

# *Bay Tree Lakes*

## *Property Owners Association*

### **Board Meeting Minutes**

**October 9, 2014**

The monthly meeting of the Bay Tree Lakes (BTL) Property Owners Association, Inc. (POA) Board of Directors (Board) was held in the Clubhouse on Thursday, October 9, 2014.

All of the Board members were present: Roger Wright, Lee Hauser, Junior Rideout, Clark Valentiner and Brian Wolf. POA Property Manager Jim Crayton, POA Clerk Tish Hermann and Assistant Secretary Hank Howell also were in attendance. Property owners in attendance included John Shaw, John Ciccarelli, Mary Jo Ciccarelli and Donovan Vinson.

President Roger Wright called the meeting to order at 7:00 pm and welcomed all POA members to the meeting, after which Clark Valentiner provided the invocation. Roger opened the meeting by expressing special thanks to John Ciccarelli for his continuing fine efforts as our web master for the POA web site.

**Approval of Prior Meeting Minutes (September 9, 2014):** Motion to approve was made by Junior Rideout, seconded by Clark Valentiner. Unanimous affirmative vote by those present. Minutes are posted on the Bay Tree Lakes POA website, [www.baytreecommunity.com](http://www.baytreecommunity.com).

**Approval of Prior Month's Financial Report (September 2014):** Report was presented by Clark Valentiner and is attached herein as Exhibit B. Motion to approve was made by Junior Rideout, seconded by Clark Valentiner. Unanimous affirmative vote by those present was made.

Financials for September 2014:

Operations Checking:	\$ 49,195.96
Pool Checking:	\$ 13,354.79
Money Market:	\$ 55,736.59
Total Monies:	\$ 118,287.34

Pool Loan Principal:                 \$ 369,305.84  
ADA Contract Principal:             \$ 119,088.64

**POA Clerk's Report (September 2014):** Report was submitted by Tish Hermann and is attached herein as Exhibit C. Motion to approve was made by Lee Hauser, seconded by Brian Wolf. Unanimous affirmative vote by those present. In addition to the report, Roger Wright informed the Board that as a result of a meeting among him, Jim Crayton and the POA attorney, Cynthia Singletary, a lot owner with an overdue debt over \$1,000 for a given lot, will have a lien placed on that property until the debt is settled. The legal procedure requires the use of a third party, an attorney acting as trustee. More information will be provided once the procedure is ready to be activated.

**Property Manager's Report (September/October 2014):** Report was presented by Jim Crayton and is attached herein as Exhibit D. Motion to approve was made by Junior Rideout, seconded by Lee Hauser. Unanimous affirmative vote by those present.

Within the presentation of the Property Manager's Report was an oral report by John Ciccarelli, an Assistant Property Manager, on his research on the closing of the pool over the winter. He recommends that, unless there is a compelling reason to drain the pool (like repairing the floor of the pool), the pool remain full throughout the winter with appropriately reduced pump and chemical usage. The cost of continuing the operation should be far less than the cost of draining and refilling the pool. The Property Manager was asked by the Board to analyze this recommendation in line with the plan for needed repairs to the pool and present a comprehensive plan to the Board as soon as it is available.

Not included in the written Property Manager's report, but also presented orally, was a concern by the Property Manager with the ever growing problem of fire ants in the community, most notably along the lakefront lots on Bay Tree Drive. A consulted expert estimated that a complete eradication would cost the POA around \$8,000, an amount the POA cannot afford at this time. That same expert suggested, however, that if at least 130 lot owners agreed to participate, he would treat each of those lots for \$65 per lot, with a 12 months warranty. Jim Crayton would like to hear from anyone interested in participating.

## **Business:**

**POA Financial Audit.** Treasurer Clark Valentiner reported that the auditor has been contacted and the audit is still being worked on.

**Actual vs. Budget Expense Reporting.** Treasurer Clark Valentiner also updated the board on the progress being made on financial reporting and presented the report showing “Actuals Thru September Vs 12 Month Budget,” and the Profit and Loss by month for January – September of 2014. The financial report in Exhibit C will only show the Profit and Loss statement for August.

