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

April 28, 2011– 4:00 p.m. – Bay View Room

Trustees: Teddy Clark, Elizabeth Van Zonneveld, Richard Babaian, Vaughn Bradshaw, Glee Hubbard, Michael Larkin, Sally Orsborn, Jerry Purdy and Sharron Sherfick.

President Clark called the regular board meeting to order at 4:02 p.m.

Call to Order: Secretary Bradshaw called the roll. All trustees were present. General Manager Brian Belmont was also in attendance. A quorum was present.

Opening Remarks: President Clark thanked the attendees and stated she is confident that the LMC Board of Trustees, committees and members can continue to build bridges to share the future in our community. President Clark discussed the evaluation of the Annual Meeting, the new Possibility Poster and the resultant ideas. These ideas will be shared with the board, committees and members. On May 12 the Board of Trustees and the committee chairs will meet to develop goals for the coming year.

All members and board members attending were asked to sign in at the entry to the Bay View Room and read the Vision and Mission Statement. 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 Clark's policy to vote on a matter 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.

Changes to the Agenda: Committees with detailed business will be placed at the end of the committee reports. Re-opening of the outdoor swimming pool and celebration, as proposed by the Operations Committee, was added to New Business. An invitation from Richard and Mary Babaian was added to New Business. CDARS authorization was deleted from the Finance Report.

Trustee Sherfick will monitor the length of discussion for any item and call time prior to scheduling the matter for a workshop discussion. Trustee Larkin will keep track of any items scheduled for a workshop.

Member Comments: Ron Gregory discussed his opinion and concerns related to political activity of the Village Voice. Mr. Gregory requested the LMC Trustees develop a policy to address Mrs. Brown, Editor of the Village Voice, regarding use of that publication for political opinion. Packets of information, including Mr. Gregory's recommendations, were provided to the trustees for their review.

Approval of Minutes: *Trustee Purdy made a motion to approve the first draft minutes of the regular board meeting of March 24, 2011. The motion was seconded by Trustee Hubbard and carried 8:0:1, with President Clark abstaining. 11-04-01*

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Trustee Van Zonneveld made a motion to approve the second draft minutes of the executive session board meeting of March 24, 2011. The motion was seconded by Trustee Babaian and carried 7:0:2, with Trustee Orsborn and President Clark abstaining. 11-04-02

Trustee Van Zonneveld made a motion to approve the first draft minutes of the organizational board meeting of April 16, 2011. The motion was seconded by Trustee Orsborn and carried 8:0:1, with President Clark abstaining. 11-04-03

STAFF & COMMITTEE REPORTS:

Architectural Committee (ACC) – Bill Clark, Chair – Mr. Clark referred to his previously submitted Exception Report and asked if there were any questions.

Discussion followed. Trustee Babaian asked if the ACC had kept a record of the cumulative number of trees that have been removed and what procedure is followed for replanting. Mr. Clark responded that each case is treated on a case-by-case basis. A record, going back several years, is kept. Discussion on replanting continued.

Greenbelt Committee (GBC) — Acting Chair & Trustee Jerry Purdy – Activity has been slow during the past month. One new request related to drainage on a greenbelt property was received. It appears the previously placed drainage system by the Drainage District is not functioning properly at the beach area. The Drainage District will look into this matter.

Committee member Peggy Manspeaker has submitted her resignation from the GBC, effective August 1.

Communications Committee (CC) – Trustee Clark for Sue Milner, Chair – Ms. Milner thanked The Design Team and the Board of Trustees for their support during the design process and for the very successful Annual Meeting. An excellent response was received from the members. The Design Team will meet April 29, to discuss how to formulate and organize the evaluations received from the community, the Board of Trustees and the Possibility Poster. An upcoming celebration for the newly refurbished outdoor swimming pool was discussed.

Covenants & Regulations Committee (CRC) – Sally Orsborn, Acting Chair - CRC continues work on Regulation V concerning Appeals and Enforcement. The committee requested the board and committee chairs give further guidance during the workshop session devoted to Regulation V and associated regulations in the coming months. Bill Wilson is preparing a flow chart based on some of the previous discussions. This will be presented in the near future.

The two amendments to the Bylaws that were sent to the membership both passed, and chair of the committee, Sally Orsborn commended CRC for diligence and attention to detail that the members showed throughout the year. The CRC yearly report was given to the board and will also be printed in the Navigator.

Manager's Report – Brian Belmont – Mr. Belmont discussed the content and management of the trustees' notebooks.

