

**Mount Royal Airpark Property Owners' Association, Inc.**  
**Board Meeting**  
**Saturday, June 29, 2013, 10:00 AM**  
**128 Airport Drive, Crescent City, FL**

**Welcome and Invocation:**

Jason Sheffield called the meeting to order and at his request, Bill Bentley gave the invocation.

**Calling of the Roll:**

Jason Sheffield introduced Paul and Sherrie Jarnutowski of Kingdom Management and asked Sherrie to call the roll.

**Directors present:**

Jason Sheffield, President  
Bill Bentley, Vice President  
Natalie Stamp, Treasurer  
John Perry  
Roger Taillefer

Jason stated that Susan Drago should be recognized as a board member

**Director absent:**

Jim Manus, Secretary

**Members present**

Karol Bentley, John Drago, Mike Stamp, Flint Brady, Donna Koester, Shirley Houchin, Dave Houchin and Joe Miller

**Proof of Notice of Meeting:**

Natalie Stamp confirmed that, as required, the notice of the meeting was posted on the bulletin board at the community mailboxes. An email was sent to members who have provided email addresses on June 13<sup>th</sup> and Kingdom Management mailed notice to members with no email addresses on file.

**Reading of Minutes of Previous Board Meeting:**

Susan read the minutes of the December 1, 2012 board meeting. Roger made a motion to approve the minutes as read. It was seconded by John and passed unanimously.

**Agenda Item 7a – Unfinished/Old Business - Drago Property:**

Jason asked that agenda item 7 (Unfinished/Old Business) a (Drago Property) be moved to this point in the meeting. There being no objections, Jason gave a history of the issue with the Drago property. He then stated that the Developer had brought the "outparcel" owned by the Dragos into MRAP by a document distributed to the board earlier. Bill and Natalie expressed concern that the document used was an amendment to the MRAPPOA C&Rs which must be approved by 2/3 of the membership to be legally binding. Bill suggested that the document be reviewed by an attorney on behalf of MRAPPOA. There was

considerable discussion about whether or not a review was needed and the possible cost. Bill made a motion that an attorney acting for MRAPPOA be engaged to review the document. Natalie seconded the motion. Further discussion ensued resulting in Bill suggesting MRAPPOA come up with the funds for the review. Dave Houchin, from the floor, shared his belief that adding the outparcel would require approval by the Board of County Commissioners and for a new plat to be drawn. John Drago, from the floor, stated he had been advised by Lennie Harker of Putnam County Planning and Zoning that an error could be corrected without a replat. They would need documentation to support the correction of the error. John stated that he will get a letter from Lennie Harker and his boss to confirm this. Natalie suggested we would still need to confirm that the correct instrument to correct the error has been used. Bill amended his motion to include a cap on the cost of the review of the document of \$500. Susan asked if she was still on the board at this point. Bill indicated he thought that inappropriate until the issue of the Drago lot was resolved. Natalie seconded Bill's motion. Jason, Bill, Roger and Natalie voted in favor. John opposed the motion. Susan abstained. The motion carried.

#### **Election of Officers:**

Jason said he wanted Susan on the board. Since Susan's board membership had been suspended prior to the AGM, a vote to appoint her was required. Jason made a motion to appoint Susan to the board which was seconded by John. Jason, Roger and John voted in favor. Natalie and Bill opposed. The motion carried. Jason shared that a board resolution allows members to pay assessments in installments thus he did not consider his account "delinquent" and unpaid assessments did not prevent his serving on the board. Joe Miller, from the floor, asked if this was in direct conflict with Florida statutes. Kingdom Management confirmed that the legal opinion they have obtained is that it is. Natalie explained there was no proscription against members making payments in installments. The statute imposed the requirement to pay within 90 days of the due date to be eligible for board membership. Jason gave Sherrie a check for payment in full of his outstanding account balance. The election of officers was as follows:

Jason Sheffield, President – nominated by Susan, seconded by John, elected unanimously

Bill Bentley, Vice President – nominated by Natalie, seconded by Roger, elected unanimously

Jim Manus, Secretary – nominated by Jason, seconded by Roger, elected unanimously

Natalie Stamp, Treasurer – nominated by Roger, seconded by Bill, elected unanimously

