

**JOINT MEETING OF FICRA & THE FICRA BUILDING TRUST BOARDS**  
**VIDEO/TELECONFERENCE MEETING MINUTES**  
**Thursday, March 11<sup>th</sup>, 2021, 7:25PM**

**2021-2022 FICRA Board**

Lance Powers	President
Lindsey Jensen	Vice President
Candy Wawro	Secretary
Hal Goodell	Treasurer
Aileen Jones	Director
Weston King	Director
Miguel Martinez	Past President

**2020-2021 FICRA Trust Board**

Howard Stapleton	President
Naomi Grant	Vice President
Gina Olson	Secretary
Hal Goodell	Treasurer
Karen Kretschmer	Director

Trust Board Attendees: Naomi Grant, Hal Goodell, Karen Kretschmer, Gina Olson, and Howard Stapleton.

FICRA Board Attendees: Hal Goodell, Lindsey Jenkins, Aileen Jones, Weston King, Miguel Martinez, Lance Powers, and Candy Wawro.

Other attendees: Jim Braden, Joan Broughton, Jean Peterson and Jean Wallace.

The meeting was started at 7:25 PM, immediately after the conclusion of the FICRA Board Elections.

**Presidents' Report:** Howard Stapleton stated that he is impressed and grateful for all of the folks who stepped up this year. He can't thank them enough for volunteering to serve in the Fox Island community and believes they will make a lasting impact. He also noted that we expect to be in Phase 3 of the State's Healthy Washington – Roadmap To Recovery plan and want to see the Nichols Center put back in use. There is an item on the agenda later to proposed adjusting rental rates to facilitate this.

Lance Powers stated he is excited to join FICRA. Not only does he run a non-profit organization, but alongside it is a for-profit site he runs with 14 tenants and a large office complex. He understands how to create the price per square footage, insurance and riders and such. He thinks it is important that we really do this professionally. Often, non-profit organizations go for a long time working on the back of a napkin, and he finds it is better when things are done professionally with contracts for both for-profit and not-profit sites. He is looking forward to helping integrate some of this as we move forward. He thinks there are some really great things we can do and he wants to make sure we have the funds available.

**Treasurer's Report:** Hal shared the financial reports as of February 28, 2021 online with attendees. The following information was provided and is on the hard copy reports that will be forwarded to Board members:

**Building Trust Balances**

Trust Checking account: Feb 1 Balance: \$ 27,790.54 Feb 28 Balance: \$ 31,074.85

Trust Savings: Feb 1 Balance: \$ 336.51 Feb 28 Balance \$ 413.86

Trust PayPal: Feb 1 Balance: \$ 242.46 Feb 28 Balance \$ 0.00

Trust Capital Checking: Feb 1 Balance: \$ 3,697.08 Feb 28 Balance: \$ 3,690.22

Trust Reserve Checking: Feb 1 Balance: \$ 326.98 Feb 28 Balance: \$ 319.98

Trust Money Market: Feb 1 Balance: \$ 248,105.90 Feb 28 Balance: \$ 348,160.33

Trust Money Market Detail:

General: Feb 1 Balance: \$ 108,933.96 Feb 28 Balance: \$ 210,007.70  
Capital: Feb 1 Balance: \$ 56,527.42 Feb 28 Balance: \$ 56,527.42  
Reserve: Feb 1 Balance: \$ 38,860.13 Feb 28 Balance: \$ 38,860.13  
EP Restricted: Feb 1 Balance: \$ 21,591.59 Feb 28 Balance: \$ 21,591.59  
CP Restricted: Feb 1 Balance: \$ 22,192.80 Feb 28 Balance: \$ 21,173.49

**FICRA Balances**

FICRA Checking: Feb 1: \$ 16,916.79 Feb 28: Cleared Balance: \$ 17,546.46  
FICRA Savings: Feb 1: \$ 25.00 Feb 28: Cleared Balance: \$ 25.00  
FICRA Money Market: Feb 1: \$ 31,044.49 Feb 28: Cleared Balance: \$ 31,048.06  
FICRA PayPal: Feb 1: \$ 554.67 Feb 28: Balance: \$ 0.00

FICRA membership is currently at 331.

