

**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 13, 2011**

**CALL TO ORDER, PROOF OF NOTICE and ROLL CALL**

President Rob Hancik called the meeting to order at 6:00 p.m. Sandy Funk reported that the Meeting Agenda was posted at the kiosk on September 9<sup>th</sup> and the Meeting Notice signs were posted at the Cape Horn and Vincent entrances on September 9<sup>th</sup>. Both postings met the guidelines as set forth in the By-Laws. Sandy took the roll call: Present were Rob Hancik, President; Fred Boland, Vice-President; Bob Reichert, Treasurer; Aimee Schneider, Gordon Quick, and Bob Lilley, Directors at Large. Stan Hochstadt arrived after the roll was called (at approximately 6:30 p.m.).

**Public Input:**

Several property owners were in attendance and noted on a sign in sheet. Rob asked if anyone had any input on any of the Agenda items, and if so to state which item and their questions will be addressed when that item is discussed on the Agenda. Lois Verblauw requested to speak on Lakes Water Quality; Janet Goin on Communications; and Rick Mathis on Beautification & Enhancement.

**DISPOSITION OF MINUTES**

Sandy asked if there were any corrections or additions to the Minutes of the regularly scheduled Board of Directors meeting held on August 9, 2011. There being no additions or corrections, Bob Reichert moved to accept the Minutes as written. Bob Lilley seconded the motion. ***The motion passed with Bob Reichert, Aimee Schneider, Gordon Quick, Bob Lilley and Fred Boland voting Aye. Rob Hancik abstained since he was not in attendance at the August 9<sup>th</sup> meeting. Stan Hochstadt was absent for the vote.***

**TREASURER'S REPORT**

Bob Reichert reported that the cash position as of August 1, 2011 was \$355,505.14. Cash received was \$2,583.41 and included earned interest in the amount of \$123.42. Disbursements for the month of August were: Operating expenses at \$39,805.31 and Reserve expenses at \$2,509.60 and totaled \$42,314.91. The cash position ending August 31, 2011 was \$315,773.64. Assessment Receivables were \$124,082.58. Bob reported the balances in the money market and checking accounts.

Bob also commented that August operating expenses were \$3,800 less than in July and considered average for this time of year. From the Reserves, there was \$3,010 expended to Banks Engineering for the environmental portion of the FDEP kayak Launch permit, and \$4,176 for internal signage final payment. However, after office

staff reviewed the contract for water and sewer installation in the park, we requested and received a return of \$4,676 for work that was cancelled out of the contract. This reduced the actual Reserve expenditure for August to \$2,583. The cash received in August was approximately \$200 more than reported in July. Assessments receivable of \$124.082 is slightly lower than reported in July. Bob Lilley made a motion to approve the Treasurer's Report as presented and send forward for audit. Gordon Quick seconded the motion. ***The motion unanimously passed with Rob Hancik, Bob Reichert, Aimee Schneider, Bob Lilly, Gordon Quick and Fred Boland voting Aye. (Stan Hochstadt was absent for the vote.)***

Bob Reichert explained that Florida State Statute 720.305, adopted July 1, 2011, allows for the suspension of voting rights for those property owners who are delinquent in their assessments for more than 90 days. The suspension is only for the period from when the Board approves the suspension until the account is paid in full, however, it is impossible to determine which owners will be entitled to vote at the annual meeting until the annual meeting date. An owner who is more than 90 days delinquent now, and whose voting rights are suspended by the Board, may pay off what he owes and have his voting rights restored before the annual meeting. Therefore, these property owners were also sent a copy of the election ballot and limited proxy. At the time of verification of ballot envelopes and proxies by Webb-Lorah, it will be determined whether any of the proxies and ballots submitted is submitted by a suspended owner, in which case the vote will be disregarded.

