

APPROVED

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

April 11, 2009 – 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 9:06 a.m. Roll call was conducted by Secretary Bradshaw. All trustees were present with the exception of Trustee Van Zonneveld. General Manager Brian Belmont attended the meeting.

Approval of Minutes: Trustee Bradshaw explained several changes in the February 14, 2009 board minutes. *Trustee Feltham made a motion to approve the regular meeting minutes of March 14, 2009. Trustee Nelson seconded the motion and it carried unanimously. 09-04-01*

Trustee Feltham made a motion to approve the Special Meeting and Executive Session minutes of March 21, 2009. Trustee Nelson seconded the motion and it carried unanimously. 09-04-02

President's Remarks: A sample motion form has been distributed to the Trustees, to help expedite the board meetings.

Manager's Report – Brian Belmont

The trustees have been provided with March 31, 2009 financial statements. A couple of different budget-to-actual report formats have been included in your packets. Are there any questions from the trustees regarding these statements?

As of April 10, we have collected approximately 95% of this year's assessments. There is currently \$27,666 (53 units) in outstanding assessments which includes three delinquencies from previous years as compared to \$16,652 (31 units) last year at this time. I believe our treasurer will be requesting lien authorization for those delinquent accounts later in today's meeting.

The replacement of the men's locker room floor drains has been completed. The contract price for the project was \$14,463. There were \$1,573 in change orders and \$234.26 in permit fees. The total project cost was \$16,270.26. LMC is holding the 10% (\$1,446.30) retention until all subcontractors and vendors have been paid. Jefferson County conducted the final inspection on April 2.

On March 26, Jefferson County completed removal of the communication tower and equipment in the RV storage area. The amateur radio club gave LMC the building they had used to store their equipment which is located next to the tower site. The insulated wood frame building is approximately 10' x 12'. Structurally the building appears to be in good shape and could be used to store equipment.

Our maintenance staff recently replaced the outdoor pool filter grid system. The old system had been in place for approximately 20 years.

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Maintenance staff encountered blockage problems with the drain lines that are connected to the indoor pool roof gutter downspouts. Fortunately Phil, Don, and Chris were able to locate the blockage and clear it.

From time to time we have asked our members for tool donations to be used by the LMC maintenance staff. What we could use at this time is a small portable pancake air compressor with a 4–6 gallon capacity. Our staff could also use a 3” x 21” belt sander. If you have this type of equipment and would be willing to donate, please contact me at the Beach Club.

Attached to this report is a revised draft of next Saturday’s Annual Meeting Agenda. Are there any changes that you would like to see incorporated? Operations Chair Jim Goode will not be available to give that Committee’s report at the annual meeting. In Jim’s absence, I will incorporate that committee’s activities with my manager’s report. I’m not sure who is planning to make the ACC report. I have moved my report to item #10 which should allow time for me to assist with the annual meeting vote count.

On Friday, April 17 at 10:00 a.m., Secretary Bradshaw and Communications Chair Barbara Berthiaume will help Mr. Belmont and Kim Monroe count the ballots that have been assigned to the Corporate Secretary. This procedure will save ballot counting time the day of the annual meeting. LMC members are invited to observe the counting procedure on April 17 at 10 o’clock in the Gallery Room.

Discussion related to the annual meeting followed.

In 2008 LMC had only one individual that failed to pay their RV storage fee. That same individual hasn’t paid this year’s storage fees either. Attached to this report is a copy of the letter I sent to this LMC member on March 27, 2009. The tenant was given two options: either pay both years’ storage fees by April 10 or remove the stored equipment by April 10. As of this morning, LMC has not received payment and the space is still occupied. I would like the Trustees to consider turning this matter over to our attorney for guidance on eviction of this tenant. Discussion followed.

