

APPROVED

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

November 14, 2009 – 9:00 a.m. – Bay View Room

Trustees: Elizabeth Van Zonneveld, Jim Boyer, Vaughn Bradshaw, Teddy Clark, Hugh Jenings, Jr., Stan Kadesh, Michael Larkin, Paul Moseley, and Tom Satterlee.

President Van Zonneveld called the regular board meeting to order at 9:05 a.m. Roll call was called by Secretary Michael Larkin. All trustees were present with the exception of Trustees Bradshaw and Jenings who attended via telephone. General Manager Brian Belmont was also in attendance. A quorum was present.

President's Remarks: President Van Zonneveld announced the Board of Trustees meetings and all meetings of the LMC are recorded for transcription and accuracy. Prior to the start of the meeting there will be a 15-minute period for member comments. President Van Zonneveld asked the Trustees to accept motions for action during the course of the committee chair reports. Trustee Satterlee will continue to serve as the Trustee on the Greenbelt Committee. President Van Zonneveld stated it is her policy not to vote as President unless required to break a tie. The meetings are not operated entirely by Roberts Rules of Order, but a general parliamentary procedure will be followed. Participants will wait until recognized, announce their name, and speak one at a time. Motions will be disposed of as they occur.

Agenda Changes: The Trails Committee from the PLVC will be moved to the head of the committee reports. An executive session will be held in the middle of the agenda to discuss personnel matters that could impact the 2010 LMC Budget.

Member Comments: Donald Cooper discussed a letter he will be sending to all condominium owners. The letter addresses changing Article III of the LMC Bylaws to allow that all vacant positions on the LMC Board of Directors be filled by candidates from the LMC membership in total.

Approval of Minutes: *Trustee Boyer made a motion to approve the October 10, 2009 regular meeting minute's draft, as amended. The motion was seconded by Trustee Kadesh and carried 8:0:1, with President Van Zonneveld abstaining. 09-11-01*

Port Ludlow Village Council Trails Committee – Larry Scott

Mr. Scott discussed the Trails Committee's annual request for a contribution from LMC for funding of the community trails. The committee's accomplishments this year and goals for 2010 were presented to the trustees.

The committee is seeking permission from the Board to cross a greenbelt area in the Cressey Lane area. Mr. Scott provided details of this project, and discussed what projects have been funded by the Trails Committee.

Discussion followed, with appreciation for Mr. Scott and his committee's work.

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Manager's Report – Brian Belmont

The trustees have been provided the October 31, 2009 financial statements. Through October 31, operating revenue is \$8,142 under budget. Contract memberships, architectural fees, and interest income continue to be significantly under budget through the first ten months of 2009. As of October 31, operating expenses are \$10,533 under budget. However, because LMC prepays our federal income tax, a \$3,440 expenditure will be moved from the balance sheet to operating expenses at year's end.

With the exception of a \$200 partial payment in October, there has not been any additional activity in our assessment collections. Currently 15 properties are delinquent for a total of \$11,648.90. LMC received notice of another pending foreclosure. The YTD total is three foreclosures and one personal bankruptcy.

LMC member, Sharon Schmidt, has donated a four piece wicker chair set to the Beach Club. This furniture is being used on the covered deck outside the gazebo.

LMC received an anonymous donation of \$1,000 that is to be used to purchase a new television for the gazebo. LMC staff is researching flat screen models that can be mounted on the wall in that room.

During the past month our maintenance staff has been cutting back the cotoneaster groundcover that borders the upper parking lot. In addition to the groundcover, low hanging evergreen branches have been removed from trees that are growing adjacent to the asphalt.

LMC recently hired John Krumrei as a part time maintenance employee. John will start his training on Monday, November 16. Initially, John will be used for vacation coverage in December and will serve as a backup for other maintenance employees.

Discussion followed.

