

LAKES COMMUNITY ASSOCIATION
REGULAR MEETING OF THE BOARD OF DIRECTORS
January 23, 2013

CALL TO ORDER: President Mercer called the January 23, 2013 meeting of the Board of Directors to order at 7:04 pm.

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

BOARD MEMBERS ABSENT: None.

Motion #1: Approve the agenda.

Recommend that the Agenda be amended to add one additional Request for Action: (1) Recommendation for seeking bids for tree services as presented by Director Harrison.

Motion to amend by Director Harrison Seconded by Director Smith

Motion Passed to approve the Agenda as Amended.

Motion #2: Approve the minutes of the December 14, 2012 special meeting of the Board of Directors.

Motion by Director Harrison

Seconded by Director Smith

Motion Passed.

PRESIDENTS COMMENTS

Bill Mercer

No Report.

TREASURER'S REPORT

No Treasurer

COMMUNITY MANAGER'S REPORT

Christine Baldanza

Community Manager Baldanza reported that the annual tree trimming has started on the LCA's 500 trees and shrubs; however, the trees most affected by the freeze will not be trimmed until mid to late February. The tall bushes in the median on Lakeshore were removed to improve the line-of-sight and new landscaping will occur in that area in the spring. The pool, deck and pump house renovation has begun with current completion date of March 8th. Annual fish survey report by Dr. Marsh will be available next month; our fish and lake continue to be healthy. Roof rats are on the rise; all are encouraged to pick your citrus. Tempe Police have informed the CM that the crime rate in our area is down 57% from last year; however, we have had some criminal activity in the past week including stealing of our flowers. The Peachtree software we are using for our accounting is still in the process of being transferred from the accountant to the Association and will be completed soon. A letter has been sent to the management company of HVHOA regarding cutting off the irrigation at the corner by the bridge.

COMMITTEE REPORTS

Activity Committee

Alecia Kindgren

Verbal Report. Alecia Kindgren reported that there is a "Make your own Nachos" TGIF on Friday evening the 25th, from 6pm-8pm. Parents wishing child care during that time must register by Thursday the 24th in order to make sure we have adequate staffing.

The Activity Committee is organizing breakfast for the February 9th LWC History Function. The Mom's Club meets every Wednesday at 9:00 am and the second Wednesday of each month is dedicated to a Music/Story Time for parents and tots. The Poker Regatta is scheduled for Sat, March 23rd and will incorporate the kid's make-your-own-boat activity so there will not be an event the night before. Family Breakfast with the Easter Egg Hunt is March 30th. Steve Brown reported on the status of the "Trial Pickleball Activity" and said there has been a lot of interest and they now offer 2 days/week (Saturday and Sunday from 3:30pm to 5:00 pm on Court 1). The drop-down lines have been a problem so they would like to use painter's blue tape and put the tape down on Saturday before the 3:30pm time and keep it down until Sunday at 5:00pm. The Community Manager states there is one homeowner who is complaining about the restricted use for her on Sunday morning but the CM states she will talk with her again. The consensus at this time was to allow the temporary tape during that time-frame for one month and re-visit the issues at the February Board meeting.

Architectural Committee

Stella Calvert

Written Report. Stella Calvert reported that in January, they reviewed 14 new applications, approved 5, approved 2 with conditions, did not approve 4 and have 3 pending additional information.

Budget & Finance Committee

Marcia Hill

Written Report. Chairperson Marcia Hill reported that the Committee is still unable to receive bank statements, check and deposit registers and other information. The Committee is not able to adequately review the financial condition of the LCA without these documents and so cannot report to the Board or the homeowners. The aging report was received at the B&F meeting and provided insufficient time for the Committee to review. The Committee members have stated that they have no problem with signing a "confidentiality agreement" and again request the financial information. The Committee has several recommendations for the Board to transfer reserve funds in order to stay within the new FDIC limit of \$250,000 per financial institution.

Election Committee

Bill Haber

Verbal Report. Chairperson Bill Haber reported that the election process is proceeding. The ballots should have been received by the owners by January 14th and there have only been a few apparent mailing glitches. There will be information in the Log regarding what to do if an owner needs a replacement ballot. Ballots must be mailed back by February 8th or else they can be brought to the Inspector of Elections who will be at the clubhouse by 7pm on Tuesday, Feb 12th, the night of the election. No ballots should be dropped or left at the office and there is a posted sign regarding that. This is to ensure the integrity of the election and to protect employees of the Association.

Fishing & Boating Committee

Jesse Callen

No Report.

I & M Committee

Dave Smith

Verbal Report. Dave Smith reported that the lakewall under the bridge has been repaired with a savings to the Community from the budgeted amount. The lakewall at the Waterfront Restaurant, another wooden structure, also needs repair. The extent of the damage could not be determined with the underwater/sewer camera due to the

murky water. A probe investigation was undertaken and it appears that most of the lower wooden planks had failed and separated from the structure. Dave will continue to work on this issue. The Board and the Community gave Dave Smith a round of applause for appreciation of his time and effort to ensure the correct repair of the lakewalls and the savings to the Community.

Lakescape Committee

Doris Nicora

Written Report. Member Mary Michael reported for absent Chairperson Doris Nicora. She stated that the rose care class has been rescheduled for Saturday, January 28th at 9am at the rose garden. The new roses will be planted in March. The Committee recommends that the Board approve Jean Cople as a new member of the Committee.

Lakes Log

Gloria Hollingsworth

Verbal Report. Member Alecia Kindgren reported that articles for the Log should be turned in by the 15th of the month. The Log will be delivered around the first of every month, except for January when the Log each year is a week later due to holiday vacations.

