

# APPROVED

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

August 16, 2008 – 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 9:04 a.m. Roll call was conducted by Secretary Bradshaw. All trustees were in attendance.

**Agenda Changes:** President Boyer asked if there were any changes to the Agenda. Request for Drainage Easement – Lot 1-3-042 was added as item g. under New Business

**President's Remarks:** President Boyer thanked the audience for attending and explained additional public comment periods have been added to the agenda between Unfinished Business and New Business, to allow member input prior to trustee discussions. He explained the need to get on track to achieve the goals of this board and to take care of daily business. President Boyer thanked Secretary Bradshaw for his assistance.

President Boyer announced the board meetings are recorded and are available to members. President Boyer indicated he will be a voting President.

President Boyer announced he has asked Bill Hanson to sit with the trustees as a resource to assist the board with meeting format and the process for handling board meetings using *Roberts Rules of Order*. Mr. Hanson gave a brief outline of his credentials and work history in communication skills and process.

**Approval of Minutes:** *Trustee Feltham made a motion to approve the regular meeting minutes of July 12, 2008, as amended. Trustee Van Zonneveld seconded the motion. Trustee Moyer made a motion to amend the president's resignation statement to the following second statement proposed by Trustee Bradshaw: "President Kadesh announced his resignation as LMC Board President, and read a statement explaining his reasons. He will remain a member of the board. The meeting was turned over to Vice President Elizabeth Van Zonneveld." Trustee Moseley seconded Trustees Moyer's amendment. Trustee Moyer's amendment carried 8:1 with Trustee Kadesh opposed. 08-08-01*

*The motion to approve the July 12, 2008 regular board meeting minutes (draft #3), as amended, carried 8:1 with Trustee Kadesh opposed. 08-08-02*

*Trustee Van Zonneveld made a motion to approve the minutes of the special meeting of July 19, 2008. The motion was seconded by Trustee Nelson and unanimously approved. 08-08-03*

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## Manager's Report – Brian Belmont

The trustees have been provided the July 31, 2008, financial statements. As shown in the Late Collection Summary, dated August 8, 2008, there are currently \$6,801.05 in past due assessments and fees owed to LMC by 8 property owners.

LMC Maintenance Supervisor, Phil Eng, has replaced the clutch and battery in the 1995 Mitsubishi pickup truck for approximately \$350. A local auto mechanic quoted nearly \$900 to replace the clutch.

The indoor pool and spa will be closed August 25 – 29, to perform periodic maintenance on the pool deck and other equipment.

On Saturday, June 28, the Bay View room was rented for a wedding reception. During the food preparation a hot pan was set on the floor in the kitchen and melted the vinyl flooring. The individuals who rented the facility, and who are responsible for the damage, have paid LMC \$1,469, the proposed replacement cost from Peninsula Floors. The flooring was replaced on August 11, 2008.

In the July LOG LMC asked the membership to forward all recent cougar sighting information to the Beach Club. Apparently the Port Ludlow cougar has moved on, for now, because LMC has not received any sighting reports since the newsletter article was published.

At the July 12 LMC Board meeting the trustees approved a utility easement that is adjacent to the Rainier Lane RV storage lot. The easement has been forwarded to Olympic Water and Sewer for signature.

In previous meetings I have discussed with the Board our insurance company's recommendation that LMC require proof of insurance from individuals renting our facilities. Community Association Underwriters (CAU) has recommended that LMC do the following:

*Persons renting rooms in the meeting center/clubhouse building are required to sign a contract with hold harmless language but are not required to provide proof of liability insurance. Providing proof of liability insurance with a minimum amount of \$1,000,000 provides financial backing with which to pay claims in the event of injury or damage occurring as a result of an outside party renting the facility and being held liable for the injury or damage.*

I have had several conversations with our CAU representative in an attempt to write down on paper what specifically the insurance company hopes LMC will adopt as policy. Currently LMC has two board-approved policies that would need to be amended if proof of insurance was required when renting the facilities. They are: Facility Rental Agreement and Beach Club/Bridge Deck Rental & Fee Policy.

The "Proof of Insurance" provision shown below is my first draft of language that could be inserted into the two LMC policies. If the Board agrees with CAU's recommendation, the Operations Committee and I can work on refining the "Proof of Insurance" language for future Board review.