COMMITTEE REPORTS:

Architectural Committee (ACC) – Bill Clark, Chair

Mr. Clark reported the committee has been working on a revision of the view relief regulation. A draft proposal is expected to be ready for review by the Board by the first of the year.

Lengthy discussion followed. Mr. Clark stated the current moratorium remains in place until January 2010.

Covenants and Regulations Committee (CRC) – Dwayne Wilcox, Chair

Mr. Wilcox reported the CRC had reviewed the first readings for greenbelt policies related to tree topping, the Beach Club/Bridge Deck Rental and Fee policy and the Facility Rental Agreement. Following review, recommendations have been made to the Board. Recommendations have been made on the first reading of the Communications Committee Policies and Procedures. The ACC Appeal Procedure will be discussed at the next CRC meeting.

Mr. Wilcox recommended Carol Reichstetter be accepted as a new member of the CRC.

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Trustee Larkin made a motion to accept Carol Reichstetter as a member of the CRC. The motion was seconded by Trustee Clark and carried 8:0:1, with President Van Zonneveld abstaining. 09-11-02

The following CRC recommendations were made to the Board following first reading review:

Communications Committee Policies & Procedures – Mr. Belmont discussed areas of the policies and procedures that may need some additional consideration by the Board. The Trustees were provided with a draft copy detailing the CRC's comments and recommendations.

Discussion followed.

Trustee Clark made a motion that the Policies & Procedures for the Communications Committee be accepted for second reading and referred back to the Communications Committee to respond to the concerns expressed by the CRC. Trustee Moseley seconded the motion and it carried 8:0:1, with President Van Zonneveld abstaining. 09-11-03

Beach Club/Bridge Deck Rental & Fee Policy – Mr. Belmont provided background information and discussed the CRC's recommendations related to a proposed requirement for professional vendors to carry general liability insurance listing LMC as additionally insured when alcohol and food are served at the Beach Club.

Lengthy discussion followed.

Trustee Satterlee made a motion to reject the insertion recommended by the LMC insurance Company into the Beach Club/Bridge Deck Rental & Fee Policy changes that would require professional vendors to carry general liability insurance listing LMC as additionally insured when alcohol and food are served at the Beach Club. Trustee Moseley seconded the motion. Discussion followed. The motion passed 5:3:1, with Trustees Boyer, Kadash, Satterlee, Jenings and Moseley in favor, Trustees Bradshaw, Larkin and Clark opposed, and President Van Zonneveld abstaining. 09-11-04

Facility Rental Agreement - Based on the Board rejection to a language change in the Beach Club/Bridge Deck Rental & Fee Policy, no change was made to this agreement.

Greenbelt Committee – Clarification of Existing Tree Topping Policy – Second Reading - Mr. Belmont discussed the language changes recommended by the CRC to this policy. Discussion followed.

Trustee Moseley made a motion to amend the Greenbelt Committee Policies & Procedures, to reflect the recommendation by the CRC, revised November 3, 2009, regarding tree topping if it is determined a tree should be removed. The motion was seconded by Trustee Satterlee. The motion carried 8:0:1, with President Van Zonneveld abstaining. 09-11-05

Proposed Amendments to Regulation IV, Article IV, - Family Membership & Guest Usage – A brief history was provided by Mr. Belmont and no additional changes were recommended by the CRC.

Trustee Clark made a motion to adopt the Family Membership & Guest Card Privileges and Guest Usages as presented to the Board. Trustee Boyer seconded the motion. Discussion followed. The motion carried 7:1:1, with Trustee Kadash opposed and President Van Zonneveld abstaining. 09-11-06

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Communications Committee (CC) – Trustee Clark for Barbara Berthiaume, Chair

It was felt the communication going out to the membership is okay but could be improved. Communication from the membership is a high priority as there is currently no means to get member feedback on a consistent and timely basis. There are a number of communication avenues including the website, links to different web pages such as Port Ludlow Today, the Voice, e-mails, and the Navigator. The committee discussed some different ways of eliciting member feedback on issues of importance and concern and will present the board with some ideas at the December board meeting for consideration.

