

## **APPROVED**

**Accepted by the LMC Trustees – May 17, 2008**

**Approved by the LMC Membership – April 18, 2009**

### **MINUTES OF THE ANNUAL MEMBERSHIP MEETING**

#### **LUDLOW MAINTENANCE COMMISSION, INC.**

Saturday, April 19, 2008 – 2:00 p.m. – Bay View Room

**Trustees:** Vaughn Bradshaw, Ted Buehler, Ian Feltham, Stan Kadesh, Paul Moseley, Art Moyer, Jerry Nelson, Sonny Sanzaro, and Elizabeth Van Zonneveld.

Vice President Van Zonneveld called the meeting to order at 2:00 p.m. President Bradshaw was absent.

**Quorum Requirements:** Secretary Nelson confirmed there was a quorum present. Vice President Van Zonneveld announced enough votes had been cast, with proxies to the Secretary, for a quorum to be declared. That is 34% of the ownership of the LMC.

**Vice President's Remarks:** Vice President Van Zonneveld reminded the audience that board meetings are routinely recorded. She further explained the need for everyone to sign into the meeting and the procedure required for a vote to be valid. Minutes will be produced for the membership's approval at next year's Annual Meeting. Because this meeting is not officially a board of trustees meeting, Vice President Van Zonneveld indicated that because this is a members' meeting, she is chairing and not presiding.

**Agenda:** Vice President Van Zonneveld referred to page two of the Agenda which offers guidelines on how the Annual Meeting will be run.

**Nominations from the Floor:** Vice President Van Zonneveld called for nominations from the floor for the two open positions for lot owner representatives and the one open position for a condominium representative; there were no nominations from the floor. LMC Member Amy Recht made a motion to close nominations. The motion was duly seconded and carried unanimously.

**Final Call for Ballots:** Vice President Van Zonneveld announced that if members had not yet submitted their ballot and/or submitted their ballot through a proxy earlier, they should do so now. Following final call for ballots, the Secretary will supervise the counting of the ballots for the election of new representatives. Secretary Nelson and Trustee Sanzaro left the meeting room to supervise and assist in the ballot count.

**Approval of Minutes of the Annual Meeting of April 21, 2007:** Vice President Van Zonneveld called for a motion from the floor. LMC member Amy Recht made a motion to approve the minutes of the Annual Meeting of April 21, 2007. The motion was seconded by LMC member Stephanie Buehler and carried unanimously.

The second set of minutes to be approved is the Budget Ratification meeting minutes of the 2008 budget meeting held on December 15, 2007. By a motion made by LMC member Amy Recht,

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seconded by LMC member Doris Feltham, the Budget Ratification meeting minutes were approved by the membership.

**Volunteer Recognition:** Vice President Van Zonneveld explained that every single thing that gets done by the LMC, all those standing committees and the work of the board are done by volunteers, not the LMC staff. These volunteers put in numerous hours to volunteer at meetings and to develop regulations and policies to keep the LMC running. To thank these volunteers, President Bradshaw and Vice President Van Zonneveld prepared certificates for presentation to each of the committee members. Unfortunately, President Bradshaw was not present to sign the certificates for delivery today. In lieu of that, Vice President Van Zonneveld read the names of the volunteers of the standing committees who will receive a certificate at a later date.

### **PRESIDENT'S REPORT:**

In President Vaughn Bradshaw's absence, I want to say thank you to Brian Belmont and the LMC staff who greet every member and provide us all with courtesy, with comfortable amenities and with cooperation no matter how repetitive or how unusual our requests may be. They keep the Beach Club a friendly and welcoming place.

The annual meeting of LMC members is also a time to thank your board members and committee volunteers for the innumerable hours of effort they give working on LMC issues. The North Bay is large enough at 1090 lots and condos to be a small town. Our homeowner's association volunteers are the mainstay of LMC's ability to govern ourselves and provide facilities for the many activities we enjoy.

A refrain that is repeated many times here in Port Ludlow is the call for volunteers. There are many ways to take an active role in LMC, some visible and requiring considerable time and others that are not so demanding that may catch your interest. Don't wait to be asked. I urge you to think about those parts of life here that you enjoy most, and look for the committee or group that can give you the chance to do what you like and donate your talent in some way, large or small to your community. You can enrich your own life and that of your neighbors as well. In reviewing the board's work this past year, I must say I believe we have achieved some "uneven" results in meeting our goals.