Therefore, in accordance with F.S.S. 720.305, Bob Reichert motioned to suspend the voting rights of those property owners (list on file) who are more than 90 days delinquent in the payment of assessments for so long as the owner is delinquent. Upon passage of this motion, notice of the suspension will be mailed to the owner advising that the voting rights are suspended until their account is paid in full. Bob Lilley seconded the motion. ***The motion unanimously passed with Rob Hancik, Bob Reichert, Aimee Schneider, Bob Lilly, Gordon Quick and Fred Boland voting Aye. (Stan Hochstadt was absent for the vote.)***

A lengthy discussion ensued regarding instituting a program for property owners to pay their assessments by use of a credit card. Celeste explained in detail the investigation into costs charged by eight (8) different businesses that provide this service. It was also determined that the most cost effective method is to create a "shopping cart" on our website for property owners to submit payment. This is more cost effective than utilizing a terminal (swipe method). Monies have been placed in the 2011-2012 budget for the cost of the program. After the Board members reviewed and questioned all aspects of the program, Bob Reichert made a motion to engage Bankcard POS to enable the Association's membership to pay their annual assessment using a credit or debit card. It is stipulated that, due to per transaction usage fees, the use of credit card payment option is limited to account payment in full and is not applicable to partial payment or for those on a payment plan. This will also be on a trial basis for one (1) year. Bob Lilley seconded the motion. ***The motion unanimously passed with Rob Hancik, Bob Reichert, Aimee Schneider, Bob Lilly, Gordon Quick and Fred Boland voting Aye. (Stan Hochstadt was absent for the vote.)***

## **MANAGER'S REPORT**

Mangrove Trimming – Sandy reported that we have received a quote from Suncoast Environmental to trim the lateral mangrove branches in accordance with our FDEP permit from the end of the San Ciprian canal/ditch east to Cape Horn in the amount of \$6,400. The decision to proceed with this work will be deferred until the new fiscal year.

Front Entrance – Ed Rackeweg has obtained and installed the booster pump for the reclaimed water line at the front entrance. The irrigation system is currently being upgraded. Contact was made with Public Works regarding the excessive vegetative growth between the guardrail and our sign at the Cape Horn entrance. We were informed that the County contract is being re-bid since the current contractor is underperforming. They will address our concern as soon as possible.

Beautification & Enhancement - The 22 internal signs have been installed by Gulf Coast Signs. Follow up continues with contractor to upgrade the connections of the 9 entrance signs to the poles in addition to bringing us the spare sign. The Vincent sign is completed. The landscaping is adequate; however, inquiries have been made to see if county grant funding could be used now instead of waiting for the resolution of the lighting project.

Mechanical & Maintenance - Sandy reported that one quote has been received for grading the area recently cleared by Enviro-Friendly in the park. An additional quote has been requested. The area is starting to grow back and is too rough for bush hogging or mowing. Applying Roundup was determined to be too costly. This area must also be brought into SWFWMD compliance in accordance with the permit issued to the Association. Bob Lilley explained the project in further detail. Sandy also asked Bob Lilley to check with Denny Kunish of Aquatic Systems regarding quarterly ditch spraying—specifically the “ditch” that is about 6-feet high with growth between Cape Horn and Mint Lane. We need a schedule for spraying. She also reported that at Sunday’s Potluck, the alarm was activated at the lift station. CCU was contacted and it has been determined that they have not responded; therefore, they will be contacted tomorrow morning.

Kayak/Canoe Launch – Now that we have obtained a FDEP permit for the launch Banks Engineering recommended three contractors to solicit bids from. Bid letters have been issued and follow up meetings will be held with each contractor.

***(Note Stan Hochstadt arrived at the meeting.)***

Policies – Five (5) policies have been emailed to each Board member for comment: #4 Use of Park; #9 Information Posting; #10 Shoreline Erosion; #18 Records Retention; and #18A Inspection and Copying of Records. The latter two have been updated to coincide with that of the F.S.S. changes effective July 1, 2011.

