

LAKES COMMUNITY ASSOCIATION
REGULAR MEETING OF THE BOARD OF DIRECTORS
May 23, 2012

CALL TO ORDER: President Mercer called the May 23, 2012 meeting of the Board of Directors to order at 7:17 pm.

BOARD MEMBERS PRESENT: President B. Mercer, Vice President N. Kindgren, Secretary D. Smith, and Directors S. Calvert, B. Winston, M. Harrison, J. Williams, and K. Hoffman.

BOARD MEMBERS ABSENT: None.

Motion #1: Approve the agenda as submitted.

Recommend that the Agenda be amended to move the Requests for Action regarding the Board position be moved to the top (meaning now) so that the Board member can be part of the meeting.

Amended Motion by Director Harrison Seconded by Director Williams

Motion Passed to approve the Amended Motion.

Motion #2: Request that the LCA Board appoint Steve Koppen to complete Mr. Policar's LCA Board of Directors term which expires February 2014.

Motion by Director Calvert Seconded by Director Williams

Motion Failed 3 to 4.

Directors Kindgren, Smith, Harrison, and Hoffman voted No.

Motion #3: Recommend that the LCA Board accept Nate Policar's resignation from the LCA Board of Directors and that the LCA Board appoint Director Kris Hoffman to complete Mr. Policar's LCA Board of Directors term which expires February 2014.

Motion by Director Kindgren Seconded by Director Smith

Motion to Amend to Add: that the Board appoint Dave Kemper to the vacant 8-month term should Kris Hoffman move to the one year and eight months seat vacated by the resignation of Nate Policar.

Motion to Amend by Director Smith Seconded by Director Harrison

Motion Passed to Amend 4 to 3.

Directors Calvert, Winston and Williams voted No.

Motion Failed as Amended 4 to 4.

Directors Winston, Williams, Calvert, and Mercer voted No.

Motion #4: Approve the minutes of the April 25, 2012 regular meeting of the Board of Directors.

Motion by Director Harrison Seconded by Director Smith

Motion Passed.

PRESIDENTS COMMENTS

Bill Mercer

Verbal Report. President Mercer apologized for the late start of the Board Meeting and welcomed the audience to the Board meeting. President Mercer reported that the infrastructure continues to improve by the planting of summer flowers and the constant attention by the Community Manager to quickly address such issues as graffiti and the multitude of requests by the membership. We have had several incidents of graffiti in our Community and Community Manager Baldanza has been out painting the graffiti. We have had some crime within the community and problems on the lake with teenagers vandalizing and taking boats (usually in-house). Since January there have been 39 units sold (10 regular sales, 29 foreclosures) and 8 short sales. There are 14 units in process of foreclosure with some, even in foreclosure, current on assessments before the foreclosure. Management is proceeding with liens and judgments to minimize losses for those units behind in assessments. Everyone is aware that foreclosure wipes out the debt. The audit for 2011 is complete and will be ready next month. Early comments indicate that Association will receive a clean bill of health with only a few recommendations for improving our financial accounting. Financially we are well funded.

TREASURER'S REPORT

No Report.

COMMUNITY MANAGER'S REPORT

Christine Baldanza

Community Manager Baldanza reported that several cracks in the pool area have been filled and sanded down and the deck is in great need of repair. Three boats were hot-wired on the lake and the police were called. The area under the bridge was tested by Amec. Amec has been called several times for the report and we still have no results. Community Manager has been working on painting walls and re-doing wrought iron. Reserve projects that the Community Manager will get bids on for next month are the office computer systems, the block perimeter wall paint, and metal fence repair/replace. There is also a Request for Action for deck chairs in the pool area.

COMMITTEE REPORTS

Activity Committee

Alecia Kindgren

Verbal Report. Alecia Kindgren reported that a group of homeowners expressed an interest in pickleball at the Lakes, and that the Committee plans to offer 2 days in November of an introduction to pickleball to determine community interest. There is some pickleball information provided by those homeowners in the Board packet but no action is required at this time. The Memorial Day picnic is coming up and there will be a band. The committee is still doing the boat parade for one more month and then it will be dark for the summer.