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Mr. Belmont and Office Manager Kim Monroe recently met with South Bay Community Association (SBCA) Manager Mike Morgan and Linda Colasurdo, Operations Manager. Discussion centered on reciprocal group usage at both facilities, how SBCA conducts business in areas LMC has in common with SBCA, elections and annual meetings. Upcoming issues related to swimming pool usage and the American with Disabilities Act which will affect both facilities was discussed. It was a productive meeting and they will meet again in a couple of months.

The Trustees have been provided with a copy of Mr. Belmont's exception report for this month. The March financial statements were previously distributed to the trustees.

Year-to-date LMC has collected just over 95% of the 2011 assessments. LMC was able to collect back assessments for three years on a foreclosure property. LMC is working with several owners to work out a payment plan.

Mr. Belmont provided an in-depth explanation of the outdoor swimming pool progress. The pool plastering will begin tomorrow (April 29) and, when completed, the LMC maintenance staff will begin filling the pool immediately. Once the pool is filled and the pumps are turned on, it will take approximately two weeks to get the required chemicals balanced out.

The insurance carrier for the LMC directors and officers' policy has given our agent a revised verbal quote for LMC's June 1 renewal. Based on that conversation, there will be a 5% premium increase on our directors and officers and an annual deductible would increase from \$5,000 to \$7,500. LMC is in the process of obtaining other quotes.

The Port Ludlow Resource Notebook, assembled by Ursel Krumme and Peggy Schafran, is available for review at the Beach Club.

Mr. Belmont will be on vacation the first week in May.

Operations Committee (OC) –Jim Goode, Chair – Mr. Goode had no new property issues to report at this time.

The Operations and Finance Committees have reviewed the research information on the required replacement of the outdoor heat pump and the accompanying indoor blower unit serving the locker rooms. Both committees recommend LMC contract with Brennan Heating and Air Conditioning, to install a Lennox heat pump system. The committees are in agreement that LMC should purchase an extended warranty for an additional \$661, which brings the total project price to \$11,000. LMC will receive a \$900 in-store credit at Costco. This reserve expenditure is on the replacement scheduled but is not a budgeted item for 2011.

Trustee Larkin made a motion that the Board of Trustees accept the recommendation of the Finance and Operations Committees to replace the outdoor heat pump and the indoor furnace unit serving both locker rooms. The trustees will authorize up to \$11,000, to be paid to Brennan Heating & Air Conditioning and will include an extended warranty. It is understood this is not a budgeted reserve expenditure in the 2011 budget. The motion was seconded by Trustee Babaian. Discussion followed. The motion carried 8:0:1, with President Clark abstaining. 11-04-04

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Mr. Goode discussed the need for the Operations Committee's recommended change to Regulation I, Article I, 6. – Parking and Storage of Vehicles. The regulation now limits the parking of RV's, boats and trailers to not more than 72 hours. The minor change would read "not more than 72 hours in a month." This would prevent the moving of RV's, etc. for a few hours and then parking them in the previous location for another 72 hours.

*Trustee Larkin made a motion the revised wording as suggested by the Operations Committee related to Regulation I, Article I, 6 Parking and Storage of Vehicles, be forwarded to the Covenants and Regulations Committee as a first reading of the first draft. The requested change involves subparagraph c. of the above-mentioned regulation....Temporary Parking of RV's, Boats & Trailers and would read...Temporary parking of RV's, Boats and Trailers: Parking of RV's, boats and trailers on private property will be permitted for a cumulative total of 72 hours in any calendar month. Extensions of this time limit may be granted by the General Manager on a case-by-case basis. Trustee Van Zonneveld seconded the motion. Lengthy discussion followed. The motion carried 8:0:1, with President Clark abstaining. **11-04-05***

Marti Lewis was proposed to become a member of the Operations Committee.

*Trustee Larkin made a motion to approve Marti Lewis as a member of the Operations Committee. The motion was seconded by Trustee Van Zonneveld and carried 8:0:1, with President Clark abstaining. **11-04-06***

Finance Committee (FC) – Trustee Sherfick for Bob Bima, Chair – The March financial statements were reviewed in depth with Mr. Belmont at the April 14 FC meeting.

The March LMC bank accounts were reviewed by FC members Ned Luce and Eve McDougall on April 21.

A delinquent accounts review was done and the committee discussed ways to raise revenue, looking ahead to the long term strategic plan.

Delinquent account lien authorization and the procedure for filing of liens were explained by Mr. Belmont.