Our number one goal this year was to ask all standing committees to develop written policies and procedures for board approval. The standing committees have done very well indeed. There are only a few areas in which we have not completed approval of written policies, or are reviewing changes.

Second, identify membership issues as opposed to special interests. This has been a matter of discussion and ongoing concern. Assessing the preferences and desires of our members both here and living away from here does not have to mean ignoring the desires of members who share a particular interest. We have not met this goal; we have only begun to work on it. The board has begun a long-term planning process, together with a review of facilities that will likely

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include a member survey in the next few months. The last effort in this area was the 2004 Long Range plan. We need answers from our members about the direction in which LMC should go in coming years.

Improve two-way communication with membership. I think we should call this one a toss-up. President Bradshaw opened the trustee meetings and workshops to member participation in a way that have not been done before. In response, a number of members brought forth positions and issues with intensity. The board has experimented with a two meeting per month format instead of a workshop and regular meeting each month. All of these facts have resulted in longer meetings and an increased drain on both board member time and energy, and staff time and costs while providing members more opportunity to express themselves on issues before the board.

### **TREASURER'S REPORT:**

As of March 31, 2008, LMC has \$381,844.41 in operating funds. We have \$425,937.30 in our replacement fund. Our operating funds are in a Money Market account at the Kitsap Bank and in a check account and Money Market account at American Marine Bank. We also have CD's with the Edward Jones stock account, with the office in Port Ludlow. The replacement fund has \$58,041.21 in Money Market and savings accounts with the local Kitsap Bank and \$367,896.09 invested with the local Edward Jones brokerage account.

During the past year the LMC investment policy was changed from a requirement of 75% to 100% of the money required to be on hand to be fully funded. The goal is to accumulate enough money for 100% of the replacement fund. Treasurer Feltham explained the process by which the replacement funds for each item are spread out over the lifetime of the item. The replacement fund is currently funded at 92%.

The listing for the replacement account was also revised, eliminating anything below \$2000. Those items were given to Operations. There has been a decrease in the number of items required in the LMC replacement fund.

Questions were taken from the audience.

### **COMMITTEE REPORTS:**

#### **Architectural Control Committee – Veronica Ryan, Chair**

Ms. Ryan's written report is filed with these minutes. Questions and comments followed.

From April 2007 to April 2008, ACC has acted on more than 122 requests, most of which were considered and approved.

The committee put in place the policies and procedures for trees, views and obstruction requests, completed new fencing guidelines and updated the home construction package.

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### **Covenants & Regulations – Stephanie Buehler for Catherine Garrison**

Ms. Garrison's complete written report is filed with these minutes

In response to the newly adopted regulation on Trees and Views, the board directed the committee to study the governing documents to determine which standing committee should be assigned oversight of tree issues. It was determined that the documents are clear in assigning responsibility to the Architectural Control Committee. Working with members of the Architectural Control Committee and the Operations Committee, the CRC worked on developing policies and procedures to support the Trees and Views Regulation. The committee is grateful to Veronica Ryan, Stephen Siegiel, Carol Shamhart and Eve McDougall for their contributions to this effort. We are also grateful to Bill Hubbard who worked tirelessly with the committee and contributed his expertise on liability issues.

In November 2007, the LMC Board of Trustees met with the combined group in a special work session to discuss the proposed policy and procedures. The committee is very grateful to the board for this attention to detail and we hope this will serve as a model for future boards and other committees when dealing with sensitive topics. The policy was adopted by the board on December 15, 2007.

To assure consistency throughout the regulations in relation to the Trees and Views Regulation, the board approved committee recommendations for several minor amendments to the regulations.

The committee adheres to a policy of at least two public readings prior to the adoption of any policy or changes to the governing documents.

In April 2007, the committee reported on inconsistencies in language between the Articles of Incorporation and the Bylaws, concerning voting requirements for "special matters." A thorough study of LMC records was undertaken to discover how the inconsistencies developed. The committee continues to grapple with an acceptable recommendation for resolving this matter.

On behalf of the CRC, Stephanie thanked Catherine Garrison for her leadership, dedication and attention to detail over the past 5 years as chairperson of the CRC.