- Policy #4 Use of Park – The policy was updated for use of the Park by BSL residents, and to also include groups outside of the community to have use of the Park, as discussed at previous Board meetings. After further discussion, Gordon Quick made a motion to approve Policy #4 Use of Park as amended with cost of outside group(s) for half day and full day usage to be determined at a future date

to cover any damages and other costs (dumpster fees, etc.). Bob Reichert seconded the motion. ***The motion unanimously passed with Rob Hancik, Bob Reichert, Aimee Schneider, Bob Lilly, Gordon Quick, Fred Boland and Stan Hochstadt voting Aye.***

- Policy #9 Information Posting Policy – The purpose of this policy is to identify information to be posted by the BSLPOA Board of Directors. The scope includes any public kiosk, bulletin board or website located on the BSLPOA property is for the use of the POA business and is under the control of the Board of Directors. There being no questions, Bob Reichert made a motion to approve amended Policy #9 with Stan Hochstadt seconding. ***The motion unanimously passed with Rob Hancik, Bob Reichert, Aimee Schneider, Bob Lilly, Gordon Quick, Fred Boland and Stan Hochstadt voting Aye.***
- Policy #10 Shoreline Erosion Policy – The purpose of this policy is to establish uniform standards for lakefront property owners who wish to control shoreline erosion. The scope is in accordance with the Bylaws of the BSLPOA as well as the guidelines established by the University of Florida’s Institute of Flood and Agriculture for control of lakefront erosion through the planting of selected shoreline plants. The policy also provides for use of riprap and manmade materials such as cement, or the Delta-Lok system to be installed at the property owners’ expense. Plans for any project to control lakeshore erosion must be submitted to the Board of Directors in writing for approval. During the discussion, Bob Lilley noted that the Delta-Lok system is now very expensive and there are other systems available now for consideration. He suggested the policy include alternative methods. Fred was concerned about aesthetics with property owners using various systems. It was decided to amend the policy to include that the property owners must first submit their request to the Architectural Review Committee who will make a recommendation to the Board. Bob Lilley motioned to approve Policy #10 with the changes outlined with Bob Reichert seconding. ***The motion unanimously passed with Rob Hancik, Bob Reichert, Aimee Schneider, Bob Lilly, Gordon Quick, Fred Boland and Stan Hochstadt voting Aye.***
- Policy #18 Records Retention – This policy was established regarding the retention and maintenance of the Association’s official records. The policy was updated to coincide with that of the Florida State Statute 720.303(5) changes effective July 1, 2011. Bob Reichert made a motion to approve the updated Policy #18 with Bob Lilley seconding. ***The motion unanimously passed with Rob Hancik, Bob Reichert, Aimee Schneider, Bob Lilly, Gordon Quick, Fred Boland and Stan Hochstadt voting Aye.***
- Policy #18A Inspection and Copying of Records – This policy was established regarding the inspection and copying of the official records of the Association. The policy was updated to coincide with that of the Florida State Statute 720.303(5) changes effective July 1, 2011. Bob Reichert motioned to approve the updated Policy #18A with Gordon Quick seconding. ***The motion unanimously passed with Rob Hancik, Bob Reichert, Aimee Schneider, Bob Lilly, Gordon Quick, Fred Boland and Stan Hochstadt voting Aye.***

## Miscellaneous Items

- The Real Estate Services Division of the County finished the mandated internal departmental review process and the BCC approved the two San Edmundo lots in addition to about 40 others as “surplus to County needs”. The documents were sent to the County’s Purchasing Dept. yesterday, but sent back a request to the Real Estate Services Division that the required information must be submitted on a disc in order to prepare for the advertising process. Purchasing will post on the County’s website under “online ids” as well as advertise in the Charlotte Sun newspaper for two weeks.
- The Annual Meeting materials were scheduled for mailing this morning (9/13). Celeste is working on the power point presentation.
- On Thursday, 9/15, the office will be closed to enable staff to attend a mandated CAM continuing education course. There is only one day a year that the course is offered locally in South Fort Myers, thus eliminating a split attendance.
- Celeste is scheduled for Jury Duty in Fort Myers the entire month of October. It is on a “call in if needed” basis. Office will be manned in accordance with her jury duty schedule.
- The need to hold a Board meeting on 10/11 was deemed necessary in order to discuss and approve the procedures for deed restriction enforcement, plus any other matters that need Board attention.
- The property owner at 23976 Vincent Avenue requested permission to park a trailer/motorhome in the driveway for the duration of replacement of Chinese drywall. Construction start date has not been determined. He has a rental agreement in the Marina until January 1<sup>st</sup> and then would like to live in the trailer/motorhome until construction is completed. Realistically, this could be a few months. After lengthy discussion, Bob Reichert made a motion to deny the request to live in the motorhome in his driveway, with Fred Boland seconding. ***The motion passed with Rob Hancik, Bob Reichert, Aimee Schneider, Gordon Quick, Fred Boland and Stan Hochstadt voting Aye. Bob Lilley abstained.***

