

SPRUCE CREEK PROPERTY OWNERS ASSOCIATION, INC.

212-1 Cessna Blvd, Port Orange, FL 32128

MINUTES REGULAR BOARD OF DIRECTORS MEETING

June 10, 2008

1. CALL TO ORDER. President Russ Faller called the meeting to order at 7:00 p.m. Other directors present were Bert Love, Mike Hay, Jerry Probst and Jack Kihm. With all five board members present a quorum was declared.
2. PROOF OF NOTICE. David Slayback, POA Manager, confirmed that proper notice had been posted.
3. COMMUNICATIONS:
 1. Joseph Mercieri, owner at Fairway Chase, wrote a letter requesting that the operational hours for the South Gate be reduced: gate to open at 8:00 a.m. and to close at 6:00 p.m. Mr. David Gitelman, President of the Fairway Chase Condominium Association, also wrote in strong opposition to any changes in the operating hours of the South Gate. The Board responded that it is not considering any changes in the operating hours of the gate.
 2. A letter was received from Mr. Gordon Millar questioning the continued use of the North North Entry Bridge and gate by Volusia County School buses. He informed us that these buses exceed the weight restrictions of the bridge and should not be allowed to use the bridge. Slayback has already responded that the Volusia County Traffic Manager has been contacted and has agreed. He asked for a delay through the end of this school year and said he would change his routes beginning with the 2008 summer School Session, to avoid use of the north bridge.
 3. Dick Bicknell stated his support for minutes of board meetings to be unabridged so as to be a complete record of what occurred at the meetings, and that the minutes be published in their entirety.

Mr. Love made a **motion** that board minutes be fully unabridged, effective with the minutes of the April 16, 2008 board meeting. Dr. Kihm seconded the motion. During discussion, Secretary Dr. Mike Hay pointed out that there are portions of meetings which are simple and can be adequately reported in an abbreviated form and there are also portions of the meetings which require more comprehensive reporting and that is what he is doing as Secretary. The motion was defeated 2 in favor and 3 opposed (Faller, Hay and Probst).
4. MINUTES: The minutes of the April 16 and May 13, 2008 Board Meeting were presented. Mr. Love repeated previous requests for revisions to the April 16 meeting, and requested changes to the May 13 minutes. In particular he wanted it noted that a motion made by Mr. Hay which did not get a second was to be reflected in the minutes as having been "defeated". It was again pointed out that Robert's Rules of Order, which the SCPOA uses as its parliamentary guide, states that a motion which does not receive a second "fails for lack of a second" and is not "defeated". Mr. Probst asked that the May 13 minutes, on page 2, state that the motion to accept the audit referred to the 2007 audit, not the 2008 audit. A **motion** was made by Russ Faller, second Jerry Probst, to approve the minutes of April 16 and of May 13 with the date correction. The motion was approved 3-2 (Love & Kihm opposed).

5. OPEN FORUM: Arthur Patstone commented that he too likes the expanded meeting minutes. He also asked if Judge McDermott, who spoke at the May 13 Board meeting about the wording in proposed contract with the Volusia county sheriff's Office, had had the opportunity to provide his input into the wording of the proposed contract. Judge McDermott was at this meeting and confirmed that he, as part of the Legal and Bylaws Committee, had done extensive work on the wording of the proposed contract.

Gordon Millar spoke of the POA response to his letter (identified in the Communications Section of these minutes) and thanked them for their quick response.

6. REPORTS:
OFFICERS:

Russ Faller commented that he attends the weekly meetings of the Public Works Committee. The committee is very active and the scope of their work is growing. He also stated that a review of the Profit and Loss results for the first 4 months of this year shows that the committee, for all the work they have accomplished so far this year, is under budget.