### **Communications – Barbara Berthiaume**

Ms. Berthiaume's complete written report is filed with these minutes.

The past year, the Communications Committee recommended that the Log come out three times a year instead of four times, which was adopted by the board. Currently, the Log is printed in the fall, spring, and winter. Board members have been encouraged to suggest or write timely articles for the Log.

The Communications Committee was asked to review best use of money in communicating with LMC members and the Committee recommended that the LMC continue support of the Voice on behalf of the LMC membership.

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The Committee was asked by the board to identify communication skills and board training resources in the community. A Communication Skills Workshop will take place after the April Elections.

### **Finance Committee – Bill Funke, Chair**

Mr. Funke's complete written report is filed with these minutes.

The General Manager's monthly and year-to-date financial statements were reviewed and discussed in detail with him at all regular monthly meetings. This included income and expense comparisons with the prior year, reviews of check registers for major expense categories, assets and liabilities & equity reviews and delinquent account balances, collections and foreclosure updates. This is done on a monthly basis.

The FC accepted Insurance policies as recommended and researched by the General Manager. They were included in the 2008 budget.

The FC reviews every expense request for reserve items and other major items that come to the FC through the General Manager and the Operations Committee.

### **Greenbelt Committee – Larry Scott/Jack Rikken, co-chairs**

Mr. Rikken's complete written report is filed with these minutes.

The Greenbelt Committee (GBC) met throughout the past fiscal year on the regularly scheduled second Tuesday of each month. During the past year the GBC acted on and closed 50 submitted requests for vegetation management, tree removal and easement requests in the LMC Greenbelt areas. There are currently 10 open requests to the GBC being evaluated and/or monitored for tree removal, required replanting and easement approval in the Greenbelt.

### **Operations – John Van Zonneveld, Chair**

Mr. Van Zonneveld's complete written report is filed with these minutes. Questions and Comments followed.

The fiscal 2007-08 year has been very successful in terms of accomplishments for LMC's Operations Committee. During the year two new members were added to the Committee, Lenetta Johnson and Sheila Brunstad.

Mr. Van Zonneveld discussed two challenges before the LMC. One challenge deals with a plugged drainage system in the men's locker room and we are currently in the process of determining how much it is going to cost and how to repair it. However, we are very close to a solution. The second challenge ahead is the condition of the electric wiring in the Beach Club. It is outdated and there may be code problems.

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In July, 2007, the Operations Committee was handed a series of questions by the Trustees regarding the use of the LMC tennis courts by LMC members, their guests, non-MPR residents, or other groups. The Operations Committee held open hearings, studied the results and opinions and prepared a report to the trustees. The report was returned to Operations and the chair appointed a sub-committee so study and re-write. The members were: Michael Cahn, Sheila Brunstad and Pat Cooper. Several months of work by this subcommittee and review by the entire Operations Committee have produced a tennis report that we believe is well-written and makes solid, logical recommendations. The tennis report was accepted by the Trustees at their March 15, 2008 meeting, for review.

Mr. Van Zonneveld recognized the excellent work by the LMC maintenance staff and that of the office staff.

The Operations Committee has enjoyed the presence and contribution of Trustees Nelson and Kadesh, appointed by President Bradshaw. We thank the LMC for giving all of us the opportunity to serve our community as volunteers.

### **LMC REMODEL EFFORT – Trustee Moyer**

Trustee Moyer discussed the history behind a proposed Beach Club remodel and two plans that might be considered. One plan would be to take all the posts out of the Bayview Room and replace the roof, which would be required to remove the support posts. The thought is to expand to the north. That wall would be removed and the room would go out eight feet. The stage would be moved from the north to the south end of the building, and seating would increase to 159. There would be a new kitchen in both plans and a new entry. An elevator would be installed. The rough cost estimate for this plan is 1.127 million. The bigger plan expands the north wall 28 feet, with increased seating to 217. The kitchen size would not change from the first plan, but the equipment would be more extensive, including a full cooking kitchen. The first plan allows for a warming kitchen which is what we have now. The rough cost estimate for the larger plan is 1.914 million.

Trustee Moyer explained the projected space layout for the second level of the Beach Club and the difficulty of securing funding for any project. Both plans have been posted in the back of the Bayview for member review.

The meeting went into recess at 3:10 p.m. and reconvened at 3:20 p.m.

