

**BURNT STORE LAKES PROPERTY OWNER'S ASSOCIATION
MINUTES OF BOARD OF DIRECTORS MEETING
HELD IN THE BURNT STORE LAKES POA CONFERENCE ROOM
100 MADRID BLVD., UNIT #212, PUNTA GORDA, FL 33950**

September 8, 2009

CALL TO ORDER, PROOF OF NOTICE and ROLL CALL

Jim Brown, President, called the meeting to order at 6:00 p.m. Secretary, Sandy Funk, announced that the Meeting Notice and Agenda were both posted on Friday, September 4, 2009, in addition to the BSLPOA website. Postings meet the guidelines as set forth in the By-Laws. Sandy took roll call of the Directors as follows: Jim Brown, President; Rob Hancik, Vice President; Jim Thiel, Treasurer; Marion Jinkens, Fred Boland, and Bob Lilly, Directors at Large, were present. Scott Pitser, Director at large was absent.

Public Input: Jim Brown noted there were nine property owners present as follows: Linda Quick, Stan Hochstadt, Bill Lounsbury, Mike Wiesenthal, Ray Varga, Peg Varga, Bob Reichert, Amy Schneider, and Rich Barbito. He remarked that many of the attendees were current candidates running for the Board of Directors on October 17, 2009. He asked each one in attendance to identify themselves and say a few words.

Linda Quick stated that her husband (Gordy) is a candidate and could not attend tonight due to illness; however, she noted that if he is elected, he looks forward to working with the new Board. Stan Hochstadt, a candidate, stated he has lived in the Lakes for 7 years and would like to continue the growth and good living conditions by serving on the Board (if elected). Bill Lounsbury (not a candidate) stated he has lived in the Lakes for 10 years. Mike Wiesenthal (candidate) stated he looks forward to serving next year. Ray Varga (not a candidate) stated he was attending with his wife, Peg, who is a candidate for the Board. Peg Varga noted that she and Ray have lived in the Lakes about 9 years and has served on prior Boards and would like to take us into the future knowing that times are tough right now. Bob Reichert (candidate) stated he feels that his experience in public service over the years makes him a very good candidate for the Board. Amy Schneider remarked that she has been in the Lakes since 2002 and has been involved in various things in the Lakes (Committee work), and wants to continue her involvement with the community (as a Board of Director). Rich Barbito (not a candidate) stated that he has been in the Lakes since 2003 and was in attendance as an observer.

Jim then asked if anyone would like to speak on any of the Agenda items. Bill Lounsbury remarked that at the July meeting, the Board decided to keep the assessment at \$250 and at the August meeting it was changed (increased). He noted the current economy, no increase in social security, hours and days being cut back from neighbors, etc. Jim Brown stated his question would be answered as we get into the Treasurer's portion of the meeting. Bill also stated that he has observed a situation in Eagle Lake where the spraying for weeds high on the banks (by Aquatic Systems) has now created some washout conditions with the rains we have had. Bob Lilley will take a look at the area (across from Bill's house on San Ciprian looking towards Saragossa

Lane) and report back to Bill. Mike Wiesenthal supported Bill in his comments regarding the assessment. Jim stated that this would be discussed during the meeting. Mike also referred to Senate Bill 2080 that was signed by Gov. Christ on 7/1/09, which 'might' impact our Deed Restrictions and the community standards. Jim noted that this item was not on the Agenda.

DISPOSITION OF MINUTES

Jim asked if there were any corrections or additions to the Minutes of the regularly scheduled Board of Directors meeting held on August 18, 2009. There being none, Jim Thiel motioned and Marion Jinkens seconded to accept the August 18, 2009 Board of Directors Minutes by unanimous consent.

