

APPROVED

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

December 12, 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 9:10 a.m. Roll call was called by Secretary Michael Larkin. All trustees were present with the exception of Trustees Bradshaw who attended via telephone. Trustee Jenings was absent. General Manager Brian Belmont was also in attendance. A quorum was present. Trustee Kadesh was absent during roll call and returned to the meeting during Approval of Minutes.

Approval of Minutes: *Trustee Satterlee made a motion to approve the November 14, 2009 regular and executive meeting minutes. The motion was seconded by Trustee Clark and carried 7:0:1, with President Van Zonneveld abstaining. 09-12-01*

President's Remarks: President Van Zonneveld announced the Board of Trustees meetings and all meetings of the LMC are recorded for transcription and accuracy. The meetings are not operated entirely by Roberts Rules of Order, but a general parliamentary procedure will be followed. President Van Zonneveld stated it is her policy not to vote as President unless required to break a tie. Participants will wait until recognized, announce their name, and speak one at a time. Motions will be disposed of as they occur.

President Van Zonneveld provided background and discussed the Board Member Conduct Policy that was adopted last summer. Discussion followed related to the Board discussion sessions that had been previously approved by the Trustees.

Member Comments: Art Moyer expressed his opinions related to Board discussion sessions, LMC Regulations, as they relate to lot and condo owners, and the need for a member vote if the Beach Club were to be opened to guests at the Inn and the Marina.

Manager's Report – Brian Belmont

The trustees have been provided the November 30, 2009 financial statements. Through November 30, operating revenue is \$8,549 under budget. Contract memberships, architectural fees, and interest income continue to be significantly under budget. Through the end of last month, operating expenses were \$19,894 under budget. Barring unanticipated expenditures during the month of December, it now appears that there will not be an operating account deficit at year's end. This is due in large part to the Greenbelt Committee's under spending of their budget.

Currently 15 properties remain delinquent, for a total of \$11,724.42, which includes late payment penalties and lien fees.

Two weeks ago a motor home was side swiped in the Rainier RV storage lot. Unfortunately the driver didn't attempt to contact the owner of the damaged RV.

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On December 8, it was reported to LMC staff that a 26' motor home being stored in the Talbot RV lot, was broken in to. The vandals broke a side window to gain access. According to the owners, it did not appear that anything was stolen but the RV had been ransacked. The owner reported the break-in to the Sheriff's Department.

Using the \$1,000 anonymous donation that was received last month, LMC purchased a 50" plasma flat screen TV for the Gazebo. The total cost of the TV and mounting bracket was \$953.

LMC received a \$300 donation from Dine and Discover, to be used for the purchase of a digital projector. Barbara and Ed Berthiaume have also made a donation for this project. In addition, several others have expressed interest in contributing.

Our maintenance staff has painted the hallway walls outside the locker rooms and the concrete floor.

Prior to Thanksgiving, we had a roof leak that dripped into the exercise room near the sink. The leak was detected when we were experiencing heavy rain and wind. Our staff is monitoring the situation to try to determine if the leak is in the torch-down roofing or if the wind was blowing the rain under the flashing. After we have more information, the contractor that installed the roofing will be contacted about repairs.

Although the new pool/spa heat pumps have only been in service since the first of June, LMC is seeing a significant reduction in propane consumption. As compared to 2008, 4,616 less gallons of propane was used to heat the outdoor pool this year.

For the same period this year (June 9 through October 28), the indoor pool and spa used 2,366 fewer gallons of propane.

In total, LMC used 6,982 gallons less of propane from the first week of June through the end of October to heat the pools and spa. With sales tax, this equates to a \$10,974 savings.

It is difficult to determine the additional electrical cost to run the pumps because they are not on dedicated electrical meters. Comparing kilowatt hours this year to last year does not work because we have taken other conservation steps that have reduced our electrical usage. I believe it is safe to say, that although we haven't had the heat pumps in operation for very long, we will see a significant energy savings each year.

The Beach Club will close at 1 p.m. on Christmas Eve day and will be closed all day on Christmas and New Years day.

I will be out of the office on December 24.

Discussion followed related to the break-in at the Talbot RV lot and the hit-and-run incident at the Rainier RV lot. Trustee Bradshaw complimented Mr. Belmont on his excellent management skills.

