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## MINUTES OF THE REGULAR MEETING OF THE BOARD OF TRUSTEES OF LUDLOW MAINTENANCE COMMISSION, INC.

January 27, 2011– 4:00 p.m. – Bay View Room

**Trustees:** Elizabeth Van Zonneveld, Richard Babaian, Vaughn Bradshaw, Teddy Clark, Glee Hubbard, Stan Kadesh, Michael Larkin, Jerry Purdy and Sharron Sherfick.

President Van Zonneveld called the regular board meeting to order at 4:00 p.m.

**Opening Remarks:** All members and board members attending were asked to sign in at the entry to the Bay View Room. All meetings of the LMC are recorded for transcription and accuracy. Meetings are not operated entirely by Roberts Rules of Order, but a general parliamentary procedure will be followed. Skype and/or speaker phone is used occasionally to allow board members to participate while out of town. It is President Van Zonneveld's policy to not vote on matters before the board except to break a tie. Members wishing to address the board are asked to wait until recognized, go to the podium to use the microphone, announce their name and speak one at a time. Motions will be disposed of as they occur.

**Call to Order:** Secretary Bradshaw called the roll. All trustees were present with the exception of Trustee Hubbard. General Manager Brian Belmont was also in attendance. A quorum was present.

**Changes to the Agenda:** None

**Member Comments:** None

**Approval of Minutes:** *Trustee Sherfick made a motion to approve the second draft of the regular board minutes of December 23, 2010. The motion was seconded by Trustee Babaian. Discussion followed. The motion carried 7:0:1, with President Van Zonneveld abstaining. 11-01-01*

*Trustee Clark made a motion to approve the first draft of the executive session minutes of December 23, 2010. Trustee Sherfick second the motion and it carried 7:0:1, with President Van Zonneveld abstaining. 11-01-02*

*Trustee Clark made a motion to accept the second draft minutes of the budget ratification meeting of December 23, 2010. Trustee Bradshaw seconded the motion and it carried 7:0:1, with President Van Zonneveld abstaining. 11-01-03*

### STAFF & COMMITTEE REPORTS:

**Manager's Report – Brian Belmont** – The Trustees have been provided with a draft copy of the December 31<sup>st</sup> financial statements. These are subject to change due to year-end entries for 2010.

Year-to-date about 70% of the assessments have been collected. This is a 5% improvement compared to this time last year.

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Recreational and non-recreational facility usage data for the Beach Club has been provided to the trustees for December.

The maintenance staff is in the process of installing a new motor and pump for the outdoor pool. Bids are being obtained for the outdoor pool work to be done this spring. Funds for this work have been allocated in the reserve budget. The Operations Committee and Mr. Belmont will begin reviewing the bids in the near future.

The mirrors and curtains on the stage in the Bay View Room have been removed and the wall has been restored. Bids are being obtained for replacement of the heat pump that serves the locker rooms. The electrical repair work at the RV lots is nearing completion. The cameras are installed and Bird Electric will install a filter to prevent flickering in the cameras. In the Rainier Lot island a contractor is looking into what they believe is a fault in which an underground wire has been damaged. Bird Electric is not believed to be at fault in this matter.

The maintenance staff did a fine job covering the wires and microphone feeds for the sound system.

Discussion followed.

**Covenants & Regulations Committee (CRC) – Sally Orsborn, Chair** – The Covenants and Regulations Committee met twice in January. The focus of attention during both meetings was, by necessity, proposed Bylaw changes if they are to be sent to members by mid-March.

Items of business included:

The Distinction between Classes of Members (Lot/Condominium): Extensive changes in the Governing Documents would be required to remove all distinctions, therefore CRC subcommittee members, Art Moyer and Bill Wilson, made the recommendation that the board sponsor a forum to give LMC members an opportunity to express opinions as to whether or not to pursue removing all class distinctions from the governing documents.