TREASURER'S REPORT

Jim Thiel reported that our cash position as of 8/1/09 was \$382,032.92. Cash received in August was \$8,270.15, which included interest earned in the amount of \$2027.31 (most of which was as a result of a CD reaching maturity), and total disbursements for the month ending 8/31/09 were \$41,237.71. This was higher than usual due to mowing, legal, office supplies and lakes maintenance. The cash position at the end of August was \$349,065.36. The total Assessments Receivable at month ending August 31, 2009 was \$69,238.04 (down from \$73,000). Jim reviewed each of the bank accounts balances. Jim Brown asked if there were any comments on the financial report. There being no comments, Jim Thiel motioned and Bob Lilley seconded that we approve the Financial Statements and send forward for audit.

2009-2010 Budget – Jim Brown stated that he was out of town for the month of August; however, he kept in communications via his laptop with Minutes, the change in direction relative to the change in the budget. Jim was initially quite concerned and still is for the very same reasons Bill Lounsbury mention in Public Input. Jim further stated that even though some people can afford a \$50 increase, the general 'mood' all over is very negative, and because of that he was opposed to any change in the budget. He has spent several days reviewing the action taken in that the vote was taken (in August) and he stands by the vote and stated that this is a democracy and the Board at that time voted to increase the budget from \$250 to \$300. He further noted that this Board has not increased the assessment in four years. He stated that in addition we have all experienced an energy situation where fuel was \$4.00 a gallon. He noted that we experienced an increase in our contracts (mowing and landscaping), but did not increase the dues. Jim again reviewed the proposed increased budget and talked to a number of people in the community and got their input. They enjoy what they are getting in terms of the services provided (lakes, mowing, etc.). Jim stated it is a big job to handle. We are now up to 2061 (vs. 2039) properties, which includes the recently completed multi-family units.

Jim looked at the budget and determined what we could cut without materially affecting our major projects or services—one small item was to eliminate one Newsletter mailing. Some of the projects that would take more than one year to complete were cut back. He felt that we could manage with an increase of only \$25.00 (\$275), which he feels is fair, and broken down is about \$2.00 a month. He also emphasized that the budget

must be printed and mailed this week (in order to meet the by-law requirements for notification of meeting, etc.) indicating that a final decision had to be made this evening.

In addition, Jim mentioned that we are getting a non ad valorem tax break with the County. Rob Hancik confirmed that the tax figure dropped approx. \$133/year for five years (from \$186/year to \$52.83/year). Jim pointed out that even with the \$25 increase, if you net the two items out residents are realizing a drop in their expenditures relating to their home. Jim further noted that with the economy being where it is, we also must understand that this Association has also “chinned” a large amount of money keeping the dues down last year when we renegotiated our expiring contracts that included large fuel increases. Anywhere you look where contracts are made, none of these vendors are lowering their contracts because of the fuel being significantly cut almost in half from \$4.00/gallon. Again, in talking with a number of people in the community, Jim stated they understand there has to be an increase and that \$25 would be a more palatable increase—not saying an additional increase may not be necessary next year. A lot hinges on how the economy turns. Jim pointed out that in the revised budget before the Board, it includes \$40,000 for legal lien and foreclosure filings, which is separate from the regular legal expenses. This money is used to file liens against those properties that have not paid their assessment. Our assessments collected have dropped over the past three years from 97% to about 94%. The monies must be expended up front in order to collect the past assessments plus interest and costs when the lien is settled. If we can get most of these settled, it is quite possible that we won't have an increase next year. His personal feeling is that this budget with a \$25 increase is not unreasonable. Jim also feels we need to maintain the improvements we have made over the years compared to our neighbors in terms of where one goes to purchase a home. In conclusion, Jim made a motion to rescind the previously approved \$300 budget for the 2009-2010 fiscal year and submit a revised 2009-2010 budget at \$275. Bob Lilly seconded the motion. Fred reiterated the fact that the \$40,000 for lien/foreclosure filings will remain. Jim stated that it remains in tact and mentioned that Sandy and Celeste's efforts to collect past due assessments from foreign owners and banks after foreclosure have resulted in a significant amount of income. ***The motion passed with Brown, Thiel, Boland, Lilley and Jinkens voting aye and Hancik voting nay stating that he supports the previously approved budget at a \$300 annual assessment.***

