

LMC 2010 LONG RANGE PLANNING COMMITTEE

REPORT AND RECOMMENDATIONS

COMMITTEE MEMBERS:

Michael Cahn (chairman)

Joan Dragnich

Adele Govert

Bill Hansen

Hugh Jenings

Larry Nobles

Elizabeth Van Zonneveld

Art Zoloth

Brian Belmont (LMC General Manager)

**LMC 2010 LONG RANGE PLANNING COMMITTEE
REPORT AND RECOMMENDATIONS
CONTENTS**

INTRODUCTION

METHODS USED

RESULTS

REVIEW OF 2004 RECOMMENDATIONS

MEETING WITH PLA'S DIANA SMELAND

LONG RANGE COMMITTEE'S DISCUSSION AND ANALYSIS

RECOMMENDATIONS

APPENDIX A- MINUTES OF MEETINGS

APPENDIX B- SURVEY RETURNS

APPENDIX C- SURVEY SUMMARIES

**LONG RANGE PLAN – 2010
LUDLOW MAINTENANCE COMMISSION
INTRODUCTION**

In July 2009, the LMC president appointed an ad-hoc Long Range Planning Committee with the directive to review the recommendations of the 2004 Long Range Planning Committee, to assess progress, and to make recommendations for the next five years and beyond. The committee considered the desires and the needs of its members, as well as considering the responsibilities of the LMC board to uphold the directives of the governing documents.

To accomplish its tasks, the committee first composed a survey which was sent to all LMC members. The survey consisted of two main sections, one to assess the current demographics of our community, and one to elicit the desires and/or complaints of our members. This survey was purposefully designed similar to the 2004 survey to make comparisons easier. The committee interviewed Diana Smeland, President of PLA, and also had the benefit of having on the committee LMC manager Brian Belmont and board members Elizabeth Van Zonneveld (LMC president) and Hugh Jenings. In addition, PLVC board members Larry Nobles and Art Zoloth (members of the PLVC 20/20 committee) were on the committee.

The recommendations of this committee are the result of discussions from numerous meetings. They reflect the comments expressed by the LMC members who returned their survey questionnaires. They reflect the directives in the LMC governing documents, and they consider the history of the LMC, including the 2004 LMC Long Range Planning Report. They furthermore take into consideration our currently difficult economic times. The discussions reaffirmed that the LMC is a home-owners association whose duty is to serve and benefit its members. The committee hopes that our community will use and enjoy its facilities, which are actually their facilities.

**LONG RANGE PLAN – 2010
LUDLOW MAINTENANCE COMMISSION
METHODS USED**

A) SURVEY

As mentioned in the introduction, a survey was sent to all LMC members. A cover statement noted the importance of a high percentage of returns in order to be meaningful. It was also stressed that responses would be anonymous.

The first section asked for demographics, in a similar fashion to the 2004 survey. It also asked members to state their frequency of use of the various LMC facilities, noting their estimation of the level of importance of each facility/activity.

The second section asked two questions: 1) What would entice you to use the facilities more? And 2) What other facilities or amenities would you like to see changed or added by LMC? These two questions were followed by numerous lines to be used for “any additional comments that you may have”.

This survey constituted the basis for members’ desires and complaints.

B) COMPARISON TO THE 2004 SURVEY

The demographics were compared to the 2004 survey results.

C) EVALUATION OF PROGRESS OF THE 2004 COMMITTEE’S RECOMMENDATIONS

The committee discussed the 2004 recommendations, noting attention given to each by the LMC board and progress on each. To accomplish this, the committee did not research past records. It was realized that lack of progress did not necessarily mean any sort of failure by the board. Nevertheless, our committee re-examined the past recommendations as to their current validity.

D) INTERVIEW WITH PLA’S PRESIDENT, DIANA SMELAND

This interview clarified several important issues, especially in the financial realm, and provided insight to PLA’s plans and PLA’s expectations for the LMC.