## OLD BUSINESS:

### **DIRECTOR REPORTS:**

#### **SAFETY & PREPAREDNESS – Fred Boland**

Fred Boland reported that the air conditioning trucks observed at Tracks A & B were suspected of illegal activity; however, it was determined that they were repairing some of the units. Both Fred and Bob Reichert reported on the apprehension of three juveniles that were responsible for breaking into one of the vacant Acapulco condominiums and created about \$10,000 worth of damage.

#### **MECHANICAL & MAINTENANCE – Bob Lilley**

Bob Lilley did not have anything to add from what was discussed under the Manager’s Report.

### **LAKES WATER QUALITY – Bob Lilley**

Bob Lilley took Lois Verblaauw's question at this time. She reported that the littorals were overgrown behind her property on Belize. Bob responded that some of the plantings have become very prolific, but are doing exactly what they are designed to do and explained that they have grown as far as they can due to the depth of the water. They will not survive when the water is too deep. Bob informed Lois that he is going to discuss this with the Board at a future date (in accordance with discussions he has had with the different universities) and suggest allowing property owners to thin them down at the direction of the Board in accordance with a policy to be adopted. Lois was concerned about the littorals blocking drainage. Bob explained that this should not happen since they act as a filtration system. Bob will visit her area of concern and evaluate.

### **LONG RANGE PLANNING – Bob Reichert**

Bob Reichert had no report.

### **COMMUNICATIONS – Aimee Schneider**

Janet Goin asked about the verbiage on the proxy being mailed to property owners regarding voting for/against an external audit. Sandy responded by stating the wording is the same as last year in that if you wish to have an audit vs. a review, you would vote "no". If you would like to have a review vs. an audit, you would vote "yes". Sandy also reported that monies have been budgeted for a full audit to cover cost if a waiver is voted down. The cost of a review is \$1,800, whereas an audit is around \$5,000. As further information, Sandy stated that the law has now changed under the condominium act (Section 718) which mandates condominiums have a full audit every 4<sup>th</sup> year, whereas homeowners/property owners associations (Section 720) have not been addressed by the legislature as yet, but may be forthcoming.

Aimee reported on the one CIN message was sent on September 8<sup>th</sup> regarding fraudulent posting of job positions by unknown persons. Rob stated that efforts are being made to determine who the individual or individuals were. Just as serious as the effect on office staff and the disruption of business, is the effect on those applicants who submitted their resume and personal information to an unknown party. The Association will determine cost of pursuing and evaluate what steps will be taken, if any.

### **BEAUTIFICATION & ENHANCEMENT – Gordon Quick**

Rick Mathis was recognized since he had a question regarding this Agenda item. He expressed concern about the mowing of Tracts A & B. He was told that the mowing was not done by the Association's contractor, but one engaged by the Bank who now owns the property. The condition of the swales is a concern and Gordy will take pictures of the area and we will take corrective action with the bank if necessary. Office staff will contact the bank to follow up with their contractor as to the scope of work he is to perform on the Tracts.

Gordy stated that the Committee met on September 7<sup>th</sup>. He reviewed the minutes of the committee. He shared pictures of the new and old signage with the Board. Bob Lilley asked if Beautification & Enhancement would look at the circle at the entrance to the Park and research various native plantings that could be installed in this area. Bob feels that this area is a good place to relocate the existing kiosk. Revamping the kiosk will be researched with the Charlotte County vocational department.

