

# APPROVED

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

October 11, 2008 – 9:00 a.m. – Bay View Room

**Trustees:** Jim Boyer, Vaughn Bradshaw, Ian Feltham, Hugh Jenings, Jr., Stan Kadesh, Paul Moseley, Art Moyer, Jerry Nelson, and Elizabeth Van Zonneveld.

President Boyer called the regular board meeting to order at 9:05 a.m. Roll call was conducted by Secretary Bradshaw. All trustees were present with the exception of Jerry Nelson. General Manager Brian Belmont and Parliamentarian Bill Hansen were also in attendance.

**Agenda Changes:** President Boyer asked if there were any changes to the Agenda. Due to the absence of ACC chair, Bill Lazarus, *Trustee Van Zonneveld made a motion to reschedule the appeal hearing on lot #7-0-014 to the end of the November board meeting which would be within the required 60-day period. Trustee Kadesh seconded the motion. Lengthy discussion followed. The motion failed to carry by a vote of 3:4:1 with Trustees Moseley, Feltham, Boyer and Moyer opposed. Trustee Jenings abstained. 08-10-01*

President Boyer removed New Business item A. – Admiralty III and Ludlow Bay Village Membership Discussion, from the agenda. This matter will be addressed in a future workshop at such time as the LMC receives an application to add either of these developments to our membership. Discussion followed. An error in the date for approval of minutes was corrected on the agenda.

**Approval of Minutes:** *Trustee Moyer made a motion to approve the regular meeting minutes of September 13, 2008. Trustee Moseley seconded the motion and the motion carried unanimously. 08-10-02*

**President's Remarks:** President Boyer announced the board meetings are recorded and are available to members. President Boyer stated the trustees wanted the membership to be involved and participate in guiding the trustee whenever possible. To assist with this, member response periods of up to three minutes, have been added to the monthly trustee meeting agenda.

### **Manager's Report – Brian Belmont**

The trustees have been provided the September 30, 2008 financial statements. As shown in the Late Collection Summary, dated October 8, 2008, there are currently \$4,596.85 in past due assessments and fees owed to LMC by five property owners. Since last month's meeting two past due assessments have been collected.

Vaughn Bradshaw and I have been working on how to go about replacing the men's locker room floor drains. We have talked to plumbing contractors and a tile installer, as well as consulted with LMC member Jack Riggen, a structural engineer. Vaughn has prepared plumbing specifications for the bid process which I have attached to my report. Because there are several facets to this project, I would like to suggest the board consider holding a workshop to discuss the scope of work. If there is a workshop, I would like to include the Operations Committee in the discussion. Holding a workshop on this topic will help everyone understand what the plan is and the steps involved to complete the project. We can also discuss how the project is going to

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be managed. Is LMC going to act as the general contractor or do we want the plumbing contractor to oversee all aspects of the project, which includes: locating of utilities where possible, concrete cutting and removal, plumbing, potential electrical repairs, re-pouring of the concrete, floor tile installation, framing and drywall repairs and permitting? We will also need to have a discussion regarding the funding of the project? Under the recently revised reserve policy the tile work could clearly be paid for through reserves. However, the floor drain replacement may not qualify under the current reserve policy.

At the September Board meeting it was agreed that LMC would allow the Port Ludlow Yacht Club use of the Bay View room glass display cabinets. I have prepared a usage agreement which has been signed by LMC and PLYC. A copy has been provided to the trustees.

On August 21, Jefferson County provided LMC with written notice of the county's intent to surrender the easement for the communication tower located in the RV storage lot. In accordance with the easement, the county has six months to restore the property to original condition and remove the tower and equipment building. In a letter dated September 24, I requested, on behalf of LMC, a six month termination extension so that LMC could explore other options for tower ownership. Jefferson County sent a response dated September 25, indicating that because of liability exposure the county is unwilling to extend the termination period.

