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

August 26, 2010 – 6:00 p.m. – Bay View Room

**Trustees:** Elizabeth Van Zonneveld, Richard Babaian, Jim Boyer, Vaughn Bradshaw, Teddy Clark, Glee Hubbard, Stan Kadash, Michael Larkin and Sharron Sherfick.

President Van Zonneveld called the regular board meeting to order at 6:03 p.m.

**Opening Remarks:** President Van Zonneveld asked attendees to sign in if they had not already done so. 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 is used occasionally to allow board members to participate while out of town. President Van Zonneveld stated it is not her policy to vote on matters before the board except to break a tie. Participants 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. President Van Zonneveld stressed the Trustees, committee chairs and the members participating on the committees are all volunteers. Committee members are needed on several committees and members are urged to talk with the committee chairs if they have any questions.

### **Call to Order:**

Secretary Bradshaw called the roll. All Trustees were present with the exception of Trustee Larkin. General Manager Brian Belmont was also in attendance. A quorum was present.

**Changes to the Agenda:** Item g. under Staff and Committee Business was corrected to read Committee Member Resignation.

**Member Comments:** None

**Approval of Minutes:** *Trustee Babaian made a motion to approve the regular board minutes of July 10, 2010. The motion was seconded by Trustee Clark and carried 7:0:1, with President Van Zonneveld abstaining. 10-08-01*

*Trustee Sherfick made a motion to approve the executive session minutes of July 10, 2010. The motion was seconded by Trustee Kadash and carried 7:0:1, with President Van Zonneveld abstaining. 10-08-02*

*Trustee Sherfick made a motion to approve the special board minutes of July 30, 2010. Trustee Kadash seconded the motion and it carried 7:0:1 with President Van Zonneveld abstaining. 10-08-03*

*Trustee Kadash made a motion to approve the executive session minutes of July 30, 2010. Trustee Babaian seconded the motion and it carried 7:0:1, with President Van Zonneveld abstaining. 10-08-04*

### **STAFF & COMMITTEE REPORTS:**

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**Manager's Report – Brian Belmont** – The Trustees have received Mr. Belmont's monthly report. An exception reporting model is being tried for a few months as a potential time-saver.

96.7% of LMC's 2010 annual assessments have been collected. Year-to-date LMC is \$9,155 under budget on assessment collections, with a potential of being about \$9,400 for the year under budget. Including previous years, there is approximately \$30,000 in outstanding assessments. It is anticipated several liens will be satisfied before the end of the year as a result of property sales. At this time approximately 30 members are delinquent in their annual assessment payments.

Mr. Belmont reported several expenses are under budget and will help offset the decline in revenue. Legal costs year-to-date are nearly \$3,000 over budget, due to a required \$5,000 deductible in a pending legal action.

Beginning August 1<sup>st</sup>, data-collection has been expanded to allow more accurate counting of participants using the Beach Club. All meetings and social rentals are now included. From August 1<sup>st</sup> through the 20<sup>th</sup> there were 835 users for non-recreational functions. This information will provide the Trustees with a more complete picture when looking at the uses and the needs of the facility in the future.

The outdoor pool windscreen project was completed August 25.

The WA State chapter of Community Associations Institute will hold their annual educational conference and trade show in Bellevue on Saturday, October 2. Trustees and committee chairs interested in attending this seminar should contact Mr. Belmont.

Discussion followed.

**Operations Committee (OC) – Jim Goode, Chair** – Mr. Goode reported additional bids and information, related to the security and electrical project at the RV lots, is ongoing. There were no new property issues at this time.

Mr. Goode provided background on the ongoing problems related to the property at 91 Cressey Lane and informed the Trustees the matter was being submitted to the board for further action. Mr. Belmont discussed the matter at length and discussion followed.

Mr. Goode discussed the pros and cons of rebuilding vs. removal of the aging green couch in the Bay View Room. A bid to rebuild and recover was \$5,000. The OC agreed that removal, which would allow more space, is preferable. Following removal, carpet and minor electrical changes are estimated to be approximately \$1,500.

Discussion followed related to the Cressey Lane property. Trustees Larkin and Clark and Mr. Belmont will provide a report to the Trustees detailing LMC's options in this matter.

**Finance Committee (FC) – Ian Feltham Chair** – The FC and OC chair met to review and discuss ways to reduce the 2010 budget. Items to be deferred for 2010 include repair of the Men's locker room drywall (\$3,500); upgrading the mixer/amp for the Bay View Room (\$500); replacement and rewiring of the microphone outlets (\$400). In addition, \$1,500 was saved by

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planting lawn in place of the previously budgeted bank plantings near the Beach Club tennis courts. In all, a total of \$5,900 was saved.