Bert Love requested a new procedure for board meetings, requesting that all papers needed for the meeting by the members should be e-mailed prior to the meeting. Members not wanting the e-mail procedure could still come by the POA office for the materials. Mr. Faller responded that the board had established a procedure in February for distribution of papers for a meeting: (1) 10 days prior to a meeting the board members can suggest items for the agenda. The President reviews the suggestions and sets the agenda. (2) All documents and papers for each director needed for the meeting are available in the POA office not later than 3:00 p.m. on the Friday prior to the meeting. Mike Hay said that there could be special circumstances when the e-mailing might be appropriate but he was opposed to making this a routine policy.

Mr. Faller said there had been a Budget and Finance Committee meeting on May 20 and procedures for collection of unpaid assessments had been adopted. A letter from the POA attorney was prepared to be sent to all owners with unpaid assessments (owners making payments on their assessment were not included in this mailing). Initially, a first letter was sent to delinquent owners on April 25, 2008, signed by Mr. Probst; next a second letter, signed by the POA attorney, was sent May 28. On May 13, 2008 the unpaid assessments and accumulated interest totaled \$286,000. As of June 10 that number has been reduced to \$251,000. He is dissatisfied with the results of the collection efforts to date in that it has not produced as many payments as he had anticipated but the effort will continue and liens will be placed on the property of owners who fail to either make the required payments or who do not contact the POA Manager, David Slayback, and make a payment plan which is acceptable to the Manager and the Treasurer. Mr. Probst continued that the Balance Sheet for the period ending March 31, 2008 shows assets of 4.7 million dollars. Lastly, Mr. Probst recommended that the Board accept a proposal made by our bank, Sunshine State Bank, to establish a procedure for accepting credit card payments. He said that the fee charged by the bank is 2% but he believes this can be reduced. A **motion** was made by Jerry Probst, second by Mike Hay, to formulate a procedure to accept credit card payments for money owed by SCPOA and that Mr. Probst is authorized to work out the details of such a procedure. The motion was approved 5-0.

COMMITTEES:

AIRPORT COMMITTEE: No Report

ARC: No Report

BUDGET AND FINANCE: reported by Mr. Probst previously above.

CHILDREN'S RECREATION: Krista Ghaffarian reported that the committee is Planning an Olympics Theme party for June 21, 2008. She reported that more and more children and families are participating in the committee's events and some volunteers would surely be welcome—contact Krista Ghaffarian if anyone wants to help. Lastly, the committee is raising funds by collecting aluminum cans for recycling (the committee sells the cans to the recycler) and it is collecting box tops which are given to schools which can redeem them with manufacturers for \$.10 each.

LEGAL & BY-LAWS: Michael McDermott reported that the committee has worked on the contract for services from the Volusia County Sheriff and would speak to that when the matter came up on the agenda.

PUBLIC WORKS: Ray Gage briefly mentioned a number of projects presently either underway or in the planning stages.

1. The Seclusion Drive project has been completed. The Public Works Committee thanks everyone for their patience during the disruptions caused by the work.
2. The committee is requesting funding for core samples of the roads in the community, for use in developing the mater plan for the road work to be done this year.
3. The new, electronic, message board for the North Gate entry has been delivered and will be installed within a few days. We have a volunteer who can install the computer and software to make it work. The old message board is to be relocated to the South Gate entry so people using the access point will also have notices available.
4. Mr. Love had previously furnished his ideas regarding development of a "long range" plan to Mr. Gage, who thanked Mr. Love for his input.

SAFETY AND SECURITY: Joan Dufton reported that the committee is working on creating community awareness of safety issues. She also stated the committee's concern about the ATVs being used in the community; they are being driven on undeveloped land in the community and are doing a lot of damage to grassed areas.

UPDATE: Mr. Faller reported that Lorraine Wahl, Editor of the Update, has told him that she is thinking of withdrawing as Editor of the Update, likely at the end of this year. He thanked her for her hard work on behalf of the Spruce Creek community.

