

LAKES COMMUNITY ASSOCIATION
REGULAR MEETING OF THE BOARD OF DIRECTORS
August 22, 2012

CALL TO ORDER: President Mercer called the August 22, 2012 meeting of the Board of Directors to order at 7:15 pm.

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

BOARD MEMBERS ABSENT: None.

Motion #1: Approve the agenda as modified.

Motion by Director Harrison

Seconded by Director Smith

Motion Passed.

Motion #2: Approve the minutes of the June 27, 2012 regular meeting of the Board of Directors.

Motion Tabled by Director Harrison

Seconded by Director Winston

Motion Passed to Table until the September Meeting.

(Note: Secretary Smith requested that the draft minutes from the Board meetings be prepared and circulated no later than 10 days after the Board meeting.)

PRESIDENTS COMMENTS

Bill Mercer

No Report. President Mercer commented that the agenda is very long and reminded members to keep comments to a minimum.

TREASURER'S REPORT

Maureen Harrison

Treasurer Harrison reminded the membership that 3rd Quarter Assessments were due in July. Finances are in good shape and the Operating Budget is operating in a surplus. There is a lot of money in Reserves now. We are getting a new Reserve Study within a month. The Budget Committee will begin working on next year's budget, and we are still transitioning from one accountant to a new accountant.

COMMUNITY MANAGER'S REPORT

Christine Baldanza

Community Manager Baldanza reported that Kids Kamp was well attended with an average of about 20 kids each day which is up from last year. Homeowners gave a lot of positive feedback and we were under budget. The Swim Team had six home meets and all went smoothly. We are experiencing a grass fungus in a couple of common areas and on Baseline, and Redwood Landscaping is working diligently to prevent spreading. Some of the projects worked on this month are: a safety inspection by Look Electric of all of the electrical around the pool, kids pool and Jacuzzi; a new light was added above the ramada for better lighting and safety; three pool filters were worked on and had the sand replaced, which needs to be done every 3 years, and one pool filter housing broke and was replaced; and wrought iron repair was done along the rapids

area. The long, grassy area along Baseline should be reviewed and renovated. The Lakescape Committee has this as one of their projects for 2013. The monsoon storms caused several tree limb breakages in common areas, but were quickly cleaned up and the pool was also maintained through the storms. The Reserve Study by Associate Reserves is complete and we should have the report within 30 days. The office computer system upgrade is slated for this year and bids are in the Board Book.

COMMITTEE REPORTS

Activity Committee

M. Harrison for Alecia Kindgren

Verbal Report. Committee Member Maureen Harrison reported that the Labor Day Picnic will be a Pot Luck with a band, water slide and lots of hot weather. There will be several events for families in September.

Architectural Committee

Stella Calvert

Written Report. Committee Chair Stella Calvert reported there were several applications this month for landscaping, roof repairs, painting, and upgrades.

Budget & Finance Committee

Marcia Hill

Written Report. Chairperson Marcia Hill welcomed the new Accountant, Jim Oberlin. Ms. Hill reported that we did not receive the data on a flash drive as requested. The new updated software has been installed for the Accountant and AZ Group Tech, Mr. Don Wyatt, is working with us to be sure the software is working correctly. She reported that the financials looked fine. She said the Committee is continuing to ask for three bids.

Election Committee

Bill Haber

No Report. On behalf of Chairperson Bill Haber, Bill Mercer reported that a new contract for the upcoming 2013 thru 2016 election has been accepted with Inspectors of Elections.

Fishing & Boating Committee

Jesse Callen

No Report.

I & M Committee

Dave Smith

Verbal Report. Dave Smith reported that the tie rods have been repaired and rectified. They also took care of the source of intermittent water. The supply line for the irrigation system came apart and was fixed. He also said that seven planks need replaced, four of which are on the water. In order to do the repair, the plan is for the water level to go super low after Labor Day, and after notification to the waterfront homeowners.

Lakescape Committee

Jeanne Ojala

Verbal Report. Chairperson Jeanne Ojala reported that the summer flowers are absolutely beautiful. The Committee is very thankful that we have Redwood Landscaping doing our landscaping. Additional shrubs are needed along Westshore wall east-side from Leeward to Lamplighter. Morningstar looks good. There is a Request for Acton to expand the Rose Garden. Three finger parks on Southshore need

renovating; they are Crows Nest – watering is difficult, Rocky Point – shady area, and Outrigger – shady area. Renovation is needed on Southshore from Marine to the apartments and additional trees need to be added on Southshore. We currently have 58 trees along Southshore and could use at least 14 more. Some Committee Members spoke with Treeland and their recommendations for trees are Swan Hill Olive, Southern Live Oak, Holly Oak, Chinese Elm, and Carob Trees. They also suggested Nigerian Ivy to cover the wall. The Committee suggested that until the rose bushes in the rose garden get bigger, we could tag them and take out the plaques. The plaques could be replaced at a later date. Director Nils Kindgren suggested we put in bricks with engraving on them instead of the outline we have now.

Lakes Log
No Report.

Gloria Hollingsworth

Lakes Women’s Club
Verbal report. The LWC will be dark for the summer, but there will be a Welcome Breakfast in September.