COMMITTEE REPORTS:

Architectural Committee (ACC) – Bill Clark, Chair

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Mr. Clark reported there have been several roofing requests and several hazardous tree removals over the past month. Revision of the Trees and Views Regulation is a work in progress, and a draft of the regulation will be submitted to the Trustees at the January 2010 Board meeting. Mr. Clark requested a Trustee discussion session, dedicated to the revised regulation, be scheduled prior to the regular Board meeting in January to allow time for a line-by-line review. Discussion followed. The dedicated Board discussion session, to review the language of the Trees and Views Regulation revision, was scheduled from 12:00–3:00 p.m. on January 5, 2010 in the Bay View Room.

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

Trustee Larkin reported the CRC has been working on the time table for appeals, etc. The CRC will schedule a joint meeting, with the ACC, to continue working on this project. This will take place following completion of the Trees and Views Regulation revision.

Communications Committee (CC) – Barbara Berthiaume, Chair

The committee met on Thursday, December 10 at 3:00 in the Gallery. Present were Amy Recht, Evelyn Fett, Barbara Berthiaume, Teddy Clark, Elizabeth Van Zonneveld, and Brian Belmont.

Research continues on off-site electronic resources for board members who are out of town. Skype and Spider phone are being explored as possibilities. The governing documents indicate that all board members need to be able to hear each other and the sound quality should be receptive to the audience as well. Barbara Berthiaume and Teddy Clark will draft a policy and procedures for board members who are off-site for meetings.

There are eleven identified articles that will come out in the Winter edition of the Navigator. E-mails have gone out to those who have agreed to contribute articles. December 30th is deadline for articles to be sent to Barbara who will forward them on to Carol Shamhart for proofing. David Goudie will develop a draft that will be available by January 7th for committee review and then sent to the board for their review prior to the LMC Board meeting on January 9th.

The next Communications Committee meeting will be **Thursday, January 7th at 3:00**. The membership is welcome to attend.

Discussion followed.

Finance Committee (FC) – Ian Feltham. Chair

The FC had a short meeting on December 10. As previously stated by Mr. Belmont, the FC agreed the operating funds should be sufficient to cover the expenses for the remainder of 2009. Borrowing from the reserve account will not be necessary.

The FC discussed splitting the annual assessment fee into two parts for bookkeeping purposes. One half would go into the operating fund and one half would go into the reserve fund. Mr. Feltham explained the total assessment fee would not change for the members.

Trustee Bradshaw made a motion for the Board to accept the Returned Check Policy draft, as prepared by the FC, for first reading, with forwarding to the CRC for review and comment. Trustee

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Kadesh seconded the motion. Discussion followed. The motion carried 7:0:1 with President Van Zonneveld abstaining. 09-12-02

Mr. Feltham reported one reserve fund CD matures on December 18 and four other CD's mature the end of March 2010. These CD's are in the Edward Jones account and will be moved to gain more interest.

Review of the LMC financial records for October and November will be reviewed in December.

Discussion followed.

Greenbelt Committee (GBC) – Ted Buehler, Chair

Mr. Buehler reported he and Steve Siegiel went through the trail from Oak Bay to Rainier and removed approximately 15 dead trees. Potential liability for volunteers working in the greenbelt was discussed in depth, as was the criteria used in identifying hazardous trees outside the 10 foot corridor, per the Trails Committee Agreement. Mr. Buehler discussed the GBC's previously requested security deposit. Mr. Belmont report this matter has been referred to the CRC for review and comment. Discussion followed.

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

Mr. Goode reported a member had asked the OC to look into providing a handicap lift for the pool(s). This matter will be discussed at the next OC meeting. Discussion followed. Mr. Goode thanked Trustee Clark and Mr. Belmont for their work on the OC in his absence.

Condominium Associations – President Van Zonneveld - The newly repaired Admiralty I building (Bldg. 13) had a frozen water line in the sprinkler system that resulted in flooding.

Long-Range Planning Committee – Bill Hansen for Michael Cahn, Chair – Progress is being made but it is slow. Mr. Cahn predicts it will take another three months to get a final report to the Board. The response to the survey was disappointing in that only 25% of the members have responded to date. Port Ludlow is expected to be built-out in 10 years and possible scenarios for that time are being discussed. A town hall meeting for planning purposes was discussed. The Trustees were in unanimous agreement that a town hall meeting could be scheduled and the members notified via the Navigator.

Port Ludlow Village Council (PLVC) – Trustee Boyer for Larry Nobles – Trustee Boyer reported on the PLVC's year 2020 committee that was developed last year to try to get a clear vision of Port Ludlow in the future. The committee has entered a contract with an outside facilitator who will hold a brainstorming discussion with a group of Port Ludlow volunteers sometime in February. An extensive report will be issued on the outcome of this discussion group. Future opportunities as well as pitfalls in the next 10 years will be discussed.