MANAGER: David Slayback reported: (1) there has been an increased level of activity at the POA office, seemingly a result of word getting around that the office staff is friendly and helpful. (2) The grass installed along the new section of Seclusion Drive is St. Augustine Grass and requires a lot of watering while it gets "established". The paving company uses a water truck to regularly water this new grass and it is getting green. Any areas which do not come back will be replaced. (3) The grass planted on the lot on Cochran Court and along the taxiway is Bahia grass. It requires just about no water. It will remain "brownish" looking until it rains, at which time it will immediately turn green and immediately send seed shoots several inches into the air. (4) The Wages and Hours Division of the Florida Department of Labor has come into Spruce Creek twice in the past 10 days. Both times they checked that workers on jobs had Workers Compensation Insurance from their employers. In both cases there was no insurance and the employer was cited. With the inspector was a representative of Volusia County, who immediately put a "stop order" on both jobs. Slayback cautioned that owners having work done on their property should be alert to the possibility of such an inspection.

7. OLD BUSINESS:

1. USE OF SHERIFF'S DEPUTIES IN SPRUCE CREEK. At the Meeting held on May 13, 2008 the proposed Agreement to allow the Volusia County Sheriff's Office to patrol within the Fly-In was discussed; this document, which had been prepared by the County Attorney and approved by the POA attorney, was found to have several flaws which, if the proposed Agreement were signed, would exonerate the County but expose the SCPOA to civil liability. The Legal and By-Laws Committee was asked to prepare its own draft of a proposed Agreement that would protect the SCPOA. The revised Agreement prepared by Mrs. Hoffner and Mr. McDermott of the Legal and By-Laws Committee had been distributed to each of the board members prior to the meeting. Mr. McDermott reported that the committee had done extensive research into the wording of various sections of the Agreement and believed it now properly protected the SCPOA. Mr. Love asked if the Agreement wording had been approved by Volusia County. Mr. McDermott responded that he had discussed the proposed Agreement in detail with Frank Bruno, Chair of the Volusia County Council and he was very much in favor of it. Therefore, at this time, it is believed by the committee that the revised Agreement, which is a proposal from the SCPOA to the County of Volusia, is one that can be given serious consideration by the Volusia county Council despite objections to parts of it by the County Attorney. He therefore recommended that Mr. Faller sign the proposed Agreement and that the POA Manager immediately send it to Frank Bruno for inclusion on the Council's agenda. A **motion** was made by Jerry Probst, second by Bert Love, to approve the signing of the proposed contract and submit it to the County Council. Jack Kihm felt it should also be reviewed first by the Association's attorney. The motion was approved 4-1 (Kihm opposed).

8. NEW BUSINESS:

1. CONSIDER MODIFICATION TO PROCUREMENT DIRECTIVE TO INCREASE POA MANAGER'S SPENDING AUTHORITY FROM \$3,000 TO \$5,000. Dr. Ray Gage, Chair of the Public Works Committee, requested this increase, citing "The costs of goods and services has risen substantially since the \$3,000 expenditures limit was first imposed by the Board of Directors more than 5 years ago. This limit means that many proposed projects and expenditures must be delayed pending board approval. A **motion** was made by Bert Love, second by Mike Hay, to increase the spending limit in the Procurement Directive from \$3,000 to \$5,000 with the proviso that the manager will regularly report to the Board any expenditures he makes over \$3,000. The motion was approved 5-0.

2. CONSIDER MODIFICATION TO RFID CONTRACT TO ALLOW SUSPENSION OF RFID PRIVILEGE FOR VIOLATIONS OF COVENANTS AND RESTRICTIONS. Several months ago the Board had approved a plan to allow for suspension of the use of an RFID by any owner who was in arrears in payment of their assessments. A question later arose on whether a change in the RFID contract would be needed to be legal and Association Counsel said it was needed. The following additional language is recommended to be added to the RFID Contract: "RFID Privileges may be suspended for all vehicles at the direction of the Board of Directors for non-compliance with spruce Creek documents including C&R's & Rules and regulations, for non-payment of assessments or fines, or traffic violations." This language would appear on RFID contracts. A **motion** was made by Jerry Probst, second by Mike Hay, to approve the language change in the RFID contract, to be effective immediately. The motion was approved 5-0.