E) COMMITTEE DISCUSSIONS OF ISSUES

The discussions revealed weaknesses and strengths in the LMC. Many questions arose. Some were answered in the discussions and others will need to be referred back to the membership. We are at a crossroads and important decisions will need to be made by the board, with the help of our membership. This committee has identified numerous issues and has attempted to give some direction through its recommendations. Numerous of these issues persist from the 2004 report.

The main topics for consideration remain: 1) our facilities, especially the Beach Club, 2) finances, and 3) governance issues.

LONG RANGE PLAN – 2010 LUDLOW MAINTENANCE COMMISSION RESULTS

DEMOGRAPHICS

Survey forms were sent to all LMC members. The results of the demographics were compared to those of the 2004 survey. Approximately 27% (265 replies from a potential total of 983) of our members returned their 2009 survey forms where as about 55% returned their forms in 2004. Thus, there exists some question as to whether the results can be extrapolated to the community as a whole. Nevertheless, we believe that some interesting observations can be made.

The committee had expected to find an increased percentage of younger persons in our community. To our surprise, the survey results showed no increase in the younger group, but rather found an increased percentage of older persons. These results may not be totally accurate in that the figures suggested that more of the younger persons may have neglected to return their forms. In the 2004 survey, persons over age 55 totaled 72.5% of responders, while in the 2009 survey, persons over 55 totaled 83% of responders.

Other demographics remained relatively unchanged. Thus, of persons who have resided in Port Ludlow for 0 to 10 years, the percentages were: 61% in 2004 and 57% in 2009. Likewise, the percentages of residents who have lived here for over 15 years were: 24% in 2004 and 26% in 2009.

The percent of homeowners who stated that their Port Ludlow home was their primary residence in 2004 was 69%, and in 2009 was 76%, a 7% increase.

The number of persons living in a given residence remained almost identical with 16% having 1 person, 71% having 2 persons, and the remaining 13% having more than 2 persons.

Attached to this report are the complete reports.

PREFERANCES OF FACILITIES/ACTIVITIES

The survey forms asked members to state their frequency of use of the various LMC facilities/activities, and to rank each as to high or low importance to them. Again, the complete figures are attached to this report. The highlights revealed that the top five facilities in order of importance were: 1) the indoor pool, 2) hiking trails, 3) the outdoor pool, 4) the exercise room, and 5) Beach access. The facilities/activities of lowest importance were 1) the squash court, 2) dance facilities, 3) bridge deck and 4) basketball court. A casual perusal of the attendance log shows that on average, the indoor pool draws the most persons by far, followed by the exercise room.

SURVEY COMMENTS GROUPED BY THEME

As mentioned before, the major topics include the facilities, finances, governance issues, and member complaints and suggestions.

- A) FACILITIES were the most mentioned topic, especially the Beach Club facility. Comments ranged from a desire to bury the facility for ever, to building an entirely new facility. Most comments singled out one or more parts of the building which need enlargement and/or improvement. However, comments favoring improvements of some type far outnumbered comments stating that the facilities were adequate as is. Of note were several comments asking for more accessibility for the handicapped, especially an elevator and some form of indoor pool access. Other often mentioned facility deficiencies included a crowded exercise area with too few pieces of equipment, a deficient kitchen, a lack of sufficient meeting rooms, an absence of a decent entry and lounge-meeting area, poor locker room facilities, and several other recommendations. Scattered through these comments were a number of remarks noting that the LMC and numerous LMC members can ill afford to provide any funds with which to make any significant improvements. A few comments spoke favorably of Kehele Park, the tennis courts, and the playground for children and grandchildren. Numerous comments spoke favorably for maintaining the hiking trails. (Note should be made that trails maintenance is a function of the Village Council's trails committee).
- B) FINANCES were mentioned occasionally in the returned surveys. Several comments referred to individual's financial limitations and argued to not raise assessments. Some others argued that the LMC should be financed through a 'USERS' FEE". Those that use the facilities should pay for them. Yet others noted that they find the facilities a great asset, and that they would be willing to contribute to financing improvements. Thus, as in the past, there remains division in our community about the value of the LMC facilities and about the method of paying for them. Other suggestions included a demand to cut costs, and a demand to combine activities with the SBCA's Bay Club. Several complained about the one dollar fee they are asked to pay when they use the club with a group. As noted, the committee also met with PLA's president Diana Smeland. This meeting reaffirmed PLA's willingness to work with LMC for the mutual benefit of both, which would result in significant financial benefit for LMC.
- C) GOVERNANCE was mentioned less frequently. The greatest issue mentioned concerned "trees and views". Again, there remains division in our community, with some demanding greater maintenance of views while others demand preservation of the trees. Some people with unbuildable lots complained about the LMC. Others recommended closer cooperation with the Bay Club to reduce duplication of services and to thus reduce costs.
- D) COMPLAINTS AND SUGGESTIONS included many of the comments noted above. In addition, were comments about staff attitude (pro and con), communication issues, absence of lifeguard at the swimming pool, loss of the Harbormaster Restaurant, and lack of programs/activities for members both young and old, including social and learning.