*Trustee Sherfick made the following motion: In accordance with the current LMC Delinquent Assessment Policy adopted December 10, 2005 and amended May 9, 2009, I move that the LMC Board of Trustees authorize the LMC Treasurer to file liens against the properties of the delinquent members as deemed appropriate and, when filed, add a \$200 lien filing fee to the delinquent account. Trustee Van Zonneveld seconded the motion. Discussion followed. The motion carried 8:0:1, with President Clark abstaining. **11-04-07***

Updating of bank signature cards was discussed by Mr. Belmont. On LMC's main operating accounts or accounts that are used frequently, all the trustees are signers. Signers on accounts not being used on a regular basis usually have the LMC officers as signers. A draft letter identifying the proposed signers was prepared by Mr. Belmont for the Kitsap Bank accounts, Peninsula Credit Union accounts, Bank of America accounts, Union Bank accounts and the Columbia Bank accounts. Upon approval by the board, the President and Secretary will sign the original letter and it will be sent to the above-named financial institutions. The signature card information will be prepared by the respective banks for signature by the trustees.

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Discussion followed.

Treasurer Sherfick made a motion that the trustees adopt the draft letter outlining signatures for all LMC's bank and credit union accounts. The motion was seconded by Trustee Van Zonneveld and carried 8:0:1, with President Clark abstaining. 11-04-08

Ad hoc Elections Committee (AHEC) – Brian Belmont – The committee met on April 18 for a debriefing of the annual meeting. The committee will work on preparing revised policies and procedures for adoption by the board. Sharon and Vic Draper, two people who were not part of the committee initially, stepped in to help with ballot counting and were a very good fit for the committee. Mr. Belmont asked the board to consider adding Sharon and Vic Draper to the AHEC. President Clark provided background on the Drapers for the trustees.

Trustee Van Zonneveld made a motion the trustees approve Sharon and Vic Draper as members of the Ad Hoc Elections Committee. The motion was seconded by Trustee Purdy. Discussion followed. The motion carried 7:0:2, with Trustee Babaian and President Clark abstaining. 11-04-09

Mr. Belmont discussed the role of the Ad Hoc Elections Committee. He asked the trustees to consider changing this committee to a service committee, which would remain active but would not be a standing committee.

Trustee Van Zonneveld made a motion the ad hoc committee for elections be formally changed from ad hoc to service committee, and the General Manager continue as chair. Trustee Orsborn seconded the motion and it carried 8:0:1, with President Clark abstaining. 11-04-10

Lot Owners Association – Condominium Associations – Port Ludlow Village Council (PLVC) – No reports.

Trustee Van Zonneveld discussed a recent article in the Voice that encouraged people to build greenhouses. The ACC Chair mentioned that he had already received a call about a greenhouse. The ACC will take up the matter at its next meeting.

President Clark announced Trustee Van Zonneveld will serve as LMC's representative on the Port Ludlow Village Council.

The meeting went into recess at 5:30 p.m. and reconvened at 5:48 p.m.

BOARD BUSINESS

Correspondence: Secretary Bradshaw –Letter from Dale Williams, dated 4/1/11, commenting on a previous decision in which the board gave the Fessler's a 60-day time limit to comply. Discussion followed. Mr. William's letter will be acknowledged, he will be told LMC is monitoring the deadline and time periods and he can submit a records request if he wants to check his file for completeness.

A letter related to the Iron Mountain Quarry (IMQ) was received from PLVC President Tom Stone today. Trustee Van Zonneveld provided background on this matter. The South Bay Community Association (SBCA) formed a committee named the Supplemental Environmental

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Policy Act (SEPA). It was formed to follow the impact of Iron Mountain Quarry on their neighborhood. They have studied the traffic issue of heavy truck traffic coming off the IMQ driveway onto Highway 104. The SEPA Committee recommended the SBCA send the study and their concerns to the State Highway Department and the State Attorney General who are considering what highway improvements or mitigation is necessary as part of the IMQ application. An endorsement of this recommendation by LMC has been requested.

Trustee Van Zonneveld made a motion the board write a letter to the State Highway Department of Transportation, with copies to the list of affected parties, and endorse the conclusions of the traffic study produced by the South Bay SEPA Committee along with the Port Ludlow Village Council and the SBCA. Trustee Hubbard seconded the motion. Discussion followed. The motion carried 8:0:1, with President Clark abstaining. 11-04-11

Approval of Committee Chairs – President Clark announced the following chair appointments: Jim Goode will continue as acting chair of the Operations Committee. LMC will be actively looking for another chair, but Mr. Goode will stay on the committee as a member. Ned Luce will chair the Finance Committee. Trustee Purdy will act as chair of the Greenbelt Committee until a chair can be appointed. Trustee Orsborn will continue on the Covenants and Regulations Committee as acting chair. Sue Milner will continue as chair of the Communication Committee and Bill Clark will continue as chair of the Architectural Committee. Mr. Belmont will continue as chair of the Elections Service Committee.