**ACTION ITEM: A proposed amendment to correct a discrepancy in the Bylaws concerning filling vacancies on the Board of Trustees:**

A more immediate need that involves classes of members is a Bylaw change concerning board replacements. CRC recommends that an amendment be sent for member vote to correct the following discrepancy: In LMC Bylaws, nominations of board members are not limited to a particular class (lot/condominium) whereas in the Bylaw referring to replacement of board members, candidates are limited to a particular class. The majority of the CRC (3 pro; 1 con; 1 abstain) voted to send the proposed Bylaw amendment to the board for a first reading at the January 27, 2011 meeting. (See below)

**ACTION ITEM: A proposed addition to the bylaws on Removal of Trustees Due to Non-Participation:**

This proposed Bylaw addition addresses the board's authority to remove a non-participating trustee. It would appear in Article III, Board of Trustees, Section 7. Removal of Trustees. The first paragraph would become a. and the new section, b. It should be noted that Bylaw Article III, Section 9, Use of Communications Equipment provides for participation by conference telephone or similar communications equipment provided that trustees can hear one another.

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CRC voted unanimously to send this Bylaw addition to the board as first reading at the January 27, 2011 meeting. (See below)

Due to the immediacy of preparing bylaw changes to be sent prior to the general membership meeting in April, other matters were put on hold. They include: **Regulation V (Appeals and Enforcement); Introduction to Regulations 5. Definitions (terminology for vacant lots); Contract Memberships; review of Board Policy and Procedures for Filling Vacancies; and review of Board Policy Procedures for meetings.**

- **LMC Bylaws, Article III Board of Trustees, SECTION 3. Vacancies.**

*First Reading of Draft 1: Proposed amendment to LMC Bylaws, Article III Board of Trustees, SECTION 3. Vacancies.*

*CRC recommended action: Approve unchanged as the first of two final readings or return to CRC with suggestions for a second draft.*

**Rationale:** This amendment was drafted to correct an inconsistency in the LMC Bylaws. In annual nominations to the LMC Board of Trustees, nominees are not limited to a particular class of owners (lot/condominium) whereas in replacing board members when vacancies occur, the bylaws limit candidates to a particular class. This amendment gives the board the right to fill a trustee vacancy from the other class of membership if no one from the vacated class can be found to serve. It also states that the vacancy shall be filled as soon as possible.

**Proposed revision with deletions shown in strikethrough font, and additions shown in italics:**

SECTION 3. Vacancies. Except as otherwise provided by law or in these Bylaws, vacancies ~~in~~ on the Board of Trustees, whether ~~caused~~ by resignation, death, or ~~otherwise~~ *other cause*, shall be filled *as soon as possible* by a vote of the remaining members of the board, ~~at their next succeeding meeting,~~ provided that each replacement trustee shall be an individual who holds the same class of membership interest (i.e., as a lot owner or a condominium-unit owner) as the trustee so replaced. *In the event that no one from the same class of membership applies to fill the vacancy, a member from the other class may be considered.* ~~; and provided further, that if~~ *If* the unexpired term so filled extends beyond the date of the next annual membership meeting, such replacement trustee's continued service shall be subject to vote at that meeting by members of the same class of membership, either confirming such ~~T~~trustee or electing a different individual to finish the unexpired term.

**Same proposed revision with line in/line out removed:**

SECTION 3. Vacancies. Except as otherwise provided by law or in these Bylaws, vacancies on the Board of Trustees, whether by resignation, death, or other cause, shall be filled as soon as possible by a vote of the remaining members of the board, provided that each replacement trustee shall be an individual who holds the same class of membership interest (i.e., as a lot owner or a condominium-unit owner) as the trustee so replaced. In the event that no one from the same class of membership applies to fill the vacancy, a member from the other class may be considered. If the unexpired term so filled extends beyond the date of the next annual membership meeting, such replacement trustee's continued service shall be subject to vote at that meeting by members of the same class of membership, either confirming such trustee or electing a different individual to finish the unexpired term.