I recently received an email from Port Ludlow Radio Club member Mark McKibbin, who wrote "The Radio Club is going ahead with plans to remove our equipment from the tower about the 1st of November. Our tower climber is out of the area until then. If I should hear anything different, I will keep you informed. But, under the circumstances I do not think that there would be much that the LMC or the Club could provide the County that would change their minds."

During the week of October 13, A-1 Services will be here to cut the roots in the 8" storm drain line that is connected to the catch basin next to the Beach Club dumpster area. After clearing out the cut material LMC will have A-1 attempt to locate the drain line route and termination point.

Trustee Vaughn Bradshaw donated to LMC a new heater that is designed to fit under a desk work station. The new heater will be installed under the hostess's desk. Mr. Belmont thanked Trustee Bradshaw for his generous donation.

Mr. Belmont reported several downspouts on the south corner of the Gallery Room were backing up during recent heavy rainfall. The maintenance crew discovered the downspouts go into concrete drain tiles and the first two to three feet of the drain line was packed solid with roots and dirt. Hand excavation is being carried out to determine the extent of the blockage.

Trustee Moyer thanked Trustee Bradshaw for his work on the men's locker room floor drain specs. Discussion followed.

A special meeting of the Board of Trustees will be held on Wednesday, October 29, 2008, for the purpose of discussing and reviewing the upcoming project to repair the drainage problem in the men's locker room. Members of the Operations Committee will attend the special meeting, which is open to all LMC members.

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## COMMITTEE REPORTS:

### **Architectural Control Committee (ACC) – President Boyer for Chair Bill Lazarus**

President Boyer announced the ACC has received the usual assortment of permit requests. Because 80% of the requests received by ACC relate to trees and views, the ACC has asked the Covenants & Regulations Committee (CRC) to work with ACC to give them a solid footing in making future determinations on how the trees and views requests are handled. Lengthy discussion followed.

### **Covenants and Regulations Committee (CRC) – Trustee Moyer for Dwayne Wilcox, Chair**

Trustee Moyer reported the CRC has prioritized the list of items given to the committee by the board. The number one priority is to resolve the differences between the bylaws and the Articles of Incorporation. This will be addressed at the next CRC meeting on Tuesday, October 21. Trustee Moyer stated there was not complete agreement between the trustees on ways to put the governing documents in sync, and he further discussed ways in which this problem might be cured. The trustees will seek input from the CRC on this and other issues.

The Beach Club Rental Policy is being reviewed and the matter related to liability insurance will be addressed by the CRC.

President Boyer requested the CRC list the current items requiring attention on a spread sheet, to allow the trustees to review and prioritize. Discussion followed.

### **Communications Committee (CC) - Barbara Berthiaume, Chair**

Ms. Berthiaume announced the latest issue of the LOG is ready for the trustees' approval.

The CC is in the process of developing a more defined job description for the editor's role. The roles and boundaries pertaining to the CC and other definitions will eventually evolve into a set of policies and procedures. This should be accomplished by the 2009 annual meeting.

Over the past three months the CC has been working, as requested by the trustees, on a resource base of volunteers in order to identify skills and availability to serve in various capacities. The board has been provided with progress reports and the evolution of this service committee.

Ms. Berthiaume thanked the members of the CC and General Manager Brian Belmont for their work on the CC.

Bob Reasoner has tendered his resignation to the CC. Ms. Berthiaume expressed her appreciation for Mr. Reasoner's valuable input. Trustee Moseley thanked Mr. Reasoner for his assistance to the trustees in their communications workshop.

*President Boyer made a motion for final approval of the content, as it stands, in the current LMC Newsletter (LOG). Trustee Jenings seconded the motion and discussion followed. The motion carried unanimously. 08-10-03*

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## **Finance Committee (FC) – John Van Zonneveld, Chair**

Mr. Van Zonneveld reported the FC has investigated the company the FC works with, namely Edward Jones & Company. Edward Jones has an excellent reputation and the FC is fortunate to be able to work with them. Mr. Larry Wiener, who has worked with the FC locally, has volunteered to meet with the FC and help as needed.