**Standing Committees:**

**Citizens' Patrol** - Jim reports he will pass along the report when it is available.

**Emergency Preparedness** - The summary as printed by Jim Braden: Emergency Preparedness (EP): The summary of the February 10th Exercise has been published and the EP team will soon meet to plan changes to the system based on lessons learned. The Neighborhood Branch is planning to conduct an exercise on March 13th with their primary objective being to assess the number of active Block Coordinators and review the communication process using the Emergency Patrol Team (Citizens' Patrol) from each neighborhood to the Emergency Operations Center.

**Trust Building and Grounds** - Summary by Jim Braden as printed:

**Project Status:**

- We removed eight hazardous trees in the immediate vicinity of the Sports Field including seven Alders and one Hemlock. The trees were leaning over the walking/running track and one was long dead in the immediate vicinity of the children's play area.
- We have received the east wall and south wall windows from Chosen Wood Windows. We had volunteers do the staining of the window interiors and painting of the window exteriors. The window glazing putty installed by Chosen did not cure to the point of taking paint securely, so the taping is still apparent on the windows until that issue is resolved. Further, Chosen has yet to complete a sill repair in the south classroom and to replace the window weight rope in the kitchen. The windows did come back in beautiful condition.
- We have estimates from Chosen and Bear Wood Windows on the replacement of the west wall windows. Those estimates include the manufacturer doing the painting and staining of the new windows which, in one case, added \$8,000 to the cost. I mention that for the Board to appreciate the amount of work that goes into the painting and staining.
- We have received tentative confirmation of awards from the Cheney Foundation for \$30,000 and from the County Historical Commission of \$17,500 as a result of our grant applications. Nothing in writing has been received from either, as of 3-7-2021.
- We have received an estimate from Sullivan Heating for installing air conditioning in the auditorium. That needs further study and, of course, additional bids.

Those are the active projects at the moment.

The next priority projects are:

1. Sports Field irrigation
2. NCC and gazebo irrigation
3. Completion of the second emergency exit from the NCC basement
4. Complete the Emergency Preparedness capital acquisitions in time to finish off the State of Washington grant (mid-June of this year).

The other projects on the Capital Projects list:

1. Upgrade of the security video system
2. Signs throughout the properties
3. Finish the wiring to the garage for in-situ use of the emergency generator
4. Painting of the garage (volunteer opportunity)
5. Sports Field 'Buy a Brick' tile placement
6. Ongoing basement water management

Refer to the Reserve Study Report for scheduled maintenance projects.

#### **NCC Rental/Use Requests:**

Jim has been the acting rental coordinator, and Candy Wawro will be taking his place. Jim reports a graduation event in June and a Wedding event in Sept. There are requests for recurring rentals, and there is in development a policy for use request being sensitive to the Covid-19 restrictions and thoughtful adjustment of cost due to extra sanitizing requirements. Jim emphasizes that we are working to get the NCC back in use. Jim is working with Howard, Hal and others to document use requests and the approval criteria. Financially, use is an income source, but we want to be very accommodating during these times and make it affordable to use the place. Once this work is completed, we will be able to reach out to those that have made requests. Our primary objective right now is to get the building back in use. Howard noted there is an item under New Business regarding a policy statement to help in designing an interim rate structure.

