February 2019

Rancho Santa Teresa News

www.ranchosantateresa.org * www.facebook.com/RanchoST * office@ranchosantateresa.org

CHECK OUT OUR FACEBOOK PAGE: www.facebook.com/RanchoST

It is vital the club keeps current records of its members. If your mailing address has changed, or the club does not have your email address, call or email the office with an update.

ESTIMATED SCHEDULE FOR BY-LAW VOTE
February 11 - Board Meeting where board will finalize proposed bylaws
February 18 - Voting ballots distributed to members
February 18 to March 22 – Voting Period
March 22 - Spring Member Meeting at 7pm

THE NEWSLETTER IS GOING ELECTRONIC
Starting in May, the newsletter will be available to read on the Rancho website or can be delivered by email. Some paper copies will be available in the office.

HIRING LIFEGUARDS FOR 2019 SEASON
If you are interested in applying to work at the best cabana club in town, we have lifeguard positions open. See inside for more details.

* 1st Quarter Dues Notice for 2019 *

1st Quarter Dues were due January 1, 2019. If your payment was received after the 31st a $10 late fee was added. THIS IS YOUR DUES NOTICE. We do not mail invoices to save costs. You can set up auto pay through your bank or put your check in the club mailbox located near the hall steps on Sorrento Way. Write checks payable to RSTSRC.

NOTE: Dues are $400 per year (or $100 per quarter: Jan-Apr-July-Oct). Payments must be received in the office by the 31st of the month/quarter or a $10 late fee will be added. If you pay $400 by January 31, you will be allotted 12 FREE guest passes at the window. Detailed rules and Club’s collection policy are available in the office. We have the privilege of membership in this great Club and all households in our neighborhood share in its care and vitality.

ARTICLES, ADVERTISEMENTS and ITEMS OF INTEREST for the NEXT newsletter are due by noon on the 16th of the month. Articles are subject to Board approval.

We are a community of 761 homes. We work, then we play ... at the best Cabana in town!
ON-GOING CALENDAR
Boy Scouts—Troop 212—Wed 7:00pm
Girl Scouts - Troop 60153—Wed 3:45pm
*EXCEPT DURING BOARD MEETINGS
OR WHEN CLUB IS RENTED OUT

The next Board Meeting is
Monday, February 11
at 7:00pm in the Club Lounge

IMPORTANT PHONE NUMBERS
Problems with abandoned cars?
Call Vehicle Abatement: 408-277-8900
Tree Problem? City Arborist: 408-277-2762
To Report Street Lights Out: 408-794-1903
Animal Care/Barking Dogs: 408-794-7297
Junk Pick Up: 408-213-7800
City Code Enforcement: 408-535-7770
(www.SanJoseCa.gov/CodeEnforcement)
Emergency………………………….9-1-1
Non-emergency ……………………..3-1-1
Cellular 9-1-1 (San Jose)…..408-277-8911

Join the Neighborhood News:
www.NextDoor.com

STRENGTH AND STRETCH
February 19 to March 28
Tues/Thurs — 6 pm to 7 pm
12 classes per session
Contact Sandra at
sandra.godsdivecreation@comcast.net
or 408-205-8363
$65 members, $75 non-members
(Payable in Advance)
Bring 3 to 10 lb weights and a floor mat

Board of Directors & Office Staff
Dirk Seidel...........................................President
Vic Haddad .................................Treasurer
Michael Kirtland......................Co-Treasurer
Arian Collen..............................Secretary
Norm Collier..............................Board Member
John O’Byrne..............................Board Member
Nick Toprani..............................Board Member
Luke Brown..............................Facilities Manager
Alana Martinez......................Office Coordinator

FREE Activities
Evening Lap Swim
Mon-Wed-Fri, 8-9pm
Please email the office to register. The pool
must be covered after evening lap swim is
completed.