**Governance Review Committee (GRC) Update.** Lee Hauser, chairman of the GRC, presented a summary of the GRC activities as reported in the minutes of the GRC meetings on September 18 and October 2, 2014. He reported on the primary focus of the GRC, to conduct a detailed review of the Bay Tree Lakes POA By-Laws, Covenants and Restrictions, Rules and Regulations, the Planned Communities Act of State of North Carolina, as well as applicable local laws and regulations. To this end, the GRC has completed a line by line review and discussion of the 1972 Covenants and Restrictions, including that portion establishing the Rules and Regulations (By-Laws) of the POA. The review of the By-Laws revealed two areas about which the GRC recommends the Board should take action. One relates to the terms and tenures of elected Board members, and the other relates to a requirement that the Board present an Annual Budget at the Annual Meeting of the POA, as well as a report of Actual Expenditures vs. the Budget for the prior calendar year. Both of these should be presented to the membership for a vote at the next Annual Meeting, as amendments to the By-Laws.

Further, Mr. Hauser reported the resignation of a GRC member, Kelly Butler. A replacement is being sought and a recommendation will be coming to the Board. Any one interested in serving is asked to contact Lee Hauser.

Finally, Roger Wright requested that Mr. Hauser prepare a summary of the findings to-date by the GRC resulting from its review of the Covenants and Restrictions. He suggested that a target of the next monthly Board meeting, in November, would be good.

**Clubhouse Usage by Property Owners.** The document, “Youth Activities Policy,” referenced in the Property Manager's Report, was presented for discussion. A motion was made by Junior Rideout that the Board adopt this policy. The motion was seconded by Brian Wolf and passed unanimously by all those present. It is attached to these minutes as Exhibit E.

**Next Town Hall Meeting(s).** Roger Wright presented two ideas for Town Hall Meetings for the Board to consider. The first relates to the property tax evaluation process currently underway for Bladen County. Chris Ellis, Bladen County Tax Administrator, and Tim Cain, the Contract Appraiser for property assessments in Bladen County, have indicated a willingness to come to Bay Tree Lakes and meet with all available and interested property owners, to explain the process and to offer some idea of what to expect once the evaluation process is completed. This idea met with favor by the majority of the Board members and Roger Wright was authorized to attempt to set this up for the first Sunday afternoon of November.

The second idea related to a desire to settle the issue between some property owners (apparently) and the Bay Tree Lakes developer concerning the draining of Bay Tree Lake. After much discussion, Brian Wolf proposed that the Board appoint a team to develop and publish on the POA web site, the positive facts regarding the subject of “the draining of Bay Tree Lake.” Lee Hauser made a motion to that effect, including appointing Brian Wolf to head such a team of 1 to 3 people. The motion was seconded by Junior Rideout and passed unanimously by all Board members present.

#### **New Business:**

**Benevolent Fund.** Roger Wright proposed that the Board consider establishing a Benevolent Fund to be used as needed for support of families in bereavement due to the death of a member of the BTL POA. The fund would contain \$200 and would be self-replenishing. It would be used to express condolences and to ease the bereavement itself, not to pay bills or to make capital purchases. A motion to that effect was made by Junior Rideout, seconded by Brian Wolf, and passed unanimously by all Board members present. Roger Wright agreed to head a Benevolent Team, to organize activities and administer the fund.

**Architectural Review Committee (ARC).** Roger Wright reported on a meeting that was held with him, Jim Crayton and Steve Jones, Jr. In the discussion concerning the ARC, Mr Jones proposed that a local architect, Terry Cox, be asked to develop the framework for a new ARC. Mr. Jones further proposed that the new ARC be composed of four people (2 property owners, 1 architect, and 1 developer). It also was understood that Mr. Jones would pay half of the fee to Mr. Cox to get this “framing” done. After some discussion, Brian Wolf moved that Roger Wright arrange to talk to Mr. Cox to evaluate the situation and then advise the Board of his findings. The motion was seconded by Junior Rideout and passed unanimously by all Board members present.

## **Comments and Questions:**

**Safety at the Pool.** John Ciccarelli (who is both an Assistant Property Manager and a Certified Pool Operator for BTL) stated a need to separate the stuff now found in the pump room at the pool. Safety equipment needs to be housed separately from the pump and pool chemicals, and both separately from the lawn equipment (such as gasoline cans, etc.). The safety equipment needs to remain easily accessible. Discussion seemed to show support for this recommendation and Roger Wright asked Mr. Ciccarelli to prepare a safety protocol and procedure, addressing these points and others, and present it to the Board at the next scheduled meeting.