#### **Reports of Officers – Treasurer's Report:**

Natalie asked Paul to give the Treasurer's report. Paul reported that we have \$60,272.20 in the operating account and \$17,138.83 in the reserve account. The loan we received from Joe Miller in 2009 has been paid in full with the exception

of interest which accrued in 2013. That will be calculated and included in the 2014 budget. Paul confirmed that the reserve account figure did not include the gate reserve, which has been distributed. The monthly financials from Kingdom Management to date have included a Profit and Loss Budget Performance report showing figures for the current month and for the year-to-date, the monthly transactions for the operating and reserve accounts, the Assets section of the Balance Sheet and the list of open invoices. All have been "cash basis" reports. Natalie prefers "cash basis" because she believes it provides her a more accurate picture of the actual financial situation. It is the default accounting method Kingdom Management uses for the 65 HOAs they manage. Jason was assured that Kingdom Management handles all of the day-to-day bookkeeping and accounting functions. There was some confusion because Natalie had produced the "accrual basis" reports for the meeting. It was explained that, at Natalie's request, Kingdom Management periodically uploads their current QuickBooks files for MRAPPOA to a dropbox from which she downloads them into QuickBooks on her computer to be better able to monitor the accounts. Jason has requested a full Balance Sheet be included in the monthly reports. Jason moved and Susan seconded a motion that MRAPPOA use accrual accounting. Jason, Susan, Roger, John and Bill voted in favor. Natalie voted against. The motion carried.

From the floor, John Drago asked if their check had been deposited. Paul said that it had not and that Kingdom Management had been waiting for the decision on the Drago property issue. Jason moved and John seconded a motion to have the check deposited. All voted in favor.

#### **Loan Repayment from MRCP**

Natalie gave a check from Mount Royal Common Property, LLC (MRCP) to Paul for deposit in the MRAPPOA accounts. It is the repayment of the \$5,000 loan for operating expenses made to MRCP on August 1, 2012. Jason asked if MRCP would approach MRE for another operating loan. Natalie advised that it was unlikely to be necessary but, if so, yes.

#### **Reports of Committees – Dock - MRAP Dock Roof Replacement Contract:**

Jason stated that a new roof was needed on the West Dock. Buddy Gregory procured bids and thought there was an agreement whereby MRAPPOA was obligated to contribute 30% of the cost of maintenance and repairs and the seven slip owners were obligated to contribute 10% each. Jason recently discovered that the original agreement between the Developer and the slip owners require the slip owners to maintain lift mechanisms only. Even so, the slip owners are willing to contribute to the roof replacement, but at this point, Dave Houchin requires that his contribution be clearly recorded as a "donation" to MRAPPOA. This has tax implications for MRAPPOA. Dave Houchin spoke from the floor. Dave has seen the bid and is concerned that it lacks adequate specification. He gave a history of how the agreement with Paul Wilcox and the slip owners came about. He made several efforts to have an agreement over shared costs drawn

up, but Dr. Wilcox did not follow up. Dave is unwilling to pay any bills which can be directly associated with the roof replacement because he feels it could be legally construed as accepting responsibility for maintenance. Natalie asked if Dave would be willing to contribute indirectly by writing a check to Bill to get the project completed, but Jason said he wants the bigger picture resolved. Bill Bentley said he thought he remembered an agreement that Buddy Gregory drew up after Paul lost his supermajority on the board. Joe Miller confirmed that there was discussion about sharing costs based on square footage, which is how the 30% figure was derived. Jason thinks he remembers something in minutes, but says he would like a new agreement to be drawn up that specifies how costs will be split. There was a suggestion that Dave draw up the agreement, but he stated that he would neither draft nor sign a new agreement until he was convinced that the board is acting in accordance with Florida statutes and all of our governing documents. Jason asked for specifics and there was a lengthy exchange regarding perceived failures to follow procedures and enforce rules and treat all members equally, including failure to pursue members for unpaid assessments. Dave said he felt volunteering to assist with issues would be fruitless. Jason noted that one of the reasons for engaging Kingdom Management was to help us be more effective in those regards. Jason will meet with the seven slip owners to try to work out a new agreement.