3. CONSIDER AND APPROVE PROPOSAL FOR REQUIRED CORE SAMPLES OF ROADS AND TAXIWAYS, FOR USE BY ENGINEERING COMPANY IN DEVELOPMENT OF ROADS REPAIR AND MAINTENANCE PROGRAM. Public Works submitted a proposal from its engineering firm, MBV engineering, to hire a competent firm to gather and test 216 asphalt and base thickness measurements and 130 compression strength tests on the soil cement base cores and

provide a written report to MBV Engineering. This work needs to be done in connection with paving and road repair planning for 2008. We have received one bid and expect 2 more. The Public Works Committee requests approval to spend not more than the amount of \$13,696 bid by Ardaman & Associates. A lesser bid from a qualified contract will be favorably considered. A **motion** was made by Mike Hay, seconded by Jerry Probst, to approve the request, with the money to come from the Roads section of the Reserves Budget. Dr. Kihm asked if the money was covered in the budget and was assured that it was. The motion was approved 5-0.

4. **CONSIDER PROPOSAL FOR DRAINAGE IMPROVEMENT DESIGN ON SLOW FLIGHT DRIVE AND ROSCOE TURNER TRAIL.** MBV Engineering has made a proposal to provide plans and specifications for a final site plan layout and preparation of the site plan for construction drawings for proposed drainage improvement in the Slow Flight Drive – Roscoe Turner Trail area. Their cost quote is \$6,400 plus consumables. The Public Works Committee requests approval to spend up to \$7,000 for this project. A **motion** was made by Mike Hay, second by Jerry Probst to approve the expenditure of up to \$7,000 for this engineering work, with the money to come from Water Management section of the Reserves Budget. The motion was approved 5-0.

5. **CONSIDER PROPOSAL FOR REPAIRS TO UNDERGROUND WATER MANAGEMENT CULVERTS NEAR LOTS 47 AND 48 ON CANDADAIR COURT.** Public Works Committee has identified numerous sink holes in this area and has had them investigated by contractors. The holes are affecting the land and the taxiway. The cause of the sinkholes is that the culverts were not installed properly and were not sealed. The proposed work is to excavate the dirt around the culverts, wrap and seal them on the outside and also seal the joints from the inside, to replace the dirt, pack it and replace the sod. The committee has a bid from one of its prime contractors for \$14,775.00. Another bid is coming from another recognized contract. Public Works requests approval of this work not to exceed \$14,775.00. A motion was made by Jerry Probst, second by Mike Hay, to approve expenditure of not more than \$14,775.00 with the money to come from the Water Management section of the Reserves Budget. The motion was approved 5-0.

6. **CONSIDER PROPOSAL TO INSTALL AN AERATION DEVICE IN EAGLE LAKE.** Public Works Committee has been informed by its engineers that Eagle Lake is “dying” and that it urgently needs some form of aeration to freshen the water and make a healthy environment for fish and plant life. A proposal has been received from Tuff Turf to install a 3 HP pump and a stainless “TRASH PUMP” which is designed to operate in a dirty water environment without fouling. There is existing electric power nearby. The aeration system will be lighted at night, and will create a large plume of water, which adds to the aesthetics of the installation. The proposed cost is \$13,200. The Public Works Committee recommends acceptance of this single bid (pricing from three vendors was solicited) as Tuff Turf is our regular vendor for pumps and water equipment. A **motion** was made by Bert Love, second by Jerry Probst, to approve the bid from Tuff Turf at \$13,200, with the money to come from Water Management section of the Reserves Budget. The motion was approved 5-0.

7. **PROPOSAL TO CANCEL THE REGULAR BOARD MEETING SCHEDULED FOR JULY 8, 2008.** A motion was made by Bert Love, second by Jerry Probst, to cancel the meeting, subject to rescheduling if events require it. The motion was approved 5-0.

9. **ADJOURN:** With no further business to come before the board, on motion made and seconded, with no dissent, the meeting was adjourned at 8:34 p.m.

Mike Hay, Secretary