### **MANAGER REPORT – Brian Belmont**

Mr. Belmont's complete written report is filed with these minutes. Questions and comments followed.

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Good afternoon. Today I would like to review some of the past and current projects as they pertain to the facility and amenities. I will also address some of our goals for the remainder of this year.

### **Repair & Improvements**

Last spring LMC had the English ivy removed that was growing alongside the outdoor swimming pool. After the ivy was removed our staff raked out the bare area and seeded it with grass.

Washington State Department of Health required the installation of an emergency shut-off switch, for the outdoor swimming pool which was installed last summer. It is located next to the pool deck and when pushed, will shut off the pool circulation pump and activate an alarm that can be heard from nearly anywhere in the facility. When the alarm button is pulled back out the alarm is turned off and the circulation pump is re-started.

LMC's pool supply company, The Watermill, retiled the spa last summer.

Last fall LMC's maintenance staff reset the four tennis court net posts on the Kehele tennis courts. After the posts were reset Mid Pac Construction resurfaced the two Kehele Park tennis courts.

The south end of the Beach Club was re-roofed by Hope Roofing (\$21,571.60) last fall. Because of ongoing discussion regarding a Beach Club remodel and/or expansion, LMC opted to only re-roof approximately 45% of the entire building. The Bridge Deck building was re-roofed by Bartlett Roofing (\$4,925.70).

LMC maintenance personnel painted the Bridge Deck building and repaired several dry rot areas on that building.

During the past year, LMC has received several generous donations from members and former members. Former LMC member, Betty Taylor, donated \$400 that was used as a memorial gift for her husband Walt who passed away recently. Betty's donation was used towards the purchase of a new podium...this podium in fact.

The Home Owners Pot Luck group purchased a much needed and appreciated vacuum cleaner for the Beach Club.

Port Ludlow Racquet Club donated \$300 to LMC.

Recently the Beach Club received a recumbent exercise bike from David and Geri Goudie. The new addition appears to be very popular.

Earlier this year I was approached by LMC member Jay Bonds who with his wife Mimi offered to match dollar for dollar up to \$2,500 donated for the purpose of purchasing a new, commercial

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grade, elliptical trainer. With the Bonds match more than \$5,200 was donated. On April 10, the new Cybex Total Body Arc Trainer was delivered and installed in the Beach Club exercise room. I would like to recognize the following LMC members that made donations towards the purchase of this exercise equipment.

Richard & Mary Babaian

Richard & Mary Wall

James & Suzanne Milner

Peter & Jeanne Joseph

Jay & Mimi Bonds

Gunter & Ursel Krumme

Jack & Karen Rikken

Jim & Ruth Irvin

There was also an anonymous donation of \$2,100

### **Upcoming Projects**

The outdoor swimming pool is scheduled to open on Saturday, May 17. This is the week prior to Memorial Day weekend.

LMC is looking into the possibility of installing heat pumps as a primary source of heat for the pools. Currently the indoor pool is heated using a propane boiler and the outdoor pool uses a combination of heat pump and propane for heating. With the current price of propane at more than \$2 per gallon, we are exploring more efficient means of heating the pools.

This spring, in order to stay current with Washington State Department of Health rules pertaining to swimming pools, LMC will be changing the chain link fencing adjacent to the outdoor pool. New rules require that the open squares in the wire be smaller than what is currently installed.

During the next couple months I will be working with a small group of LMC volunteers that will help gather the necessary information to update the LMC Reserve Replacement Schedule. As part of this effort we will get updated prices for the major repair or replacement for all items on the component list. In a nutshell, what we are doing is looking at what it costs to replace assets such as heat pumps or RV lot fencing, determine what the typical life expectancy should be and then estimate what the useful life is of our current assets. By doing this, LMC will have a much clearer picture of our reserve funding requirements. If there are members here today that would like to help us with this project, please contact me as soon as possible.

Recently we found that the traps in the floor drains in the men's locker room have rusted out. We have a plan in place to make those repairs but because of the upcoming summer season it has been decided to schedule the repairs this fall because it will involve closing the men's locker room for several weeks.