Weekly Friday Coffee Club
The Coffee Club meets every Friday at
10am in the Lounge to play games or to go
on a road trip. Refreshments are served, so
come on down and have some fun! Call
Norm Collier for details
408-227-9252

The club would like to thank
Judy Yanda, Kathy Gray,
Oneida Stacks, and Kathy
Baliton. They helped address the
January mailer that went out to all
the members.
The board has been evaluating the existing 50-year-old bylaws and their compliance with current laws. Following consultation with the law firm of Adams & Sterling it was recommended that the bylaws be reinstated to establish compliance with California Civil Codes and establish a governing document the board can rely on for years to come.

One specific area of concern was the club’s status as a 501(c)7 corporation which affords tax exempt and private club status which among other benefits, exempts the club from costly ADA requirement upgrades.

To maintain 501(c)7 status, the club must comply with IRS rules around non-member income. In addition to the member assessments, the club receives revenue from sources such as the Seasonal Guest Pass, Swim Lessons, Stingray Swim Team, NorCal Tennis, Water Aerobics, and newsletter advertisements which in total is approximately $95,000 per year, and exceeds the acceptable IRS limits.

To comply with the IRS regulations tied to the club’s revenue, the board has identified three possible options:
1. Eliminate the Seasonal Guest Pass program and its revenue ($45K/year) which would result in a reduction of services such as limited pool and office hours and a shortened summer pool season
2. Eliminate the Seasonal Guest Pass program and its revenue ($45K/year) and increase membership assessments by approximately $60/year per household to maintain existing services and pool schedule/season
3. Establish an Associate Membership program within the new bylaws which will allow the club to generate the $45K income and maintain existing services and pool schedule/season

The new proposed Associate Membership would allow families within a defined neighborhood boundary to become club “members”, but without voting or ownership rights. Additional information on the proposed Associate Membership program, including details on boundaries, program benefits, application process, 100 Associate Member cap, and exceptions for existing Seasonal Guest Pass holders can be found on the club website (www.ranchosantateresa.org) in the NEWS section listed under the club membership meeting on January 25, 2019.

The board anticipates soliciting member votes on the proposed bylaw changes between February and March 2019. The current estimated schedule is as follows:
- Board Meeting on February 11th where board will finalize proposed bylaws
- Voting ballots distributed to members February 18th with voting until March 22nd
- Spring Member Meeting on March 22nd at 7pm

Elements of the proposed bylaws which are required to be followed to maintain compliance with various laws, include the following:
- Board meetings opened to the membership and agendas must be posted four (4) days in advance
- Meeting minutes published and posted within 30 days of each board meeting
- All board business must be conducted in a board meeting
- Annual review of club financials by a CA State Board Licensed Accountant
- Establish and Ethics Policy for board members
- The board’s duty to maintain and operate the club and levy regular assessments sufficient to provide funds for the club’s operation with assessment increases limited to no more than 20% of the previous year without the need for member vote.

In an effort to simplify the implications of a YES versus a NO vote on the proposed bylaws, please see the following table.
Please make sure you have paid your first quarter dues. In order to have your vote count for the upcoming By-Law vote, your dues must be current.

**What a YES vote Means**

A YES vote on the proposed bylaws would:

- Incorporate the necessary rules and regulations to maintain compliance with various laws as noted above
- Establish an Associate Membership Program
- Maintain current pool season/schedule/office hours

**What a No vote Means**

A NO vote on the proposed bylaws would:

- Maintain existing bylaws and jeopardize that the club is in non-compliance with current laws.
- Elimination of the Seasonal Guest Pass program
- Rejection of the proposed Associate Membership program
- Loss of approximately $45,000/yr in revenue
  - Reduction in services and pool hours/season
  - Possible dues increase of $60/year per household to maintain existing services