#### **Reports of Committees – Dock - MRAP/MRE Dock Roof and Lift Project:**

John Perry reported on a proposal to improve the East Dock which is jointly owned by MRAPPOA and MREPOA. The proposal is for four property owners (Rex Hoover of MRE and John Perry, Tom Cacek and Dave Zawistowski of MRAP) to build and cover 6 slips and put lifts in 4. Estimates were also acquired for covering the “T” and repairing a sagging portion of the dock, but the four property owners are not interested in participating in that. The area covered by the Submerged Land Lease with the FDEP would be increased. The four owners would pay the additional cost for the Submerge Land Lease, electricity and a pro-rated portion of the insurance for that dock. In exchange for funding the improvement, the four property owners would receive exclusive rights to the slips for 10 years. At any time, one of the four property owners could sell the remaining portion of their rights to exclusive use to any property owner within MRE or MRAP. The remaining portion of the right could also be sold with the property owner’s house. After 10 years, the current owner of the right would have an option to extend for an additional 5 years for an annual fee of \$600. The proposal was opened for discussion. Bill considers the dock an amenity owned by all property owners here and is concerned that to take away something of value would require approval by 75% of property owners. Jason stated that the concept of a lease wasn’t new. Slips had been leased, probably for two years, in the past. He shared some of the history of that dock including that MRAP was allocated the west slips and MRE the east slips. Since it will be less costly to cover 6 slips at one end, Jason believes that MRE is amenable to “swapping” some slips and thinks he has an email from Al Peterson confirming that. Natalie said we would need formal approval from MRE in any case. Jason recognized

that legal work would be required and agreed with Bill that correct procedure needed to be followed. Jason said he'd like the project to include covering the dock all the way out to the T, but understands that cost would need to be borne by the two Associations. Bill said that a few people had asked him why the two Associations aren't doing the project. He infers from that they may be concerned about the loss of the asset. Jason is unsure of the process, but doesn't believe 75% of the MRAP property owners have to approve it. Natalie said she thinks it is key that every property owner is made aware of it and given the option to participate. Bill reiterated his belief that it is an asset of every property owner, whether they use it or not, as it affects their property value. Joe Miller concurred from the floor. Susan stated that the job of the board is to be stewards of the assets. Susan believes the preferred option would be for the two Associations to pay for the improvement. However, if that isn't an option, a letter should be sent to all property owners in MRE and MRAP stating this is the intent. The 75% requirement was again mentioned and both Joe Miller and Dave Houchin, from the floor, expressed agreement that an asset can't be taken away without consent. Jason disagreed that the project will be taking away an asset, but agreed that all MRAP members should be notified of the intent and given an opportunity to participate. Jason asked Kingdom Management to look into the mechanics of executing a long term lease in exchange for the contribution of a capital asset. Paul said he thought the first consideration should be to determine whether or not the HOA has the right to execute such a lease. Susan suggested there may be interest by considerably more property owners if they were aware of the possibility. Natalie pointed out that, if we collected all the assessments we were owed, MRAP could afford to fund the project itself. Kingdom Management was asked to determine if the project as proposed is legal under state statute and our governing documents. If it is, they will draft a document containing the proposal that will be sent to the board for approval. Once board approved, it will be sent to all MRAP property owners. Sherrie asked for information from those involved so the document could be drafted. Jason requested that John Perry email her the specifics. John Perry advised that the estimate for covering the dock to the T was \$7,000 and for repairing the sag in the dock would be \$500. There was another \$2,400 item on the estimate sheet, but John wasn't sure what it was for. Those costs would be split between MRE and MRAP. It was generally agreed that covering the dock would be a good investment, but the item was tabled.