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## ***Proof of Insurance***

*Persons that are renting portions of the LMC facility at which food and or alcohol is being consumed will be required to provide proof of personal liability insurance with at least \$1,000,000 of coverage.*

*In addition, professional organizations renting the LMC facility at which food and or alcohol is being consumed will be required to provide LMC with a certificate of insurance that lists general liability coverage in the amount of at least \$1,000,000 and names Ludlow Maintenance Commission, Inc. as additionally insured for the date of the event.*

*Vendors such as caterers will be required to provide LMC with a certificate of insurance that lists general liability coverage in the amount of at least \$1,000,000 and names Ludlow Maintenance Commission, Inc. as additionally insured for the date of the event.*

Lengthy discussion followed. Mr. Belmont will continue working with the Operations Committee to gather more information on the insurance issue. Trustee Van Zonneveld recommended looking at \$500,000 vs. \$1,000,000 coverage

## **COMMITTEE REPORTS:**

President Boyer announced he would like the committee chairs to have their monthly reports to the board, and available at board meetings for the membership, a week prior to the meeting.

### **Finance Committee (FC) – Ian Feltham**

At the FC meeting on Thursday, August 14, 2008, the committee met with the auditor and he reported everything looked good. A final report is expected in a week or two. The auditor did recommend LMC include a portion of our fixed assets in the financial statements, showing depreciation each year for those items. That is being looked at and will be added at a future date.

Discussion was held regarding LMC buying a used truck. The FC recommended purchase of an available 2006 Ford F-150 with low mileage. One of the two older trucks would be eliminated.

### **Covenants and Regulations (CRC) – Trustee Moyer**

Trustee Moyer reported the CRC currently consists of the two trustee representatives, Hugh Jenings and himself. A meeting was held on August 5, 2008 to discuss the Conflict of Interest Policy. President Boyer and former trustee Ted Buehler were also present. Trustee Moyer stated two items that should not be postponed too long are undeveloped lots and the 50% rule problem. Trustee Moyer read the language related to undeveloped lots in the LMC Covenants and discussed the 50% rule in both the articles of incorporation and the bylaws. He stated the bylaws currently disagree with the articles and therefore we cannot legally enforce that portion of the bylaws. Trustee Moyer recommended a workshop dedicated to the 50% rule. Former CRC chair, Catherine Garrison, has agreed to participate in a workshop. President Boyer will meet with Mr. Belmont, to schedule a meeting for the workshop.

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

The new meeting date for the CC is the second Thursday of the month. Ms. Berthiaume reported the *LOG* had been delivered to LMC members. David Goodie was congratulated for his excellent editing. The next publication of the *LOG* will be this fall.

Ms. Berthiaume stated part of the committee's job is to try to get the best communication to the membership. The nomination process was examined and the committee recommended a standing nominating committee be formed, made up of a broad base of the membership. This committee's sole job would be to keep on the front burner the need for the different chair committees and board positions, and try to develop interest in our members and a file of people with talents, interests, skills and availability of time.

## **Architectural Control Committee (ACC) – President Boyer for Chair Bill Lazarus**

The ACC has received a normal amount of requests for painting, fences, and tree removal. President Boyer explained he wanted an open discussion running related to the clearing of undeveloped lots and the trees and views. He questioned the need for more definitive language and policies, to achieve consistency when dealing with this issue.

Discussion followed.

## **Greenbelt Committee (GBC) – Jerry Nelson**

Trustee Nelson reported he had submitted a GBC report on August 12, 2008 and had not received an acknowledgment from the trustees.

Two requests were received related to hazardous tree removal. The trees in question were looked at by the committee and an arborist. They were found to be a hazard and the committee recommended removal as soon as possible. One tree is on Puget Loop and the other is outside the RV lot.

A request was received for an easement for footing drains on lot 1-3-042 (on the corner of Talbot and Evans). The GBC recommended the board approve their request for an easement. Trustee Bradshaw asked when a drawing and legal description would be available for review by the board. Mr. Belmont will work with the GBC to prepare the necessary paperwork for this easement.

Lengthy discussion followed. The matter will be further discussed under New Business.

Trustee Moyer asked if Grace Christian Church had agreed to pay for all costs related to their previously requested easement in July 2008. Trustee Nelson reported the process is not far enough along to know what costs need to be met and any LMC conditions. Another onsite meeting will be held with all parties involved, to discuss any conditions and to finalize recommendations to the board. The GBC has deferred decision on this request at this time. Lengthy discussion followed.

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

Mr. Goode presented LMC member Terry Mesa for approval as a member of the OC. *Trustee Kadash made a motion to approve Terry Mesa as a member of the OC. The motion was seconded by Trustee Bradshaw and carried unanimously. 08-08-04*

**Lot Owners Association** – No report.

**Condominium Associations** – Trustee Nelson reported building damage by a garbage truck in the Admiralty I area. Repairs have been made.