Sandy asked the Board to consider foreclosing on the two County-owned properties that have back owned assessments of over \$7,000 (combined). Since the County's has legal counsel on retainer, Jim was concerned about the process being prolonged over a period of time and if our legal costs would be one time (and not recurring). The process should not be prolonged and the costs would not be ongoing. Jim stated this has been going on for some time now and will force the County into making a decision. Jim Thiel made a motion to commence foreclosure proceedings upon the two County-owned lots on San Edmundo with Fred Boland seconding. ***The motion unanimously passed with Brown, Hancik, Thiel, Boland, Lilley and Jinkens voting aye.***

OLD BUSINESS:

DIRECTOR REPORTS:

SAFETY & PREPAREDNESS – Fred Boland

Fred reported the Neighborhood Watch monthly meeting was held on September 1st in the Park. There was concern about commercial vehicles parked at the Acapulco condominiums as well as some drug activity. Fred asked if Matt Butcosk (chair of the Neighborhood Watch) could speak at the Annual Meeting to explain its purpose and ask for more involvement from the property owners. He also suggested posting another CIN message asking for volunteers to support the program. Fred also stated that the concept of a new shed in the park was brought up at the meeting. Jim Brown stated that storage facilities are part of the overall master plan for the park which is currently being investigated.

MECHANICAL & MAINTENANCE – Bob Lilley

Bob Lilley reported that the County will be sending the Menzi Muck equipment to Bear Branch Creek to clean the banks from BSR to Spoonbill Lake, as well as in front of Tract F and behind the guard rail at the Cape Horn entrance (scheduled for early October).

Bob asked the Board to review a second draft of Policy #20, "Aviary Nesting Poles". As he stated at the August Board meeting, this policy was developed to put forth the procedures and criteria to be followed in the event a property owner desires to put up a nesting pole/perch/bird house in the rear of their property or in the lake (not greenbelts) for the purpose of attracting osprey, herons, egrets or other birds. All requests must be submitted in writing to the Board, which they will review, and at their sole discretion, approve or not approve the request.

Jim Brown was concerned about the excrement increasing the nitrogen and decreasing the oxygen levels in the lakes, as was the situation with Ibis Lake a few weeks ago that experienced a major fish kill due to the high feces count. Bob responded by saying that these poles would not attract those types of species (or the limited number of poles) that would create this problem, nor the quantity of birds that Ibis Lake attracts. Discussion ensued on controlling the number where a potential problem could arise. Bob Lilley made a motion to approve the revised Aviary Nesting Pole Policy #20 with Jim Thiel seconding. During discussion period, Rob Hancik asked if ARC should take a look at the Policy and make recommendations to the Board. After further exchange of views, it was decided to table the motion until ARC has had an opportunity to review and make its recommendation to the Board.

Bob also emphasized that the cost and maintenance would be the property owners responsibility and must be removed when the property is sold unless a future benefactor is located. The property owner must also get the approval of neighboring residents. Further discussion ensued regarding specifications, limiting number of poles allowed on a lake as well as other guidelines, after which it was decided to incorporate the Board's suggestions and further refine the policy and bring it back to the next Board Meeting for approval consideration.

LONG RANGE PLANNING – Jim Thiel

Jim Thiel stated there was nothing to report at this time.

LAKES WATER QUALITY – Scott Pitser

In Scott's absence, Bob Lilly reported a drop in midge fly hatches this week vs. last week. Scott has been in contact with Aquatic Systems on a continuing basis to insure proper application of algaecide treatments. The decline in midge hatches could be cyclical as well as a result of pro-active larvacide treatments.

COMMUNICATION - Marion Jinkens

Marion reported one CIN messages was sent out this month regarding use of the recreational path, and one Grapevine message on behalf of the Salvation Army searching for volunteers to assist during their annual Christmas Bell Ringing Season. Another CIN message will be sent out later this week offering an influenza and pneumonia vaccine program (and possibly tetanus) in the Lakes on 11/8 in conjunction with the Marina's program on 10/28.