The Board of Directors
### Ordinary Income/Expense

<table>
<thead>
<tr>
<th>Income</th>
<th>Jan - Dec 18</th>
<th>Budget</th>
<th>$ Over Budget</th>
<th>% of Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>4000 · Dues and Assessments</td>
<td>362,953.54</td>
<td>345,100.60</td>
<td>17,852.94</td>
<td>105.17%</td>
</tr>
<tr>
<td>4100 · Member Lesson Income</td>
<td>43,012.43</td>
<td>34,150.00</td>
<td>8,862.43</td>
<td>125.95%</td>
</tr>
<tr>
<td>4200 · Nonmember Lesson Income</td>
<td>37,565.29</td>
<td>29,131.50</td>
<td>8,433.79</td>
<td>128.95%</td>
</tr>
<tr>
<td>4300 · Member Rental Income</td>
<td>13,190.88</td>
<td>13,794.00</td>
<td>(603.12)</td>
<td>95.63%</td>
</tr>
<tr>
<td>4500 · Interest on Operating Funds</td>
<td>133.71</td>
<td>143.00</td>
<td>(9.29)</td>
<td>93.5%</td>
</tr>
<tr>
<td>4600 · Social Event Income</td>
<td>2,328.40</td>
<td>349.00</td>
<td>1,979.40</td>
<td>667.16%</td>
</tr>
<tr>
<td>4800 · Other Ordinary Income</td>
<td>3,668.48</td>
<td>4,315.00</td>
<td>(646.52)</td>
<td>85.02%</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td><strong>462,852.73</strong></td>
<td><strong>426,983.10</strong></td>
<td><strong>35,869.63</strong></td>
<td><strong>108.4%</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expense</th>
<th>Jan - Dec 18</th>
<th>Budget</th>
<th>$ Over Budget</th>
<th>% of Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>5000 · Gross Payroll</td>
<td>127,679.28</td>
<td>134,080.00</td>
<td>(6,400.72)</td>
<td>95.23%</td>
</tr>
<tr>
<td>5100 · Payroll Related Expenses</td>
<td>18,818.35</td>
<td>22,565.00</td>
<td>(3,746.65)</td>
<td>83.4%</td>
</tr>
<tr>
<td>5200 · Member Lesson Expenses</td>
<td>34.05</td>
<td>615.00</td>
<td>(580.95)</td>
<td>5.54%</td>
</tr>
<tr>
<td>5300 · Nonmember Lesson Expenses</td>
<td>0.00</td>
<td>1,060.33</td>
<td>(1,060.33)</td>
<td>0.0%</td>
</tr>
<tr>
<td>5600 · Social Event Expenses</td>
<td>7,196.54</td>
<td>8,041.00</td>
<td>(844.46)</td>
<td>89.5%</td>
</tr>
<tr>
<td>5800 · Other Member Services</td>
<td>7,779.59</td>
<td>7,908.00</td>
<td>(128.41)</td>
<td>98.38%</td>
</tr>
<tr>
<td>6000 · Professional Services</td>
<td>11,321.49</td>
<td>10,711.00</td>
<td>610.49</td>
<td>105.7%</td>
</tr>
<tr>
<td>6100 · Other Outside Services</td>
<td>29,774.00</td>
<td>28,738.00</td>
<td>1,036.00</td>
<td>103.61%</td>
</tr>
<tr>
<td>6200 · Insurance</td>
<td>23,825.04</td>
<td>22,437.00</td>
<td>1,388.04</td>
<td>106.19%</td>
</tr>
<tr>
<td>6300 · Bank Fees</td>
<td>187.05</td>
<td>157.92</td>
<td>29.13</td>
<td>118.45%</td>
</tr>
<tr>
<td>6500 · General Office Expenses</td>
<td>10,733.92</td>
<td>6,972.01</td>
<td>3,761.91</td>
<td>153.96%</td>
</tr>
<tr>
<td>6800 · Taxes and Licenses</td>
<td>5,643.00</td>
<td>6,043.00</td>
<td>(400.00)</td>
<td>93.38%</td>
</tr>
<tr>
<td>7000 · Building and Hall Maintenance</td>
<td>26,126.88</td>
<td>38,004.00</td>
<td>(11,877.12)</td>
<td>68.75%</td>
</tr>
<tr>
<td>7100 · Pool Maintenance</td>
<td>16,253.68</td>
<td>16,002.80</td>
<td>250.88</td>
<td>101.57%</td>
</tr>
<tr>
<td>7200 · Utilities</td>
<td>66,953.70</td>
<td>69,114.00</td>
<td>(2,160.30)</td>
<td>96.87%</td>
</tr>
<tr>
<td>7300 · Reserve Funding</td>
<td>55,596.00</td>
<td>55,596.00</td>
<td>0.00</td>
<td>100.0%</td>
</tr>
<tr>
<td><strong>Total Expense</strong></td>
<td><strong>407,922.57</strong></td>
<td><strong>428,045.06</strong></td>
<td><strong>(20,122.49)</strong></td>
<td><strong>95.3%</strong></td>
</tr>
</tbody>
</table>

