939	3.2
2010	195.144	1.8	218.056	1.6
2009	191.744	1.2	214.537	-0.4
2008	189.497	4.6	215.303	3.8
2007	181.237	2.2	207.342	2.8
2006	177.3	3.2	201.6	3.2
2005	171.8	3.1	195.3	3.4
2004	166.7	2.6	188.9	2.7
2003	162.5	2.7	184	2.3
2002	158.2	1.9	179.9	1.6

2001	155.2	2.8	177.1	2.8
2000	150.9	1.7	172.2	3.4
1999	148.4	1	166.6	2.2
1998	146.9	1.5	163	1.6
1997	144.8	1.5	160.5	2.3
1996	142.7	2.7	156.9	3
1995	138.9	2.9	152.4	2.8
1994	135	2.1	148.2	2.6
1993	132.2	3.1	144.5	3
1992	128.2	3.4	140.3	3
1991	124	4.6	136.2	4.2
1990	118.6	6.2	130.7	5.4
1989	111.7	2.9	124	4.8
1988	108.6	0.4	118.3	4.1
1987	108.2	0.4	113.6	3.6
1986	107.8	1.9	109.6	1.9
1985	105.8	2.4	107.6	3.6
1984	103.3	4.1	103.9	4.3
1983	99.2	1.8	99.6	3.2
1982	97.4	5.4	96.5	6.2
1981	92.4	8.1	90.9	10.3
1980	85.5	10.2	82.4	13.5
1979	77.6	10.5	72.6	11.3
1978	70.2	7	65.2	7.6
1977	65.6	6.7	60.6	6.5
1976	61.5	7.7	56.9	5.8
1975	57.1	13.7	53.8	9.1
1974	50.2	10.8	49.3	11
1973	<b>45.3</b>	4.4	44.4	6.2

Source

<http://live.laborstats.alaska.gov/cpi/index.cfm>