Architectural Committee

Susan Klein

Written Report. Chairperson Susan Klein reported that the committee continues to review the Architectural rules to make them more clear to the residents. There are eleven key rules and there will be an article each month in the Lakes Log about one particular rule. The committee is still working on the issue of the pink rock as well as cactus. Susan stated that the committee does allow succulents.

Budget & Finance Committee

Marcia Hill

Written Report. Chairperson Marcia Hill reported that the committee is continuing to work on the accounts receivable. The policy has been reviewed and liens and judgments are put on owners sooner. We have collected more than \$15,000 in aged receivables in the past month. Reserve Funds are high and we have the funds needed for reserve expenditures. We are doing well financially.

Election Committee

Bill Haber

No Report.

Fishing & Boating Committee

Jesse Callen

No Report.

I & M Committee

Bill Mercer/Dave Smith

Verbal Report. Bill Mercer reported that the dock at 1118 E Driftwood had structural problems and has been replaced and a crack in the lake wall was found. The committee is continuing to work on the project under the bridge. Dave Smith also spoke on the repair of the lake wall under the bridge.

Lakescape Committee

Doris Nicora

Written Report. In the absence of Chairperson Jeanne Ojala, Doris Nicora reported that the committee has noted the success of the rose garden. There have been some complaints about the color and size of the plaques used. Over 20 residents have donated to the Rose Garden. The Committee promised plaques with the exact wording by the residents and doing otherwise in removing the plaques would be a breach of contract and the residents could ask for a refund of their donation. In September or October the committee will start the Memorial Tree Project again. Committee is working on the Rocky Point and Crows Nest finger parks. There have been some complaints about publishing the names of the recipients of the Green thumb Awards in the Lakes Log. We will contact the winner to see if they want their names in the paper before it is printed. There will be no meetings in June, July or August and meetings will resume in the fall.

Lakes Log

Gloria Hollingsworth

Verbal Report. Chairperson Gloria Hollingsworth reported that the committee always welcomes constructive criticism. The committee is aware of the many suggestions and criticisms against the Lakes Log. Over the years the Lakes Log has vastly improved. To deal with the suggestions and the criticisms, the committee has asked the Board to convene with the Lakes Log Committee to analyze and discuss the issues that the Board has received.

Lakes Women’s Club

Alecia Kindgren

Verbal report. On behalf of Chairperson Nori Muster, Alecia Kindgren reported that the Cinco de Mayo Dinner and dancers was a huge success and a sell-out. The LWC will be dark for the summer, including Out to Lunch. Thirsty Third Thursday at Pier 54 will continue for the summer but at a new time of 7pm for the summer. There will be a Welcome Breakfast in September.

Nominating Committee

No Report.

Bill Mercer

Swim Team Committee

No Report.

Lisa Nelson

Ad-Hoc Westshore Wall Committee

No Report.

Steve Koppen

MEMBER’S CONCERNS: Members signed up to speak were: Susan Klein (Lot #A-020), Nancy Saxton (Lot #B-008), Mark Reddie (Lot #E-054), Helen Stern (Lot #B-061), Bill Sanford (Lot #B-044) and Jana Smith (Lot #A-102). Among the many items discussed were: Board members, kids’ kamp, staff issues, cleaning clubhouse facilities and enforcement of architectural CCRs.

BOARD OPEN DISCUSSIONS:

None.

UNFINISHED BUSINESS:

Motion #5: Recommend that the Board approve to seal coat the parking lot and boat ramp. Reserve Line Items 80308 and 80241.

Motion by Director Winston

Seconded by Director Williams

Motion Passed.

NEW BUSINESS:

Motion #6: Recommend that the LCA Board appoint Director Maureen Harrison to the position of Board Treasurer.

