

LAKES COMMUNITY ASSOCIATION
REGULAR MEETING OF THE BOARD OF DIRECTORS
September 26, 2012

CALL TO ORDER: President Mercer called the September 26, 2012 meeting of the Board of Directors to order at 7:10 pm.

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

BOARD MEMBERS ABSENT: None.

GUEST SPEAKER, Mr. Ruben Valenzuela, Landscape Architect – Westshore Study. Mr. Valenzuela was contracted by the Association to research and provide some cost-effective and attractive alternatives for the Westshore Drive screening landscape project to provide some relief for the homeowners on the westside of the Lakes by Rural Rd. The project area includes Westshore Drive and the 6 streets adjoining: Driftwood, Lobster Trap, Leeward, Eveningstar, Morningstar and Lamplighter. Mr. Valenzuela provided detailed drawings of the Westshore Drive existing utilities and stated that he had contacted and has been given the first-pass approval from the various utility companies regarding these proposed possibilities for the LCA landscape project. No tree removal is recommended with any of these proposals. Four possible plans were presented with detailed drawings: (1) landscape planting concept with alternating landscape planters on east and west sides of the Westshore sidewalk/utility easement area (estimated cost: \$30,000); (2) roadway chicane concept with chicanes strategically placed to screen from Rural Rd to the various streets listed above (estimated cost: \$40,000); (3) screen panel concept with alternating 3' and 6' screen panels, which could also provide a little noise screening (estimated cost: \$50,000); and (4) art screen panel concept with custom 6 ft. screen panels (estimated cost: \$80,000). The Board and homeowners thanked Mr. Valenzuela for his presentation.

Motion #1: Approve the agenda.

Motion by Director Harrison

Seconded by Director Winston

Motion Passed.

Motion #2: Approve the minutes of the June 27, 2012 regular meeting of the Board of Directors as amended with Motion #15 consisting of only the first sentence.

Motion by Director Harrison

Seconded by Director Hoffman

Motion Passed.

Motion #3: Approve the minutes of the August 22, 2012 regular meeting of the Board of Directors.

Motion by Director Harrison

Seconded by Director Smith

Motion Passed.

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

Written Report. Treasurer Harrison reported that we don't have all of the financials yet due to the change in accountants and the time-lag receiving the data from the previous accountant; however, as of today, all bank accounts have been reconciled.

COMMUNITY MANAGER'S REPORT

Christine Baldanza

Community Manager Baldanza reported that there was a major water leak under the slab running along the pool and the sidewalk outside the pool. The pipe was replaced with schedule 40 PVC pipe which is the current code standard. Foster Electric performed the scheduled preventative maintenance check-up on the pumps. There has been a rash of graffiti. Ms. Baldanza talked to the Tempe graffiti hotline and they too confirm a higher number of graffiti incidents in south Tempe. Scalping of the turf in the common areas and parks will begin September 24th and re-seeding will begin the first week in October. The large park and kid's park will be closed for about 2 and a half weeks and will re-open October 26th. Winter flowers are scheduled for planting the second week in October. The lake water level is continuing to go down to facilitate the repair to the wood structure under the bridge.

COMMITTEE REPORTS

Activity Committee

Alecia Kindgren

Verbal Report. We had a great turn out for the Labor Day picnic with many new families attending. The fall concert with a Halloween theme will be October 26th with a DJ this month. The Activity Committee will introduce Pickleball to the Lakes on November 10th with a series of training sessions volunteered by experienced Lakes residents. Also the First Friday Happy Hour Boat Parade will be held on October 5th and November 2nd at 7:00pm.

Architectural Committee

Stella Calvert

Written Report. Committee Chair Stella Calvert reported the Committee reviewed seven applications this month for landscaping, roof repairs, painting, and upgrades.

Budget & Finance Committee

Mike Pameditis

Written Report. On behalf of Chairperson Marcia Hill, Mike Pameditis reported that the September 17th Budget and Finance Committee meeting was postponed to Thursday, September 20th. The September 20th Meeting was cancelled because bids and the financials were not ready.