FC member Norm Crump has resigned.

*Trustee Sherfick made a motion to approve the FC recommendation for proposed changes to the 2010 budget that would include deletion and/or revision of the following items: repair work on the men's locker room; mixer amp for the Bay View Room; replacement and rewiring the microphone outlets; and the revised bank plantings above the Beach Club tennis courts . Trustee Clark seconded the motion. Discussion followed. The motion carried 7:0:1, with President Van Zonneveld abstaining. 10-08-05*

**Architectural Committee (ACC) – Bill Clark, Chair** - Mr. Clark stated he had previously submitted his report to the Trustees. A new member is expected to join the ACC within the near future and two people have volunteered to become alternate members. They are Charlie Jackson, who has a building background, and Joe Murray, a forester, who has indicated he will be available to help with tree matters.

*Trustee Bradshaw made a motion to approve Charlie Jackson and Joe Murray as alternate members of the ACC. Trustee Boyer seconded the motion and it carried 6:0:2, with President Van Zonneveld and Trustee Babaian abstaining. 10-08-06*

**Greenbelt Committee (GBC) – Ross Robson, Acting Chair** – Mr. Robson proposed Karen Brattain, Marti Lewis and alternate member Peggy Manspeaker to serve as full members on the GBC.

*Trustee Babaian made motion to accept Karen Brattain, Marti Lewis and Peggy Manspeaker as fulltime members of the GBC. Trustee Boyer seconded the motion and it carried 7:0:1, with President Van Zonneveld abstaining. 10-08-07*

Mr. Robson stated the GBC would like to make the greenbelt area at the corner of Oak Bay Road and Walker more attractive. Forester Joe Murray, a newly approved alternate member of the ACC, is participating with the GBC by drawing up a plan for that area.

The GBC budget for 2011 is expected to be submitted to the Trustees next month.

Ted Buehler, former chair of the GBC, was complimented on the ways in which he set up the committee to work more efficiently. Peggy Manspeaker was also complimented for her excellent work on the committee.

It is expected the GBC will be able to contribute \$5,000 from their budget in November, to assist with the needed tree and limb removal around the RV lots.

Mr. Robson stated the GBC is caught up with their work at this time.

President Van Zonneveld informed Mr. Robson that the Drainage District is expected to submit a request for an easement in the greenbelt for the owners of the church property at the corner of Osprey Ridge and Oak Bay Road. The easement request has been received by the GBC and is under review.

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**Communications Committee (CC) – Sue Milner, Chair** – A CC summary report was previously submitted to the Trustees.

Ron Racki was introduced as a potential new member of the CC.

*Trustee Babaian made a motion to approve Ron Racki as a fulltime member of the CC. The motion was seconded by Trustee Clark and carried 7:0:1, with President Van Zonneveld abstaining. 10-08-08*

Ms. Milner pointed out the newly developed calendar by the CC. The calendar will allow the CC to identify how, when, who and what information needs to be communicated to the members.

**Covenants & Regulations Committee (CRC) – Sally Orsborn, Chair** – The CRC met Tuesday, August 3, 2010 at the Beach Club. Art Moyer, who declared there was not a quorum, led the following discussions:

1. Changes made by the board at the July meeting to Regulation III, Article III, Section 5., d. concerning greenbelt completion deposits: The consensus was that one additional change should be made to this new regulation.
2. Suggestions were made to the authors of the ad hoc Elections Committee Report, Catherine Garrison and Brian Belmont.
3. Classes of members (lot and condominium owners), as differentiated throughout the governing documents: Art Moyer listed and Catherine Garrison prepared an electronic documentation of instances that would need to be changed if distinctions were to be eliminated (attached). Comments were forwarded to the board in committee minutes prepared by Mr. Moyer.

**An Action item was presented:**

**LMC Regulation III, Article III**

**Work On, Use of and Infringement on Greenbelt Areas**

**5. Considerations d. (new section)**

Mrs. Orsborn presented a CRC Prioritized Activities List, as requested by the board. With numerous items on the CRC schedule, the chair announced a plan to schedule subcommittee CRC workshop sessions to help clear Policies and Procedures documents as requested by the board and committees. The regular monthly meetings will be dedicated to CRC's primary task of preparing governing document changes.

Discussion followed. The Board Task Force on Policy Development will work on clarification of items before the CRC.