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*Trustee Bradshaw made a motion to accept the CRC's first draft of proposed changes in language to the LMC Bylaws, Article III Board of Trustees, SECTION 3. Vacancies. as a first reading. Trustee Clark seconded the motion. Discussion followed.*

*Trustee Kadesh proposed an amendment to the above motion to add the words "In the event that no more than one candidate from the same class of membership applies to fill the position, members of the other class may be considered." Trustee Clark approved the amendment. Discussion continued. The motion carried 6:1:1, with Trustee Bradshaw opposed and President Van Zonneveld abstaining. 11-01-04*

*Discussion continued. By a vote of 7:0:1, the trustees approved the motion by Trustee Bradshaw and seconded by Trustee Clark to accept the proposed first draft, as amended by Trustee Kadesh. The draft will be returned to the CRC for consideration of wording for the following intent: that at least two candidates from the same class must be apply; if only one applies, a candidate from the other class who applies may be selected. President Van Zonneveld abstained. 11-01-05*

- **LMC Bylaws, Article III Board of Trustees, SECTION 7. Removal of Trustees.**

*First Reading of Draft 1: Proposed addition to LMC Bylaws, Article III Board of Trustees, SECTION 7. Removal of Trustees. This addition was prepared by the Covenants and Regulations Committee and is proposed to the board to send to the members for inclusion in the Bylaws. (First paragraph becomes a., new section becomes b.)  
CRC recommended action: Approve unchanged as the first of two final readings or return to CRC with suggestions for a second draft.*

**Rationale:** The LMC Board of Trustees needs to have a fully functioning nine-member board in order to satisfy the requirements of the corporation and to accomplish its work effectively. The board should have the power to remove non-participating members. It should be noted that the Bylaws in Article III, Section 9, Use of Communications Equipment includes participation by conference telephone or similar communications equipment provided that trustees can hear one another.

**Proposed addition:**

(The first paragraph of Section 7. becomes a.)

b. A trustee who fails to participate in three consecutive regularly scheduled meetings of the board may be removed by an affirmative vote of no less than five members of the board.

*Trustee Kadesh made a motion to accept the CRC's recommended bylaw language change to include removal of trustees, as a first reading, to be returned to the CRC with board comments. The motion was seconded by Trustee Babaian. Lengthy discussion followed. Board comments included a request to add "regularly scheduled monthly meeting of the Board of Trustees" and to include a reference to participation by electronic means in the bylaw, itself. The motion carried 7:0:1, with President Van Zonneveld abstaining. 11-01-06*

**PLA Facilities Agreement – Mr. Belmont** – Mr. Belmont explained this agreement has been in use for at least five years, with small changes. Port Ludlow Associates (PLA) is interested in renewing this agreement but they do not have the exact information as to which units would be participating in the rental pool. There are currently eight units participating in the rental pool.

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*Trustee Sherfick made a motion to accept the Facilities Agreement between Ludlow Maintenance Commission (LMC) and PLA, as presented by Mr. Belmont. The motion was seconded by Trustee Clark. Discussion followed. The motion carried 7:0:1, with President Van Zonneveld abstaining. 11-01-07*

**Operations Committee (OC) –Jim Goode, Chair** – Mr. Goode discussed the January 6, 2011 draft revision of the rental and fee policy as proposed by the Operations and Finance Committees.

*Trustee Clark moved that the board adopt the draft policy for member rentals and the fee schedule attached to it, as proposed by the Finance and Operations Committees. Trustee Sherfick seconded the motion. Lengthy discussion followed. A concern was raised about the language giving discretion to the General Manager to arbitrarily decide who constitutes a family member. The motion failed 3:4:1, with trustees Clark, Larkin and Purdy in favor, Trustees Bradshaw, Babaian, Kadash and Sherfick opposed. President Val Zonneveld abstained. 11-01-08*

Since the trustees were not able to agree on substitute wording with a reasonable amount of discussion at the board meeting, further work is needed. The policy will be the subject of a board workshop to provide guidance to the Operations Committee for rewording.

**Finance Committee (FC) – Bob Bima Chair** – The FC is reviewing the reserve and facilities requirements. A recommendation will be made for both a base index for the assessment and an index to advance that as necessary. Three models, consisting of (1) minimum service in maintenance of reserve level, (2) continuation of current services as sustainable level of maintenance and replacement and (3) additions and betterments as are suggested, will be considered.

