

# APPROVED

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

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

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

President Boyer called the regular board meeting to order at 9:07 a.m. Roll call was conducted by Secretary Bradshaw. All trustees were present with the exception of Trustees Kadash, Moseley, and Van Zonneveld. Trustee Jenings attended the meeting via speaker phone. A quorum was present. General Manager Brian Belmont attended the meeting.

**President's Remarks:** President Boyer announced the recent death of LMC member John Van Zonneveld. To honor Mr. Van Zonneveld for his years of volunteer work and support of LMC, a Big John Van's Award will be awarded annually honoring an individual for their dedication and service to the community.

*President Boyer made a motion to present an annual award, to be named Big John Van's Award, to an individual for their dedication and service to the LMC community. The motion was seconded by Trustee Nelson. Discussion followed. The motion carried unanimously. 09-03-01*

President Boyer discussed his recent email to LMC members related to several candidates for the board of directors in the upcoming election. He also invited individuals with questions to contact him personally, to offer his point of view, share the truth, and to try to put the many rumors in the community to rest.

President Boyer addressed other unconfirmed rumors related to LMC management and how he will handle this matter.

To clarify eligibility for election candidates, President Boyer read Article III, Section I from the LMC bylaws as follows: "To be eligible for election as a trustee, a person must either be a member of the corporation or must be nominated by a corporate member of the LMC."

**Agenda Changes:** President Boyer asked if there were any changes to the Agenda. At Trustee Moyer's request, Eligibility of a Person to serve as a Trustee will be added to the agenda under New Business. Trustee Jenings discussed the Hackney/Garretson Appeal scheduled for March 21. Board discussion continued.

*Trustee Jenings made a motion that the board choose to not hear the Hackney/Garretson Appeal because the board has deemed the appeal to be insufficient in content to justify a hearing. Discussion followed. Trustee Jenings withdrew his motion. Discussion continued with no further action.*

**Approval of Minutes:** Trustee Bradshaw explained several changes in the February 14, 2009 board minutes. *President Boyer made a motion to approve the regular meeting minutes of February 14, 2009 as corrected. Trustee Feltham seconded the motion. Discussion followed. The motion carried unanimously. 09-03-02*

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Trustee Moyer discussed three items that need attention, i.e., collection of legal expenses in the Door of Grace Center matter, insurance risk management recommendations, and non compliance referrals from the ACC about trees on two lots. President Boyer reported on the current status of these items. Discussion continued. No action was taken at this time.

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

The trustees have been provided with February 28, 2009 financial statements. Are there any questions from the trustees regarding these statements?

As of March 13, we have collected approximately 93% of this year's annual assessments as compared to 96% at this time last year.

The replacement of the men's locker room floor drains started Monday, March 9. Perdue Construction, the contractor hired to complete the project, is on schedule. The concrete slab has been cut and the resulting debris removed. The old shower and floor drains were completely rusted out. Only one electrical conduit was damaged during the cutting of the concrete floor and that was repaired yesterday. The plumbers have set the new drains, drain vents, trap primer lines, and trap manifold. The new plumbing has been connected to the sewer main and the old drain lines properly capped.

Monday, March 16, Jefferson County will inspect and hopefully sign-off on the plumbing. If everything passes inspection the concrete floor will be re-poured Monday afternoon. I am anticipating that by next Friday Perdue will begin setting floor tile. The new tile will not be an exact match but will be close in color and finish. Reopening the locker room by March 31 is still our goal.

Perdue will be preparing change orders involving the following:

1. A two-inch cleanout will be added in the mechanical room.
2. Water proof membrane will be added around the shower drain and up the stud wall adjacent to the drain.
3. Some wall tile will need to be replaced next to the shower drain. The exact square footage has not been determined at this time.
4. When pouring the concrete floor a 3' x 3' pad will be poured under the existing mop sink in the mechanical room.
5. The Perdue contract has a floor tile allowance based on \$2.50 per square foot for materials. The tile that LMC selected that most closely matches the existing tile is approximately \$9.50 per square foot. LMC will be responsible for the difference. The total difference amounts to less than \$1,500

Mr. Belmont thanked Trustee Bradshaw for his work on the specifications for the men's locker room.