Paul Moseley and Amy Recht will research options that will support board members who are off site when there is an LMC meeting and will present their findings at the December meeting.

Guidelines were discussed as to what needs to be included in the Navigator such as facts regarding LMC business, vote results, board changes, activities, and information. Articles with any inflammatory, political, or personal attacks and/or agendas are not appropriate for inclusion.

More engaging articles are needed. The group brainstormed ideas such as general interest pieces, human interest stories, new neighbor write-ups, board member responses on a particular issue, committee chair interviews, and in general, broadening the topics and finding more creative methods to better engage the community. A “Question of the Quarter” is designed as one way to meet this need.

Brian Belmont expressed his opinion that the Navigator needs to go out 4 times a year, as there is a lot of relevant information that would be of interest to the membership. The next Navigator will come out the latter part of January.

Finance Committee (FC) – Ian Feltham. Chair

The FC discussed the financial records as of October 30, 2009, and looked at implementing a returned check policy due to rising costs.

Replacement of the windows on the west side of the indoor pool was discussed and approved by the FC. The cost of \$3,943.59 will be presented to the Board for approval. Discontinuing telephone service in the Bridge Deck was recommended as it would save approximately \$500 per year.

The reserve fund account at Edward Jones was reviewed. There are four CD's in that account. Money from that account has been moved on maturity to the Kitsap Bank, to obtain a better interest rate.

The FC reviewed the LMC Budget for 2010, and discussed possible changes to the employee medical plan. The FC considered and approved a 1% raise.

Discussion followed related to the current and 2010 budget draft.

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Trustee Kadesh made a motion to discontinue the telephone service to the Bridge Deck. Trustee Moseley seconded the motion. Discussion followed. The motion carried 7:0:2. Trustee Clark and President Van Zonneveld abstained. 09-11-07

The meeting went into recess at 10:50 a.m. and reconvened at 10:59 a.m.

Mr. Feltham requested the Trustees approve replacement of the windows on the west side of the indoor pool. Mr. Belmont explained the glass on the front door of the Beach Club, and the glass near the cabinet at the rear of the Bay View Room also needs to be replaced. The lowest bid to replace the eight (8) windows was \$3,943.54, from Groves Glass. This expenditure will be paid from the Reserve Fund.

Trustee Larkin made a motion to accept the recommendations of the Operations and Finance Committees and authorize the replacement of windows as described by Mr. Belmont. The motion was seconded by Trustee Boyer. Discussion followed. The motion carried 7:1:1, with Trustee Moseley opposed and President Van Zonneveld abstaining. 09-11-08

Greenbelt Committee (GBC) – Ted Buehler, Chair

Mr. Buehler discussed and provided the trustees with a copy of a proposed refundable deposit policy that would be included in the Greenbelt Policies & Procedures and the LMC Rules and Regulations. Lengthy discussion followed.

Trustee Moseley made a motion to forward the proposed refundable deposit policy from the GBC to the CRC for first reading. Trustee Kadesh seconded the motion. Discussion followed. Trustee Kadesh called for the question. The motion carried 4:3:2, with Trustees Moseley, Kadesh, Boyer and Jenings in favor and Trustees Clark, Larkin and Satterlee opposed. Trustee Bradshaw and President Van Zonneveld abstained. 09-11-09

Mr. Buehler reported a tentative agreement, related to liability issues involving the trails, has been reached between Steve Siegiel, representing the GBC and Larry Scott, representing the PLVC's Trails Committee. Copies were provided to the Trustees. This matter was discussed with the GBC and it was approved subject to Board approval.

