

# APPROVED

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

February 24, 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 not President Van Zonneveld's policy to 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 Purdy. Trustees Babaian and Bradshaw attended via Skype. General Manager Brian Belmont was also in attendance. A quorum was present.

**Changes to the Agenda:** None

**Member Comments:** None

**Approval of Minutes:** *Trustee Kadesh made a motion to approve the minutes of the regular board meeting of January 27, 2011. The motion was seconded by Trustee Babaian and carried 7:0:1, with President Van Zonneveld abstaining. 11-02-01*

### STAFF & COMMITTEE REPORTS:

**Manager's Report – Brian Belmont** – The Trustees have been provided with a copy of Mr. Belmont's exception report for this month. The January 31st financial statements were previously distributed to the trustees.

Year-to-date about 89% of the assessments have been collected. This is ahead of where we were last year by approximately \$30,000.

Mr. Belmont provided an in-depth explanation of the upcoming repairs on the outdoor swimming pool. Five companies have submitted bids for the project. Two companies withdrew their bids for various reasons. Following investigation of the three remaining companies, the Operations and Finance Committees recommended LMC contract with Master Pools, a company with the most experience in this type of work, for an amount not to exceed \$110,000. The 2011 budget provision for this work is \$115,000, which allows for any addenda that may be needed during the project.

Trustee Purdy joined the meeting at 4:15 p.m.

# APPROVED

Discussion followed related to the outdoor pool project.

*Trustee Sherfick made a motion that based on the recommendation of the Operations and Finance Committees, the Board of Trustees contract with Master Pools to complete repairs on the outdoor pool as outlined in the outdoor pool repair specification document, for an amount not to exceed \$110,000. As part of the contract, Master Pools shall provide a performance bond in an amount equal to at least 50% of the contract and satisfied mechanic liens be provided by all subcontractors and suppliers prior to LMC's final payment to Master Pools. The motion was seconded by Trustee Kadash and carried 8:0:1, with President Van Zonneveld abstaining. 11-02-02*

## **Covenants & Regulations Committee (CRC) – Sally Orsborn, Chair**

The Covenants and Regulations Committee met twice in February. Business included two Bylaw changes: Board Vacancies and Trustee Removal due to Non-participation. The recommended language is presented to the board for action today. Other business included Contract Memberships and Regulation V Appeals.

**Contract Memberships:** Mike Larkin reported on instances in the governing documents that support giving the board and/or membership authority to include language in the Bylaws to offer contract memberships. At present, language occurs only in the Regulations. This work will continue as directed by the board.

Discussion followed

**Regulation V Appeals:** CRC devoted most of the February 11 meeting to reviewing this topic. Particular attention was given to the need for a Review Board as defined in the current Regulation. Discussion also centered on whether or not new evidence (that not heard by the enforcement committee) could be presented by the appellant during the appeal hearing. The chair plans to bring enforcement committee chairs (or their representatives) together following the March 1<sup>st</sup> CRC meeting to discuss the proposed Regulation V language and also the common language to be placed in each enforcement committee Regulation. Regulation V Appeals language may be ready for a first reading at the March 24 meeting.

**Board Policy and Procedures:** Sally Orsborn has worked the content of board P&Ps into a common format as directed by the board subcommittee. It is our understanding that the collection, when complete, will be referred to CRC for compliance with the governing documents.

*First Reading of Draft 2: Proposed amendment to LMC Bylaws, Article III Board of Trustees, SECTION 3. Vacancies.*

**Subject:           Amendment to the Bylaws on Filling Board Vacancies**

**Rationale:** The Bylaws state that nominations and voting for the LMC Board of Trustees come from a particular class of owners (lot/condominium) but they do not stipulate that nominees must come from that class. However, when vacancies occur on the board, the Bylaws state that the positions must be filled from the corresponding class. The proposed amendment corrects the inconsistency by aligning the

## APPROVED

replacement Bylaw with the nominations and voting Bylaw. The amendment also states that the vacancy shall be filled as soon as possible at a regularly scheduled monthly meeting of the board.