Trustee Bradshaw made a motion that the board authorize Mr. Belmont to contact the LMC attorney, to ask what LMC’s legal options are in this case. President Boyer seconded the motion. Discussion followed. The motion carried 7:1 with Trustee Moseley opposed. 09-04-03

Trustee Bradshaw complimented Brian Belmont for his excellent job managing the very complicated men’s locker room project. Mr. Belmont was pleased with the quality of Perdue Construction’s work and their professionalism.

Based on investigation by LMC member Steve Siegiel and Trustee Nelson, Mr. Belmont reported at this time the Beach Club is not properly set up electrically for installation of the new heat pumps for the swimming pools. Mr. Siegiel explained the deficiencies of the current electrical system and what will be required for installation of the new heat pumps. A ball park figure for the proposed electrical project is approximately \$10,000. Discussion followed.

Trustee Feltham made a motion that the trustees approve \$10,000, from the Reserve Fund, for the electrical system upgrade to support the heat pump installation. The motion was seconded by Trustee Bradshaw. The motion carried unanimously. 09-04-04

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COMMITTEE REPORTS:

Architectural Committee (ACC) –President Boyer for Sharron Sherfick, Chair

President Boyer reported several minor application processes with the ACC over the last two weeks. There was one request to enlarge a previously approved fence application that was denied, and one metal roof application that was denied but may be resubmitted. Due to chair Sharon Sherfick's illness, the ACC will be seeking a new chair. Lengthy discussion followed related to approval of metal roofs in North Bay.

Covenants and Regulations Committee (CRC) –Dwayne Wilcox, Chair – Mr. Wilcox reported the CRC has submitted its recommendation related to the Procurement Policy for general managers to the trustees. ACC Policies & Procedures have been reviewed by the CRC. A joint meeting of the ACC and CRC will assist in completing this project. The subject of fines was discussed. Mr. Wilcox stated further investigation will be required on this matter and welcomed input. Lengthy discussion continued.

Communications Committee (CC) - Barbara Berthiaume, Chair

The committee held a two hour communication skills workshop on Friday, April 3. The focus of the workshop was active listening skills and composite communication. The next workshop will be held on May 1 from 10 am -12 noon. Conflict management will be the focus of the May 1 workshop.

Potential articles for the June issue of the Navigator were discussed at the last CC meeting. Draft articles for the June issue should be submitted no later than June 3. The draft Navigator will be provided to the trustees for review on June 10. Final approval by the trustees will be requested at the regular board meeting on June 13.

Ms. Berthiaume announced the former editor of the Log/Navigator, David Goudie, had rejoined the CC as editor.

Better communication between the community and the board was discussed.

Finance Committee (FC) – Ian Feltham, Treasurer – The April meeting of the FC was held Thursday, April 9. The FC approved the Operations Committee's recommendation to award the carpeting contract to Peninsula Flooring in Port Townsend.

The first quarter financial records were reviewed by the FC and found to be in order.

Trustee Feltham made a motion the Trustees award the carpeting contract to Peninsula Flooring for an amount not to exceed \$10,500 from the Reserve Fund. The motion was seconded by Trustee Moyer. Lengthy discussion followed. The motion carried 6:2 with Trustees Kadesh and Moseley opposed. 09-04-05

Trustee Feltham made a motion that the Treasurer be directed to implement liens on delinquent accounts, in accordance with the current LMC delinquent assessment collection policy. The motion was seconded by Trustee Nelson and unanimously carried. 09-04-06

Discussion followed.

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Greenbelt Committee (GBC) – Ted Buehler, Chair

Mr. Buehler announced the GBC has not had a meeting since the March board meeting.

There were two requests for easements. Olympic Water & Sewer want to install a pressure regulation valve to better serve the residents below Oak Bay Road in case of a fire. Mr. Buehler explained the details of the request and discussion followed.

