

**SPRUCE CREEK PROPERTY OWNERS ASSOCIATION, INC.**  
**212-1 Cessna Blvd. Port Orange, FL 32128**

**DRAFT**

**SPECIAL BOARD OF DIRECTORS MEETING**

Tuesday, January 22, 2008

Before the meeting was called to order, a question was raised by Director Tim Plunkett as to how and when the Notice for this board meeting had been conveyed to the 5 directors. While there appeared to be no conflict with the notice posted on the door of the POA office on Sunday, 1/20/08 just before 4:00 p.m., stating the time, date and place of the meeting, the question then turned to whether or not complete notice, including purpose, of this Special Board of Directors Meeting, had been provided to all directors -- within 72 hours, as required by the By-Laws. President Dawn Sautter said that she had talked to 2 of the directors about the meeting on Saturday, January 19. In response to a question of whether the purpose of this meeting was part of the notice to all directors, Mrs. Sautter responded that the purpose was discussed at the Special Meeting of the Board held on Friday, January 18, 21008 with the association attorney, Doug Daniels.

Director Alan Baltz read aloud Chapter 617.0823 Florida Statutes: "Waiver of Notice. – Notice of a meeting of the board of directors need not be given to any director who signs a waiver of notice, either before or after the meeting. Attendance of a director at a meeting shall constitute a waiver of notice of such meeting and a waiver of any and all objections to the place of the meeting, the time of the meeting, or the manner in which it has been called or convened, except when a director states, at the beginning of the meeting or promptly upon arrival at the meeting, any objections to the transaction of affairs because the meeting is not lawfully called or convened."

Director Baltz then stated that he wanted to go on record that the notice does not comply with our Bylaws, and he stated, "I object to the transaction of affairs because the meeting was not lawfully called or convened, and my presence here does not constitute waiver of the notice."

Director Love stated that "just as a matter of sanity, the fact that all directors are here is indication of adequate notice."

Director Plunkett stated that it was his understanding that whether he and Director Baltz agreed to waive or not, the meeting would continue. He asked Director Love, "Is that your understanding?" Directors Love replied, "Yes." Director Plunkett stated that in view of that, he would sign the waiver of notice. Director Baltz did not sign the waiver of notice.

**1. CALL TO ORDER.** President Sautter called the meeting to order at 4:07 p.m. Directors present were Jack Kihm, Bert Love and Tim Plunkett. Mr. Baltz did not sign

the waiver of notice, but sat in on the meeting in order to have the ability to put his comments on record. A quorum was declared.

**2. PROOF OF NOTICE.** With the signing of the Waiver of Notice by directors Sautter, Kihm, Love and Plunkett, and with Mr. Love's statement that the meeting would proceed, whether or not Director Baltz or Director Plunkett signed the "Waiver of Notice," the chair accepted that notice had been properly given.

**3. BUSINESS.** Vote on a replacement for the Property Manager position. Dawn presented the name of Keith Jones to become the new Spruce Creek Property Owners Association Manager. She reported that Mr. Jones "has a current CAM license, a lot of experience in condos, condo rental type places, some homeowners experience, and other communities down in Key West that were RV or other communities. He has all the credentials that would meet our needs in the Creek. All directors have interviewed him; his background and references have been checked, and he has met all the requirements." Director Kihm made a **motion**, seconded by Director Love, that Keith Jones be hired as the Association Manager with a 2-year contract.

President Sautter called for discussion. Director Baltz stated that he would like to go on record for the community so they would know how this process of replacing the Association Manager had started and evolved. He stated that he had just learned the previous Friday at a closed meeting that President Sautter, without informing the Board, had started interviewing candidates last October, only 5 months after a glowing Performance Appraisal report on Mr. Slayback. Director Baltz polled the Board, and confirmed that only President Sautter and Directors Kihm and Love had any knowledge that this process had begun in October, and that 8 candidates had been interviewed, about which Directors Baltz and Plunkett had no knowledge. Director Baltz stated that he found it objectionable that they were being called upon to vote only on the one candidate already chosen by the other three directors

Director Baltz stated that Mr. Slayback had done an excellent job. If there were criticisms of his performance, it is usual and customary in the business world to counsel the employee in an effort to help the employee improve his/her job performance; to encourage and help the employee to perform in a satisfactory manner. And only if problems remain unresolved is action taken. Director Baltz added that he believed treating an employee in this manner was unethical and cruel; he didn't even have an opportunity to defend himself. He concluded that in his 40 years in the business world, he had never seen anybody treated in a manner like this. I don't know what the rush is. He said he was just asking the Board to do the decent thing and to reconsider the non-renewal vote that took place at the closed meeting, and follow established procedure, and that Mr. Slayback be given the opportunity to respond. "Let's just do it right."