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

### **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, at a regularly scheduled monthly meeting of the board.~~ *The board shall act to maintain the representation of the affected class of owners* ~~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. and provided further, that~~ *If the board is unable to elect a candidate from the affected class, a candidate from the other class may be elected.* 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.~~ *the remaining term shall be subject to nomination and voting at that meeting in accordance with the Bylaws, Article III, Sections 1 and 2.*

### **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 caused by resignation, death, or other cause, shall be filled as soon as possible at a regularly scheduled monthly meeting of the board. The board shall act to maintain the representation of the affected class of owners (i.e., lot owner or condominium owner.) If the board is unable to elect a candidate from the affected class, a candidate from the other class may be elected. If the unexpired term so filled extends beyond the date of the next annual membership meeting, the remaining term shall be subject to nomination and voting at that meeting in accordance with the Bylaws, Article III, Sections 1 and 2.

*Trustee Kadash made a motion that the proposed Bylaw Amendment language to Article III Board of Trustees, SECTION 3. Vacancies, be approved by the Board as read and submitted to the membership for ballot in April 2011. Trustee Larkin seconded the motion and it carried 8:0:1, with President Van Zonneveld abstaining. 11-02-03*

*First Reading of Draft 2: 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.)*

**Subject: Addition to the Bylaws on Removal of Trustees due to Non-participation**

**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. This addition to the Bylaws gives the board power to remove non-participating trustees. To ensure that such action would not be taken lightly, no less than five active members of the nine-member board must vote in favor of such removal.

- **LMC Bylaws, Article III Board of Trustees, SECTION 7. Removal of Trustees.**  
(The first paragraph of Section 7. becomes a. What follows is a new paragraph, b.)

## APPROVED

*b. A trustee who fails to participate in three consecutive regularly scheduled monthly meetings of the Board of Trustees may be removed by an affirmative vote of no less than five members of the board. Participation shall be in person or by use of communication equipment as defined in the Bylaws, Article III, Section 9, Use of Communications Equipment.*

*Trustee Hubbard made a motion to put the above mentioned addition to the Bylaws on “Removal of Trustees due to Non-participation” to the membership on the ballot in April 2011. Trustee Purdy seconded the motion. Trustee Kadash made an amendment to add to the last sentence of part b...Participation at said meetings shall be in person or by use of communications equipment. The amendment failed for lack of a second. Discussion followed. The motion carried 8:0:1, with President Van Zonneveld abstaining. 11-02-04*

**Operations Committee (OC) – Trustee Larkin for Jim Goode, Chair** – Mr. Goode is away for a short time and OC member Tom Satterlee will be acting chair. On January 27, the OC submitted to the board their proposed revisions to the Beach Club/Bridge Deck Rental and Fee Policy and the Facility Rental Agreement. These documents will be further addressed at a board workshop.

**Finance Committee (FC) – Trustee Sherfick for Bob Bima, Chair** – Mr. Belmont attended the last FC meeting and provided the committee with copies of the balance sheet, profit and loss statement, late collection summary and past due assessments for the period ending January 31.

The total amount of deposit in the Kitsap Bank currently exceeds the \$250,000 FDIC insurance limit. Mr. Bima and Mr. Belmont will transfer balances to bring the amount at Kitsap and any other bank to less than \$250,000.

Trustee Kadash and Eve McDougall will conduct the bank account review with Mr. Belmont on February 15

The FC recommended using Master Pools for repair of the outdoor pool. The committee voted the project should not exceed \$110,000 and Master Pools would be required to furnish a completion bond of not less than 50% of the bid.

Fund raising for a Beach Club remodel was discussed by the FC. It was agreed that funding proposals would be a part of any decision process and that some amount of bank financing will ultimately be required. Ned Luce, Eve McDougall and Stan Kadash will meet to discuss alternative financing methods and report back to the committee.

**Architectural Committee (ACC) –Bill Clark, Chair** – The ACC has received numerous requests to remove hazardous trees. The revised Trees & Views Regulation appears to be working and several neighbors are working together and with mediation for view relief.

A previously reported tree-cutting without authorization was investigated. It was determined a four foot stump had been cut and removed, not a tree.

Discussion followed.

ACC received an application from a townhome owner to extend their deck. LMC Regulations can be applied in this case, but it may not satisfy their needs. The townhome’s board would like

## APPROVED

the townhome association regulations applied to the deck, but no decision has been made at this time.

President Van Zonneveld reported the Revised Trees & Views Regulation had been discussed at a workshop. At this point it appears to be working and the issue does not need to be raised at this time. The ACC will continue to report, as required.