## Port Ludlow Village Council (PLVC) – President Boyer

President Boyer suggested LMC members take the opportunity to see the reports that are available on the direction of movement towards becoming involved in the Public Utilities District (PUD). He commented on the interesting discussion and the great work done by Phil Otness, Elizabeth Van Zonneveld, and other people on that committee in researching all the potential LMC has in that area. Mr. Caldwell, Executive Director of Puget Sound Energy (PSE) requested he give a presentation to the PLVC. The request was denied.

Trustee Van Zonneveld reported the PLVC plans to hold one or two public forums during the next couple of months prior to the general election when that matter will be on the general ballot. The issue on the general ballot is not whether or not we should take on public power ourselves in Jefferson County, but whether we should empower our local PUD Commission to study that and decide whether or not to do it.

Elections are coming up for PLVC. Four people from North Bay have come forward to run for three seats. They are Helen Cotta, Doug Henderson, Keith Guise, and Art Zoloth.

**CORRESPONDENCE:** Mr. Belmont reported a response from the LMC attorney was received on July 22, 2008. A memorandum from the Architectural Control Committee dated July 23, 2008 to the board of trustees was received. This was related to property lots 1-2-022 and 1-2-023. There was an issue of tree obstructions. The ACC is referring the matter to the board for action and enforcement of our regulations. Trustee Bradshaw read the memorandum as follows: “Dear Board of Trustees: In May 2007, the Operations Committee passed to the ACC a Trees, Views and Obstruction issue involving trees on Michael and Elizabeth Fessler’s 31 Condon Lane property (Lots # 1-2-022 and 1-2-023). The request was signed by the following neighbors: William and Barbara Adams, Dale and Margaret Williams, Philip and Janice Norwine, Jean Westbrook and Betty Jean Bullen. The ACC has taken the position the trees on the north side of the Fessler property are in violation of the Ludlow Maintenance Commission Regulations, Regulation I, Article I, paragraph 9 (a) as stated below and should be removed. Regulation I, Article I, paragraph 9 (a) states: When landscaping their lots property owners shall select varieties of plants, shrubs and trees which will not grow to exceed their roof line height. Hedges, shrubs and rows of trees planted by owners along property lines shall be pruned so as not to exceed a height of eight feet. Property owners shall remove seedlings on their property before they become six inches breast height diameter to help preserve views.

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The ACC has sent several letters and made several attempts to contact Mr. Fessler. These attempts have failed to produce results. The ACC would like to refer this matter to the LMC board of trustees for resolution. Sincerely, Bill Lazarus, Architectural Control Committee”

Mr. Belmont pointed out the above regulation language had been quoted from an old copy of the regulations and has since been changed. Trustee Bradshaw indicated the language was still applicable.

*Trustee Moseley made a motion to accept the transfer of the Fessler issue to the LMC board and to generate a letter from the board secretary to this member that he should bring his trees into compliance within 14 days or risk being sanctioned. Trustee Feltham seconded the motion. Discussion followed. The motion carried by unanimous vote. 08-08-05*

The meeting went into recess at 10:40 a.m. and reconvened at 10:50 a.m.

**Member Comment Period** – Member Grant Smith asked why the board cannot delegate work to the committees to save board meeting time. President Boyer explained the process of committee referral and recommendations to the trustees. Board advisor, Bill Hanson, explained a time-saving procedure and will report his recommendations to President Boyer.

As a former Operations Committee chair, Teddy Clark questioned whether the members would have time to read the posted committee reports before the comment time at the monthly trustee meeting. She also suggested committee reports could be published in the *LOG*. Quarterly board workshops were also suggested for good discussions and they are open to the members.

President Boyer provided input regarding the above member comments.

Operations Chair, Jim Goode, commented on the certificate of insurance recommended by the LMC insurance company. Mr. Goode raised questions related to the language in the Covenants that apply to cutting of trees on undeveloped lots. Trustee Moyer responded with his opinion that a regulation is needed to cover this subject.

Discussion continued.

### UNFINISHED BUSINESS:

**Board Member Conduct Policy – 3<sup>rd</sup> Reading –Art Moyer** – Trustee Moyer reported the proposed additions to the Conflict of Interest Policy as follows:

- Add members of committees to the policy under Purpose. At the present time it covers trustees, managers, employees, and chairs of committees. The text would be changed to include all members of the committees.
- Add the following language as item 7: Any committee member having a vested interest in the decision shall not participate in the voting process. All committee onsite meetings and meetings with professional consultants shall have a minimum of two impartial committee members in attendance. LMC committee members shall not use their official position to obtain personal benefit.