Nori Muster

Nominating Committee
No Report.

Bill Mercer

Swim Team Committee
No Report.

Lisa Nelson

Ad-Hoc Westshore Wall Review Committee
Verbal Report. Steve Koppen reported that the Committee met with Reuben Valenzuela regarding the wall and expects to have a presentation to the Board at the next Board meeting.

Steve Koppen

MEMBER’S CONCERNS: President Mercer again reminded the members that each speaker will be allowed only three minutes. Member speakers were: Nori Muster (Lot #O-120), Mike Feller (Lot #G2-118), and Jana Smith (Lot #A-102). Among the many items discussed were: suggestion that the Board be more pro-active in terms of leadership and to be friends with the community to help members get involved, the incomplete Board minutes in the Board packet, and the sprinkler system watering schedule.

BOARD OPEN DISCUSSIONS:
None.

UNFINISHED BUSINESS:

Motion #3: (This Motion was Tabled at the 05-23-12 and the 06-27-12 Board Meeting.) As Amended: The following proposed By-Law addition shall be presented to the membership with the next ballot/election in February 2013. “LCA Disputes involving corporate governance and board elections shall be settled by Alternate Dispute Resolution by negotiation, mediation or arbitration.”

Proposed By-Law addition will be reviewed by the law office of Carpenter Hazelwood with the explanation as presented by President Mercer.

Motion by Director Harrison

Seconded by Director Smith

Motion as Amended Passed Unanimously.

Motion #4: (This motion was Tabled at the 05-23-12 and the 06-27-12 Board Meetings.) Move to approve the second phase of the Rose Garden, not to exceed \$1,999, out of the Capital Account.

Motion to Postpone by Director Harrison

Seconded by Director Calvert

Motion to Postpone Passed Unanimously.

Note: request that Lakescape Committee submit anew and bring items together for the Rose Garden (total cost of bricks, include expansion) and present at the September Board Meeting with all plans and prices.

Motion #5: (This Motion was Tabled at the 06-27-12 Board Meeting). That the Board adopt the revised 2012 LCA Employee Handbook as updated and prepared by Littler Mendelson. Motion to Table until the Personnel and Compensation Committee can meet to review, update and make corrections.

Motion to Table by Director Calvert

Seconded by Director Williams

Motion Passed to Table.

NEW BUSINESS:

Motion #6: Move that member Dave Kemper be appointed to the remainder of the vacant position which was held by Director Policar.

Motion by Director Smith

Seconded by Director Calvert

Motion Passed Unanimously.

(At this time, Dave Kemper was seated at the Board table.)

Motion #7: Recommend that the Board of Directors contract with Arizona Group Technologies for an amount not to exceed \$7,660 (\$6,380 + 10% overage) to provide a server, 4 workstations, 2 printers, data transfer and installation. \$6,000 was allocated in the reserve budget to pay for updated computers this year.

Motion by Director Harrison

Seconded by Director Williams

Motion Passed.

Motion #8: Recommend that the Board approve opening a money market account for operating funds at MOB and move \$60,000 from the operating account at MOB (no interest) into this new operating money market (interest bearing account).

Motion by Director Harrison

Seconded by Director Williams

Motion Passed.

Motion #9: Recommend that the reserve amount of \$250,000 in B of A savings be used to purchase a 19-month reserve fund CD at Midfirst Bank (.75%).

Motion by Director Harrison

Seconded by Director Winston

Motion Passed.

Motion #10: Recommend that the 3rd quarter assessments due to reserve funds in the amount of \$88,222.75 be transferred from the operating checking account at MOB to purchase a reserve account CD at ING Bank for 12 months.

Motion by Director Harrison

Seconded by Director Smith

Motion Passed.

Motion #11: Move that the Board minutes only contain the business conducted by the Board. Further move that committee minutes be attached to the Board minutes for historical purposes.

Motion by Director Calvert

Seconded by Director Williams

Motion Amended to Read: Move that the Board minutes shall contain the business conducted by the Board and also that the committee minutes shall be attached to the Board minutes.

Motion to Amend by Director Kindgren

Seconded by Director Smith

Amended Motion Passed.

Motion #12: Recommend the Lakes Board extend the Redwood contract for an additional three years at \$15,500 monthly/\$186,000 yearly. Motion Amended to Read: Recommend the Lakes Board extend the Redwood contract for an additional one month (30 days) and for management to follow the LCA bidding policy by securing two additional bids, Budget & Finance Committee review and recommendation to the Board at the September Board meeting.

Motion to Amend by Director Calvert

Seconded by Director Smith

Amended Motion Passed.

Motion #13: Reaffirm by this Board the policy guidelines regarding the submission of requests for action (RFAs).

Motion by Director Harrison

Seconded by Director Kindgren

Motion Passed.

Motion #14: Motion was made to adjourn the meeting.

Motion by Director Harrison

Seconded by Director Calvert

Motion Passed.

Board Meeting was adjourned at 9:15 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 August 22, 2012.

Dave Smith
Board Secretary
Lakes Community Association

Date