**Greenbelt Committee (GBC) — Trustee Purdy** – The committee met on February 8. Two prospective members, Kim Wright and Roger Oster, attended the meeting. Three new requests were received and are pending at this time.

The Admiralty II condos requested the LMC share in the cost of a site assessment of the bluff area below the condos. The condo association feels the property in question belongs to LMC, but the ownership is in question because LMC does not have the deed for this property. A representative of the Greenbelt Committee is researching this with Jefferson County, to try to determine who owns the property in question. A recommendation to the trustees will be made upon completion of the research.

Larry Scott of the PLVC Trails Committee gave a presentation to the GBC regarding the PLVC long range trail plan which includes additional trails on LMC greenbelt property. The trails committee is asking the GBC to recommend the LMC Board approve their plan for proposed changes to trails in the North Bay. The GBC will review this request and make a recommendation to the board at a later date.

There is a proposed change to paragraph 7 of the GBC Policies & Procedures. The change, as approved by the committee for presentation to the board and CRC for review, is as follows:

“Maintenance of the Greenbelt, paragraph 7, shall be sensitive and supportive of the responsibilities of the Port Ludlow Drainage District (PLDD) in order to make the PLDD aware of all member requests for work in the greenbelt. The PLDD will receive copies of the neighbor notification letters which allow 21 days to file a written comment. If nothing is received from the PLDD within this period, the GBC may assume that the PLDD does not wish to become involved. In addition, the PLDD will be notified in writing of any hazardous tree removal.”

President Van Zonneveld discussed the State requirements that have prompted the need for a change to the GBC Policies & Procedures. The proposed change will be sent, as it is, to the CRC for review and comment. Discussion followed.

Three members have resigned from the GBC (Steve Siegiel, Ted Buehler and Doug Walter). The board secretary will send a letter of recognition and thanks to each.

Discussion followed.

**Communications Committee (CC) –Sue Milner, Chair** – The focus of the CC’s last meeting was the LMC Social, which was very successful. The committee plans to meet with the Lot Owners Association regarding the reader board idea. The committee is waiting for direction from the board related to the Long Range Plan and the committee’s involvement in it.

Discussion followed.

## APPROVED

**Ad hoc Elections Committee (AHEC) – Brian Belmont** – The committee met on February 18 and will meet again on March 4. Criteria for valid ballots have been the focus of the committee and the language used on the ballot proxy is being reviewed to make it as clear as possible. At the March 24 meeting of the board, the trustees will have the ballot mailing packet for review and approval. The committee is striving to make the mailing packet transparent, clean and easy to understand. Prior to formal policies being drafted, a test run will be conducted for the 2011 annual meeting. Following the annual meeting, the committee will finalize committee policies and procedures for presentation to the board.

The handling of tie-breakers was discussed.

*Trustee Bradshaw made a motion that in the event there is tie between two or more board candidates, the tie will be broken by the drawing of names. In addition, the General Manager is instructed to notify all LMC Board candidates by mail that this will be the tie-break procedure used at this year's annual membership meeting. As part of that written communication, the General Manager will also inform the candidates that there will be a Candidates Forum held at the Beach Club on March 31 from 6:00-8:00 p.m. Trustee Kadesh seconded the motion. Discussion followed. Trustee Kadesh made an amendment to add "the tie will be broken by the drawing of names, to be drawn by the presiding officer at the membership meeting." Trustee Babaian seconded the amendment. The amendment carried 8:0:1, with President Van Zonneveld abstaining. The amended motion carried 8:0:1, with President Van Zonneveld abstaining. 11-02-05*

*Trustee Bradshaw made a motion that in the event the corporate secretary is unable to attend the 2011 annual membership meeting, all proxies previously assigned to him will be assigned to the LMC President or, in her absence, to the Vice President. Trustee Kadesh seconded the motion and it carried 8:0:1, with President Van Zonneveld abstaining. 11-02-06*

**Lot Owners Association – Condominium Associations – Port Ludlow Village Council (PLVC) - President** Van Zonneveld reported the Admiralty II Board is meeting Saturday, February 26, to agree to paint the buildings.

President Van Zonneveld reported Tom Stone had asked Larry Nobles at the PLVC to ask Jack Westerman to talk to the community this spring about the assessment process, expectations, etc. Mr. Westerman has agreed to speak at the April 7th PLVC meeting. The LMC will send a message to North Bay members before the meeting, to remind them that Jack Westerman will be here to talk to the community at a PLVC meeting. Mr. Westerman has agreed to come back in August, after assessments go out. A date for the August meeting will be set at a later time.