President Boyer made a motion that the Trustees approve the request by Olympic Water & Sewer, with the GBC's oversight. Trustee Feltham seconded the motion and it carried unanimously. 09-04-07

Steve Siegiel discussed an easement request for installation of a satellite dish crossing the greenbelt. The homeowner is asking for permission to run a cable from his house down to a satellite dish, which would be located on Olympic Water & Sewer property. It will cross an area of approximately 10 feet of the greenbelt. Because this is the first request of this type, it has the potential to be precedent-setting for future requests. The GBC has requested the cable, as it crosses the greenbelt area, be put into a 1" PVC conduit and buried at least 24" deep. Additional details and requirements were discussed in depth. Discussion followed.

Trustee Jenings made a motion to allow the Wrights permission to cross the Greenbelt with their satellite dish cable as long as it is installed in accordance with all criteria required by the Greenbelt Committee. Permission is also subject to the condition that the location of the cable be properly marked with stakes. Trustee Kadash seconded the motion and discussion continued. The motion carried 6:1:1, with Trustee Moyer abstaining and Trustee Moseley opposed. 09-04-08

Trustee Moyer questioned the status of the regulation involving house for sale signs and signs on trees. Mr. Buehler stated the County recommended sending a letter to the homeowner requesting removal. If the homeowner did not comply, LMC would remove the sign and notify the homeowner.

Unfinished Business – Item I – Greenbelt Easement – Hold Harmless Agreement -

Discussion followed related to property located at the corner of Fleet and Pioneer. At the March board meeting the trustees amended the Hold Harmless Agreement in the easement document. Description of the land involved as "greenbelt property" or "reserve property" was discussed.

Trustee Kadash made a motion that reserve areas be referred to as "greenbelt/reserve areas" rather than the previously approved "greenbelt property". The motion was seconded by Trustee Moyer. The motion carried unanimously. 09-04-09

New Business – Item c. – Tree Topping Policy – First Reading – Referred to the CRC for review in March 2009. No additional action at this time.

Operations Committee (OC) – Jim Goode, Chair

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Mr. Goode reported excellent cooperation from homeowners who had been notified by the Operations Committee that they were in violation of the regulations.

The OC and Mr. Belmont are working on a plan that would allow handicapped individuals to gain access to the lower level of the Beach Club.

President Boyer asked Mr. Goode to continue in his role as chair of the OC next year. Mr. Goode agreed to continue.

Condominium Associations – Jerry Nelson – Nothing to report at this time.

Port Ludlow Village Council (PLVC) - President Boyer commented on the proposed land swap between Pope and DNR. No negative effects to the community are anticipated and more positive effects may include being able to communicate, work with and leverage both PLA and Pope in the future.

Elections Committee Ad-hoc Committee – Brian Belmont – Mr. Belmont discussed scheduling a debriefing of those who are participating in the Elections Ad-hoc Committee, to talk about what went well and possible changes in the future. Mr. Belmont favored the continuation of the ad-hoc committee. President Boyer stated he will not discontinue the committee.

Volunteer Resource Network – Ad-hoc – Barbara Berthiaume – Jamie Bima continues to welcome new homeowners for the North Bay Homeowners Association. The search for volunteers continues. Some of the recruiting effort has been met with some negativity and this will be addressed.

CORRESPONDENCE: President Boyer read a lengthy letter from a homeowner who disagrees with the proposed changes on ballot percentages that the membership will vote on April 18, 2009. Secretary Bradshaw will send a letter to the homeowner, acknowledging receipt of his letter.

Member Comments – None at this time.

UNFINISHED BUSINESS:

Board Goals – Status Report –

- President Boyer has spoken with the chairs of the standing committees to make a smooth transition during the election process. The FC will need volunteers to chair and work on the committee. All committee Policies & Procedures have been completed with the exception of ACC and the Communications Committee, which are in review.
- The 2004 Long Range Plan will require updating.
- The corporate organizational chart is self-explanatory as it is and does not need further work. Mr. Belmont will distribute the chart to the trustees.
- A Volunteer Resource Network is in place.
- Clarification of the election procedures and ballot materials were discussed in detail.

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Trustee Bradshaw asked if a trustee orientation would be held following the election. The trustees agreed the orientation was helpful. Mr. Belmont will ask Catherine Garrison to help with an orientation program this year. A communication skills workshop for the board was discussed and will be scheduled following the election.