Trustee Van Zonneveld made a motion to appoint Ned Luce as chair of the Finance Committee, Jim Goode as chair of the Operations Committee, Sue Milner as chair of the Communications Committee, Bill Clark as chair of the Architectural Control Committee and Brian Belmont as chair of the Service Committee for Elections. Trustee Babaian seconded the motion and it carried 8:0:1, with President Clark abstaining. 11-04-12

Current trustee assignments are as follows: Operations – Mike Larkin and President Clark; Finance Committee – Richard Babaian and Sharron Sherfick (Treasurer); Greenbelt Committee – Jerry Purdy and Elizabeth Van Zonneveld; Covenants and Regulations – Mike Larkin and Sally Orsborn; Communications Committee – Glee Hubbard and President Clark; Architectural Control Committee – Vaughn Bradshaw and Sharron Sherfick.

Trustee Bradshaw made a motion the board approve the appointments of the above-mentioned trustee representatives on the standing committees. Trustee Van Zonneveld seconded the motion and it carried 7:0:2, with Trustee Babaian and President Clark abstaining. 11-04-13

Discussion followed.

Workshop Schedule – President Clark – Trustee Larkin will keep track and prioritize items that are suggested for workshop discussion. Sue Milner and President Clark will also work on this matter. May 12 is the date of the next workshop. This is an orientation meeting that will begin at 9:00 a.m. until noon for the committee chairs and trustees. The trustees will meet in the afternoon until 4:00 p.m. Diane Campo will help with the orientation. The trustee workshops will be scheduled on the second Thursday of each month from 1:00-4:00 p.m. The June workshop will be on June 9.

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Policies & Procedures – Filling Vacancies on the Board of Trustees between Elections - Sally Orsborn – Copies of draft four, dated April 28, were provided to the trustees. Discussion followed. Trustee Bradshaw made several suggestions, one of which related to the time limit for candidates to submit their resumes. Lengthy discussion followed.

Trustee Van Zonneveld made a motion to adopt draft four of the above-mentioned policy, as amended. The motion was seconded by Trustee Bradshaw. The motion carried 8:0:1, with President Clark abstaining. 11-04-14

Trustee Van Zonneveld made a motion to adopt the resume form, as submitted by Sally Orsborn. Trustee Glee Hubbard seconded the motion and it carried 8:0:1, with President Clark abstaining. 11-04-15

Mrs. Orsborn will incorporate the recommended changes and will email them to Mr. Belmont. The policy will then be signed and distributed to the trustees in its final form.

Rescind 10/20/2001 Policy & Procedures for Observation & Comment by LMC Members at LMC Trustee Meetings, Committee Meetings & Workshops – This will be rescinded to avoid confusion in LMC policies.

Trustee Van Zonneveld made a motion the board rescind the policy, in place since 10/20/2001, for member observation and comment at board meetings because the board has adopted a more recent policy on February 24, 2011. Trustee Babaian seconded the motion. Discussion followed. The motion carried 8:0:1, with President Clark abstaining. 11-04-16

Future Trustee Meeting Day & Time – President Clark – The trustees agreed to hold the monthly board meetings, beginning in May 2011 on the fourth Thursday of each month from 1:00-4:00 p.m. In November, the board meeting will be held on Wednesday, November 23, 2011.

Grand Reopening of the Outdoor Swimming Pool – A celebration is being planned by the Operations and Communication Committees, to be held June 9 from 4:00-6:00 p.m. for the grand reopening of the newly refurbished outdoor swimming pool. An open house format will be used with champagne punch, sodas and cake/cookies will be served. The celebration will follow the monthly 1:00-4:00 trustee workshop.

Invitation from Richard and Mary Babaian – Trustee Babaian and his wife Mary have offered to organize an event for the trustees, committee chairs and committee members, to celebrate people who are volunteers. August or September is being considered. Plans are incomplete at this time.

Member Comments – Lee Amundson announced the Port Ludlow Drainage District meets the second Thursday of each month in the Bay View Room at the Beach Club at 10:00 a.m.

Trustee Meeting Evaluation: Several comments were made related to length of several discussions. Agenda change, and providing comments from the trustees to committee chairs prior to the board meeting to save meeting time were discussed. Overall, the board meeting was considered very successful.

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There being no further business to come before the Board of Trustees, President Clark adjourned the regular board meeting at 6:56 p.m.

Vaughn Bradshaw, Secretary
Ludlow Maintenance Commission, Inc.

Prepared by Carol Shamhart
LMC Recording Secretary