LMC recently hired Chris Storm as a part time maintenance employee. Chris currently is working the opening shifts on Saturday and Sunday mornings.

Phil Eng and volunteer Steve Siegiel recently replaced a 3-phase breaker we were having problems with. The breaker was part of the building's original electrical equipment. Mr. Belmont thanked Mr. Siegiel for his work on this project.

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Wilson Air Technologies, Inc recently replaced one of the two compressors used in the indoor pool dehumidifier system. Wilson also replaced one of the air handler drip pans which had rusted out.

At last year's annual meeting LMC handed out 45 Certificates of Appreciation. Recipients included the three outgoing Board members and all committee members. I have attached a sample of those certificates to my report. My question to the Board is; is this something we want to do again at this year's annual meeting? It was the consensus of the board to continue awarding the Certificates of Appreciation.

I will be out of the office on March 24, attending a Community Association Institute program that discusses methods to minimize the effects of the current mortgage crisis. It is my hope that this session will give us some additional tools in dealing with past due assessments, foreclosures and bankruptcies.

On today's agenda, new business item 10 (d) is titled Member Sanctions – delinquent assessments. Regulation IV, Article I, 3a defines Member In Good Standing: *A member who has paid all club payments, charges, fees, assessments, and late fees in compliance with the Covenants, Articles of Incorporation, Bylaws, and Regulations of the LMC*

Regulation IV, Article II, 3 Suspension states: *Members using the facilities are responsible for their behavior, the behavior of their guests and juveniles under their control. **Members not in good standing may be suspended from use of the facilities.** The right of any person to use the facilities is subject to immediate, temporary or permanent suspension for:*

- a. Abusive language;*
- b. Obscene, illegal, drunken or destructive behavior; or*
- c. Violation of Facility Rules;*

*while using the facilities or on the premises.*

I would like the Board of Trustees to consider suspending facility privileges of all owners whose LMC assessments are not paid in full.

Discussion followed. Mr. Belmont stated there are currently 82 properties with outstanding balances, for a total of approximately \$40,500.

### COMMITTEE REPORTS:

#### **Architectural Committee (ACC) –Trustee Bradshaw for Sharron Sherfick, Chair**

Trustee Bradshaw stated he had not received a written report from Ms. Sherfick. Trustee Bradshaw reported the committee has been preparing for the upcoming appeal. There has been at least one new house application. A revision request on a previously approved fence application was received, as were several applications concerning hazardous trees. A roofing application is being expedited for a previously damaged roof that is now leaking.

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Trustee Moyer recommended the ACC and CRC meet to jointly review the ACC Policies and Procedures draft document. Trustee Bradshaw stated the draft had been previously submitted to the CRC for review. CRC chair, Dwayne Wilcox, reportedly indicated no changes were required. Discussion followed.

**Covenants and Regulations Committee (CRC) –Dwayne Wilcox, Chair** – Mr. Wilcox reported he had looked at the ACC Policies and Procedures draft but the CRC has not had time to fully review the document. He stated the ACC has done a very good job on their policies and procedures.

The CRC has submitted their recommendations related to the conflict between the Bylaws and the Articles of Incorporation to the trustees. Mr. Wilcox reported the CRC had met with the board in a workshop. The CRC sent their recommendations, which made some adjustments to the 50% rule, to the LMC attorney, and recommended LMC change both the Bylaws and the Articles of Incorporation to eliminate the conflict. The attorney indicated he did not feel we should deviate from what the Bylaws indicate. The CRC has submitted a recommendation to the board to put the attorney's recommendation on the ballot for the upcoming election. Discussion followed. Former CRC chair, Catherine Garrison, read the following rationale into the record for clarification.

“In April 2007, the Covenants and Regulations Committee drew the board's attention to a conflict between Article IV of the Articles of Incorporation and Article II, Section 7 of the Bylaws. It was pointed out that RCW 24.03.070 and RCW 24.03.035 make clear that articles and bylaws must be consistent. Article II of the Bylaws currently imposes a more onerous voting requirement than Article IV of the Articles of Incorporation (that is the 50%). This inconsistency renders that section of the Bylaws illegal. A thorough review of the governing documents from 1968-2007 traced how this inconsistency and language evolved. The LMC Board of Trustees held a special meeting in May 2008 for the sole purpose of discussing the matter and to provide direction to the committee.”