**LONG RANGE PLAN – 2010
LUDLOW MAINTENANCE COMMISSION
REVIEW OF 2004 RECOMMENDATIONS**

FACILITIES

The 2004 recommendations are reviewed here. Again, the major categories of review are: “facilities”, “finance”, and “governance”. Some of the previous recommendations are not covered here, and in some instances two or more recommendations are combined. Some 2004 recommendations are no longer relevant, while others have been resolved. Still other recommendations remain as valid today as they were in 2004.

FACILITIES: recommendation that the board 1) create a “vision of the future” for upgrading the Beach Club, which will be acceptable to the membership, 2) develop a financing plan for that upgrade which will be acceptable to the membership, and 3) motivate the membership to the “vision”. The question to be answered is: what should that “vision” be? Should it be a complete rebuild of the club, or should it be a staged remodeling, or should it be some other plan?

Recommendation that the board develop spaces within the Beach Club to support youth and family activities, adapting underutilized areas for other uses, and initiating new activities for members.

Recommendation that the board expand the exercise area ,and provide additional exercise equipment.

Recommendation that the board work with the developer (PLA) for resort plans that are acceptable and beneficial to all.

FINANCE

Recommendation that the board , with the assistance of a tax attorney, try to set up a tax exempt “capital improvement fund” to be funded by voluntary donations. Furthermore recommend that the board develop fund raising methods.

Other recommendations from members included sale or lease of surplus LMC land and increasing use of LMC facilities by outside groups to increase revenues.

GOVERNANCE

Recommendation that the board create a “Service Committee” (possibly within the LOA) to plan, sponsor, promote, and oversee programs and activities.

Recommendation that the board consider a more equitable representation of board members representing condos vs. homes.

Recommendation that the board implement programs such as social events, trips, and small group events that will attract a wider cross section of the community.

Recommendation that the board increase communication to and education of our members concerning the issues, in the hope that we may compromise.

Please note that these 2004 recommendations have been edited and reworded, and that some recommendations have been excluded entirely. The reader is referred to the original document for accurate, complete review.

**LONG RANGE PLANNING COMMITTEE
MEETING OF MON., OCTOBER 28, 2009**

This committee's 6th meeting lasted 1 ½ hours.

Present were: Michael Cahn, Elizabeth Van Zonneveld, Brian Belmont, Art Zoloth, Adele Govert, Joan Dragnich, Larry Nobles, and special guest Diana Smeland (President of PLA).

A very cordial discussion between the two parties was very informative.

Up front, Diana affirmed that PLA is ready to institute the same deal with LMC that it established with the SBCA, namely that PLA would include in the sale of every new unit in North Bay, a \$2,000 fee for the LMC as well as the requirement that the buyer must be a member of the LMC, and thus pay annual assessments to LMC. That would occur if the LMC wishes it.

She described the new units planned as condos and town homes of about 1400 sq. ft. each, many of which are anticipated to be summer or vacation units only. Thus, the impact of those owners using the LMC facilities would be limited to the time they were in Port Ludlow, if they used them at all. Other units were anticipated to be rentals by their owners. She anticipated that the age of those new buyers would be between 50 and 65, mostly without children, the "baby boomers." Each new condo complex and each new town house complex would have its own "homeowners Association," as do the existing condos.