Director Kihm then stated that "it's pretty simple." "The activities of the Board when all 5 members are together are out in the community within a few hours. I was one of the ones who decided that we should be looking around with contract renewal coming up. Can you imagine this whole thing starting in October and David having to face this for 6

months in the community? This is absolutely not why I got elected. I got elected to keep things quiet and keep everybody sort of together. That's what I see my job. There are only two things that I consider when I'm involved in this process: Is it good for the Creek? And is it fair? Nobody's been treated cruelly. We've tried to minimize the emotional impact on the community. So, we felt that even though it looked abrupt and everything, it was something – we are going to have to make the decision – not somebody else in the community – we are (with emphasis) --so we decided that we would make the decision in a surgical manner so we would hurt the fewest people in the fewest amount of time."

President Sautter recapped the 3-2 vote from three days prior, on the previous Friday (January 18, 2008) not to renew Mr. Slayback's contract, and to interview to find a manager. President Sautter stated that "Mr. Slayback had done a fine job in his 2 years here and that the Board is not saying he has not." She stated that the Board is saying that they "want a manager who is going to be doing a different approach; that's all."

Director Love stated that he ratified comments by Director Kihm and President Sautter. I don't see anything sneaky or underhanded or inappropriate in what has happened. He addressed the audience and referenced normal corporate procedures for handling personnel. He added that the Articles of the corporation give the directors the responsibility of contracting for a property manager. It's our job to do it and without involvement of the membership.

Director Baltz stated that in the business world before you terminate someone you meet with them, go over any perceived problems, give them an opportunity to have 30 or 60 days to resolve the issues, and if they are not resolved to everyone's satisfaction, then you take action. That process did not occur.

President Sautter replied that the Board was not terminating anyone; we're not renewing his contract.

Director Baltz replied that "you can call it anything you want, but the end result is that David was fired."

Director Plunkett stated that his question has been what evidence there is of any failures by David. In the discussions that ensued in the closed meeting, there wasn't enough evidence to convince Alan and me that this action should be taken. During that discussion, it was disclosed that when directors Kihm and Love were elected, they were directed by a group of people who elected them to replace everybody that the previous board had hired; they had not done that; and this matter was based on that directive. There was a great deal of discussion over this, and the vote was 3-2 in favor of not renewing Mr. Slayback's contract. The previous and only performance report was a good one. There was not enough evidence to convince me, so that's why I voted No.

Director Kihm stated he wanted to correct Director Plunkett on one thing. "I said that when we were elected, there were some, not the whole bunch, some who expected a

bloodbath, not everybody, not even a majority. We were not given a mandate to replace everybody; we were given a mandate to change the leadership."

Director Baltz asked President Sautter if she had talked with all previous employers of Mr. Jones. She said she had talked with all the references provided, which she said were former employers. Director Baltz asked if Mr. Jones is eligible for re-employment at Bluewater Key. President Sautter said, "Yes, he is. He managed 5 people, works well with people, he would hire him again; he feels you could not find a better person." Director Baltz asked whom she had talked to. She replied, "Mr. Frank Wagner."

Director Plunkett pointed out that Mr. Jones does not have a lot of HOA experience. He has a lot of RV and sales experience. President Sautter replied, "And he's managed very large budgets, \$2-3 Million Dollar budgets."

Several Association Members in attendance at the meeting raised their hands to be recognized to speak and some voiced their requests. President Sautter stated she would not take any comments from the floor.

The vote on the Kihm motion to hire applicant Keith Jones with a 2-year contract was taken. Three directors voted in favor (Kihm, Love and Sautter) and 2 voted against (Baltz and Plunkett). The motion was approved.

Director Plunkett stated that by being kept in the dark they were robbed of their opportunity to evaluate the other candidates, as had been done in the past. There were 8 other candidates that Alan and I were not given an opportunity to evaluate. The only one we were allowed to interview is the one already chosen. The process by which this was carried out I don't agree with. I have to vote no because I have no idea what the other candidates were like. So it puts me in a position that I can't accept honorably. I'm not voting against this man, but against the process that brought this about.

**4. ADJOURN.** With no additional business on the agenda, the meeting was adjourned at 4:24 pm.

Mike Hay, Secretary