Motion by Director Smith

Seconded by Director Hoffman

Motion to Amend to Add: Recommend Director Harrison resign as a member of the Budget and Finance Committee while she is Treasurer as the Treasurer is already a member and can’t have two memberships to the same person.

Motion to Amend by Director Calvert

Seconded by Director Williams

Motion Passed to Amend

Motion Passed as Amended.

Motion #7: Request the Board approve the Alternate Dispute Resolution Amendment to the Bylaws for approval by the membership.

Amended to Read: Recommend the Board table this request and form an Ad-Hoc Committee to review the Arizona State laws on mediation and how to present to the homeowners for passage. Recommend Committee consist of Directors Kris Hoffman, Nils Kindgren, and Bill Mercer.

Motion Amended by Director Harrison

Seconded by Director Hoffman

Motion Passed to Table as Amended.

Motion #8: Recommend that the LCA Board adopt the attached RFP (Request for Proposal) Form for use with all construction contracts and service contracts over \$2,000.

Motion by Director Smith

Seconded by Director Hoffman

Motion Passed.

Motion #9: Request that the Board expend no more than \$4,000 for the personnel law firm of Littler to update and supplement the LCA Personnel Manual with required updated personnel policies and procedures.

Motion by Director Smith

Seconded by Director Kindgren

Motion Amended to have three bids like we do everything else. Funds from Legal.

Amended by Director Calvert

Seconded by Director Williams

Motion to Amend Failed 5 to 2.

Directors Kindgren, Smith, Winston, Harrison and Hoffman voted No.

Original Motion Passed 6 to 1.

Director Calvert voted No.

Motion #10: Recommend that the 2nd quarter allocation of operating to capital in the amount of \$5,000 be transferred from MOM operating account to MOB capital account.

Motion by Director Harrison

Seconded by Director Smith

Motion Passed.

Motion #11: Recommend that the 2nd quarter allocation of operating to reserves in the amount of \$88, 222.75 and an additional \$11,777.25 (for a total of \$100,000) be transferred from MOM operating account to Meridian Bank for a new one-year business reserve CD at an APY rate of 0.55%.

Motion by Director Harrison

Seconded by Director Winston

Motion Passed.

Motion #12: Move to approve the second phase of the Memorial Rose Garden, not to exceed \$1,999 out of the Capital Account.

Motion by Director Winston

Seconded by Director Calvert

Motion to Table and request that Lakescape Committee and management present a comprehensive plan at a later meeting.

Motion by Director Hoffman

Seconded by Director Smith

Motion Passed to Table.

Motion #13: Approve the purchase of lounge chairs for the main pool not to exceed \$3,000, to be assigned to a reserve line item.

Motion by Director Harrison

Seconded by Director Kindgren

Motion Passed.

Motion #14: Ratify the expenditure of \$4,289.36 for the stocking of 600 3-pound catfish and 270 5" plus bluegill. The money had already been spent.

Motion by Director Hoffman

Seconded by Director Williams

Motion Passed 6 to 1.

Director Harrison Voted No.

Motion #15: Approve the new Boating Rules, Fishing Rules, and Club Rules.

Motion by Director Calvert

Seconded by Director Hoffman

Motion to Table to get red-lined copy of each rule.

Motion to Table by Director Hoffman

Seconded by Director Smith

Motion Approved to Table.

Motion #16: Recommend that the Board approve Christine Costa as a member of the Lakes Log Committee.

Motion by Director Harrison

Seconded by Director Hoffman

Motion Passed.

Motion #17: Motion was made to adjourn the meeting.

Motion by Director Harrison

Seconded by Director Calvert

Motion Passed.

Board Meeting was adjourned at 9:30 pm.

I, Dave Smith, duly elected Secretary of the Board of Directors of the Lakes Community Association, for the Board, swear that the members of The Lakes Community Association were notified of the Board of Directors' Meeting held on May 23, 2012.

Dave Smith
Board Secretary
Lakes Community Association

Date