At the request of the chair at a previous meeting, Mr. Bima presented an analysis of the LMC finances. This report was reviewed by the committee in detail and unanimously accepted with changes suggested by the committee. The report will be forwarded to the Trustees at their October 11 general meeting. Out of \$415,600 invested for reserve purposes, only 1.6% is rated as a junk note and this note is considered as potentially rebounding. The committee voted unanimously to recommend to the Board of Trustees to retain this GMAC note that has a maturity value of \$10,000 and maturity date of 7/2009. The second note in our portfolio is a \$10,000 note payable in 2009 that was issued by SBC Communications, Inc. This corporation absorbed Southern Bell and AT&T, and is presently rated "Hold". All other investments are FDIC insured and the LMC is not in danger of losing any of these funds. The Finance Committee is recommending that Mr. Bima's analysis be included in the October LOG as an insert.

*Trustee Moyer made a motion to add the first two pages (printed front to back) of the Finance Committee's report as a one-page insert to the current issue of the LOG. Trustee Van Zonneveld seconded the motion. Discussion followed. The motion carried unanimously. 08-10-04*

The Finance Committee is extremely proud of the special efforts by Bob Bima, who is a valuable contributor.

The Finance Committee would like to add two members. If finances interest a North Bay resident, please contact Brian Belmont, our general manager.

Frankly speaking the finances of the LMC are entering a dangerous period. There are a series of heavy expenses coming up: the new drainage system in the men's dressing room area, the repair of wiring of the Beach Club, the re-roofing of the remainder of the clubhouse. All of these items are very high expense matters to be solved. Currently, our annual assessment is \$438.15. Yearly increases are limited by the CPI.

To be able to continue to provide our members the current level of services, we will need to establish a new assessment base of approximately \$550 beginning in the year 2010. An annual adjustment no greater than the CPI would be added each year thereafter. The current base amount of \$300 was established in 1994. Further study on this matter will be conducted.

Due to unbudgeted expenditures and increased operating expenses, we are anticipating a budget shortfall of about \$10,000. The Operations and Finance Committees are looking at cost saving measures that could be implemented this year.

**Greenbelt Committee (GBC) – Ted Buehler, Chair - No report.**

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## **Operations Committee (OC) – Jim Goode, Chair**

Mr. Goode reported he is in agreement that the LMC assessment needs to be adjusted to cover LMC expenses. The OC agreed that the County should be notified to remove the communications tower as soon as possible.

Mr. Good asked the board to approve Teddy Clark as a new member of the Operations Committee. *Trustee Moyer made a motion to accept Teddy Clark as a member of the Operations Committee. The motion was seconded by Trustee Jenings. The motion carried unanimously. 08-10-05*

The OC will hold a special meeting on Wednesday, October 15 at 11:00 a.m., to complete discussion of the 2009 budget.

Mr. Goode stated the OC had briefly discussed shortening the hours of Beach Club operation during the winter months. Closing the Beach Club on Sunday or closing early on Sunday were two options discussed. Mr. Belmont will study club usage during the winter months and will report back to the OC and the trustees. Discussion followed.

**North Bay Lot Owner's Association** – No report.

**Condominium Associations** – No report from Admiralty I, Admiralty II, or North Bay Lane condominium associations.

## **Port Ludlow Village Council (PLVC) – President Boyer and Larry Nobles**

President Boyer reported the PLVC's current discussions primarily relate to the Iron Mountain Quarry and Proposition I (Utility PUD issue). PLVC election results were tallied and new members from the North Bay are Doug Henderson, Helen Cotta and Art Zoloth.