Columbia Bank has a new product called CDARS. This is a CD program that will enable individuals/businesses to invest in CD's of more than \$250,000 and still be fully insured by the FDIC. The bank in this case assembles a panel of banks, all insured by FDIC, and they can spread a given deposit to the panel of banks to meet the FDIC limit requirement. The board needs to be aware LMC may not necessarily be in control of what banks would receive our deposits. Treasurer Sherfick will ask a representative from Columbia Bank to visit the next FC meeting.

Discussion followed.

**Architectural Control Committee (ACC) –Bill Clark, Chair** – Many requests have been forwarded to ACC, including requests related to hazardous trees and requests from owners requesting permission to cut trees on their property. Trees have also been cut without ACC authorization. The ACC continues to work on their policies and procedures as well as working on revision of the regulations regarding hazardous trees and trees on owner-owned property.

**Greenbelt Committee (GBC) — President Van Zonneveld** - President Van Zonneveld stated Karen Brattain resigned at the end of December. Trustee Purdy has offered to chair the committee until a chair can be appointed. Two community members, Kim Wright and Roger Oster, have expressed an interest in the GBC. Kim Wright has been in touch with the GBC and

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has made a couple of site visits with them. Roger Oster plans to attend meetings, and it was learned he previously owned a tree farm in CA.

**PLVC Trails Committee – Expansion Proposal** – President Van Zonneveld explained the step the trustees need to take is to refer the PLVC Trails Plan to the GBC for review because all LMC's trails are on greenbelt.

*Trustee Kadesh made a motion to refer the PLVC trails plan to the GBC for review and comment. Trustee Babaian seconded the motion and it carried 7:0:1, with President Van Zonneveld abstaining. 11-01-09*

**Communications Committee (CC) – Sue Milner, Chair** – No verbal report available.

**Ad hoc Elections – Brian Belmont** – Mr. Belmont reported the Ad Hoc Elections Committee met in early January and will meet again on the 28th. Refinement continues on procedures and looking at proxies and ballot criteria as far as what make a ballot valid or invalid. A couple of members need to be added to the committee. Mr. Belmont proposed Bill Hansen and Peggy Manspeaker be approved to join the committee. Mr. Hansen has worked on a lot of projects with LMC over the years and is an expert parliamentarian. Peggy Manspeaker has previously served on the ACC and helped with the ballot count at the 2010 annual meeting.

*Trustee Bradshaw made a motion to approve Bill Hansen and Peggy Manspeaker to serve on the Ad hoc Elections Committee. Trustee Kadesh seconded the motion. Discussion followed. The motion carried 7:0:1, with President Van Zonneveld abstaining. 11-01-10*

**Admiralty II Condominiums – President Van Zonneveld** – The annual meeting was held January 22, 2011. The condo buildings will be painted. They will use two sets of colors, a darker and lighter soft blue and a darker and lighter soft green. No decision has been made on trim color. They are also putting in new windows and the members also voted to put in new lighting. The proposed PLVC trail through Admiralty II was denied due to privacy issues.

The meeting was recessed at 5:45 p.m. and reconvened at 5:57 p.m.

## BOARD BUSINESS

**Correspondence – Secretary Bradshaw:** January 6 - email from Art Moyer expressing his opinion that our use of Executive Sessions for replacement and discussion of replacement of trustees on the board is in violation of the RCWs; January 7 - email from Lenetta Johnson letting us know that she tripped and fell on the sidewalk in front of the Beach Club on December 7, and asking us to resolve the condition that caused the problem; January 7 - letter from Verba Abbott accompanying her retroactive tree trimming application and appealing the sanction imposed upon her as unlawful and discriminatory enforcement.

Discussion followed. Secretary Bradshaw will respond to Mrs. Johnson, explaining the repairs to the site where she fell.