### **COMMUNITY STANDARDS – Stan Hochstadt**

Stan reviewed the community standard report by stating the only violations reported were five (5) lawn /landscaping, and two (2) trash cans. Bob Lilley asked about the unfinished house on Peppercorn. Sandy stated that this was reported last month. A visit was made to the property where the property owner is now living. He stated he was going to take the wood down and install an enclosure shield. He also stated he was going to change the trim colors. Celeste sent him a follow up deed restriction letter. Fred inquired about the foreclosure house on Rabat. The Association mowed it about two weeks ago, and will make arrangements to have it mowed again and put in a regular schedule. Fred inquired about finalizing and instituting the fine structure in accordance with F.S.S. passed on July 1, 2010. Bob Reichert has been reviewing the comprehensive procedure that Gordy Quick developed. It was decided to dedicate the October 11<sup>th</sup> Board Meeting to finalizing this procedure.

### **ARCHITECTURAL REVIEW – Fred Boland**

Fred Boland reported that all application materials for the construction of a new home for 91406 at 24370 Peppercorn had been submitted. In lieu of the \$5,000 escrow approved by the Board in August, the builder requests a waiver from the required escrow amount given provision of proof of financial stability from Calusa Bank or a waiver with letter of credit. Rob reviewed the reasons for the implementing the escrow agreement requiring \$20,000 or 10% of the permitted price, whichever is greater. Some of the Board members feel this is excessive. Rob suggested that we require the builder to remit an irrevocable letter of credit from the bank up until such time as a final certificate of occupancy is issued which should not cost the builder any money. The Association should be primary on the letter of credit.

The ARC recommends approval of the waiver and proof of financial stability in lieu of the escrow agreement. However, Fred is in disagreement with this.

Fred stated that a written policy should be formally written to cover Association requirements of builders. This policy should be the same for everybody. A meeting has been scheduled with ARC on September 26<sup>th</sup> to develop a policy to be presented to the Board for approval.

After considerable discussion, Fred Boland motioned that in lieu of the escrow agreement, the builder be required to submit an irrevocable letter of credit naming the Association as primary in the amount of 10% of the permitted price. Stan Hochstadt seconded the motion. ***The motion unanimously passed with Rob Hancik, Bob Reichert, Aimee Schneider, Bob Lilly, Gordon Quick, Fred Boland and Stan Hochstadt voting Aye.***

## **COUNTY RELATED ITEMS**

**SCCC** – Bob Reichert's reported that Dan Quick, the interim Director of Growth Management Charlotte County, is slated to speak on the Burnt Store Road project and the Railroad Project at Burnt Store and Jones Loop Roads. Also on the Agenda is Zemel Road. The meeting will be held on September 22<sup>nd</sup> at 9:00 a.m. at the PGI Civic Association building on Shreve Street. Bob reported on the current status of the railroad crossing, i.e., temporarily closing Jones Loop Road.

**MSBU** – Rob reported on the status of the lighting project for five (5) entrances into the community. The original scope of work was rejected due to the high cost. A new scope was submitted and is currently under review prior to Purchasing going out for bids.

## **NEW BUSINESS**

**Personnel Matter Update** – Rob noted that Bob Beahn opted to wait until the matter was presented before his comments. Rob then discussed the results of the closed session of the Board held on July 21, 2011, which involved a personnel decision to place the current Manager under an employment contract. The proposed 3-year contract was discussed with suggested changes and redrafted for approval at the open Board meeting. The change made was the conversion of vacation and sick leave combined into 280 personal hours per year, not to be carried over. Rob distributed copies of the redrafted proposal to the Board for review. Also, in recognition of 10 years past service, 30 days of personal time is granted and when used will not be renewed. A lengthy discussion ensued on various aspects of the contract including the requirement of the Association to employ CAM licensed employees. Bob Reichert made a motion to approve the Professional Services Agreement for Sandra J. Funk as submitted. Bob Lilley seconded the motion. ***The motion passed with Rob Hancik, Bob Reichert, Aimee Schneider, Bob Lilly, Gordon Quick, and Stan Hochstadt voting Aye. Fred Boland voted Nay.***