LMC members Jerry Nelson and Steve Siegiel have donated many hours assessing the overall condition of our 40 year old Beach Club electrical system. They have found problems in several

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## Staff

I would like to tell you a little bit about our staff. Kim Monroe, who is our Office Manager, has worked for LMC for more than 21 years. Her organizational skills, energy level, loyalty and work ethic are attributes that impress everyone that comes in contact with Kim. Kim flat out gets things done. Our hostesses Sue Bartkus, Mara Denny, Ruth Irvin, Alpha Palmer (30 years) and Carol Shamhart are the friendly faces you see when visiting the Beach Club. These ladies are asked to do so much more than just meet and greet our members and they all appreciate and understand good customer service. I am very fortunate to have each and everyone as co-workers.

In our maintenance department, Maintenance Supervisor, Phil Eng, who has worked for LMC for more than 23 years, leads our maintenance staff. Phil is a hard worker whose creativity and wide range of skills has served LMC well. Unfortunately, it is Phil's current plan to retire from LMC in March of 2009. With Phil's knowledge of our facility those are going to be large shoes to fill...no pun intended. Bob Carstensen who works weekday evenings has been here for 18 years. Bob works well with members and groups using the facility during the evening hours. Rounding out our maintenance staff we have part timers Steve Chase who has only worked with us for a couple of weeks and Dick Jovag who has been so flexible by making himself available to fill staffing needs.

Although this past year has had its challenges, I've enjoyed working not only with my co-workers but the volunteers that are so vital to this operation. I have appreciated the opportunity to work with so many talented individuals.

## ELECTION RESULTS:

<b>Condominiums:</b>	Vaughn Bradshaw	35
	Dorothy Wright	13
	Jim Boyer	4
	Kent Foreman (write-in)	1
	Hugh Jenings	1
	Bill Lazarus	1

<b>At Large Members For the Lot Owners:</b>	Jim Boyer	193
	Hugh Jenings	153
	Lenetta Johnson	102
	Bill Lazarus	131
	Rae Watkins	66
	Dorothy Wright (write in)	3

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Peter Joseph (write-in) 1

**Ballot Item #1:**

Resolution: IRS 70-604 Election (Transfer of excess 2008 operating funds to reserves)

Condo:

FOR: 49 votes

Against: 6 votes

Lots:

FOR: 307 votes

Against: 26 votes

Total:

FOR: 356 votes

Against: 32 votes

**Ballot Item #1 Passed (majority of total votes cast required)**

**Ballot Item #2:**

Resolution: That the audit of 2007 LMC financial statements be waived.

Condo:

FOR: 44 votes

Against: 14 votes

Lots:

FOR: 177 votes

Against: 151 votes

Total:

FOR: 221 votes (57.25%)

Against: 165 votes

**Ballot Item #2 Failed (67% majority of total votes cast required)**

**Ballot Item #3:**

Resolution: That Bylaw, Article I, Section 3, be amended (establishment of a record date).

Condo:

FOR: 49 votes (92.45%)

Against: 4 vote

Lots:

FOR: 267 votes (83.43%)

Against: 53 votes

Total:

FOR: 316 votes

Against: 57 votes

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**Ballot Item #3 Passed (affirmative vote of a majority of both the participating lot and condo owner members attending in person or by proxy is required)**

**Public Comment Period:** Vice President Van Zonneveld opened the floor for public comments and introduced new LMC board members Jim Boyer and Hugh Jenings. Applause and thanks was also given to the outgoing members of the board.

Trustee Moyer discussed several ways the LMC might raise the required funds for a Beach Club remodel. He also pointed out the difficulty in getting the 490 positive member votes that are currently required in our governing documents. Trustee Moyer indicated he was willing to help with the project and to make changes as necessary. He urged members to come forth to assist with the fundraising.

Treasurer Ian Feltham thanked the volunteers, specifically, Bill Funke, for his role as chair of the Finance Committee. He reminded the audience that the new President will be requesting new volunteers, as well as the current volunteers, to help achieve the anticipated changes in the next year. He urged the members to participate if asked to serve on an LMC committee.

By a motion duly made and seconded from the member audience, the 2008 Annual Member's Meeting was adjourned 3:43 p.m.

Respectfully submitted,

Vaughn Bradshaw, Secretary  
Ludlow Maintenance Commission, Inc.

Prepared by Carol Shamhart  
LMC Recording Secretary

### **Manager's Report:**

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Although this past year has had its challenges, I've enjoyed working not only with my co-workers but the volunteers that are so vital to this operation. I have appreciated the opportunity to work with so many talented individuals.