#### **Reports of Committees – Legal - 2013 Florida Statutes:**

Jason stated that there were changes to the Florida Statutes regarding HOAs, specifically a requirement for board members to certify they had read and understood governing documents. He asked Kingdom Management to provide additional information. Sherrie handed out a document with bullet points for the changes effective July 1, 2013 and advised that changes are made to Chapter 720 of the statutes which govern HOAs every year. The new law regarding board members gives board members the option of reading and certifying that they have read all the governing documents, which Sherrie recommended, or

attending a seminar on board member responsibilities. Several lawyers with whom Kingdom Management work will be providing free seminars. Sherrie pointed out that they are free because the providers want the opportunity to get to know people who might give them future business. Sherrie said she would send more summaries of the changes as she received them. Susan noted that a fee of \$4 per lot will need to be sent to the state along with a new filing requirement. Natalie noted that there are more stringent requirements regarding designation of reserves that will need to be addressed when the next budget is prepared. She said that is a good reason to proceed with the Reserve Study for which we have allocated funds in the 2013 budget. Jason asked that Kingdom Management provide information on seminars when it becomes available.

### **Old/Unfinished Business - Entrance Gate:**

Jason asked Bill to provide an update on the Gate Project. The original funding was \$8,000 from MRE and approximate \$22,000 from MRAP. The delay in starting the project affected both the cost of materials and labor since Bill was able to provide free labor as anticipated, but Jason was not. The shortage was over \$17,000. Several neighbors have written checks to Bill to help cover it and Jason plans to make a motion for the Airpark to make an additional contribution. The project is essentially wrapped up but will take one to two months to complete since Bill and Mike will be on vacation. Jason will take care of the landscaping and Mike will build the electronic components. Natalie confirmed that \$47,640.25 had been spent to date. Susan asked how much more would be required to finish it and Bill said about \$7,000. Susan also wanted to know if we felt it was likely that people would complain because we hadn't received multiple bids. Bill said yes, he'd already received some, but questioned how it would be possible to get relevant bids when much of the labor and some materials were being donated. The job had to be refigured 4 to 5 times in the six years since the project was first envisioned. It was agreed that the Associations had not followed proper procedure for getting bids and were vulnerable on that point. Susan said that she thought it would therefore be inappropriate to try to assess for the necessary additional funds. Natalie pointed out that there are unpaid assessments for the gate that are within \$250 of the additional funds that will be requested. She suggested that the justification for providing the funds is that the project is being done now and it would not be inappropriate to advance those funds in anticipation of collecting the unpaid assessments at some point. Jason said he also believed it could be considered a capital project and the funds could therefore come from the capital reserve account. Jason and Bill detailed what had not yet been paid and estimated the costs of what remained to be done. The project is about \$1,000 in the hole to date. With the \$5,000 additional funding expected to be approved from the Airpark and a promised but uncollected donation of \$2,000 from Joe Martin, there will be \$6,000 available. Susan asked what the estimate for the landscaping would be. Jason roughly estimated it at \$3,000, but stated he had not decided what he was going to do yet. Natalie suggested that we save the landscaping until everything else had been paid for and then use whatever remained for that. Jason asked Bill to provide a price for

fencing from the pond to the berm. Jason made a motion to provide \$5,000 additional funding from the MRAPPOA capital reserve account for the gate project. It was seconded by Bill Bentley and passed unanimously. Susan asked if people wanted to make donations, where should the money go. Bill said that it shouldn't go to Kingdom Management because of the tax implications for MRAPPOA. Jason suggested that anybody else wanting to contribute should make a check out to Weldon's Nursery.

#### **Old/Unfinished Business – Water Treatment Plant:**

Jason asked Bill to provide an update on the Water Treatment Plant. Bill said there wasn't much he could report about the litigation which is still ongoing. The 5 members of the MRCP board are in agreement that what we are doing is in the best interest of protecting both Associations and their members. As far as the plant itself, Jason had discovered that the pump fans weren't working. Mike Stamp ordered replacement parts and they have just arrived. He will install them. The MRCP board is in the process of producing an inventory of equipment and infrastructure. Bill uncovered the propane tank for the generator and recorded the serial number. In the process, he noticed that the anode blankets which help prohibit rust have not been installed. He has those on order and will install them when they come in. Joe Miller is in charge of establishing a plan for providing water in the event of an emergency which either incapacitates or contaminates the plant. Numbers are also being put together for how long the generator will run under average and peak loads in the event of a loss of power. There are a few leaks that Bill is aware of that will be addressed.

(Please note...the videotape of the meeting runs out here.)