Lance asked if there was a uniform use form that we already have. In the non-profit he runs, he has an event proposal form that asks questions, including insurance and responsibilities. Howard stated that we have forms and contractual documents, but one of the key issues we have is legacy uses of the facility by individuals/organizations associated with the Fox Island community that have had very favorable rates, including some groups that are sponsored by FICRA. We have traditionally provided more favorable treatment to FICRA (as the partner organization to the Trust) sponsored activities and to organizations such as the scouts, that are sponsored by the Trust. We have also had discussions over other criteria, such as Fox Island based organizations, non-profit uses, activities that are donation based versus those charging a fee for profit. We had several face-to-face meetings prior to the pandemic to obtain community feedback and there are many issues to address. Right now, we need to put an interim policy in place so we can move forward. We have documents with contractual terms, but the real issues are the policy on how the facility gets used for the benefit of the community, who gets priority, and how we design the rates. Lance clarified that these issues are primarily addressed by the Trust, and not FICRA. Howard noted that, since FICRA is primarily responsible

for scheduling events and activities, the Trust looks to FICRA for input on priorities and what the community expects for the organization. Jim added that, along that line, FICRA actually pays the Trust an annual fee for the use of the facility. When they come up with events and activities that they sponsor for the community, they have already paid for the use of the NCC

### **Unfinished Business:**

**Nominating Committee Slate of Nominees** - Gina presented the following slate of candidates for the 2021-2022 FICRA Building Trust Elections:

#### **2021-2022 FICRA Building Trust Board Candidates**

Hal Goodell, Karen Kretschmer, Arlyn Lawrence, Gina Olson and Howard Stapleton

#### **2021-2022 FICRA and FICRA Trust Audit Committee Candidates**

Diane Abney, Jennifer Beard, Joan Broughton and Jean Wallace

Howard stated that the Annual Meeting and Elections for the FICRA Building Trust is scheduled to take place at 6:30PM on Thursday, April 8, 2021 via teleconference.

**2021 FICRA Budget** - Hal shared the proposed 2021 FICRA Budget and stated that, with the current uncertainty, many of the budgeted events have not been included this year. If it looks like we can put on an event, the expenses can be approved at a later Board meeting. The budget document shows actuals for 2019 and 2020, together with the proposed 2021. Membership dues are the same as 2020, but he believes this can be increased with a little bit of effort. Directory Advertising revenues are not expected for 2021, since we brought in the revenues in 2020 with the intention of printing a single directory for the 2020 and 2021 years. All of the expected donation revenues are unrestricted and events income is minimal since there are no scheduled events. The NCC usage fee remains the same, as does insurance, directory printing and most of the recurring events expenses. Hal asked Miguel to speak to the event expenses.

Miguel noted that we have expenses dedicated for the traditional events and called out the New Event/Activity Development item that was first included last year (pre-pandemic) for outside help developing & organizing new events. The \$5,000 can be considered a buffer for additional events that are not already listed on the budget. Miguel reminded that Board that they have the ability to make changes at any time throughout the year by vote. He would be glad to respond to anyone with questions about the budget. Hal noted that FICRA does not charge for most events. Miguel added that when there are admission costs for events, typically FICRA members get in free while non-members pay. This encourages residents to join FICRA. Miguel also wanted to talk to Weston about the sports events for the kids, which were not events we charged for in the past. We already have a lot of the equipment and we want to make it easier to invite people out.

Weston spoke briefly about his experience at Ashley House and the value of having a fund to create community and have fun. He wants to have additional discussions on how FICRA is funded. Hal responded that FICRA is funded primarily through membership and donations. He

believes we can easily push our membership up to 450 or 500, which equates to \$12,500 in dues. Some events, such as Magical Strings and other concerts, do have fees, but members are told their dues are paying for the events. He noted there is about \$30,000 in the FICRA Money Market account if there are additional event expenses.

Howard stated that when he originally joined the FICRA Board, the reserve was 3-4 times the annual operating budget, which is considered high for a 501(c)(7). Keeping it in the 1-2 range is probably more realistic for the organization. Nominal fees are charged for events right now, but could easily be increased. The main concern is the IRS safe harbor guidelines for nonmember gross receipts and investment income of 35%.

Lance asked for a motion to approve the 2021 FICRA Budget. Aileen Jones made the motion to approve the budget, Hal Goodell seconded, and it was unanimously approved by FICRA Board members.