Election Committee

Bill Haber

Verbal Report. Chairperson Bill Haber stated that there is an RFA to be approved tonight for the outsourcing of the annual election and, per request, it includes the cancellation clause for subsequent years.

Fishing & Boating Committee

No Report.

Jesse Callen

I & M Committee

No Report.

Dave Smith

Lakescape Committee

Verbal Report. Chairperson Jeanne Ojala gave a report to the Board regarding recommended long-range plans for common areas, 2012-2014. The Committee recommends: (1) Rose garden in Compass Park, 2012 (expand garden to accommodate rose donations already received); (2) Renovation of finger parks, 2012-2013 (Crow’s Nest, Rocky Point, and Outrigger); (3) Memorial Tree Project (an on-going project initiated in 2009); (4) Renovation of Southshore Drive, 2013–2014 (Addition of a variety of 14 trees such as Swan Hill Olive, Southern Live Oak, Holly Oak, Chinese Elm, Carob and to plant Nigerian Ivy along the walls); (5) Renovation along Baseline, 2013-2014 (Re-landscape the Baseline area and procure a grant from the City of Tempe). Chairperson Jeanne Ojala resigned from the Lakescape Committee.

Jeanne Ojala

At this time, President Mercer read resignation letters from Mike Feller and from Jeanne Ojala. Both resigned from the Lakescape Committee. President Mercer said the Board accepts their letters of resignation and sincerely thanked them for their dedication and hard work to the community.

Lakes Log

No Report.

Gloria Hollingsworth

Lakes Women’s Club

Verbal Report. On behalf of Chairperson Nori Muster, Alecia Kindgren reported upcoming events: Saturday will be the Welcome Breakfast for all women at the Lakes; The Out to Lunch Bunch will be going to the new Garcia’s on Warner/McClintock on Wednesday, October 10th at 12pm; Thirsty third Thursday will be October 18th at 6pm at Pier 54; the Lakes Annual Garage Sale will be Saturday, November 3rd from 7:30am to 1:00pm; and the 2012 Chili and Salsa Cook-Off will be Sunday, October 28th, from noon to 2pm.

Alecia Kindgren

Nominating Committee

No Report.

Bill Mercer

Swim Team Committee

No Report.

Lisa Nelson

Ad-Hoc Westshore Wall Review Committee

No Report.

Steve Koppen

At this time, Dave Smith gave a report on the lake wall at the bridge: Due to his current work load John Ellis has not been able yet to apply the restoration epoxy on the

deteriorated wooden planks in the Runaway Point area. The epoxy compounds needed to do the rest of the bridge lake wall are being ordered. The repair of the pilings and preparation for the brackets to support the additional four planks will all get underway after the materials arrive and the water level is low enough.

Motion #4: Allocate an additional \$25,000 from the Reserve Fund to continue the repair of the lakewall under the Bridge.

Motion by Director Hoffman

Seconded by Director Calvert

Motion Passed.

MEMBER'S CONCERNS: President Mercer again reminded the members that each speaker will be allowed only three minutes. Member speaker was Nancy Saxton (Lot #B-008). The items discussed were: training for staff regarding giving phone numbers and addresses out and having to call the office to ask that a violation be sent to her own property manager about one of her properties.

BOARD OPEN DISCUSSIONS:

President Mercer discussed the Bylaws. The Lakes Bylaws were updated in 2001 and we are required by litigation to add the ADR Supplement to the Bylaws. President Mercer said he would like the Board to consider updating the Bylaws for the next Board meeting and said that house counsel has agreed to update them for \$1,000.

President Mercer also discussed the pump motor used at Marine Park. Foster Electric has pulled the pump motor and has given us two bids. Option 1 would be to re-do the motor at a cost of \$7,550 and Option 2 would be to provide a new motor at a cost of \$9,395. This option would give the Association a spare motor.

Motion #5: Accept Option 2 from Foster Electric for a new pump motor at a cost of \$9,395 from the Reserve Fund.

Motion by Director Harrison

Seconded by Director Kindgren

Motion Passed.