**ACC:** No written report as of April 27.

### **FINANCE COMMITTEE:**

The primary function of the Finance Committee, as set forth in the LMC Bylaws, is to assist the treasurer in carrying out the duties of his office with specific instructions charging the Committee to:

- Monitor LMC compliance with LMC financial policies.
- Preparation of the proposed annual budget.
- Report directly to the Trustees any spending variances with respect to the budget and
- Serve as a consultant to the Board of Trustees in all matters involving investment or expenditure of LMC funds and other financial matters of interest to the Board.

The Treasurer's annual report will include the Corporation's financial situation and fiscal assets.

This report summarizes the Financial Committee activities in carrying out its primary function and duties since the April 2007 LMC members annual meeting to date. Notice of all Committee meetings were posted on the Beach Club bulletin board. Reports and minutes of all Committee meetings were presented at the monthly Trustee meetings and are included with the official Trustee meeting minutes.

Financial Statements: The Manager's monthly and year-to-date financial statements were reviewed and discussed in detail with him at all regular monthly meetings. This included

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income and expense comparisons with the prior year, reviews of check registers for major expense categories, Assets and Liabilities & Equity reviews and Delinquent account balances, collections and foreclosure updates.

Committee members conducted quarterly “in house” audits. These audits included a review of LMC bank, money market, credit card and brokerage statements and the register of checks written on the LMC commercial account at the American Marine Bank. The Treasurer, together with the Manager, personally opened all brokerage and banking statement envelopes when received and reviewed these statements.

2008 Budget: The proposed 2008 budget worksheet prepared by the Manager and endorsed by the Operations Committee was received by the Finance Committee in mid October, starting the 2008 budget review and approval process. Discussion and debate over non operating projects, staff salaries and other budget issues required a special November meeting to reach agreement. The Treasurer accepted the Committee’s recommendations which he presented to the Board.

Tax Returns: The Committee reviewed only the preliminary 2007 LMC tax return prepared by LMC accountant John Froula . The Treasurer received, approved and filed the final tax return.

Investment Actions: All Reserve Fund and Operating Fund investments during the past year were limited to insured money markets and CDs. The rates on CDs purchased varied between 5 and 3.1% depending on the investment date, the amount invested and the maturity dates. Most CDs purchased during the past year are paying over 3.5 % interest.

During the past year Kitsap Bank \$50,000 minimum balance Money Market rates varied from 4.8% to the current 2.97 %. The E. Jones insured Money Market rates varied from 4 % to 1.87 % (as of April 16, 2008).

As investment instruments matured, the Committee and Treasurer discussed and determined reinvestment amounts and timing requirements.

All investments are executed by the Treasurer.

Insurance Coverage: The 2007 / 2007 insurance policies that were researched and recommended by the Manager were approved by the Committee and adopted in the 2008 budget

Project Funding and Other Expense Requests: Under the Committee’s Consultant to the Board of Trustees authority, all spending requests for new and replacement items and projects not included in the Operations budget were submitted to the Finance Committee by the Operations Chairman and Manager prior to being forwarded to the trustees with Committee recommendations. All projects submitted through December 31, 2007 were approved. None of the scheduled 2008 replacement projects have been formally submitted to date. The men’s locker room repair estimates were received by the Committee

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earlier this month. Pending unforeseen additional expenses the repair will be financed from current operating funds.

Reserves / Replacement Fund: The major Finance Committee project completed during 2007 was a detailed review with the Manager of all depreciable physical assets currently owned by the LMC. New guidelines were determined for asset inclusion on the Replacement Fund Component List.

A revised Component List format was developed detailing each asset's useful life, its remaining useful life, its estimated total replacement cost, and the annual additional reserves necessary to fully fund each asset's replacement. The total funds required for the Reserves to be 100% funded at the start of the year and the total of funds actually in the Reserve Fund at the start of the year are listed and summarized. Each asset's individual estimated replacement cost will be updated annually.

Asset Replacement Reserve Policy: Concurrent with developing the new Component List, the Committee undertook the task of redrafting the 2001 Reserve Fund policy to codify guidelines and annual funding requirements to insure the Reserve Fund will be fully funded ( at 100%) and to dedicated the Reserve Fund for the sole purpose to finance replacement of only those items identified on the Component List.