BEAUTIFICATION & ENHANCEMENT – Rob Hancik & Marion Jinkens

Rob reported that the County should be ready to schedule a pre-bid meeting for the landscaping grant portion of the entrance project—including well and power to new sign. The lighting will be held pending funding resolution. A meeting should be scheduled with the Finance Department to discuss this issue. The County indicated they want to wait until next year with the MSBU is divided—Lakes separate from Pirate Harbor, and Woodland Estates combined with the Village. Rob stated that the Commissioners were going to have some investigative committees look into the separation. Rob spoke with the new Director of Public Works and requested that the chairpersons and or representatives of the various MSBU Advisory Boards be allowed to provide input to the Commissioners. Rob pointed out that our MSBU is one of the more successful units in the County evidenced by the fact that during the budget review process we discovered that our projects were paid off 5 years early (\$186 down to \$133—keeping \$50 for future road repaving and \$2.83 for entrance lighting). It was hoped to have the project (at least the landscaping portion) completed by the Annual Meeting. Jim Brown asked if it would be advantageous to bring this up to Roger Baltz, the County Administrator.

Banks Engineering has been working on the various phases of the Master Plan for the Park, i.e., submitting drawings and to Charlotte County Utilities; the Department of Public Works, and Swiftmud for review.

The Beautification Committee met this morning and the Minutes were provided to each Board member. One of the tasks assigned to the Committee was the review of signage at each of our entrances. Rob distributed a rendering from Images of what the sign would look like and provided construction information and potential wording which need to be reviewed by legal and finalized. It is planned to place one sign at each of the nine (9) entrances. Rob referred to legal opinion that entrance signage is sufficient vs. posting signs at all of the lakes. The signpost is rated at 100 mph (code requirement). Rob will submit the rendering to the ARC for their review.

COMMUNITY STANDARDS - All

The Board reviewed the monthly Deed Restriction Report. Jim stated that one item we are trying to consistently address is the mowing of vacant/foreclosed houses—noting that funds have been provided in the new budget for this purpose. Staff stated they are scheduling mowing every 2 weeks. The first half has been completed with the second half scheduled for this coming week. If at all possible we attempt to persuade the bank(s) to take on the responsibility. Jim commented for the benefit of those in attendance that it takes money to keep these properties mowed...noting some people do not want an increase in the assessment, but will call to ask why they aren't being taken care of. Fred asked about the status of cleaning up the Vagabond property under construction. We are waiting a response from legal regarding the release of escrow funds.

ARCHITECTURAL REVIEW – Fred Boland

Fred reported that there is no report at this time since there are several unresolved issues still pending.

COUNTY RELATED ITEMS – Jim Brown & Rob Hancik

SCCC: Jim Brown reported that both he and Rob were not in attendance at the August meeting. Jim stated there is a grant process entitled “Tiger Project”, which is a means for the City of Punta Gorda to obtain grant money. The Vice President of SCCC reported to Jim that the SCCC voted 100% to write a letter to Commissioner Bob Starr expressing their disappointment in turning down Punta Gorda but approving Sarasota for the grant money. Jim will call Harvey Goldberg, Vice Mayor, of the City of Punta Gorda, to obtain more facts on what transpired prior to writing the letter. Jim stated that the Coalition is made up of 11 Associations of which 6 are outside the City of Punta Gorda; however, we work in concert with the City because they have helped us and we have helped them—one being the Fire/EMS Agreement that helped reduce some insurance for some of our residents. Even though some of the things may not affect us in the Lakes, it affects the City. Jim also reported that at the July SCCC meeting, Dr. Mark Graf, a local dentist, was a guest speaker who spoke about fluoridation in the water supply. Charlotte County is one of the few counties in Florida that does not fluoridate their water. Dr. Graf noted an increase in tooth decay in older persons and attributes some of this to lack of fluoride in the water system. Jim has a book regarding this (provided by Dr. Graf) that he will share with the Board and residents if they desire.