Note: Director Harrison asked that in the future, the pump maintenance reports from Foster Electric be included in the monthly Board packets.

UNFINISHED BUSINESS:

Motion #6: (This Motion was Tabled at the 06-27-12 Board Meeting and the 08-22-12 Board Meeting.) Recommend that the Board approve the LCA Employee Handbook/Manual as presented by LCA Legal Representative, Littler Mendelson, P.C. The optional "items for Board consideration" Item 1, Item 2, Item 3, Item 4, and Item 5 can be left as is until such time that the Board determines that they want to alter these optional items.

Motion by Director Harrison

Seconded by Director Hoffman

Motion to Table to allow the Personnel and Compensation Committee review the manual.

Motion to Table by Director Calvert

Seconded by Director Kemper

Motion Passed to Table.

NEW BUSINESS:

Motion #7: Approve the expansion of the rose garden in Compass Park, west of the current garden, of approximately 200 square feet, per the attached plan. It would be of similar shape and size to the present garden and would complete the plan for the Compass Park. Funds to Redwood Landscaping of \$1,932 to be expended from the Capital Fund.

Motion by Director Winston

Seconded by Director Calvert

Motion Passed 8 to 1.

Director Williams voted No.

Motion #8: (This Motion was Tabled at the 02-22-12 Board Meeting.) Recommend that the Board award the bid for repairing and sealing the Clubhouse parking lot and the boat ramp to Roadrunner Sealcoat for a cost of \$5,087 including tax.

Funds expended from the Reserve Fund.

Motion by Director Hoffman

Seconded by Director Calvert

Motion Passed.

Motion #9: Motion to engage Redwood Landscaping Company for another three-year contract at a price of \$186,000/per year.

Motion by Director Winston

Seconded by Director Smith

Motion Passed.

Motion #10: Move to engage Ginsburg & Dwaileebe CPAs, LLP, as Auditor for a period of three years at a price of \$7,000 for the first year and \$7,500 for the remaining two years.

Motion by Director Calvert

Seconded by Director Winston

Motion to Amend to read: Move to engage Ginsburg & Dwaileebe CPAs, LLP as Auditor for a period of one year at a price of \$7,500.

Amended Motion by Director Harrison

Seconded by Director Hoffman

Amended Motion Failed 4 to 5.

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

Original Motion Passed with friendly amendment by Harrison/Hoffman to add a cancellation clause to the contract.

Motion #11: Move that the employee insurance currently by Health Net of Arizona be covered by Aetna Insurance Company commencing October 1, 2012 to September 30, 2013 at an annual cost to the Association of \$19,008.00 annually less employee participation of \$1,900.80 for a total cost of \$17,107.20/yearly or \$1,425.60/monthly.

Motion by Director Calvert

Seconded by Director Smith

Motion Passed.

Motion #12: Recommend allocation of funds (\$4,000 per election) for upcoming elections 2013 through 2016 to Inspectors of Elections based on their quote of \$2,025 plus expenses. Previous RFA from June Meeting resulted in a question on

termination which has been answered. Based on satisfying the previous question, the Election Committee again requests authorization to proceed.

Motion by Director Kindgren

Seconded by Director Harrison

Motion Passed.

Motion #13: Recommend Accountant Work Agreement be clarified.

Modifications: Item #13,15: delete "Finance Committee"; Item #14: add "owned by LCA"; Item #16: change to "read-only to LCA Manager and Finance Committee"; Item #17: add "LCA Manager", delete "Finance Committee"; Item #20: change from "Audit Committee" to "LCA Auditor".

Motion by Director Calvert

Seconded by Director Williams

Motion Passed.

Motion #14: Recommend the removal of Maureen Harrison as Treasurer and replace with Jay Williams.

Motion by Director Winston

Seconded by Director Calvert

Motion Passed 5 to 4.

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

Motion #15: Motion was made to adjourn the meeting.

Motion by Director Calvert

Seconded by Director Winston

Motion Passed.

Board Meeting was adjourned at 10:40 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 September 26, 2012.

Dave Smith
Board Secretary
Lakes Community Association

Date