Lakes Women's Club

Launie Harlacher

Verbal report. LWC Vice-President Alecia Kindgren reported that the LWC received many holiday gifts and donations for the Holiday Giving Tree Project to our local school children in-need. We also had a very successful Event with Santa at Christmas Island and in addition to hundreds of children and families visiting with Santa, we were able to collect and donate \$1,000 to the Phoenix Ryan House for terminally ill children. Our 3rd annual New Year's Day Snow Frolic was a success, with kids having fun making snowmen and having snowball fights. We've just completed the Special Olympics Polar Plunge at our pool on the coldest day of the year, with a larger turn-out than last year.

Nominating Committee

Bill Mercer

Verbal Report. President Mercer reported that there's an RFA for the Board to approve the 2014 Nominating Committee.

Swim Team Committee

Lisa Nelson

No Report.

Ad-Hoc Westshore Study Committee

Steve Koppen

No Report.

Ad-Hoc Internal Controls Committee

Marcia Hill

Written Report. Chairperson Marcia Hill reports that the internal control report has been presented to the Board and copies are available here for members. Robert Minitti, the auditor who prepared the report, will present it to the Budget & Finance Committee members and any other interested homeowners on Monday, February 4th at 7:00 PM. See attached Internal Control Report.

Ad-Hoc Perimeter Landscape Committee

Nils Kindgren

Verbal Report. Nils Kindgren reported that the Committee has met 3 times with Ruben Valenzuela, the landscape architect who developed the plans for the Westshore area (Terrano Landscape Architecture). However, one month ago Mr. Valenzuela left AZ for

a project in California and so the Committee needs to re-develop the scope of work and secure more bids.

Ad-Hoc Pool Project Committee

Dave Smith

Verbal Report. Dave Smith reported that in December, the Committee re-worked the bid specifications for the pool renovation to meet the needs of our olympic-sized pool, secured the necessary bonds, and work has begun. Five Star Builders, the contractor, has discovered more cracks and exposed rebar than anticipated. A proposal was submitted for this work. Also some smaller proposals were received: for fill-in the hazardous drains, to use LED bulbs to save operating funds, replace existing grab bars and railings. There may be more issues as work progresses. There is also a request for the Board to approve additional funds for the kool decking outside the gated pool area.

MEMBER'S CONCERNS: President Mercer again reminded the members that each speaker will be allowed only three minutes. Member speaker: Mike Lentino (Lot #E-058) regarding the Ginsburg 2011 Audit and the Minitti Internal Control Report.

BOARD OPEN DISCUSSIONS:

Board Member Maureen Harrison reminded everyone that there is also a Proposition on the Ballot regarding Alternative Dispute Resolution which will allow our Association and its members a less-expensive legal way to settle disputes. The Board supports this Proposition and requests that members consider supporting this.

UNFINISHED BUSINESS:

Motion #1: This Motion was Tabled at the 06-27-12 and 8-22-12 Board Meeting. Recommend that the Board approve and adopt the revised LCA Employee Handbook as updated and prepared by LCA legal representative, Littler Mendelson P.C.

Motion by Director Kindgren

Seconded by Director Hoffman

Motion to Table by Director Calvert

Seconded by Director Williams

Motion to Table Failed 2-6.

Directors Calvert and Williams voted yes.

Directors Harrison, Hoffman, Kemper, Kindgren, Smith, Winston voted no.

Motion to Amend by Director Kemper

Seconded by Director Hoffman

Amended Motion: That the Board accept and approve in principal the revised LCA Employee Handbook but not release it until the corrections in the Table of Contents and any other typographical errors are corrected at no additional cost. Amended Motion passed unanimously.

NEW BUSINESS:

Motion #2: Recommend that the Board of Directors approve the transfer of \$192,000 from Compass Reserve Checking to BofA Reserve Checking in order to keep our funds within FDIC limit of \$250,000.

Motion by Director Harrison

Seconded by Director Hoffman

Motion Passed unanimously.

Motion #3: Recommend that the Board of Directors approve the transfer of \$250,000 from Mutual of Omaha Bank operating account (non-interest bearing)

into a new operating Money Market account at Arizona Business Bank (APY 0.35%).

Motion by Director Hoffman

Seconded by Director Kemper

Motion Passed unanimously.

Motion #4: Recommend that the Board of Directors approve additional funding for the Pool Renovation Project to include costs for additional kool decking, repair and sealing of cracks in pool, gunite flashing, new grab bars and step ladders, drain re-figuring and light replacements. Total funding from reserve funds not to exceed \$170,000.

Motion by Director Hoffman

Seconded by Director Harrison

Motion Passed unanimously.

Motion #5: Recommend that the Board of Directors approve the appointment of Jean Copple for membership to the Lakescape Committee.

Motion by Director Harrison

Seconded by Director Smith

Motion Passed unanimously.

Motion # 6: Recommend that the Board approve the 2014 Nominating Committee: Dave Kemper, Michael Pameditis, Beau Jones, Shirley Dingle and Lee Shapiro.

Motion by Director Kindgren

Seconded by Director Calvert

Motion to Amend by Director Harrison

Seconded by Director Kindgren

Amended Motion to include Kris Hoffman as part of the Nominating Committee.

Amended Motion passed unanimously.

Motion #7: Recommend that the Community Manager develop comprehensive specifications for all LCA Common Area Tree Repair and solicit at least 3 complete bids from qualified vendors. The project can then be reviewed and awarded to the appropriate vendor at the next Board of Directors meeting.

Motion by Director Harrison

Seconded by Director Hoffman

Motion Passed 7-1

Director Williams voted no

Motion #8: Motion made to adjourn the meeting.

Motion by Director Winston

Seconded by Director Hoffman

Motion Passed.

Board Meeting was adjourned at 9:45 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 January 23, 2013.

Dave Smith, Secretary
Lakes Community Association

Date