She stated that what guests at the Inn want most in the form of recreation is an exercise room, walking trails, and the golf course. The Inn is installing a very limited exercise room, but she would like access to the LMC's more extensive exercise room for Inn guests. She did not know how important the pools or tennis courts are to Inn guests, but she will attempt to research that. She did not know how great an impact Inn guests would make on the use of the various LMC facilities. PLA is unable to pay a significant fee on a regular monthly or yearly basis for use of LMC facilities by Inn Guests, but could institute a fee from individual Inn guests if they wish to use LMC facilities (if the LMC grants that privilege). We should consider a question on the next survey to obtain LMC member opinion regarding use of LMC facilities by Inn guests.

A "Conference Center Concept" for Port Ludlow is "dead" at this time.

As a "time frame," PLA finds it essentially impossible to get bank financing for its planned condos and townhomes at this time. They don't expect lending money to be available before 2012. PLA does see interest in the condo/town home units starting to appear, and expects interest to increase by 2012.

Asked, "What would PLA like from the LMC," Diana Smeland said that PLA would like to have the LMC available to new condo/town home buyers as an incentive to buy, 1) for its facilities, but even more 2) as a potential social setting in which new residents can meet existing residents.

There was some discussion of the deteriorating condition of the Beach Club. This prompted some "free thinking" about other possibilities, such as a single new "Club" for all Port Ludlow. Such a

new enlarged club could be built on the current site of PLA's offices. Another scenario might be to have two (2) classes of LMC member; one that wishes not to use the facilities and pays a lower assessment and another that uses the facilities and pays an additional fee for that privilege. Also, we might give thought to a separate voluntary fund to perhaps pay for upgrading the Beach Club.

There was also some brief discussion of making the LMC facilities available to visiting boaters, and/or the yacht club.

The meeting ended with our committee satisfied with the answers received, and with the understanding that Diana Smeland would be willing to meet with us again if we so desired. We thanked her for her time.

Bill Hansen, with Adele Govert and Joan Dragnich, will tabulate the returned surveys. Apparently there is some confusion among the 125+ residents who received their survey via e-mail. Were they going to get the survey in the mail with a return envelope? Brian will e-mail them that their survey is via e-mail only and that they can either fill it out and e-mail it back to the LMC, or they can print it out and bring it to the LMC or mail it in, in their own envelope.

I would like to meet again on Mon., November 30, at the Beach Club at 3:00 p.m., to go over the survey and perhaps start a second survey, and on Mon., December 7 at 3:00 p.m., to start discussing goals for the LMC.

I will be out of the country from tomorrow until November 20.

Happy Thanksgiving,

Michael Cahn

LONG RANGE PLAN – 2010
LUDLOW MAINTENANCE COMMISSION
LONG RANGE COMMITTEE’S DISCUSSION AND ANALYSIS

This committee had numerous meetings, many of which dealt with ideas about the future of the LMC. As an astute observer can see, many of our 2009-2010 ideas are very similar to the ideas expressed in the 2004 Long Range Plan. It is apparent that wide diversity exists in our community on numerous issues making consensus difficult to impossible. Many members have uncompromising attitudes about finances and trees and views and governance, which present a supreme challenge to attempts to pass member referendums. This difficulty in our ability to reach consensus to the point of a super majority on issues has kept previous attempts at progress, stifled. This history has led our committee to propose ideas which will hopefully be acceptable to the super majority of our members.

As mentioned, our information about the needs and desires of our members was mainly derived from the survey. Again, we divide those desires into the categories of 1) facilities, 2) finances, and 3) governance.

FACILITIES:

It is apparent, from responses in our survey and from plain observation, that our Beach Club facility is lacking in many aspects. One definite need is for handicapped accessibility. The two main deficiencies mentioned are 1) lack of elevator and 2) lack of handicapped access into the indoor pool. The second main need is space, space, space. There is need for more space for exercise, for aerobics-dance, for meeting rooms, in the kitchen, and elsewhere. There is need for a decent entryway-lounge. There is need for improvement in the locker rooms. There is need for more exercise equipment. All this, and we haven't even mentioned the constraints of the Bayview Room, such as the supporting pillars, the limited size, the limitations of the stage, or the possibility of taking advantage of the view.