Mr. Nobles reported the Iron Mountain Quarry matter is proceeding on three fronts. One is a legal front, in which the PLVC, SBCA and Port Ludlow Associates filed a suit in superior court with regard to the diminished assets doctrine. That trial was heard last Wednesday. The judge has asked for a November date to render his decision on that. The second front is a quasi-legal front, in which the need for a conditional use permit was being considered by the hearing examiner. The County Department of Community Development issued an opinion that a conditional use permit would be required for mining on the property. Iron Mountain appealed this to the Hearing Examiner and the Examiner ruled in favor of the community and the County. The matter is still within the window of possible appeal and it is not known whether Iron Mountain will file an appeal. The third front is referred to as a legislative front. Iron Mountain has also filed an application for a mineral lands overlay on 142 acres of land adjacent to the Shine Quarry. A decision in this matter will be rendered by the Planning Commission at 6:30 p.m. on October 15, at the Shold Center on Rhody Drive in Port Hadlock. The decision is only a recommendation to the County Commissioners. Comments made after the decision will be referred to the County Commissioners. Public hearings will be held before a final decision is made by the County Commissioners.

There have been indications that Iron Mountain may be willing to talk independently and possibly settle out of court.

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**Member Comment Period** – Ms. Berthiaume complimented Mr. Van Zonneveld for providing an excellent financial report.

## **CORRESPONDENCE:**

President Boyer reported that two lengthy letters had been received from members. These letters were submitted for the record and the originals will be retained in the Beach Club files. Trustee Moyer recommended the letter challenging LMC's right to assess members who rent their property should be referred to the CRC and possibly to the attorney. Lengthy discussion followed. Secretary Bradshaw will respond to the homeowners to thank them for their letter, explain the trustees are taking the matter under advisement, and notify them that the matter will be discussed at the November monthly board meeting. Discussion continued. President Boyer will contact the LMC attorney for further clarification on this matter.

The meeting recessed at 11:20 a.m. and reconvened at 11:27 a.m.

Trustee Van Zonneveld left the board meeting during the recess.

**Member Comment Period** – A member asked if the trustees were planning to hold workshops on a regular basis. President Boyer explained trustee workshops will be held on an as-needed basis and 30-day notification will be given to the LMC members.

Several comments were made, one related to enforcement of the governing documents, another concerning a requested easement on Osprey Ridge and the extensive prep work that will be required to build on the property. Alan E. (Lani) Ross, owner of the property adjacent to the proposed building site at the corner of Osprey Ridge and Oak Bay Road, requested notification of what is going to happen with the cut between the lots and how the project develops. Discussion between the trustees and members of the audience followed.

## **UNFINISHED BUSINESS:**

**Board Goals – Status Report – Brian Belmont** – No report at this time.

**Insurance Risk Management Recommendations (policy changes) 2<sup>nd</sup> Reading** – No report at this time. The CRC has not yet addressed this matter.

**ACC Membership – Sharon Sherfick (alternate) – Brian Belmont** – At the September board meeting Sharon Sherfick was inadvertently approved by the trustees as an ACC committee member, not as an alternate. *Trustee Moyer made a motion to approve Sharon Sherfick as an alternate on the ACC. Trustee Bradshaw seconded the motion and it carried unanimously. 08-10-06*

**Port Ludlow Communication Tower – Brian Belmont** – Mr. Belmont reported the County has notified the LMC that they plan to submit the necessary paperwork by November 1 to begin the permit process to take the tower down. Based on previous discussions and the short timeline Mr. Belmont recommended the LMC notify the County to remove the tower. *Trustee Moyer made a motion to inform the County to proceed with removal of the tower. The motion was seconded by Trustee Moseley and the motion carried unanimously. 08-10-07*

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**Elections Committee – Brian Belmont** – Mr. Belmont reported the committee currently consists of Trustee Bradshaw and himself. There is a need for more people to be involved. The purpose of the committee is to put together, review, and fine tune the paperwork the LMC sends out to the members for the annual meetings, etc. Discussion followed.

**Proposed CRC Amendments – discussion** – Previously covered in the CRC report above.

**Lot Owner & Condominium Owner Representation on Committees – Trustee Jenings** – Trustee Jenings recounted that he had suggested at the September board meeting the board adopt a policy change to remove condominium-owner-representative trustees from those committees that specifically affect lot owner issues. He withdrew the proposal at that time because of a lack of support. Trustee Jenings suggested that because the President has the right to place trustees on any committee he deems appropriate, the President might consider making changes to the trustee committee assignments in accordance with his logic. Discussion followed.