There being no further business or comments, a motion to adjourn was made by Junior Rideout, seconded by Brian Wolf, and passed at 9:12 pm.

Respectfully submitted,

Lee Hauser  
Secretary

**Exhibit A**

***Bay Tree Lakes***  
***Property Owners Association***

**Board of Directors Meeting Agenda**

**October 9, 2014**

Call to Order and Welcome Members and Guests	Roger Wright
Invocation	Clark Valentiner
Approval of Prior Meeting Minutes (September 9, 2014)	Lee Hauser
Approval of Prior Month's Financial Report (September 2014)	Clark Valentiner
POA Clerk's Report (September 2014)	Tish Herrmann
Property Manager's Report (September/October 2014)	Jim Crayton

**Business:**

1. POA Financial Audit	Clark Valentiner
2. Actual vs. Budget Expense Reporting	Clark Valentiner
3. Governance Review Committee (GRC) Update	Lee Hauser
4. Clubhouse Usage by Property Owners	Roger Wright
5. Next Town Hall Meeting(s)	Roger Wright

**New Business:**

**POA Member Comments:**

- ~ **Please note that POA members that would like to share comments must be recognized by the Presiding Officer.**
- ~ **Please note also that individual comments will be limited to three (3) minutes.**

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# **Exhibit B**

Bay Tree Lakes Property Owners Association  
Profit and Loss  
September 2014

	<b>Total</b>
<b>Income</b>	
<b>Non-Profit Income</b>	
Club Card	25.00
Dues	3,218.90
Pool	1,224.00
Rental	200.00
<b>Total Non-Profit Income</b>	<b>4,667.90</b>
<b>Total Income</b>	<b>\$4,667.90</b>
<b>Expenses</b>	
Building cleaning	750.00
Building fire protection	75.00
<b>Cost of Labor</b>	
<b>Cost of Labor</b>	
Asst Pool Operator - JA	100.00
Asst Pool Operator - KA	160.00
Asst Property Manager - JC	120.00
Certified Pool Operator	330.00
Clerk	600.00
Property Manager	1,000.00
<b>Total Cost of Labor</b>	<b>2,310.00</b>
<b>Total Cost of Labor</b>	<b>2,310.00</b>
<b>Funds transfer</b>	
Interest Paid Pool	1,623.37
Principal Paid Pool	3,673.67
<b>Total Funds transfer</b>	<b>5,297.04</b>
<b>Grounds</b>	
Mowing & cleaning	875.00
Trash removal	75.00
<b>Total Grounds</b>	<b>950.00</b>
Legal & Professional Fees	490.00
Member Event	172.81
<b>Office Expenses</b>	
Bank Charges	9.95
Internet	72.69



Quick Books Online	26.95
Telephone	250.49
Web site	40.00
<b>Total Office Expenses</b>	<b>400.08</b>
<b>Repair &amp; Maintenance</b>	
Canals	71.74
Clubhouse	342.88
Exercise Room	5.33
Gate	817.71
Playground	75.00
Pool	144.07
<b>Total Repair &amp; Maintenance</b>	<b>1,456.73</b>
Trailer storage facility	85.00
<b>Utilities</b>	
Electricity	1,134.62
Sewer	80.00
Water	80.50
<b>Total Utilities</b>	<b>1,295.12</b>
VFD Support	2,100.00
<b>Total Expenses</b>	<b>\$15,381.78</b>
<b>Net Operating Income</b>	<b>\$ -10,713.88</b>
<b>Net Income</b>	<b>\$ -10,713.88</b>

Wednesday, Oct 08, 2014 11:11:40 AM PDT GMT-4 - Cash Basis

This report was created using QuickBooks Online Plus.

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# Exhibit C: Clerk's Report

From the Clerk

October 9, 2014

September 30, 2014 Outstanding Dues: \$26,120.98

September 30, 2014 Credit Balance: \$ 5,317.57

Billing October 1, 2014

452.5 Lots	\$57,015.00
Interest	713.06
Outstanding Dues	26,120.98
Total	\$83,849.04

Lots reported sold September 2014

Buyer	Lot	Home	Seller
Glenn & Leanne Page	309	Roseboro, NC	Betty Wooten*
Shelia Schmalbach	32	Warsaw, NC	Myrtle Graham**

\*Foreclosure purchase

\*\*Inheritance

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# **Exhibit D**

Property Managers Report  
October 9, 2014

Issuance of windshield tags and gate cards has slowed down this month and we have issued very few cards as a result.