Ms. Garrison reported at one time the quorum was 50% and everything was consistent. It appears that well-meaning people tried to add extra protections for the membership in special matters, but they were not mindful that the same percentage had to be reflected in the Articles. The discrepancy was discovered in 2000 by a previous CRC chair but nothing was done at that time.

Ms. Garrison presented the CRC's recommendation to Article IV of the LMC Articles of Incorporation and Article II, Sections 5 and 7 of the Bylaws to the trustees, for the approval of the membership.

The recommended amendments have undergone rigorous reviews by the association's legal counsel. It is the committee's opinion that the amendment language strengthens both the Articles and the Bylaws, and reinforces membership protections pertaining to matters contained within those sections of the governing documents.

The CRC feels the recommendations offer more safeguards and inoculates the board from any liability. Discussion followed.

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Mr. Wilcox stated the CRC is recommending that the 50% total clause be inserted into the Articles of Incorporation, to read the same as it does in the Bylaws, to enable absolute consistency between the Articles and Bylaws. Lengthy discussion followed.

Trustee Jenings was no longer present via speaker phone at 9:50 a.m.

*Trustee Moyer made a motion that the trustees approve the recommendation of the CRC and include this in the ballot. President Boyer seconded the motion. Discussion followed. The motion passed 4:1 with Trustee Bradshaw abstaining. 09-03-03*

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

The articles for the Navigator have been coming in and the trustees have been provided with a draft of the content. A deadline of March 4 was set for submitted articles. The Communications Committee has drawn up a set of suggested guidelines for articles going into the Navigator to insure readability, fairness, and clarity. They are:

1. Be clear about the purpose and stay on the topic
2. Use “I” statements so the readership can get a clear idea of where you stand on the issue and/what your thought/concerns are.
3. If your opinion differs from other board members, state your case and let the readership form their own thoughts and opinions.
4. Do not personalize the issue.
5. The Beach Club e-mail will be printed at the bottom of the page inviting the membership to respond. This process will insure a clearer and more democratic method in tabulating and summarizing responses. This summary will be circulated to all board members.

The committee had a long discussion about the most effective way to engage dialogue between the board and the community and would propose that there be a “Question of the Quarter” in each edition of the Navigator. The board would come up with the questions and the readership would be asked to e-mail back with their thoughts/concerns/opinions. We feel this would be a constructive, democratic, and organized method of the board communicating their priorities and inviting the membership to respond.

The next Navigator will come out in June and we are beginning to compile articles. We welcome any input from the board and encourage the committee chairs to write an article articulating their activities.

We have three alternate dates offered for the two-hour Communication Skills Training for committee members and are now waiting to hear which date is chosen.

Discussion followed.

*Trustee Moyer made a motion that his article Point/Counterpoint be included in the March publication of the Navigator. For lack of a second, the motion failed.*

Lengthy discussion related to the proposed Point/Counterpoint article, in conjunction with the CC’s guidelines (see above), followed.

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*Trustee Feltham made a motion that the trustees approve Trustee Moyer's Point/Counterpoint article, as modified, for publication in the Navigator. Trustee Moyer seconded the motion and it carried unanimously. 09-03-04*

Discussion continued.

**Finance Committee (FC) – Ian Feltham, Treasurer** – The March meeting of the FC was cancelled. No current financial activity was reported.

### **Greenbelt Committee (GBC) – Ted Buehler, Chair**

Mr. Buehler presented the trustees with a packet of information related to recommendations of the GBC. He further explained a current tree removal/topping request for view restoration in the area of upper Walker Dr. The pros and cons of tree topping in conjunction with tree removal were discussed in depth. Trustee Moyer asked if this topic could be included in the GBC's Policies and Procedures and Mr. Buehler answered in the affirmative.

*Trustee Moyer made a motion that the tree topping policy recommendation be accepted for first reading, and be forwarded to the CRC for review. The motion was seconded by Trustee Bradshaw. Discussion followed. The motion carried unanimously. 09-03-05*

Trustee Moyer discussed a PLVC meeting summary that contained a statement to the effect the request to ride horses on the trails has been rescinded due to a previous agreement between PLA/Pope and the PLVC. It was suggested clarification of certain issues related to how the LMC trails are managed is needed. Lengthy discussion followed with input by Mr. Buehler related to trail safety, etc. Larry Nobles reported the Trails Committee, as requested by three LMC members, has authorized a six-month experiment to allow riding horses on the Timberton Trail Loop only. Discussion continued.