### **NEW BUSINESS:**

**Admiralty III & Ludlow Bay Village – LMC Membership Discussion** – This matter has been tabled until the issue surfaces. The trustees will deal with this matter in a workshop, once an application for membership has been received.

**Volunteer Resource Service Committee – Barbara Berthiaume** – The Communications Committee has been working on this matter for the past three months, as requested by the trustees. Ms. Berthiaume discussed the background of this project and presented the trustees with a final report containing the Communications Committee's recommendations. Discussion followed. The trustees will further discuss this matter at the November board meeting.

**Door of Grace Easement – Appointment of Ad-Hoc Committee** – President Boyer turned the podium over to Kevin Hunter from the Door of Grace Church. Mr. Hunter explained they are requesting an easement because a driveway onto Osprey Ridge Drive is a requirement of the County concerning health and safety. Mr. Hunter explained he had received a conceptual approval from Greenbelt Committee for the ingress/egress across from the entry into American Marine Bank. Mr. Hunter explained he is requesting an ingress/egress through a greenbelt but not the upper one separating Mr. Ross's property. They are in the process of finalizing the soils report, and cuts and slopes need to be completed for the ingress/egress, and will be presenting this information when it is complete. Conceptual approved is needed from the trustees to go forward with their request before the County. Discussion followed. Mr. Hunter will provide additional information and drawings of the project to the trustees, and stated the County is sending a favorable letter to the LMC. Discussion continued. An ad hoc committee will be created by President Boyer for approval at the November board meeting.

President Boyer called for a recess at 12:05 p.m. to vacate the Bay View Room for another function. The meeting reconvened at 12:12 p.m. in the Gallery Room, to hear the appeal related to lot #7-0-016. Trustees present to hear the appeal included President Boyer, Ian Feltham, Stan Kadash, Paul Moseley, and Art Moyer. Trustees Jenings and Bradshaw recused themselves from voting in this matter.

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## Appeal of ACC Decision – Lot 7-0-014

President Boyer explained the basic rules of an appeal hearing and discussed the background in this matter. This matter concerns an ACC decision on an application for a paint color that is currently on the house on the above-mentioned lot.

Member comments were heard.

The ACC chair was not present at the appeal. Trustee Bradshaw, acting as one of the trustee representatives to the ACC, explained the ACC's position in this matter.

Hugh Jenings, owner of lot #7-0-014, presented his case to the trustees.

Rebuttal comments were heard by the trustees.

*President Boyer stated the hearing had been completed and made a motion to adjourn the meeting to executive session at 1:31 p.m. Trustee Moyer seconded the motion. The motion carried by majority vote 4:1 with Trustees Kadesh, Boyer, Moseley, Moyer for and Trustee Feltham against. 08-10-08*

President Boyer announced the executive session was concluded and the board meeting reconvened in open session at 1:53 p.m.

*Trustee Moyer made a motion that the board reverse the decision of the ACC to deny the color as applied for on April 21, 2008, for lot #7-0-014, based on the following rationale and to accept the color as it stands:*

- 1. That the ACC did not follow proper procedures as defined in the regulations by taking into consideration anonymous comments and unsigned letters.*
- 2. The ACC did not respond to the color application in a timely manner as required in the regulations.*
- 3. The ACC has previously approved colors for homes in the area which are consistent with the subject property.*

*Trustee Feltham seconded the motion and the motion carried unanimously, 5:0. 08-10-09*

LMC business being concluded, President Boyer adjourned the meeting at 1:56 p.m.

Respectfully submitted,

Vaughn Bradshaw, Secretary  
Ludlow Maintenance Commission, Inc.

Prepared by Carol Shamhart  
LMC Recording Secretary