Discussion followed related to the previously discussed townhome owner's request to add to their deck.

The meeting went into recess at 5:30 p.m. and reconvened at 5:40 p.m.

## BOARD BUSINESS

## APPROVED

**Correspondence: Trustee Bradshaw** –February 6 - email from Beverly Henderson with a nomination for the Big John Award; February 11- letter from the Port Ludlow Trails Committee related to a 2010 annual report; February 11- letter from LMC attorney providing a legal opinion about the use of executive sessions; February 22 – email from Sally Orsborn providing a nomination for the Big John Award; February 19 – email from John Chamberlain providing additional suggestions about the use of Beach Club facilities by guests at the Port Ludlow Inn. Trustee Bradshaw recommended the letter from Mr. Chamberlain be referred to the Operations Committee for their consideration. Lengthy discussion followed related to Mr. Chamberlain’s letter.

The Secretary will appropriately respond to the above correspondence. The trustees will discuss the letter from the LMC attorney in executive session following the March general board meeting.

Mr. Chamberlain’s letter will be sent to the Operations Committee, Finance Committee and Covenants & Regulation Committee as an information copy. The board will consider this matter further in a workshop.

**LMC Board 2010-11 Goals progress report –Strategic Plan Update – President Van Zonneveld** – The task force was broken up into small teams and Trustee Clark and President Van Zonneveld were tasked with enumerating the future users and how people will use the club before the feasibility study specification could be written. Discussion with Port Ludlow Associates related to marketing the planned condominiums around the Beach Club property, developing covenants and regulations for those units and under what terms they would come into LMC, needs to be undertaken. Trustees Clark and Sherfick will schedule a meeting with Diane Smeland to discuss the above.

Trustee Sherfick sent a preliminary progress report to President Van Zonneveld, based on the plan of the Long Range Planning Committee as presented last spring. The progress report will be summarized and provided to the trustees for review and possible publication in the Navigator.

**LMC Social Report – Trustee Larkin** - The February 17th LMC Social was successful with positive comments by the attendees. Costs were slightly below the planned \$500 budget. Discussion followed related to future socials, their purpose and frequency, and how to budget the event. The Communication Committee will participate to provide more definitive recommendations on the format of future socials. Discussion continued related to input from the attendees on February 17 and the upcoming social following the April annual meeting. The annual meeting and after-social will be discussed at an upcoming workshop.

**Policies & Procedures for LMC Meetings – Trustee Bradshaw/Sally Orsborn** – The trustees were previously provided with a draft #3 of the Policies & Procedures for LMC Meetings.

*Trustee Babaian made a motion to accept draft #3 of the Policies & Procedures for LMC Meetings for first reading. Trustee Clark seconded the motion. Discussion followed. Trustee Babaian withdrew the motion and Trustee Clark withdrew the second. Trustee Babaian made a motion to adopt draft #3 of the Policies & Procedures for LMC Meetings. Trustee Clark seconded the motion. Discussion followed. The motion carried 8:0:1, with President Van Zonneveld abstaining. 11-02-07*

## **APPROVED**

**Board Member Replacement Policy – Sally Orsborn** – This matter will be placed on the executive meeting agenda following the March 2011 general meeting.

**Workshop Schedule – Trustee Clark** – Items to be discussed at the March 10 workshop include a strategic plan road map progress and review, planned design for the candidates' forum. Items to be discussed at the March 17 workshop include planning the annual meeting, finalization of the candidate forum and rental fee policy issue. The April 14 workshop will address the strategic plan update and annual meeting review. All workshops are from 1:00-4:00 p.m.

**Member Comments** - None

**Closing Remarks – Evaluation** – President Van Zonneveld asked the trustees their opinion about the time and day the board meetings are held. Discussion followed. Trustee Larkin stated he would like to see workshops prioritized, to allow the number one issue to be resolved before moving on to the next subject.

There being no further business to come before the Board of Trustees, President Van Zonneveld adjourned the regular meeting at 6:40 p.m.

Vaughn Bradshaw, Secretary  
Ludlow Maintenance Commission, Inc.

Prepared by Carol Shamhart  
LMC Recording Secretary