Trustee Bradshaw suggested the GBC institute some sort of mechanism by which the trustees can be kept informed regarding the policies of the Trails Committee. Discussion followed related to LMC liability with regard to the trails within North Bay.

*Trustee Bradshaw made a motion that the trustees direct the GBC to come up with some language in their Policies & Procedures to accomplish formal communication with the PLVC Trails Committee, with periodic reporting back to the board. The motion was seconded by Trustee Nelson. The motion carried unanimously. 09-03-06*

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

Mr. Goode discussed the most common violations of LMC Regulations and the problems related to solving these matters. No action taken at this time.

**Condominium Associations – Jerry Nelson** – Admiralty I has a new maintenance man starting Tuesday, March 17.

**North Bay Lot Owners Association** – Trustee Feltham announced the North Bay Lot Owners Association has taken over the cocktail party following the Annual Meeting on April 18 at 5:30 p.m.

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**Elections Ad-hoc Committee – Brian Belmont** – Mr. Belmont recommended this committee be continued because there is more work to be done on elections: developing practices and procedures, and participation in the vote counting this year. Discussion followed.

**CORRESPONDENCE:** President Boyer reported receiving fax correspondence from David Daniels that will be discussed later in the meeting. Secretary Bradshaw announced he had sent out a letter of violation related to motor home parking. A letter was received by Gary and Susan Hackney related to the scheduled appeal hearing. The CC chair, Barbara Berthiaume, sent an email containing a draft of the CC Polices & Procedures. The draft was forwarded to the CRC.

**Member Comments** – Member sanctions and possible legal liability were discussed. President Boyer stated the trustees were awaiting a legal opinion on this matter.

The meeting went into recess at 11:45 a.m. and reconvened at 11:55 a.m.

## UNFINISHED BUSINESS:

**Board Goals – Status Report** – President Boyer reported all standing committees have submitted their respective Polices & Procedures for review by the CRC and the board. A draft of the corporate organizational chart was prepared by President Boyer and will be submitted to the trustees for comment. Jamie Bima is the chair of the newly formed committee to develop and maintain a resource base of volunteers. An update will be requested. The ad-hoc committee formed to develop election procedures and ballot materials will continue to finish the work they have begun. Discussion followed related to the current long-range plan.

**New Business: Greenbelt Easement – hold harmless provision – Steve Siegiel** – Mr. Siegiel reported Mr. David Daniels requested clarification of where the pipe was located with reference to paragraph 2, page 2, line 5 of the easement legal document. The GBC recommended revising line 5 to read...drainage pipe located on the greenbelt property. Mr. Daniels was in agreement with the revision of line 5 and will sign the document.

*Trustee Moyer made a motion to change the wording in the above-mentioned easement legal document to read...after drainage pipe located on the greenbelt property. The motion was seconded by Trustee Nelson and unanimously carried. 09-03-07* Discussion followed.

**Insurance Risk Management Recommendations (policy changes) – 2<sup>nd</sup> Reading** – No action. The matter remains with the CRC.

**Procurement Policy – Covenants & Regulations input** – Mr. Belmont announced the matter is with the CRC at this time.

**Operations Committee Referral – Lot #6-0-009** – Secretary Bradshaw has written a letter to the member in violation. Discussion followed. Following the 60-day appeal time, if there has been no communication from the homeowner, and compliance is not achieved by the 60-day deadline, the board will sanction that owner, effective that date. Sanctions will include no use of the LMC facilities and amenities until such time as the owner comes into compliance. Secretary

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Bradshaw will prepare a motion for imposing a sanction in this case to be presented at the next board meeting.

*Trustee Nelson made a motion for the trustees to set a board policy on the procedures and steps to be taken in an enforcement policy for infractions of our rules and regulations. The motion was seconded by President Boyer. Lengthy discussion followed. Trustee Bradshaw made an amendment to the above motion, to schedule a workshop via email in the near future, to further discuss how to implement the original motion. Trustee Nelson seconded the amendment and it carried unanimously. The original motion, as amended, carried unanimously. 09-03-08*

Discussion continued.

