

Rancho Santa Teresa Swim & Racquet Club 286

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Fall Town Hall Meeting 2016 Minutes Rancho Santa Teresa Swim and Racquet Club Sunday October 2, 2016

Board Members Present: Norm Collier (President), Vic Haddad (Treasurer), Christine Francis (Secretary), Jack Winchester, Bill King and Lars Samson

Board Members Absent: None

Staff Present: Alana Martinez

Call to order: Norm called the meeting to order at 7:00 pm

Norm verifies we have a quorum of board members. Norm verifies with the ballot counters to begin tallying the results and that the polls will be open for the next 30 minutes.

Norm introduces himself, and addresses the 15 members present. Norm explains that he will continue to serve on the board another year, but we will be deciding on a new president for the next year. The board introduces themselves to the members.

New Business

Treasurer Report

Vic begins his report with an introduction to the members explaining the budget process. Vic goes through the guest pass history including costs and passes sold. Vic shares our Operating funds balance as well as reserve funds balances in the bank. Vic talks about operating income vs. expense explaining the variance key drivers. Vic gives the budget forecast for 2017, providing details relating to income and expenses. Vic concludes by pointing out the increasing payroll and operating costs, as well as the opportunities to minimize exposures.

The floor is open for questions.

Q; What is Stingrays?

A: They are a year round swim team; the Sea Otters are the summer only swim team.

Q. Regarding the delinquent HOA dues, how are we making the past due houses pay up? Many do pay on time, but how do we collect money from the past dues? Are they the same people not paying all the time?

A: We have one house that has been sent to collections, we have not heard from them. We have a process of sending out 10-day notices and interest is charged onto their account. This goes on for a period of time, and after a while, we put a lien on the house. The lien amount will increase on the house as the past due amount increases. There have been a couple of instances where the cases were taken to small claims court and the matter was ruled in our favor, but the house declared bankruptcy shortly after the ruling so the time and money that went into the court case was lost in addition to the past due amount. This is an ongoing thing we deal with; there is one past due that is three or four years old. We are trying to meet with them so we can work with them to

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avoid having to foreclose on them. We all own part of this club, and the board members don't really want it to come to foreclosure, we just want to work with the past dues and set up payment plans with those really old accounts.

Announcement made: It is 7:15 and polls close in 15 minutes.

Q: Are the majority of the delinquent accounts renters?

A: No, just homeowners as the rentals do not pay us. Our notices go to the homeowners even if there are renters residing in the house. At the end of the day, we really want the homeowners to see that paying dues is the right thing to do. When a house is past due, and the house sells, the money is made up in the transfer of the house in the escrow process.

Q: Is there a possibility to rent out the club to outside groups to make more money?

A: Yes, it would be possible to have more classes be held by instructors. We try to keep the usage of the facility to members only, as we are currently non-profit, and therefore tax exempt as long as we are a private organization. These are all things we have to consider the advantages of outside usage.

Q: Has anyone made a dues report comparing our club with other clubs around the area? Where do our dues fall on the scale?

A: There has been some research in that area, we are the lowest around.

It is now 7:30 and the polls are closed and we do have a quorum of votes.

Back to the topic of generating income for the club, the cost of daily operating expenses as well as capital projects goes up, and the income and expense trend report is once again looked at. Bill explains the numbers we are working with. The board has an obligation to fund the club at a certain level. We are falling behind in projected income vs. expenses and it is harder to put aside money for the reserve account for upcoming expenses. It may have to come to prioritizing the upkeep of the facility over club activities to keep in line for our budget needs so the facility can operate in the long term, but we will eventually have to have a dues increase to keep up with the growing costs.

Q: Why is it called a "Guest Pass" and not an "Associate Membership"? More people might buy guest passes if they could simply get a sponsor and not have to have the homeowner write the checks for the guest pass, but have the guest pay the pool directly.

A: Our bylaws state the club is for members only. It is also for tax purposes, to remain non profit status. It is a privilege to bring in another family. The guest pass was structured as a benefit to members.

Q: With the turnover in homes, and increased home values, and the majority of new homeowners having young families, will the facility be more used as the new homeowners move in?

A: It looks like we are trending towards younger families using the pool and joining the swim team. The club is very appealing, and certainly a draw for new families.

Q: There is a new structure out front of the pool, what is it?

A: It is Calvin Martinez's Eagle Scout Project, a new kiosk out front of the pool gate. It should be completed in the next couple of weeks. The old kiosk will be removed as part of the project.

Q: Is there a sense of how the new apartments and residences coming in will impact our area?

A: We don't know, but we know the residences continue to be increasing. We expect more traffic, but if we want a more complete answer, we should ask the District 2 candidates when they open up the floor to questions after they are introduced.

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Election results are read

Christine Francis 149 2 year term

Vic Haddad 142 2 year term

Jack Winchester 135 2 year term

John O'Byrne 124 1 year term

Andy Robertson 54

137 votes were required to make a quorum, and there were 151 votes accepted today.

The District 2 candidates mingle with the crowd and introduce themselves. Norm introduces the two candidates formally to the town hall, now joined by ballot counters and others numbering 25. Bill King will be the moderator for Sergio Jimenez and Steve Brown. They will be allowed two minutes each to answer the questions presented. Bill thanks everyone for coming and comments about the importance of the election coming up. The candidates are asked to introduce themselves and talk about what they feel are pressing issues for District 2.

The questions and answers proceed for 60 minutes.

Bill thanks the candidates for coming to our meeting and addressing our members.

The meeting is adjourned at 9:01

Respectfully submitted by: _____
Rancho Santa Teresa Swim and Racquet Club Board Secretary

On: _____