## RECOMMENDED AMENDMENTS TO THE REGULATIONS

- **Regulation III, Article III, Section 5., d.**

Approved by LMC Board 6/12/10 with suggested changes in red.

Resubmitted to the Board by CRC on 7/10/10 with addition: "by the applicant." CRC rejected the sentence: "The deposit...agreed upon." GBC Policies and Procedures and the form for applicants will be written to provide details.

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Approved by the LMC Board 7/10/10 subject to changes: remove “scheduled” change “may” in the last sentence to “shall”. If both GBC and CRC accept the changes, and there are no further changes, the board will adopt this addition to the Regulations at the August board meeting. Resubmitted to the board by CRC on 8/26/10. Several GBC and CRC members strongly advised adding “...*or designee.*” following “*by the applicant*” in the last line. Trustee Babaian gave rationale for removing “*completion*” and not including “*or designee*”. Board members returned the Regulation to the two committees suggesting (1) using wording that allows work to be done by designee but clearly states that the applicant is the responsible party and (2) that the word “*completion*” is misleading.

**Rationale:** The GBC needs authority in the regulations to establish the option of requiring a deposit to ensure that work is properly completed, something some owners have been lax about doing. The statement informs members that if work is not properly finished by the applicant, the GBC may hire it done and the deposit will be available to do the work.

SECTION 5. d. *When greenbelt restoration and maintenance are necessary, a completion deposit, amount to be determined by the Greenbelt Committee, may be required. ~~The deposit will be used only to hire professionals should work not be done as agreed upon.~~ The deposit shall be held by the LMC and refunded upon ~~scheduled~~ completion of the project. If replanting is anticipated, a percentage of the deposit ~~may~~ shall be retained until the Greenbelt Committee ascertains plantings are well established and/or until the project is completed by the applicant.*

Lengthy discussion followed. President Van Zonneveld recommended the CRC and GBC get together to iron out the language of the above-suggested changes for resubmission to the board.

*Trustee Babaian made a motion that the Trustees adopt the motion as it was stated in Mrs. Orsborn’s Memorandum dated August 19, without the words “or designee,” and with the word “completion” deleted. The motion died due to lack of a second.*

Discussion followed.

*Trustee Kadash made a motion to send Regulation III, Article III, Section 5., d. back to the CRC and GBC for acceptable language prior to resubmission to the board. Trustee Hubbard seconded the motion and it carried 6:1:1, with Trustee Babaian opposed and President Van Zonneveld abstaining. 10-08-09*

Discussion followed.

Mrs. Orsborn reported CRC member Dwayne Wilcox had submitted his resignation.

**North Bay Homeowners Assoc. (NBLOA):** No report

**Condominium Associations** – No report

**Port Ludlow Village Council (PLVC) – Larry Nobles** – Mr. Nobles, representing the PLVC, attended an appeal hearing on Tuesday, August 24, 2010. The hearing had been requested by the property owner at 60 Foster Lane, in response to a Cease & Desist Order issued to them by the County for renting their single family home on a short term basis. Per the Jefferson County

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Code, short term rentals (less than 30 days) are not permitted within the Master Planned Resort (MPR) except in designated areas (Admiralty I and II, the Townhomes near the Inn and the Pintail House).

Following testimony from the homeowner's attorney and several residents living near the subject property, the Hearing Examiner stated his decision would be available within two weeks.

Lengthy discussion followed.

The meeting went into recess at 7:50 p.m. and reconvened at 7:58 p.m.

## BOARD BUSINESS:

- a. **Board Vision, Mission Statement & Goals** – President Van Zonneveld - Part of the board's goals is the review and development of board policies. Another goal under development is a social activity in the fall, possibly during the last two weeks in October (mid week), to allow LMC members to become more familiar with the work of the Trustees and the standing committees. A local winery is interested in hosting the event. Discussion followed.
- b. **2009-2010 Long Range Plan** – Trustee Kadash stated the final report of the Long Range Planning Committee, presented to the board at the May 2010 LMC meeting, was not formally accepted by the Trustees.

*Trustee Kadash made a motion that the Long Range Planning Report presented to the board in May 2010 be accepted by the board, and the committee be dismissed with our sincere appreciation for all the hard work and many hours they expended in order to bring the report to fruition. Trustee Bradshaw seconded the motion. Discussion followed. The motion carried 7:0:1, with President Van Zonneveld abstaining. 10-08-10*

President Van Zonneveld stated two letters had been previously sent to the Trustees from the ACC. The subject referred to a violation case on Condon Lane. ACC will send a right to appeal letter to the lot owners. The matter will be scheduled for board review in the near future.