The pool is now closed. I have spoken with Charles Devane and am trying to contact Mitch Collins on bringing closure to some pool issues. I have been working with Donovan and John, both of whom are now certified, on a plan for doing some of the minor repairs and winterizing the pool. We decided we needed some more “expert” advice and I tasked John to research some issues for us. I would like to have some board input on this after you hear a brief report that John has prepared.

Our boat lift technician, Mike Smith, has not been able to return to give us an update on the lift due to some family issues. The lake lift is in good shape but we are waiting on his assessment of the Horsepen lift needed repairs.

Outside of general “housekeeping” issues, this month has been spent mostly in research with the GRC on some important issues. I have prepared several items for your consideration as a result of that process.

- First, in your packet is a “proposed” Amendment that we need to get approved at the next annual meeting. It is needed to fix a procedural error that was made when, on two occasions, the Association voted on changes to the terms of office of Board members. These were largely quorum issues similar to those we had with the pool vote. This should not cause any “heartburn” as it is a simple procedural necessity.
- I have also prepared an addendum for our Clubhouse use policy that concerns youth and other uses of the facility that were requested at our last meeting. It is also in your packet.
- As we discussed last month, I have been working on a revision of our Lot Maintenance/Grass policy. You will find a draft of this in your packet also. This is an updated version of what I sent you earlier. It contains revisions suggested by our attorney. She feels that this version is very enforceable. The clarity that this draft attempts to establish will help me in enforcing Paragraphs 9 and 29 of the restrictive covenants.
- You should also find further supporting documentation about this and other enforcement issues. I expect Roger or Lee will expand on this later in the meeting.
- In conjunction with the above, I am going to have the ends of three of the canals that border Bay Tree Drive cleared of bushes and small trees that have created an unsightly appearance. I do not anticipate this costing more than approx. \$300.00. These small sections are not part of anyone’s property and as such have been left lacking. I would also like to do some clearing of the ditch bank on the right side of Horsepen Dr. just before the first tunnel bridge. It is preventing proper drainage from the pool area. If there are other areas that are unsightly, we can take a look at them also.
- I am trying to finalize another CPR class so if anyone is interested please let me know ASAP. It will be one evening here at the clubhouse.
- Finally, I would like to recommend that we begin moving toward doing our own lot maintenance on the common properties. I have carefully researched the issue and believe we can save \$2,000-3,000 by investing in a good commercial mower and doing it ourselves. One of our asst. Property Managers is interested in taking this on. You have the results of my research in you packet as well. While we have some time on this issue, I would like hear some of your ideas tonight if time permits.

# **Exhibit E**

**Bay Tree Lakes POA**  
**Youth Activities Policy**

Bay Tree Lakes Clubhouse

**Mission Statement:** The Bay Tree Lakes POA Board of Directors believes that a healthy program, of activities for the youth of the community is highly desirable. In order to support well organized youth activities, including but not limited to the home school program, the following policy is established to govern use of the Bay Tree Clubhouse.

The Bay Tree Clubhouse will be made available without charge for such activities providing that it has not been previously spoken for or rented and that the following rules are followed.

- The event organizers of each activity must submit to the Board, for their approval, an agenda and a brief overview of activities prior to the commencement of activities.
- All participants (children and adults) must be members in good standing of the Bay Tree Lakes POA. (Dues current)
- All activities will be supervised by an adult member or members of the community that have been approved by the Board. Once approved, the Property Manager may issue a key to the supervisor.
- Organizers must establish a process for safety and accountability for all participants.
  - This process shall include but not be limited to a sign in/out list for all participants including adults.
  - Only a responsible adult may sign a child in or out.
  - Only those activities deemed by the Board to be safe and non-destructive will be approved.
- The adult organizer in charge of each activity shall be responsible for the facility during the activity to include: opening the facility, securing it properly at the conclusion of the activity, making sure it is cleaned up and that all participants are accounted for.
- The event organizer(s) will present to the Board on a monthly basis a summary of all activities.
- There are currently no storage spaces available. All materials and equipment must be transported to and from for each event.

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