Biometric Utility Consultants, the Class A Operator, has been asked to reconnect the old well. Once reconnected, the pumps will need to alternate drawing from each well to prevent stagnation. The old system was flushed and test results were sent to the State, which required further testing. These have not been done and follow up with Biometric is required to move the process forward quickly to avoid the need to redo some of the testing. Jason said he had spoken to Mary Ann Anderson and said resolution of both the issues with the Water Treatment Plant and assessments on inventory lots are unlikely to be resolved simultaneously. He asked which was the priority and the consensus is the Water Treatment Plant. Jason said Developer wants to work something out, but questioned whether or not the Associations through MRCP have any liability since Broad and Cassel had advised that they did not. Bill and Natalie said we had further advice indicating that we do. Jason requested the litigation to be put on hold. He indicated that the Developer was amenable to a new contract with collateral. Bill pointed out we had been told that or some variation for almost two years, but nothing had been forthcoming. Susan requested that both Association boards be given an update. John Perry expressed concern that the longer this went on the bigger the legal bill would be. Natalie advised that the legal fee is capped.

### **Old/Unfinished Business – Master Collection and Foreclosure Representation Agreement:**

A property owner asked if past due assessments were being collected. Kingdom Management shared that they were not because the collection agreement had not been signed. Jason indicated that he had no further objections and was ready to sign it. Natalie made a motion for the board to approve the agreement with Bob Tankel and hand the past due accounts to him for appropriate action. There was discussion about which accounts would be handed over for collection. Jason requested that assessments on inventory lots not be included at this time and asked for 30 days to attempt to negotiate a settlement with the Developer. If no settlement is reached, the board will meet again to discuss it. Susan seconded the motion and it passed unanimously.

### **New Business – Evaluation of Kingdom Management:**

The working relationship with Kingdom Management was discussed. Kingdom was asked to include all board members in email exchanges. Paul asked that there still be a single point of contact and one board member to advise when a board decision had been reached. Natalie will continue in that role. Natalie requested assistance with the new requirements for reserve accounts and recommended that we proceed with the Reserve Study for which there is an allocation in the 2013 budget. There is a consensus that there is enough expertise available in the community to make that unnecessary. Kingdom offered to email a template to the board to help in evaluating all assets. Kingdom's role with legal issues was discussed. Kingdom is happy to provide input based on their knowledge of Florida statutes, our governing documents and experience with other HOAs. However, if the board is not happy with that advice, they should then seek assistance from an appropriate professional. In order to keep fees to a minimum, Kingdom is willing and able to help with drafting agreements, but generally recommends that final drafts of legally binding documents be reviewed by an appropriate professional before approval by the board. In answer to a question by Susan, Kingdom confirmed that they are willing to handle code enforcement. Kingdom was asked if they could assist in the specification and bidding process for contracts. They confirmed that they can. The board was polled and indicated general satisfaction with Kingdom. A correction to the minutes of the December 1, 2012 board meeting was made. It was incorrectly stated that Roger Taillefer voted in favor of the contract with Kingdom Management. He voted against.

### **New Business – 2013 2<sup>nd</sup> Quarter Property Transactions:**

Jason announced that lot 58 has been acquired by Ronald Mowinski, Jr., lot 60 by Mike and Natalie Stamp and lot 107 by Scott and Debra Mills

### **New Business – Board Meeting Checklist:**

At the request of Jason Sheffield, to ensure correct procedure is followed for board meetings, Natalie produced a checklist. It was distributed to board



members and a copy is attached. Jason will provide the agenda for future board meetings at least one week in advance.

**New Business – 2013 Goals:**

Jason stated he wants to get the issues with the Wilcoxes resolved, complete the gate and get the structure of the Association in better shape. Bill noted that “A clean ship is a happy ship”. Roger thanked Jason and Bill for their work on the gate. A list of potential domain names for the MRAPPOA website was passed around the board. The preference is for [www.mrappoa.com](http://www.mrappoa.com), if available, otherwise the same name with another extension (e.g., .net, .org). Kingdom will check on the availability of any of those domain names.

There were no additional member comments and there being no further business, a motion to adjourn was made by Roger, seconded by Bill and passed unanimously.

Respectfully submitted  
Natalie Stamp  
(For Jim Manus, Secretary)