But are these needs that our members want? Based on the survey, the answer is yes. Many of the survey responders asked for these improvements. There were also responders who wanted no upgrades.

If one then projects that we owe progress to the many who request it, to those who use the facilities, then we should make the attempt to implement progress. With member's help, we need goals. Should the goal be an entirely new Beach Club? Should the goal be piecemeal additions and upgrades? Should we just maintain what we have? These questions need to be answered by our board, with the assistance of our members.

To make those decisions, the board will need expert, professional evaluations of our current building. The board and our members will need to know how long our building can be expected to function with routine maintenance. Consider our electrical system, consider the older earthquake codes, and consider the older fire codes. If the board decides to progress, it will need to form a

vision with architectural-engineering designs, and will need to “sell” their “product”. Then will come the financing struggle.

Discussion was undertaken by our committee of total Beach Club replacement vs. piecemeal additions. This was in the absence of expert advice. However, we had general agreement that piecemeal additions would probably leave problems in the long term, and that total replacement would result in a superior structure. A comparative cost analysis would be needed. At a minimum, we felt that the handicapped needs should be addressed in the near future, namely an elevator and an improved means for handicapped persons to enter the indoor pool

The problem of creating space is challenging. As in the 2004 report, we considered the racket court. This area is used by only a few persons, while the exercise area is used by many. While we hesitate to recommend removing a venue which draws some people to the club, it makes sense to expand the area for one of our most popular activities. Expanding the exercise space into the adjacent racket court seems to make sense.

Another source of “space” might be achieved by placing a floor across the upper part of the racket court, for an additional meeting room or such above the current court. Space for an appropriate entry-lounge and for an expanded kitchen is a more challenging problem. Again, a cost comparison would help in the decision-making of piecemeal vs. total rebuild.

Of basic concern is the ability of our current club to accommodate the final expansion of North Bay. There are several hundred lots yet to be built upon. In addition, if the LMC accepts persons from the anticipated PLA condos as LMC members, these must be considered as well. Please refer to the section documenting the meeting with Diana Smeland. She feels that those who buy condos would be interested mostly in areas for social contact and less interested in physical activity areas. They would contribute to the LMC’s finances. Our committee felt that the board should make decisions about these potential members, and that the board should enter into more active discussions with and finalize agreements with PLA.

In addition, the subject of combining the Beach Club and the Bay Club keeps recurring. Diana Smeland mentioned the current PLA office site as a possible location for a new combined facility. Of course that would result in the loss of LMC’s current “million dollar view” site. Short of a total new combined structure, would be increased cooperation and sharing between the two clubs. Nevertheless, our committee believes that our board should make decisions about these scenarios and should consider closer communication with the Bay Club.

Briefly discussed was the development of trails from the Beach Club to the nearby trails.

FINANCES:

Reviewing the income and expense sheets for the past 10 years, we see expenses being covered by income. We also see the reserve fund continuing to increase. At least at this time, finances seem stable. However, with inflation, with possible increased expenses for added activities, greater repairs, etc., one should always look for cost cutting efficiencies and increased income. Recently, the conversion from propane heating systems to heat pump systems, as well as

installation of more efficient lighting has produced some significant cost cuts. To increase income, we believe that the board should consider the offer of PLA to force all new North Bay Condo owners to join the LMC and to present LMC with \$2,000 for each condo unit sold.

Some on the committee felt that the reserve fund is over-funded, and that a significant portion of it could be used for capital improvements.

In considering a source of money for any new building, our history has shown that our membership does not want to finance it through member assessments. We have little reason to believe that this situation has changed. Thus, a different method to finance is called for. We suggest that the board should pursue a plan of tax exempt donations to a capital fund. Another possibility might be funding from some grants? Still another possible source of funds could be derived from selling an excess area of PLA property.

The issue of differing assessments for users of the club vs. non-users was not advised by our committee.

GOVERNANCE:

The trees and views regulations are currently being rewritten by the ACC, and our committee did not discuss this issue.

