



Shadow Brook Swim Club & Homeowners' Association

Board of Director's Meeting

July 19, 2020

Board of Directors - Attendees:

President: Patrick Smith
VP Social: Staci Tenczar
Communication: Peter Contini
Treasurer: Karen Rockwell

Call to Order: 7:16 PM.

Board Meeting July 19th, 2020

The Board meeting was held in person at limited capacity and via teleconference due to COVID-19 Santa Clara County Health Department restriction.

- President called meeting to order at 7:16 PM
- Board Members in attendance announced via roll call:
 - Patrick Smith, Staci Tenczar, Pete Contini, Karen Rockwell
 - Total of approximately 48 attendees
- Agenda presented:
 - Finance Update
 - Final Call for Ballots
 - Close of Election
 - Pool/Facilities Update
 - Recommendations & Next Steps
 - Open Forum
 - Election Results
 - Close of Meeting

Agenda Item 1- Finance Update

- Financial update presented by Karen
- Confirmation of tax filing for 2019 completed on time
- December 31st 2019 financial reports have been updated and now online at Shadowbrook.org
 - Updated financial report now reflects final adjusted balances.

- Letter from Crawford Pimentel Corp, Public accountants was reviewed:
 - Income Tax Returns have been on time 2010 through 2019
 - Business Property Statements filed and up to date
 - Secretary of State filed and up to date for 2020
 - All Bookkeeping up to date through May 31, 2020
 - Shadow Brook Internal Controls of signature authority have been adhered to

Crawford Pimentel Corporation

Certified Public Accountants
2150 Trade Zone Boulevard, Suite 299
San Jose, California 95131

Michelle Puma
Director

July 16, 2020

Patrick Smith, President
Shadow Brook Swim Club & HOA
PO Box 20271
San Jose CA 95160

Dear Patrick:

This letter is outlining the tasks and projects are firm has been engaged to complete and the documents that we have on file. Following are the details by project:

- Income Tax Returns – we have copies of the tax returns from 2010 through 2019. The most recent tax return for the year ended December 31, 2019 was timely filed on May 28, 2020 and included the Forms 990, 990-T, California 199 and 109.
- Business Property Statements – we have copies of the business property statements (Forms 571-L) that are required to be filed with the County of Santa Clara from 2018 through 2020. The 2020 filing was timely filed on May 4, 2020.
- Bi-Annual Secretary of State Filing – we have copies of the 2018 and 2020 filings. The most recent filing was completed on November 7, 2019 for the 2020 bi-annual filing requirement.
- Information Returns – we have copies of the annual information returns (Forms 1099s) for 2018 and 2019. The most recent filing was timely filed on January 22, 2020.
- Bookkeeping services – the bookkeeping staff have completed bank reconciliations through May 31, 2020. There are a few additional accounts to be reconciled and then we will submit the May 2020 financial statements for approval of the treasurer, Karen Rockwell, prior to submission. From our review of documents provided for entry into QuickBooks, internal control procedures have been followed, including the requirement that two board members sign and authorize checks over \$1,000.

Please let us know if you have any questions.

Sincerely,



Michelle Puma
Director

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- As of May 2020, bookkeeper reconciliation account assets (Cash) are at \$255k
- President Fielded questions regarding the financial update presented by Karen.
 - Question regarding May 2020 reconciliation reflecting dues.
 - Through May 2020 one item that had not been completed yet are the refunds to the associate members that opted out of their membership. Associate members wanting to opt out were given the option to submit their request for refunds through June 15th. Due to this revenue and accounts receivable are overstated on the May 2020 Reconciliation.
 - Reimbursement has been received for the pool incident. Part came in May and another arrived in June. [all expenses/costs have been recovered]
 - Depreciation had not been included
 - Accounts payable is up to date
 - Question regarding the number of refunds to Associate Members. Was it 99 or less?
 - Karen reports that reimbursements were less than 99 and closer to 60

Agenda Item 2 – Final Call for Ballots

- Final call for ballots called at 7:24 PM to all present in person and online

Agenda Item 3 – Close of Election

- President called for Close of Election
- Balloting officially closed at 7:24 PM