*Trustee Larkin made a motion the board obtain an attorney opinion as to whether vacancies and replacement of trustees, under the existing rules, are allowed to be discussed in executive session. Trustee Clark seconded the motion and it carried 4:3:1, with Trustees Bradshaw, Clark,*

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*Larkin and Purdy in favor, Trustees Babaian, Kadash and Sherfick opposed and President Van Zonneveld abstaining. 11-01-11*

Discussion continued. Lengthy discussion followed related to Mr. Moyer's email. Mr. Moyer will be thanked for his email and advised a legal opinion will be obtained.

In response to Verba Abbott's email, a thank you for writing with acknowledgment she has begun to comply. When she has fully complied sanctions may be removed.

**LMC Board 2010-11 Goals progress report –Strategic Plan Update – Trustee Larkin** – The upcoming LMC social is tentatively planned from 4:00-7:00 p.m. on February 17. The trustees were provided with information and recommendations related to the upcoming LMC social. The need to have someone greet people at the door, several people to serve wine and someone to keep the food items available were discussed. Approximately 100 people are expected. Various options related to food and wine choices were discussed at length. Name tags will be worn by attending trustees and committee chairs/members. Trustee Sherfick obtained a \$25 gift certificate for T's Restaurant in Port Townsend, for a door prize.

Discussion continued. President Van Zonneveld suggested a budget limit of \$500. Kim Monroe will be asked to develop an appetizer table, consisting of crackers and cheese platters, with Trustee Larkin. The wine will be purchased from the Marina. Several six packs of beer will also be purchased and coffee and ice water will also be served. All LMC volunteers are encouraged to personally invite two or three neighbors to attend the social. Discussion continued.

Trustee Larkin discussed various ideas for the display case at the back of the Bay View Room.

Discussion related to the Strategic Plan followed. Two workshops will be held in February, one on February 10<sup>h</sup> and one on February 17. The February 17 workshop, scheduled from 1:00-3:00 p.m., will include update on the Strategic Plan. Discussion continued on workshop topics, scheduling, and Strategic Plan issues.

**Policy & Procedures for LMC Meetings – President Van Zonneveld** – Pending review and comment by the CRC.

**LMC Candidate Forum - The LMC Candidate Forum** is scheduled to take place on March 31, 2011 from 6:00-8:00 p.m. Candidates from the lot owners and condominiums will participate. Lot Owner Association President Bryan Diehl will serve as the moderator for the forum. An article will be prepared for publication in the Voice.

**Big John Award – Mr. Belmont** – Mr. Belmont provided background on the Big John Award, and explained the intent of this award is to recognize exceptional volunteerism. Written nominations are accepted up to February 28. Prospects for this award are considered at the board March meeting, in executive session (pending an attorney opinion). The annual recipient is determined by a majority vote of the board. The current board members are ineligible. The recognition is in the form of a certificate, and placing his and/or her name on a brass plate attached to the John Van Zonneveld – Big John Award plaque at the Beach Club. The award is presented at the annual meeting in April. The trustees were in agreement to send an email to all

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LMC members on the email list, to remind them of the Big John Award nomination deadline, the upcoming social on February 17 and the candidates' forum on March 31.

**Closing Remarks and Evaluation** – President Van Zonneveld stated today's discussions were a little loose and that if the board wants to be efficient about LMC's business meetings, the trustees need to be better prepared in the workshops, to avoid having to rewrite things at the board meeting. Remarks to the Operations Member Policy were very worthwhile.

Trustee Bradshaw stated he felt the board was working together very well as a team, with a very civil tongue. Mr. Belmont indicated he felt this board understands it is not productive to keep beating things to death, to try to develop policy on the fly. If decisions cannot be made at the board meeting, the trustees need to send the item back to the committee level. Compliments were given to President Van Zonneveld for her leadership and Sally Orsborn for her work on the CRC.

There being no further business to come before the Board of Trustees, President Van Zonneveld adjourned the regular meeting at 7:15 p.m.

Vaughn Bradshaw, Secretary  
Ludlow Maintenance Commission, Inc.

Prepared by Carol Shamhart  
LMC Recording Secretary