The issue of inappropriate representation between the homeowners and the condo-owners was mentioned. The homeowners outnumber the condo-owners, but the homeowners' board representation outnumbers that of the condo-owners. So, even though the comparative numbers are not accurate, they still give the homeowner advantage. Furthermore, with more houses and more condos due to be built, the exact ratios will change until the final buildout is complete.

**LONG RANGE PLAN- 2010
LUDLOW MAINTENANCE COMMISSION
RECOMMENDATIONS**

FACILITIES:

- 1) We recommend that the LMC Board formulate, without delay, a definitive plan for the future of the Beach Club facility, to maintain or remodel or rebuild.
- 2) We recommend that the LMC Board retain the services of qualified, independent, licensed personnel to evaluate our facility and its potentials, with cost estimates, in order to assist the board in formulating its long range goals and plans.
- 3) We recommend that the LMC Board consider several contingency plans and goals, allowing flexibility to adapt to changing situations within the Port Ludlow community: changes which should include cooperative agreements with the Bay Club.
- 4) We recommend that the LMC Board, having accomplished the above, formulate a vision for the club, with an implementation plan to present and market to its membership.
- 5) We recommend that the LMC Board then create a capital fund to implement its vision if necessary.
- 6) We recommend that the LMC Board provide handicap accessibility to both levels of the Beach Club and to the pools.
- 7) We recommend that the LMC Board include in its vision increased pieces of exercise equipment and increased space for exercise, for meetings, and for adequate kitchen facilities, taking into account the increasing population of North Bay; and that the vision furthermore consider an attractive entry, social "meeting area", and more accessible hostess greeting arrangement.

FINANCE:

- 1) We recommend that the LMC Board pass a motion, formally accepting PLA's offer to mandate all new resort area condo owners becoming LMC members and, therefore, dues paying members. We furthermore recommend that the LMC Board accept PLA's offer to pay the LMC \$2,000 for each new resort area condo sold, and that these agreements be set into writing and validated with Jefferson County, and that this be done in a timely manner.
- 2) We recommend that the LMC Board consider selling privileges to the Inn guests and possibly others, and make accommodations to handle an increased use load in the exercise room. The Beach Club remains a private club for use by its members and their guests, but

allows certain select others to use the facilities, for the purpose of increasing revenues and thereby keeping assessments low. Accessibility would be monitored.

- 3) We recommend that the LMC Board, increase exercise space in the short term by expanding the exercise area and equipment into the racket court, and restructure the racket court space to be more functional.
- 4) We recommend that the LMC Board form a committee to meet regularly with a similar committee from the SBCA Bay Club to seek common ground in cost-saving arrangements.

GOVERNANCE:

- 1) We recommend that the LMC Board, with the approval of the membership, consider changing the governing documents to allow simple majority rule where super-majority rule now prevails, for the purpose of effecting progress in place of stagnation.
- 2) We recommend that the LMC Board create a “service committee” to plan, sponsor, promote, and oversee programs and activities, aimed to attract more members to the club. Such programs could include Bingo and lectures on insurance, Medicare, etc.
- 3) WE recommend that the LMC Board consider unifying members running for LMC Board positions, in place of the current separation of *home owner* and *condo owner* ballots.

As is apparent, these recommendations are progressive, urging the board to make important and necessary decisions in a timely manner. Our committee agrees that setting long term (at least 5 to 10 year) goals and objectives is of primary importance. These views are not new. They resemble the recommendations of past “long term planning” ad hoc committees. It is difficult to understand how important decisions can be made in the absence of a mission statement and of long term objectives. Our committee has taken the results of our survey, and has projected these results into recommendations which we believe are prudent, desirable, practical, and necessary for the logical governance of the LMC. The response of previous boards to recommendations from previous long range planning committees has been seriously lacking. This committee is hopeful that this board will take action on our recommendations.

We thank the board for the opportunity to serve you.

Respectfully submitted, Michael Cahn (chairman), Joan Dragnich, Adele Govert, Bill Hansen, Hugh Jennings, Larry Nobles, Elizabeth Van Zonneveld, Art Zoloth, and Brian Belmont.