The Asset Replacement Reserve Policy draft was presented to the Trustees for required public readings and was officially adoption by the Board on March 6, 2008.

The Committee is currently finalizing additional revenue recommendations to bring the Reserve Fund to 100% and to maintain it at the 100% funding level for future replacement needs.

Special recognition is due member David Pendegast for his personal efforts in developing the new Reserve Component List and the Asset Replacement Reserve Policy.

Current Committee Members: Ian Feltham, Treasurer and Trustee, Art Moyer, Trustee, David Pendergast, Ken Schneider, Ted Wright and Bill Funke.

Members leaving the Finance Committee during the past year: Ed Wilkerson and Bruce Pyles, Chairman May 19, 2007 to Nov. 14, 2007.

Respectfully,

Bill Funke, Chairman

**COMMUNICATIONS COMMITTEE:**

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According to the By-laws, the Communications Committee “shall assure that corporation business, including operations and management information, is regularly conveyed to all members in a factual and clear manner, and that avenues for members input are publicized.”

One goal of the committee is for inclusive and participatory communication to all residents and the Board by utilizing a number of multi-modal vehicles. Whether written or verbal, communication mediums should be efficient, effective, timely, clear, accessible, and allow for feedback response.

The past year, the Committee recommended that the Log come out three times a year instead of four times which was adopted by the board. Currently, the Log is printed in the fall, spring, and winter. Board members have been encouraged to suggest or write timely articles for the Log.

An editor for the Log is still being sought and the duties include collecting pertinent and timely information regarding LMC business by communicating with the board, committee chairs, the Beach Club manager and co-coordinating with the Communications Committee. If anyone is interested, please contact Barbara Berthiaume at 437-0423.

The Committee was asked to review best use of money in communicating with LMC members and the Committee recommended that the LMC continue support of the Voice on behalf of the LMC membership.

The Committee was asked by the board to identify communication skills and board training resources in the community. A Communication Skills Workshop will take place after the April Elections.

### **COVENANTS & REGULATIONS COMMITTEE:**

Catherine Garrison acted as interim chair of the committee with Terry O'Brien taking the leadership role during December, January and February.

In this report the Covenants and Regulations Committee is referred to as *the committee* or *the CRC*.

In response to the newly adopted regulation on Trees and Views, the board directed the committee to study the governing documents to determine which standing committee should be assigned oversight of tree issues. It was determined that the documents are clear in assigning responsibility to the Architectural Control Committee. Working with members of the Architectural Control Committee and the Operations Committee the CRC worked on developing policies and procedures to support the Trees and Views Regulation. The committee is grateful to Veronica Ryan, Stephen Siegiel, Carol Shamhart and Eve McDougal for their contributions to this effort. We are also grateful to Bill Hubbard who worked tirelessly with the committee and contributed his expertise on liability issues.

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In November 2007, the LMC Board of Trustees met with the combined group in a special work session to discuss the proposed policy and procedures. The committee is very grateful to the board for this attention to detail and we hope this will serve as a model for future boards and other committees when dealing with sensitive topics. The policy was adopted by the board on December 15, 2007.

To assure consistency throughout the regulations in relation to the Trees and Views Regulation the board approved committee recommendations for several minor amendments to the regulations.

The committee adheres to a policy of at least two public readings prior to the adoption of any policy or changes to the governing documents.

In April 2007, the committee reported on inconsistencies in language between the Articles of Incorporation and the Bylaws concerning voting requirements for "special matters." A thorough study of LMC records was undertaken to discover how the inconsistencies developed. The committee continues to grapple with an acceptable recommendation for resolving this matter.

The committee also worked with the Operations Committee on a revision to Regulation I, Article I (6), Parking and Storage of Vehicles; developed a recommendation (appears on the April 2008 ballot) for a Date of Record to be inserted into the LMC Bylaws, Article 1, Section 3; reviewed and made recommendations on various documents and policies for the ACC. A report was submitted on the subject of notice of meetings.

Minutes of the Covenants and Regulations Committee are on file in the Beach Club Office.