CORRESPONDENCE – Secretary Larkin

Larry Scott sent a letter of appreciation to LMC for their \$1,000 donation to the Trails Committee. A letter was received from Art Moyer concerning matters he covered earlier under Member Comments.

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A letter dated December 10 from the Port Ludlow Drainage District (PLDD) addressed concerns that property owners may not be following the requirements of Jefferson County regarding storm water management and other land-clearing activities. The ACC and the Greenbelt Committee have been provided with copies of the PLDD letter.

The meeting went into recess at 10:40 a.m. and reconvened at 10:50 a.m.

UNFINISHED BUSINESS:

Rules & Regulations – Appeal Time Limits – Pending CRC review.

ACC Policies & Procedures – Pending CRC review.

Communications Committee Policies & Procedures – Remains with CRC.

Board Goals – Status Report – President Van Zonneveld – The Board is addressing many policies under review for change. The Long Range Plan is in process, along with the work of the PLVC.

Seasonal or Monthly Contract Membership Options – The Operations Committee will continue discussion of this item at their next meeting.

Inn & Marina Guest Access to Beach Club – Discussions are continuing in the Operations Committee.

County Ordinance Regarding MPR – single family zoning – President Van Zonneveld reported Jefferson County has placed Admiralty I and II and the townhomes in the commercial zone that allows short term rentals. The North Bay condos are not in the commercial zone. Trustee Kadesh discussed potential changes to LMC Regulation I, Article I that would address the Jefferson County Ordinance with regard to the MPR and short term rentals within single family zoning. Lengthy discussion continued. This matter is currently being reviewed by the Operations Committee and a recommendation from that committee will be submitted in the near future.

NEW BUSINESS:

Inclusion of Facility Rules into Regulation IV – OC 1st Reading – Trustee Clark, OC chair Jim Goode, and Mr. Belmont explained the newly drafted Facility Rules that were prepared by the OC to include all LMC amenities (pools, tennis courts, exercise room, etc.). Discussion followed.

Trustee Satterlee made a motion to accept the Facility Rules draft submitted by the OC for 1st reading, with Trustee Bradshaw's recommendations and referral to the CRC for review and comment. Trustee Boyer seconded the motion and it carried 7:0:1 with President Van Zonneveld abstaining. 09-12-03

Volunteer Recognition Guidelines – Trustee Boyer – A draft of the recognition guidelines was presented to the Trustees for review. At its March Board meeting in executive session, the Trustees will approve the recipients by majority vote. Trustee Boyer urged publication of the fact that nominations extend beyond active volunteers on committees. The Big John Van award was discussed.

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Trustee Boyer made a motion for the Board to approve the Volunteer Recognition Guidelines, as presented, as the guidelines for nominations to the awards given by the Board. Trustee Clark seconded the motion and it carried 6:0:2 with President Van Zonneveld and Trustee Moseley abstaining. 09-12-04

Mr. Belmont will provide information about the Volunteer Recognition program for inclusion in the January issue of the Navigator.

Liability Exposure – Volunteers working in the Greenbelt – President Van Zonneveld recommended sending the Volunteer Hold Harmless for Greenbelt Volunteers form, prepared by the GBC, to the LMC attorney for review and comment.

Trustee Satterlee made a motion to send the Liability Waiver that volunteers working in the Greenbelt are asked to sign, to the LMC attorney for review. Trustee Clark seconded the motion. Discussion followed. The motion carried 4:3:1 with Trustees Bradshaw, Clark, Larkin and Satterlee for, Trustees Boyer, Kadash and Moseley opposed and President Van Zonneveld abstaining. 09-12-05

PLVC Trail Maintenance Agreement – Deferred.

January Discussion Session Scheduling – The next Board Discussion Session is scheduled for January 5, 2010 from 12:00-3:00 p.m. in the Beach Club Bay View Room. The session will be dedicated to discussion of the Trees and Views Regulation revision.

Member Comments - None

By a motion duly made, seconded, and carried 7:0:1, with President Van Zonneveld abstaining, the meeting was adjourned at 11:45 a.m.

Respectfully submitted,
Michael Larkin, Secretary
Ludlow Maintenance Commission, Inc.

Prepared by Carol Shamhart
LMC Recording Secretary