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- Under Definitions, add a definition for “vested interest” as follows: Vested interest is a special interest in protecting or promoting that which is to one’s own personal advantage (from the American Heritage College Dictionary, Fourth Edition, 2004).

*Trustee Moyer made a motion to accept the Conflict of Interest Policy for third reading and adopt the revised Conflict of Interest Policy. The motion was seconded by Trustee Feltham. Discussion followed. Trustee Van Zonneveld recommended a copy of the revised Conflict of Interest Policy, if approved by the board, be sent to the committees for inclusion in their policies and procedures. Trustee Bradshaw thanked Trustee Moyer for his work on this policy. The motion carried unanimously. 08-08-06*

**Board Member Conduct Policy – 3<sup>rd</sup> Reading** – *Trustee Moyer made a motion to amend the last bullet point statement in the draft Board Member Conduct Policy from “Support the will of the majority” to “Abide by the will of the majority”. The motion was seconded by Trustee Nelson and carried unanimously. 08-08-07*

*Trustee Moyer made a motion to adopt the amended Board Member Conduct Policy. The motion was seconded by Trustee Van Zonneveld and carried unanimously. 08-08-08*

### LUDLOW MAINTENANCE COMMISSION

#### DRAFT - BOARD MEMBER CONDUCT POLICY

**First Reading: June 21, 2008 Regular Board Meeting**

**Second Reading: July 12, 2008**

**Third Reading: August 16, 2008**

Trustees shall:

- Recognize that the board must comply with the Revised Code of Washington, Chapters 64.38 Homeowners' Association and 24.03 Washington Nonprofit Corporation Act, and only has authority to make decisions at official board meetings;
- Respect the right of the membership to attend and be heard at board meetings;
- Respect the right of the membership to be informed about board decisions and LMC operations;
- Recognize that the General Manager is the board's advisor and should be present at all meetings, except when the board is considering the manager's evaluation, contract or salary;
- Understand the chain of command and refer problems or complaints to the manager or to the responsible committee;
- Work from open, agreed-upon agendas with time to gather information and reflect on issues;

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- Actively pursue opportunities to give and receive feedback regarding board member performance as responsible communicators;
- Communicate openly and honestly;
- Resolve issues directly with one another;
- Respect differences and listen with positive intent;
- Listen well;
- Abide by the will of the majority. ~~Support the will of the majority.~~

**Appointment of Committee Chairs** – *Trustee Moyer made a motion to appoint Ted Buehler as chair of the Greenbelt Committee. The motion was seconded by Trustee Feltham and carried unanimously. 08-08-09*

President Boyer announced he had received correspondence from Ted Buehler recommending Jack Slattery and Steve Siegiel as new members of the Greenbelt Committee. *Trustee Feltham made a motion to accept Mr. Slattery and Mr. Siegiel as members of the Greenbelt committee. The motion was seconded by Trustee Nelson and carried unanimously. 08-08-10*

Trustee Bradshaw reported that Architectural Control Committee chair, Bill Lazarus, is considering Caron Mesa as an alternate member on the ACC but was not prepared at this time to submit her name for approval by the board.

**Board Goals – Status Report** – President Boyer explained he has studied some of the past board goals, namely last year and this year, and he has been working with Mr. Belmont on a draft for an organizational chart showing how all of the committees throughout North Bay and the entire community interact. A visual example of the hierarchy of the RCW, Articles, Covenants and Bylaws would be helpful, to keep in mind what is being changed and what may change things up and down the line and what might be required when regulatory changes and wording are discussed and, for example, wording related to trees and permits.

President Boyer discussed the appointment of a nominating service committee. This will be discussed under New Business.

Trustee Van Zonneveld left the meeting at 11:22 a.m.

Trustee Jenings discussed one of the issues that were previously addressed by many lot owners concerning representation by the condo owners on the LMC board and the feeling it is overstated with the current populations of lot owners and condo owners. There are approximately 120 condo owners and approximately 900 lot owners. The recommendation in that goal was to “work with the condo associations, to educate them on the current demographics, and the need for a more even representation on the board of trustees. When agreement is reached, modify the bylaws. The board shall seek elimination of distinction in residents of owner-types and representation.” Trustee Jenings explained that could never happen because to change the

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bylaws 80% of the condo ownership would need to agree to relinquish their three positions on the board to some positions less than three.

At the next regular trustee meeting, Trustee Jenings proposed a first reading of a restructure, in light of the above-mentioned goal and in the spirit of full disclosure so that everybody in the community will have an opportunity to lend their opinion and their thoughts on the issue. Trustee Jenings further proposed discussion and a reading of the policy that would remove condo representative trustees from those committees that specifically deal with lot owner issues and define those committees that specifically deal with lot owner issues, and in the future appoint lot owner trustees only as trustees serving on those committees. Trustee Jenings suggested President Boyer announce discussion of this subject in the Voice. Trustee Jenings will prepare a draft policy that will outline the proposed restructure.