## **ADJOURNMENT**

Bob Reichert made a motion to adjourn the meeting at 7:47 p.m. Gordy Quick seconded the motion. ***The motion unanimously passed with Rob Hancik, Bob Reichert, Aimee Schneider, Bob Lilly, Gordon Quick, Fred Boland and Stan Hochstadt voting Aye.***

## **OPEN FORUM**

Bob Beahn commented on insurance coverage with regard to renting out the Park. Bob Lilley responded by stating insurance has been discussed and will be addressed with our insurance company, and assured him that BSLPOA property owners have first right of usage. Mr. Beahn also questioned the timing of delinquent members having their voting rights suspended—specifically notification. It was explained that the Florida Statute went into effect July 1, 2011, and states that when the Board passes a resolution to suspend the voting rights then, and only then, can notification be given to the property owner. Notices will now be sent.

Rich Mathis stated that there will be no water on Thursday 8:30 to noon. No notice was received from CCU and follow up will be made with them for verification prior to a CIN message being issued.

Jim Brown commented on instituting the credit card system in that you must remember time, value and money. If you are increasing your receivables and obtain them earlier, that should be considered as a tradeoff for the fee involved. Jim then addressed the Park usage by stating there are reciprocal advantages—specifically with the Marina. Jim continued his comments on the requirement of a letter of credit from builders—and reasoning behind the original escrow agreement. Finally, Jim address the discussion on the manager’s employment contract by stating that Sandy’s experience and knowledge is referred to as “informed intuition” and feels this type of experience is invaluable.

Bill Fruit commented on the use of credit card for payments in that the fees incurred are far lower than the costs of the alternative methods of collection, i.e., foreclosure, lien, and/or law suit—thus realizing a large savings overall. Bill also would like to offer his input for consideration after the meeting on letters of credit. Bill has over 40 years of experience as a banker.

Ginger Story had several questions regarding the manager’s employment contract. She has never heard of this type of job being under contract and asked if manager is still considered an employee of the Association. She also inquired as to who she reported to. Rob explained that the manager is still an employee of the Association reporting to the Board of Directors and not vice versa. She is also Secretary to the Board of Directors as a non Board member.

Mike Wiesenthal inquired when the building of the kayak/canoe launch will begin. Rob explained now that we have FDEP permit, we will begin talks with three different contractors then issue a formal request for bid proposal from each firm. The design phase has been completed. Mike also asked if Sandstar builders have a problem with the \$5,000 escrow, will they not have a problem with a letter of credit for 10% of the permitted cost. The answer is unknown at this time; however, the cost of the letter of credit to the builder is less than the \$5,000 outlay requested for escrow. Bill Fruit offered his input on letters of credit.

Patti Weddle inquired about the finances of the Association. Based upon her review of the proposed budget, she compiled and submitted a list of questions on several line items for which she requested explanations. She is willing to come to the office to discuss. A meeting will be scheduled at a convenient time for all. She also discussed the cost to implement the Master Plan and if future upkeep, maintenance, etc. has been taken into consideration. Rob offered lengthy response regarding actual timeframe to implement any, part or all of the plan according to membership approval over a 25 or even 30 year plan.

Discussion centered about the concept of purchasing a foreclosure property for office use. Rob explained that this was considered by prior Boards and tabled. He outlined the costs of a mortgage, taxes, homeowners/flood insurance, water/sewer, electric, maintenance, etc. compared to paying rent. Also to be considered is a waiver of the deed restrictions (operating business from a house), and location of facility and effect

the daily operations would have on surrounding homeowners. This does not preclude the fact that future Boards may once again discuss this option.

Open Forum ended at approximately 8:30 p.m.

Respectfully submitted,

Sandra J. Funk, Secretary  
To the Board of Directors

The next meeting of the Board of Directors is scheduled for 6:00 p.m. on Tuesday, October 11, 2011 in the BSLPOA Conference Room located at 100 Madrid Blvd., Unit #212, Punta Gorda, FL 33950

September 18, 2011