

Spruce Creek Property Owners' Association, Inc.
Board of Directors

MINUTES of August 8, 2006 Regular BOARD MEETING

Present at the Spruce Creek Country Club Palm Room at the noticed time of 7:00 PM, August 8, 2006 were all five directors, Alan Baltz, Laura Munro, Tim Plunkett, Wally Ritchie, and Dawn Sautter. Approximately 50 members of the Association were present.

President Plunkett presided and called the meeting to order at approximately 7:12PM.

The minutes of the July 11th and June 13th meetings were unanimously approved.

Mike Hay gave a brief report for the Safety and Security committee regarding bringing signs into compliance. Lorraine Wahl gave a brief report for the Update committee and requested that the board pass a resolution on prepayment of ads for the update.

Dave Slayback, the Association Manager reported on maintenance work on the Drainage system. He also reported that the security golf cart is being put to good use; A new public works employee Art Thornton has been hired and has already caught up on several projects. David also reported that work is already underway on the 2007 budget.

Art Patstone reported on an article in the paper regarding the State's project for input to condo and hoa law.

President Plunkett reported on the status of the Land Development Task Force which has met with the developer and drafted terms and conditions.

Dawn Sautter reported that she has not been receiving minutes from all committees and that they should forward minutes to the Association Manager for distribution.

Dawn Sautter complained about the minutes only reflecting the actions of the Board and not reflecting all discussions that take place at Board meetings. She then made a motion that "Director Munro will report Board minutes when she is available and that a draft of the minutes will be given to all directors that a copy of the draft be made available to members in the POA office within 48 to 72 hours after adjournment of the meeting and that monthly board meetings will be published in the update". The chair deferred the motion to later in the meeting.

The Treasurer Alan Baltz reported that \$130K accounts receivable is outstanding and of that \$36K is from 2005 and prior years. About \$90 of 2006 assessments remains uncollected and followup bills are being sent out. As of yesterday expenses were approximately \$26K over budget with the single largest item being drainage maintenance for which \$100,000 has been spent to date, which is \$42,000 over budget.

Upon motion made and seconded it was unanimously **RESOLVED:**

That Jim Powers is appointed to the Safety and Security Committee.

As a result of a request from the update committee, and upon motion made, seconded, and amended it was unanimously **RESOLVED:**

That Effective October 1, 2006, All submitted ads must be prepaid and must be accompanied by a signed SCPOA update advertising form which is available from the POA Office. No add will be published without prepayment and an advertising form on file with a copy provided to the update advertising manager.

Upon motion made by Lauro Munro and seconded by Dawn Sautter, it was unanimously **RESOLVED:**

That Under the Chairmanship of the Safety & Security Committee, the chairperson of the committee, the security director and the property manager are to negotiate a contract with the vendor TEM to supply an RFID security system for the North and South gates. This draft contract is to be presented to the Board at its September meeting for their review.

Secretary Ritchie reported that the written terms and conditions for the proposed land development have been drafted by the Land Development Task Force. A mailing will be sent by the developer and there will be an open forum Board meeting to finalize the proposal to be voted by the members at a special members meeting.

A request from the owner of Lot 308 to construct a border fence in the drainage easement was discussed and upon motion made, seconded and passed 4 to 1 with Dawn Sautter opposed it was **RESOLVED:**

That a variance request is granted for construction of a fence in the drainage easement on the lot line of Lot 308 subject to consent of the adjacent property owner and approval of the ARC and that such approval is conditioned on the fence being removed at the owners or future owners expense should that be necessary for the SCPOA's exercise of its drainage easement.

Directors Baltz and Ritchie discussed the association's financial matters including the audit, the tax returns, and accounting and tax policies. Peter Jacobs, chairman of the Finance committee then reported on the committee's work to determine the budget shortfalls for the year. The total shortfall is estimated at \$165K and the operating account is expected to be depleted by mid November. The committee's recommendation is for the Board to provide a minimum of one and one-half months expenses for working capital. The committee is therefore recommending a special assessment of \$196.

Upon motion made and seconded it was unanimously **RESOLVED:**

That the Association shall file an 1120H return for the year 2005.

Upon motion made and seconded it was unanimously **RESOLVED:**

That the Association shall apply for a Private Letter Ruling by the IRS Commissioner for permission to change its Election for 2003 and 2004 so as to be taxed as a Homeowners' Association rather than a Regular Corporation.

Upon motion made and seconded it was unanimously **RESOLVED:**

That the Board shall hold a special Board meeting to be noticed in writing to all members to consider a special assessment of \$196 as proposed by the Finance committee.

Upon motion made and seconded it was unanimously **RESOLVED:**

That the Association shall not use the funds in the reserve account for any other purpose than that for which the account was established.

The motion by Dawn Sautter deferred from earlier in the meeting was taken up. The motion failed for lack of a second.

Upon motion made seconded and unanimously passed the meeting was adjourned at approximately 9:12.

Wallace Ritchie
Secretary

Note: Minutes of the meeting are not official until approved by the Board at a subsequent Board meeting. These minutes were approved at the September 12, 2006 Meeting of the Board.