**ACC Non Compliance Referral – Lot #2-3-196 & 2-3-197**– The trustees are awaiting an opinion letter from the LMC attorney. Discussion followed. Secretary Bradshaw will review the file and write appropriate correspondence to the homeowners. Discussion continued.

**ACC Non Compliance Referral – Lot #2-1-059** – Some of the trees may have trimmed, but the ones on the property line have not. Discussion followed. Secretary Bradshaw will write an appropriate letter to the homeowner.

**Rules & Regulations - Appeal Time Limits** – President Boyer reported the ACC and GBC are working on a process step and timeline flow chart. Discussion followed. Mr. Belmont will speak with Operations chair, Jim Goode, about the need for a flow chart related to OC's time limits. Discussion continued. President Boyer will compile information from the flow charts and explain how the different timelines work and what is required to match them, if needed.

**ACC Non Compliance Referral Lot #1-2-022 & 1-2-023** - Discussion followed, with a member in the audience providing background on this matter. Secretary Bradshaw will prepare an appropriate letter to the homeowner.

### **NEW BUSINESS:**

**Approval of 2009 Annual Meeting Mailing Material** – Mr. Belmont discussed the 2009 Annual Meeting mailing packet. March 27 is the proposed date for mailing to the members. Ballot items include: (1) Waiver of the Audit for the 2008 Financial Statement, (2) Article of Incorporation Proposed Amendment, (3) Article II, Section 5 of the Bylaws Proposed Amendment, and (4) Article II, Section 7 of the Bylaws Proposed Amendment.

*Trustee Feltham made a motion that the board recommend the members waive the audit of the LMC financial records of 2008. The motion was seconded by Trustee Nelson. Discussion followed. The motion carried unanimously. 09-03-09*

Discussion followed.

*Trustee Moyer made a motion that the board recommends approval of the proposed amendments on the 2009 ballot. The motion was seconded by Secretary Bradshaw and carried unanimously. 09-03-10*

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**Eligibility of a Person to serve as a Trustee** - Trustee Moyer discussed Board of Trustee Eligibility and read Article III Section 1 – Composition and Function in the Bylaws. Lengthy discussion followed related to definition of a “corporate member,” with input from the audience. To clarify further, Trustee Feltham read a portion of Article VIII of the Articles of Incorporation which refers to who may serve as a trustee. Trustee Moyer stated he felt a legal opinion was warranted for clarification. Discussion continued.

*Trustee Feltham made a motion for the trustees to approve Mr. Belmont’s 2009 Annual Meeting mailing packet with the exception if it is found that the nomination for Steve Cross is invalid that it be deleted and if valid, it be left in. Trustee Moyer seconded the motion and it carried unanimously. 09-03-11*

**Member Sanctions – delinquent assessments** – Mr. Belmont discussed LMC regulations dealing with definition of a member in good standing and what constitutes grounds for suspension. Members not in good standing may be suspended from the use of the facilities. Mr. Belmont requested the trustees consider suspending the facility privileges of all owners whose LMC assessments are not paid in full.

*Trustee Moyer made a motion that LMC members who have not paid their annual assessment in full will be suspended from using LMC facilities. Trustee Feltham seconded the motion and it carried unanimously. 09-03-12*

**Distribution of Attorney Opinion Letter – June 3, 2004** - President Boyer stated the 6/3/04 attorney opinion letter made no reference to any individual person or any individual properties. It was simply an opinion from the former LMC attorney on how the trustees can act as a board.

*Trustee Moyer made a motion to send the letter of June 3, 2004 from Richard Shattuck in regards to the powers of the commission to levy fines, to the committee chairs and committee members of the enforcement committees including the OC, ACC, GBC and also to the CRC so they will be aware of it. The motion was seconded by Trustee Feltham and unanimously carried. 09-03-13*

There being no further business, President Boyer adjourned the meeting at 1:55 p.m.

Respectfully submitted,

Vaughn Bradshaw, Secretary  
Ludlow Maintenance Commission, Inc.

Prepared by Carol Shamhart  
LMC Recording Secretary