### Net Income/Expense

<table>
<thead>
<tr>
<th>Net Income/Expense</th>
<th>Jan - Dec 18</th>
<th>Budget</th>
<th>$ Over Budget</th>
<th>% of Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>54,930.16</td>
<td>(1,061.96)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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**Now Hiring Lifeguards for 2019 Season**

For those interested in applying as a lifeguard for the 2019 season, we have several positions open. Lifeguards must be 15 years or older and MUST be certified before the season begins. Applications will be available on our website soon or feel free to stop by the office during office hours to pick up an application. Deadline is February 28.
February 2019

<table>
<thead>
<tr>
<th>Sun</th>
<th>Mon</th>
<th>Tue</th>
<th>Wed</th>
<th>Thu</th>
<th>Fri</th>
<th>Sat</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>Tennis 4-8pm</td>
<td>4</td>
<td>Strength &amp; Stretch 6-7pm</td>
<td>Lap Swim 8-9pm Tennis 4-8pm</td>
<td>Tennis 4-8pm Strength &amp; Stretch 6-7pm</td>
<td>Lap Swim 8-9pm Coffee Club 10am Office Closed</td>
</tr>
<tr>
<td></td>
<td>Lap Swim 8-9pm Office Closed</td>
<td>Strength &amp; Stretch 6-7pm</td>
<td>Lap Swim 8-9pm Tennis 4-8pm</td>
<td>Tennis 4-8pm Strength &amp; Stretch 6-7pm</td>
<td>Lap Swim 8-9pm Coffee Club 10am Office Closed</td>
<td>Hall Rental</td>
</tr>
<tr>
<td>10</td>
<td>Hall Rental</td>
<td>11</td>
<td>Strength &amp; Stretch 6-7pm</td>
<td>Lap Swim 8-9pm Tennis 4-8pm</td>
<td>Tennis 4-8pm Strength &amp; Stretch 6-7pm</td>
<td>Lap Swim 8-9pm Coffee Club 10am Office Closed</td>
</tr>
<tr>
<td></td>
<td>Lap Swim 8-9pm Tennis 4-8pm Office Closed Board Meeting 7pm</td>
<td>12</td>
<td>Lap Swim 8-9pm Tennis 4-8pm</td>
<td>Tennis 4-8pm Strength &amp; Stretch 6-7pm</td>
<td>Lap Swim 8-9pm Coffee Club 10am Office Closed</td>
<td>16</td>
</tr>
<tr>
<td>17</td>
<td>Tennis 4-8pm</td>
<td>18</td>
<td>Strength &amp; Stretch 6-7pm</td>
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<td>Hall Rental</td>
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<tr>
<td>24</td>
<td>Tennis 4-8pm</td>
<td>25</td>
<td>Strength &amp; Stretch 6-7pm</td>
<td>Lap Swim 8-9pm Tennis 4-8pm</td>
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<td>Lap Swim 8-9pm Coffee Club 10am Office Closed</td>
<td>23</td>
</tr>
</tbody>
</table>

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