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

Procurement Policy – Covenants & Regulations Input – Second Reading – The trustees discussed the proposed Procurement Policy. The CRC was in agreement that \$3,000 for an operating account expenditure and up to \$10,000 for an emergency repair were appropriate amounts.

Trustee Moyer made a motion to accept the Purchase Approval Authority Policy for second reading and to approve the policy as written. Trustee Bradshaw seconded the motion. Following lengthy discussion, the motion carried 6:2. Trustees Kadesh and Moseley were opposed. 09-04-10

Trustee Moyer discussed a proposed corrective action form letter to be sent to homeowners not in compliance. Lengthy discussion followed. This matter will be further discussed at the next board meeting.

Trustee Bradshaw discussed the following non compliance referrals to the board: Item 7. Unfinished Business, d. through g., - Lots # 6-0-009, #s 2-3-196 & 2-3-197, # 2-1-059 and #s 1-2-022 & 1-2-023. A letter has been sent to the owners of Lot # 2-1-059 and Lot #s 1-2-022 & 1-2-023, giving them two weeks to comply. If they do not comply, the trustees will make a motion to sanction the homeowner. Trustee Bradshaw will also send a letter to the owner of Lots # 2-3-196 & 2-3-197. The trustees will hold a workshop on April 14, to develop a systematic procedure to ensure consistent handling of all cases.

Trustee Bradshaw made the following motion related to Lot #6-0-009: The LMC Operations Committee referred to the Board of Trustees at our February 2009 board meeting, the matter of a motor home parked for an extended period of time on Lot #6-0-009, in violation of our regulations and Port Ludlow #6 CC&R's. The board wrote to the owner of said lot on March 4, 2009, to let them know that they are in violation and directing them to conform to the regulations. No appeal was received during the 60-day period allowed, which expired on March 23, 2009. The LMC Board of Trustees therefore declares the owner of said lot a member not in good standing and suspends their privilege to use the LMC facilities and amenities, including common property, until such time as the owner comes into compliance. The board reserves the right to take further action in the future if the violation persists. President Boyer seconded the motion. Lengthy discussion followed. The motion carried unanimously. 09-04-11

Discussion continued, with audience participation, related to LMC sanctions. The matter will be further discussed at the upcoming workshop on April 14 and addressed at the next board meeting.

NEW BUSINESS:

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Annual Meeting – Tie Break Process & Corporate Secretary Substitution – Mr. Belmont addressed who would be assigned the corporate secretary proxies in the event the secretary was unable to attend the Annual Meeting. Tie break procedures were also discussed. Mr. Belmont stated these issues have not been addressed and there are no formal policies at this time. In the interim, Mr. Belmont proposed that if the Corporate Secretary is not able to attend the Annual Meeting, previously assigned proxies to him would be assigned to the President. At last year's Annual Meeting, the trustees voted to assign the proxy votes to the President, in the event the secretary was not able to attend. Discussion followed. Mr. Belmont stated if there is a tie in the trustee election, if both candidates are present, they would be asked if they would be willing to resolve the tie by a coin toss, etc. If they are not in agreement and want to have a run-off, then the meeting would be recessed rather than adjourned.

Trustee Nelson made a motion that if the Corporate Secretary is not able to attend the Annual Meeting, the proxies that have been previously assigned to the Corporate Secretary will be transferred to the Corporate President. In the event the Corporate President is not able to attend, the proxy votes will be transferred to the Vice President. The motion was seconded by Trustee Moyer. The motion carried unanimously. 09-04-12

Trustee Feltham made a motion to adjourn the meeting at 12:48 p.m. The motion was duly seconded and carried unanimously. 09-04-13

Respectfully submitted,

Vaughn Bradshaw, Secretary
Ludlow Maintenance Commission, Inc.

Prepared by Carol Shamhart
LMC Recording Secretary