Lengthy discussion continued.

**Long Range Planning** – President Boyer and Trustee Van Zonneveld will work together to review the 2004 long range plan report and will prepare an updated version.

**Port Ludlow #5 Bluff Ownership – Brian Belmont** – Mr. Belmont discussed a memorandum, dated July 25, 2008, that he had prepared for the trustees, regarding the upland property easement of Port Ludlow #5. It appears LMC not only owns the bluff property but also the second-class tidelands. According to the records of Jefferson Title and the Assessor's Office, LMC is the owner of the upland properties (which is the bluff property) as well as the second-class tidelands in front of Port Ludlow #5.

Discussion followed.

Trustee Kadesh made a motion that LMC accept the deed as previously presented to the bluff, upland property, and the class two tidelands. For lack of a second, the motion did not proceed.

**Member Comment Period** – Member Rae Watkins inquired about obtaining legal advice related to the 50% rule. Trustee Bradshaw reported last year the board had asked the LMC attorney for an opinion on this subject. He encouraged all the trustees to review the attorney's response letter before they go into a workshop. Mr. Belmont will provide copies of that correspondence to the trustees.

### NEW BUSINESS:

**Vehicle Acquisition – Brian Belmont** – Mr. Belmont requested the trustees approve the purchase of a 2006 Ford F-150 pick-up truck (with 8,000 miles). Mr. Belmont discussed this purchase with the Operations and Finance Committees and they have recommended LMC purchase this pick-up. The pick-up has a V6 engine, 5-speed manual transmission, with a two-wheel drive. It is a bare bones vehicle, no bells and whistles, and roll-up windows. It has dual front air bags and ABS brakes and one year remaining on the truck's warranty. The pick-up is in excellent condition with only a small dimple on the back bumper. Kelly Book Blue on this vehicle for private sales as of Thursday morning was \$9,090. Discussion followed. Mr. Belmont explained the plan is to keep the 1995 Mitsubishi pick-up and sell the 1989 Ford pick-up, perhaps on Craig's list. Discussion continued.

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*Trustee Feltham made a motion that the trustees authorize the manager to proceed with negotiations to purchase the pick-up truck in accordance with the Kelly Blue Book private sale price of 9,090. Trustee Moyer seconded the motion. Discussion followed. The motion carried 6:2 with trustees Moseley and Kadesh opposed. 08-08-11*

**Communications Committee – follow up workshop – Barbara Berthiaume** – A second trustee communications workshop will be held in the near future. Ms. Berthiaume will put together a proposed agenda and forward it to President Boyer.

In regard to a proposed nominating standing committee, Ms. Berthiaume reported she, along with Bob Reasoner, Jack McKay and Bill Hanson, had met to discuss and prepare a proposal of what a nominating committee can do and what its function would be. The proposal draft was forwarded to President Boyer for comment. Ms. Berthiaume discussed ideas related to a nominating committee and what would be helpful in the nominating process. Discussion followed.

**LMC Newsletter Schedule** – Barbara Berthiaume – The LMC newsletter was previously moved by vote of the trustees from three issues per year to seasonal (4) issues.

Ms. Berthiaume announced the Communications Committee would like to change the name of the LMC newsletter to The Navigator. Trustee Jenings suggested the Voice might be a venue to make our members aware a name change is being considered and request the community present their opinion via e-mail or other means. President Boyer indicated he was meeting with a software computer engineer to possibly offer LMC some opportunities to look at ways to put simple polls on the LMC website to help gather data and create input.

**Request for Drainage Easement – Lot 1-3-042 (Talbot Lane)** – *Trustee Feltham made a motion to approve a conditional easement for lot 1-3-042 (Evans Lane). Trustee Bradshaw seconded the motion. Discussion followed. (Conditions would include an accurate sketch and any customary conditions that the Greenbelt Committee normally puts on easements like this such as hand-digging where appropriate. The motion carried unanimously. 08-08-12*

**Public Comment Period:** President Boyer asked if there were any further public comments. There were none.

*By a motion made by Trustee Moyer, seconded by Trustee Feltham, and unanimously carried, President Boyer adjourned the meeting at 12:09 p.m. 08-08-13*

Respectfully submitted,

Vaughn Bradshaw, Secretary  
Ludlow Maintenance Commission, Inc.

Prepared by Carol Shamhart  
LMC Recording Secretary