MSBU Update: Rob updated the Board on MSBU topics earlier in the meeting.

MISCELLANEOUS ITEMS

Annual Meeting Reception/Picnic – Sandy reported that all materials have been printed with the exception of the budget and accompanying budget letter. The picnic information was submitted to the printer last week. The mailing is scheduled for Monday, September 14th, which will keep us within the 30-day notification period as required by the By-Laws.

NEW BUSINESS

Confidentiality Agreements – Jim reported that he has reviewed the Confidentiality Agreements and determined that all Board members and employees have signed copies on file. He stated that all newly elected Board members would be required to sign an agreement. This was instituted several years ago noting there are a lot of records in the office that refer to properties that are of a quasi-confidential nature. It is important that the members of the Board realize that they have an obligation in that arena.

It was moved by Marion Jinkens and seconded by Jim Thiel to adjourn the meeting at 7:05 p.m. ***The motion unanimously passed with Brown, Hancik, Thiel, Boland, Lilley and Jinkens voting aye.***

OPEN FORUM

Bob Reichert asked that once the budget has been approved, and you review the budget in the area of contracts, and were able to renegotiate the cost downward, could you then lower the annual fee. Jim responded that you cannot, and pointed out that it would be highly unlikely that a contractor would be willing to reduce a signed contract. It was also pointed out that in negotiating the mowing contract, for example, a fuel adjustment clause was included which in the event fuel costs drop below a certain level that the Association would experience a credit. This has occurred since the mowing commenced this year—averaging between \$600-700/mowing. Bob asked if it would be a negative impact on the community if one mowing was dropped. Jim stated that the budget is voted upon at the Annual Meeting and is good for the fiscal year. Rob added that what most people do not understand about the budget is if you look at the numbers of what it costs to run the Association, even if you take out any capital improvements, the current assessment does not cover the operating expenses. What has happened over the years is the reserve funds that were not expended were used to balance the budget and keep the assessment down. The reserve funds have been reduced as capital projects are completed—resulting in fewer reserves to fund each year's operating expenses.

Richard Barbitto asked Peg Varga if she agreed with Mr. Hancik's statement in that the \$250 assessment doesn't cover the operating budget. He referred to last year's budget (operating expenses) that shows \$212. Peg explained that the 2008-2009 (current budget) does show \$212.00 to fund the operating expenses and the difference between the \$250 and \$212 is reserves and roll over. The proposed budget calls for \$266 to fund the operating expenses which is higher than the current assessment of \$250. Richard asked Sandy to verify that the \$250 assessment has not been increased in four years. Sandy stated that the assessment has been at \$250 for 2006, 2007, 2008, and 2009. Richard stated that when he moved here in 2003 the dues were \$80. (Note after verifying records after the meeting: this was true for year 2002, but \$95 in year 2003). Richard made the statement that over the past six years there has been a 200% increase. It was pointed out to Richard that one of the major increases in 2004 was as a result of the hurricane (clean up efforts). He said there are hundreds of thousands of dollars in the reserves for a boat ramp which is never going to happen and engineering fees for the park. Peg replied that people have voted in favor of a boat ramp, and personally is neutral on the boat ramp but if everyone in the room tonight voted against the budget over the past few years, it has not made enough of a difference since the rest of the community voted to reserve for the boat ramp. Richard stated that the point

he wanted to make to everyone tonight is that the fee should not be increased, but reduced.

Jim Brown commented that this Board and previous Boards over the past 5 years recognized that the drainage in the community had been neglected for a number of years—streets being flooded, etc. In order to address the drainage problems, \$100,000 was allocated to address these problems. Since that time the Board(s) have worked on the drainage to a point where the last big rain storm we did not experience any flooding. Jim emphasized that you pay the price if the dues are kept down when there are things to be done and you look the other way. Jim further stated that as more homes are built in the Lakes, there are more Deed Restriction issues—noting that most people comply, however, some people do not. Therefore, in order to protect the property owners in this community and their property values, legal action has been necessary and that cost money.