Discussion followed. This matter will be scheduled for further discussion at a Trustee's discussion session

Operations Committee (OC) – Trustee Clark for Jim Goode, Chair

Trustee Clark reported the OC reviewed the operations and reserve items of the 2010 budget. Follow-up is being conducted on the few property maintenance issues before the committee. Problems with rental properties have been discussed. The facilities rules and regulations are being reviewed and the OC will be submitted their review to the Trustees when it has been completed.

Long-Range Planning Committee – Bill Hansen for Michael Cahn, Chair – The committee has been working weekly on a survey that was recently sent to the homeowners. To date 165 surveys have been reviewed and a spreadsheet has been developed to organize the demographic data. Discussion followed.

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CORRESPONDENCE – Secretary Larkin – A letter was received from Mr. Lambe regarding the sanctions imposed by the Board of Trustees. An email was received from Duane Kastrop related to the raising of fees (a copy of the same letter was sent to the Board in 2002). An email was received from John Chamberlain related to allowing guests from the Inn to use the LMC facilities. Another email was received concerning the trail across the WWTP (Waste Water Treatment Plant) ditch. Discussion followed. The ACC will follow the matter concerning Mr. Lambe. Secretary Larkin will notify Mr. Chamberlain that his inquiry is being referred to the Operations Committee for review.

Trustee Moseley made a motion to refer the email from John Chamberlain, related to allowing guests from the Inn to use LMC facilities, to the Operations Committee for review and recommendations to the Trustees. The motion was seconded by Trustees Satterlee, Boyer and Jenings and carried 8:0:1, with President Van Zonneveld abstaining. 09-11-10

Member Comments: Art Moyer discussed the appeal process and the need for completion of this matter by the CRC. Mr. Moyer presented the Trustees with his recommendations related to the 2010 budget.

The meeting recessed at 11:59 a.m. to continue in executive session for discussion related to personnel matters. With the Trustees approval, Mr. Belmont will attend the executive session. For the first part of the session, the Greenbelt Chair, and Assistant Chair will attend.

The regular meeting reconvened at 1:30 p.m., with all trustees present.

NEW BUSINESS:

2010 Annual Assessment –Vaughn Bradshaw - *Trustee Bradshaw made a motion that, in accordance with Bylaw Article III, Section 8, paragraph c., the 2010 annual assessment for LMC properties be set at \$462.24. The motion was seconded by Trustee Satterlee and carried 8:0:1, with President Van Zonneveld abstaining. 09-11-11*

Approval of 2010 Operating and Reserve Budgets – Vaughn Bradshaw – *Trustee Bradshaw made a motion to accept the proposed pay raise increases for all nonexempt LMC employees, as presented in the 2010 budget packet dated October 22, 2009. The new pay raises are to be effective January 1, 2010. The motion was seconded by Trustee Clark. The vote was 4:4, with President Van Zonneveld breaking the tie with a yes vote to carry the motion 5:4. Trustees Boyer Larkin, Clark, Bradshaw and Van Zonneveld voted in favor and Trustees Moseley, Satterlee, Jenings and Kadash were opposed. 09-11-12*

Treasurer Bradshaw made a motion to approve the 2010 operating and reserve budgets, as presented in a draft dated October 22, 2009, with two changes that include (1) the removal of the Bridge Deck telephone and (2) Board acceptance of the option one version of the medical and dental insurance coverage rather than the full renewal, which is included in the budget. A summary is to be mail to all members. The motion was seconded by Trustee Clark. Lengthy discussion followed.

Trustee Boyer made a motion to amend Trustee Bradshaw motion that the reserve study be deferred for another year. Trustee Larkin seconded the motion. The motion carried 5:3:1, with Trustees Boyer, Bradshaw, Larkin, Clark, and Kadash in favor and Trustees Satterlee, Moseley, Jenings opposed. President Van Zonneveld abstained. 09-11-13

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Treasurer Bradshaw withdraws his previous motion related to the 2010 budget and Trustee Clark withdrew her second.

Lengthy budget discussion continued.