Respectfully submitted by:  
Catherine Garrison, Chair Pro Tem

### **GREENBELT COMMITTEE:**

The Greenbelt Committee (GBC) met throughout the past fiscal year on the regularly scheduled second Tuesday of each month. During the past year the GBC acted on and closed 50 submitted requests for vegetation management, tree removal and easement requests in the LMC Greenbelt areas. There are currently 10 open requests to the GBC being evaluated and/or monitored for tree removal, required replanting and easement approval in the Greenbelt. Activities for each request include:

- Assignment of each request to 2 GBC members
- Assigned member review of each request for recommended action
- Submittal of recommended action to the full GBC
- Consideration, review and action approval by vote of the full GBC
- Monitoring of all approved work performed in Greenbelt areas
- Confirmation of cleanup and any required replanting

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- Completion closeout by vote of the full GBC

Other items addressed by the GBC during the past year include:

- Removal/cleanup of storm damaged timber in Greenbelt areas
- Completion of GBC recommended Native Plant list for Greenbelt areas
- Establishing access to Greenbelt areas
- Removal of hazardous trees from Greenbelt areas
- GBC program submittal for management of GBC work in “Critical Areas”
- Kehele Park “Green Area” co-project planning with Operations Committee
- GBC Policy and Procedure revisions
- GBC Budget development and submittal
- Vandalism of Greenbelt trees
- Natural drainage maintenance in Greenbelt areas

Respectfully submitted

Larry Scott/Jack Riggen

### **OPERATIONS COMMITTEE:**

The fiscal 2007-08 year has been very successful in terms of accomplishments for LMC’s Operations Committee.

Members this year were Teddy Clark, Michael Cahn, Carol Shamhart, Eve McDougall, Brad Newell, Pat Cooper, Brian Belmont, LMC General Manager, and John Van Zonneveld. During the year two personas have been added to the Committee, Lenetta Johnson and Sheila Brunstad. The trustee representatives assigned to Operations for this year were Stan Kadesh and Jerry Nelson.

The first few months of 2007 saw an improvement in the working relationship between Operations and Finance and the Operations chair has been a regular invited guest at Finance meetings. Operations and Finance worked closely to trim the LMC’s operations budget to meet finance goals.

- During the first half of 2007; the committee tackled several hundred tree issues. Much of the committee's meeting time was given to tree issues.
- In January, Dine and Discover donated \$500 to purchase updated coffee and tea-making equipment. These were accepted with appreciation.
- During February the swim rental policy agreement was completed, and extensive repairs to the spa were completed.
- Meeting room rental rates have been established and approved by the Board of Trustees. Operations developed a paid instructor policy which has been received and approved by the Trustees.
- In February, Operations instituted two-member team procedures to handle violation complaints. These teams report to the Operations Committee with advice for handling

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and settling complaints in their assigned areas. An outline of the team procedure is attached.

- A landscaping contract was let to remove unsightly ivy from the berm surrounding the Beach Club's outdoor pool, and replace it with lawn. An emergency shutoff system required by law was installed for the outdoor pool.
- Kehele Park tennis courts were completely re-leveled, posts reset, and repainted. Much of this work was done by our own crew.
- Also during this fiscal year, the south end of the Beach Club was re-roofed, glare-reducing film was installed on the clerestory windows in the Gallery Room, fencing was repaired, the Bridge Deck was re-roofed and painted, and numerous other repair and replacement tasks undertaken, including replacement of rotten beams.

In July responsibility for tree matters was turned over to Architectural Control Committee. Also in July Operations completed development of its Policies and Procedures manual, which was then referred to the Trustees with recommendation for adoption.

Also in July, Operations Committee was handed a series of questions by the Trustees regarding the use of the LMC tennis courts by LMC members, their guests, non-MPR residents, or other groups. The operations committee held open hearings, studied the results and opinions and prepared a report to the trustees, who found it inadequate. The report was returned to Operations and the chair appointed a sub-committee so study and re-write. The members were: Michael Cahn, Sheila Brunstad and Pat Cooper. Several months of work by this subcommittee and review by the entire Operations Committee have produced a tennis report that we believe is well-written and makes solid, logical recommendations. The tennis report was accepted by the Trustees at their March 15, 2008 meeting for review.

Operations committee has enjoyed the presence and contribution of Trustees Nelson and Kadesh, appointed by President Bradshaw. We thank the LMC for giving all of us the opportunity to serve our community as volunteers.

John Van Zonneveld, Chair