- c. **Liability Exposure – Greenbelt Volunteers** – Deferred until the GBC is reorganized with a chair in place.
- d. **Board Non Compliance Cases** – Both cases are on the agenda for the September 2 Board Workshop. Discussion followed related to the Nobles/Siler case. Mr. Nobles stated this matter has been going on for over two years and requested a prompt conclusion. Discussion continued.
- e. **Election Committee Chair** – Mr. Belmont stated the CRC had reviewed/structured a beginning policy and procedure for the Election Committee. For the first year, the CRC felt the committee might be better served by being an ad hoc committee rather than a service committee due to the upcoming work to be done in preparation for upcoming elections.

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*Trustee Boyer made a motion that the Trustees approve President Van Zonneveld's establishment of an ad hoc elections committee, to be chaired by Mr. Belmont, for the development of the committee's policies and procedures. Trustee Babaian seconded the motion. Lengthy discussion followed. The motion carried 7:0:1, with President Van Zonneveld abstaining. 10-08-11*

- f. Ad Hoc Committee – Condominium & Lot Owner classes within the governing documents** – No action at this time. President Van Zonneveld will review the report sent to the board by the CRC and welcomed suggestions by the Trustees.
- g. Board Replacement Policy – August 13, 2010 Draft** – Trustee Clark stated this was discussed at the last board workshop. No additional comments were received. Discussion followed.

*Trustee Bradshaw made a motion that the board accept the August 13, 2010 Draft of the Policy & Procedures for filling vacancies on the LMC Board of Trustees, with the one change that the third bullet point shall end as follows: "Questions presented by the Board of Trustees, including but not limited to the following examples..." and then the three example questions following that. This draft, with the above-referenced change is to be accepted by the board for first reading and forwarded to the CRC for review and recommendations back to the board. The motion was seconded by Trustee Babaian and carried 7:0:1, with President Van Zonneveld abstaining. 10-08-12*

### CORRESPONDENCE:

Secretary Bradshaw reported two correspondence items had been received since the last board meeting. A letter dated July 28 was received from Dwayne Wilcox tendering his resignation from the CRC. A letter dated August 22 was received from Ann Bremmeyer and Don and Verba Abbott regarding board member conduct. Letters will be sent to Mr. Wilcox and members of the Long Range Planning Committee thanking them for their service.

**Member Comments:** Roger Oster discussed bankruptcy trustee sales in foreclosure situations and an ongoing legal matter involving LMC. Mr. Oster will contact Mr. Belmont for additional information.

There being no further business to come before the Board of Trustees, the regular meeting was recessed at 8:35 p.m. to move to executive session to review personnel matters.

The regular meeting reconvened at 10:11 p.m. Trustee Sherfick left the executive session at 9:35 p.m.

Responding to correspondence from Ann Bremmeyer and the Abbotts, Trustee Bradshaw made the following motion:

*Understanding that there is an ongoing dispute, the LMC Board recommends that Trustee Babaian recuse himself from all matters pertaining to the Bremmeyer and Abbott properties that may come before the Board or committees, to avoid the appearance of any conflict of interest, in accordance with our Conflict of Interest Policy and to protect the LMC from liability exposure.*

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*Trustee Hubbard seconded the motion. The motion carried 5:0:2, with Trustee Babaian and President Van Zonneveld abstaining. 10-08-12*

*Trustee Hubbard made a motion that Secretary Bradshaw and President Van Zonneveld draft a letter to Ms. Bremmeyer and the Abbotts in response to their concerns. Trustee Bradshaw seconded the motion and it carried 5:0:2, with Trustee Babaian and President Van Zonneveld abstaining. 10-08-13*

A greenbelt blanket easement request had previously been received from the Drainage District. President Van Zonneveld stated she had received a letter from the Drainage District rescinding their request and the matter is now closed.

*Trustee Kadash made a motion that Secretary Bradshaw and President Van Zonneveld send a letter to the Drainage District acknowledging their rescission letter. Trustee Boyer seconded the motion and it carried 6:0:1, with President Van Zonneveld abstaining. 10-08-14*

There being no further business to come before the Board of Trustees, President Van Zonneveld adjourned the regular meeting at 10:20 p.m.

Vaughn Bradshaw, Secretary  
Ludlow Maintenance Commission, Inc.

Prepared by Carol Shamhart  
LMC Recording Secretary