Richard responded that he disagreed with many of Jim's assertions; however it is too intricate to get involved with tonight and again stated he would support holding the dues (at the current rate), since there is no reason to cut grass and take care of lakes.

Linda Quick commended the Board for being fiscally responsible and for all the Board has done for the community. She and Gordon bought their home in 2003 and thought the clean up in the community post Hurricane Charley was phenomenal. She appreciated the efforts of the Association for having the foresight of putting aside disaster funds. It is all part of good planning and ensures peace of mind for our community.

Richard indicated that the Board should ask for a special assessment. Bob Lilley responded that that would not be very popular and did not elaborate further. Jim concluded by stating everyone here tonight are property owners and what effects one affects all and the Board tries to do the best they can.

Mike Wiesenthal commented that everyone here has a genuine opinion—but there are two sides to every story. While a special assessment might not be appreciated by some, a special rebate might not be appreciated by some. He would not like the new Board in a position to undo what has been done because of the differences in opinion. He said there will be folks out there that think even \$25.00 (increase) would be too much. He further stated that the new Board will make some decisions in the future that the old Board has not gotten around to, and thanked the present Board for their participation this year.

Fred Boland asked (the audience) why you moved into this neighborhood to begin with. Fred moved here because when you come into the neighborhood it is very aesthetically pleasing and is probably why most of you moved here. He is not for overdoing the budget, but he joined this Board to address some of the problems we have because if you do not keep a handle on the foreclosures and Deed Restriction problems, it is going to get worse, and it takes money to accomplish this.

Jim concluded that the budget will go out (9/14/09) along with the explanation letter and it will stand on itself and people will have to make up their own minds on how they feel about it and vote accordingly. Jim further stated that he would be upset if he found out

that people are misrepresenting what has gone into this budget in order to favor a vote one way or the other. That would be totally unethical.

Amy Schneider commented about Jim's report on the fluoride as it relates to our water supply. She had contacted CCU and the County water is treated with fluoride, however, she could not verify for the City of Punta Gorda. Jim stated that according to the dentist, this was not the case and will share a copy of the book with her. Bob Reichert stated that within the next few months that the County and City water system will be integrated.

Bill Lounsbury had a question regarding the Welcoming Committee and asked if anyone thought of a Sunshine Committee. He commented that there have been many recent deaths in our community, and felt that a Sunshine Committee could send a condolence letter, or possibly a donation to a charity of their choice. Jim Brown said that Sunny Martinek (unofficially) does service the community in some capacity with respect to sending out notices with arrangements and donation information. Sandy mentioned that the "Helping Hands" group tried to get off the ground, but was not successful. Marion stated that in many cases, people do respond to Sunny's messaging system by volunteering to help when needed. Fred commented that his Committee tried to get responses on a Skills Assessment and Equipment listing for emergencies. Many people responded listing their skills, etc., however, they also asked for residents to call or email if they had problems or individual care in the event of a disaster and only one gentleman responded.

As one of the candidates, Stan Hochstadt asked for a review of the process for voting, etc. Jim Brown outlined the procedures in that the Annual Meeting will be held on October 17th, the voting material (election of directors and the budget) will be mailed to each property owner at least 30 days prior to the meeting, and property owners may vote either by proxy (mailed to Webb-Lorah who are the voting monitors) or in person at the meeting. All voting is tabulated on the day of the Annual Meeting.

Open Forum ended at 7:30 p.m.

Respectfully Submitted,

Sandra J. Funk, Secretary
To the Board of Directors

Saturday, September 12, 2009

Note: The next regular meeting for the Board of Directors is re-scheduled for **Tuesday, October 13, 2009** at 6:00 p.m. in the Conference Room of the BSLPOA at 100 Madrid Blvd, Unit #212, Punta Gorda, FL 33950.