Agenda Item 4 – Pool/Facility Update

- President presented Pool/Facility update.
- President updated on Phase 2 – family & lap swimming for July
 - Staff is trained on the implementation of Phase 2
 - Family zones have now been designated
 - Usage data from June 22nd to July 19 was presented. (From time of SCC COVID-19 new protocols.)
 - 30%, 26%, 40%, and 42% respectively (% of capacity)
 - New Protocols mandated by Santa Clara County starting July 2nd.
 - New training for staff, new signage, and capacity limits.
 - Confirm business has adequate plan in place if a worker tests positive for COVID-19.
- President gave update on permits
 - County health permit (s) have been granted and received.
 - Surprise inspection imminent. (Usually happens within 4 weeks of being granted a permit.)
- Facility in excellent condition including equipment
- President reports on positive feedback from members

- President opens floor for discussion and questions
 - Question regarding same day walk in reservations in future.
 - Board had discussed same day reservations and have decided that same day reservations will not currently be allowed. Pool reservations require/ encourage members to call the office beforehand. Certain questions have to be asked before being granted access to the pool to comply with protocols and safety standards including health questions
 - President states the Board will meet again next week to reconsider given data that is now had about usage. If adjustments need to be made they will be considered.
 - Karen added that the Homeowner/ Associate need to call a day in advance to see if they are eligible/ in good standing to make a reservation.

Agenda Item 5 – Board Recommendations & Next Steps [Post Election]

- President presented Board Recommendations & Next Steps for new Board
 - Maintain minimum of \$225k in savings/reserves
 - Maintain current levels of all insurance coverage
 - Board upgraded insurance coverage and policies 2 years ago. Helped greatly before the June 2018 incident
 - Maintain current financial controls (at minimum)
 - Check signage
 - How banking is done
 - Third party separation
 - Money handling
 - Maintain current security and safety measures
 - Relating to pool
 - Covered in Rules, Regulations, Policies and CCR's
 - Continue to assess & follow through on fines for noncompliance with rules and regulations. [Legal]
 - Begin transition process to new board
 - Framework has been started with transition meeting between old Board and new Board.
 - Implement business transitions:
 - Filing with CA secretary of state
 - Banking
 - Accounting/ Finances
 - PO Box/ Mail Processing
 - Objective to have a successful transition by Mid-late August.

Board Recommendations

- Maintain minimum of \$225k in savings/reserves
- Maintain current levels of all insurance coverage
- Maintain current financial controls (at minimum)
- Maintain current security and safety measures
- Continue to assess & follow through on fines for noncompliance with rules and regulations [Legal]

Next Steps

- Begin Transition to new Board
- Schedule Transition Meeting between current and new Board
- Implement business transition:
 - CA Sec of State
 - Banking
 - Accounting/Finances
- PO Box/Mail Processing
- Objective: Successful Transition by mid-late August

Agenda Item 6 – Open Forum/Discussion

- President opens floor for discussion and questions.
 - Question posed about current insurance policies in particular D&O.
 - Question answered by President.
 - Current insurance information can be found on the website at shadowbook.org. Under insurance and documents. There you will find general liability insurance (Certificate of coverage) There you will also find Directors and Officers (D&O) insurance.
 - Questions posed about the pool/facility inspection.
 - Question answered by President.
 - Inspection can happen from the date of issue of the permit until the next permit is issued. Can happen anytime throughout the year.
 - Normally happens within the first 4 weeks of approval and issuing of permit
 - All inspections are on a surprise/drop-in basis

President calls meeting to recess for balloting and final election results at 7:45 PM.

President calls meeting to order from recess at 8:17 PM.

Agenda Item 7 – Election Results

- Emre, Inspector of Election, returns and presents election results
- Newly Elected Board Members:
 - Steve Ferree
 - Karen Rockwell
 - Meera Desai
 - David Heindel
 - Tracy Rodriguez
 - Kevin Ryan

Agenda Item 8 – Close Meeting

Motion to adjourn, Seconded

Meeting closed at 8:17PM