### **New Business:**

**Approve Building Trust Policy Statement on Rental and Use Rates** - Howard prefaced the discussion by saying that he understands our long-term fiduciary responsibility to get full cost recovery for the use of the facility, but believes it is more important for the community right now to get things up and running. He then shared and read a proposed policy statement to establish an interim rate structure on a limited term basis that will recover only the marginal costs for using the facilities. Under the current COVID-19 requirements, the Trust will incur a cleaning and sanitizing cost for each use. While this might not be prohibitive for one-time use under our normal public rates, it will add a significant cost for the community groups (coffee club, garden clubs) using the facility regularly, and we need to find some way to mitigate this cost. Karen Kretschmer suggested that we amend the policy so the time frame was not open ended by including that it would be reviewed within a year or whatever time period was agreeable. Naomi Grant agrees with the statement, believes the policy will be good for the community and feels we can shoulder this right now. Aileen thinks it is interesting that we received the donations during this time, and not that we would be able to spend the \$100,000 by any stretch of the imagination, that sometimes things are not coincidence and they happen for a reason. She agrees that using the facility up and getting community events back up and going again is what people want. This has been a very difficult year, and while we may not have a new normal yet, that we need to start jumping in and get going. Naomi made a motion to approve the proposed Building Trust Policy Statement on Rental and Use Rates with the addendum to review the policy within a year. Karen seconded the motion and it was unanimously approved by Building Trust Board members. A copy of the amended policy statement is attached.

Howard asked if there was any other new business. Hal reported that he was applying for the liquor licenses for the FICRA Fair time frame, which is the second Saturday in August. The approval for the licenses usually takes about 3-4 months. Last year, they refunded the application fees. He is going ahead with the applications so we have the option of holding the Fair if events allow.

Lance asked if the FICRA Board members could stick around for a few minutes after the Board meeting ends to talk off the record about practices and process.

With the agenda completed, Howard noted the meeting adjourned at 8:34 PM.

The next regularly scheduled meeting of the FICRA Board is Thursday, April 8<sup>th</sup>. The Annual Meeting of the FICRA Building Trust to hold elections is also scheduled for this date and the new FICRA Building Trust Board may optionally choose to hold their first Board Meeting after the Election. The April 8, 2021 meetings will be via video/teleconference starting with the FICRA Building Trust Annual Meeting (Election) at 6:30PM.

Respectfully submitted by Gina Olson and Howard Stapleton

**FICRA Building Trust Policy Statement on Rental and Use Rates  
Amended and Approved 3/11/2021**

Preservation and maintenance of the Community Center, including the historic schoolhouse and other Trust properties, is a primary purpose of the FICRA Building Trust. The Trust Board has a fiduciary responsibility to ensure that the Center can survive and remain a viable community resource for Fox Island for future generations.

The Building Trust receives revenue from rental and use fees, public and private grants, and private donations. Some revenues are earmarked for specific programs, such as the Citizens' Patrol or the Emergency Preparedness Program for Fox Island. Major renovations and building improvements have traditionally been supported through grants and donations. Rental and use fees are charged to recover the ongoing cost of the facilities, including maintenance, operations and capital replacements. Full cost recovery is essential to ensuring the long-term viability of the Trust.

While the Trust believes that rental and use fees should recover the full cost to operate and maintain the facilities, we also recognize that these are extraordinary times that call for additional measures. There will be additional costs required to use the facilities in compliance with State issued guidance related to COVID-19, but we believe it is important to see the Community Center in use as a positive sign to the Fox Island Community that things will return to the new normal this year.

It will be difficult to encourage use of the facilities by community groups using a portion of the facilities on a shared basis if we charge rental and use fees that recover our full costs (including additional maintenance costs) at this time. For this reason, the Trust Board is proposing to establish an interim rate structure on a limited term basis that will recover only our marginal costs for using the facilities. The interim rates would recover the direct costs associated with use, such as cleaning services, utilities and repairs, but would not include full operational costs. This should be sustainable for the short term, given our current financial situation. When we are able to shed some of the additional costs related to COVID-19 and conditions return to normal, we would adjust our rates to ensure full cost recovery. This policy will be reviewed within one year of adoption.