Trustee Kadesh made a motion to eliminate the approximately \$9,000 cleaning contract for the bathrooms and locker rooms, for twice a week cleaning, from the 2010 budget. The motion was seconded by Trustee Moseley. The motion failed 2:5:2 with Trustees Kadesh and Moseley in favor and Trustees Bradshaw, Clark, Larkin, Satterlee and Jenings opposed. Trustees Boyer and President Van Zonneveld abstained. 09-11-14

Discussion on the 2010 budget continued.

Trustee Moseley made a motion to reduce the budget item for restriping the parking lot from \$5,200 to \$2,500. Trustee Larkin seconded the motion. The motion carried 5:3:1, with Trustees Kadesh, Boyer, Larkin, Moseley and Jenings in favor and Trustees Clark, Satterlee and Bradshaw opposed. President Van Zonneveld abstained. 09-11-15

Trustee Moseley made a motion to reduce the amount for the plantings above the Beach Club tennis courts to a \$2,000 limit. Any amount above that sum would be brought to the Board. Trustee Boyer seconded the motion. Discussion followed. The motion carried 5:3:1, with Trustees Boyer, Kadesh, Larkin, Jenings and Moseley in favor and Trustees Bradshaw Clark and Satterlee opposed. President Van Zonneveld abstained. 09-11-16

Trustee Jenings left the meeting via telephone at 2:15 p.m.

Trustee Kadesh made a motion to adopt option number one on the health insurance and removal of the telephone from the Bridge Deck. The motion was seconded by Trustee Satterlee and discussion followed. The motion carried 7:0:1, with President Van Zonneveld abstaining. 09-11-17

Treasurer Bradshaw made a motion that the 2010 operating and reserve budget, as presented in the draft dated October 22, 2009, and with the changes that have just been voted on, be approved and a summary of it be mailed to all LMC members. The motion was seconded by Trustee Kadesh. The motion carried 7:0:1, with President Van Zonneveld abstaining. 09-11-18

2010 Special Member Meeting Date- Budget Ratification Meeting – Trustee Bradshaw – *In accordance with RCW64.38.025 paragraph 3, Trustee Bradshaw made a motion that the trustees of LMC set December 12, 2009 as the date of the special member meeting, called for the purpose of ratifying the 2010 Operating and Reserve Budgets. Trustee Satterlee seconded the motion and it carried 7:0:1, with President Van Zonneveld abstaining. 09-11-19*

2010 Contract Members, Long Term Rental & Short Term Rental – fees - Trustee Bradshaw *made a motion that the 2010 contract member, long term rental, short term rental and resort rental program annual fee be set at \$543.83. With the addition of \$45.68 State sales tax, the total fee will be \$589.51. Trustee Clark seconded the motion. The motion carried 7:0:1, with President Van Zonneveld abstaining. 09-11-20*

Review of Short Term Rentals – Trustee Kadesh – Trustee Kadesh discussed the Jefferson County Master Plan Resort Code and noted that private residences located within the Port Ludlow Master Plan

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Resort Community, where the zoning is MPR-SF (single family), cannot be used for transient rentals for period of less than thirty (30) days.

Trustee Kadesh made a motion that as an addition to the regulations no single family residence located in the LMC portion of the Port Ludlow Master Plan Resort located within the MPR single family zone shall be rented for a period of less than thirty (30) days. This motion is to be accepted as a first reading by the Board and referred to Operations for review and recommendations and then to the Covenants & Regulations Committee. The motion was seconded by Trustee Moseley. Lengthy discussion followed. The motion carried 7:0:1, with President Van Zonneveld abstaining. 09-11-21

By a motion duly made, seconded, and carried 7:0:1, with President Van Zonneveld abstaining, the meeting was adjourned at 2:46 p.m.

Respectfully submitted,

Michael Larkin, Secretary
Ludlow Maintenance Commission, Inc.

Prepared by Carol Shamhart
LMC Recording Secretary