

DRAFT

TRAILER ESTATES PARK AND RECREATION DISTRICT

BOARD OF TRUSTEES WORKSHOP

FEBRUARY 23, 2009

9:30 a.m.

SMALL HALL

1903 69TH AVENUE WEST

BRADENTON, FL 34207

The meeting was called to order at 9:30 a.m.

The agenda was amended to go over three items: 1) Two proposed covers of the 2009 Trailer Estates Directory were distributed to board members for their review and selection. The audience was also given an opportunity to see the covers. The emerald green cover was unanimously selected. 2) A resident brought to the attention of Martha Brauer the fact that he/she had filed a complaint with the Manatee County Sheriff Department against Affordable Group Incorporated. The company representative stated he/she had bought out the resident's air conditioning services from the original provider. In checking, the resident learned that the original provider had not been bought out and wanted other residents to be aware that this could happen to them. There will be a complaint filed with the Better Business Bureau. 3) Martha asked Pam about her discussion with the insurance company. Pam stated that the representative walked the dock and looked at slips with ladders. If someone falls and there is no ladder, we could be responsible. He took pictures and will get with the underwriter and will write a letter to us. We need to add a clause in our lease agreement that names us as part owner of the policy. If someone falls and they want to sue boat owners and TE, the most they can get is \$100,000.

1. Wages and Benefits for employees. Pam: We are looking at this now because more people are in the park. We will have no information on benefits until August. We can set the salary but not the benefits. Martha: Do you have the 10 percent health insurance increase? Pam: Yes, the budget includes a 10 percent increase in health and 5 percent in dental. John: I want to add a 2 percent increase to the employees' wages. The wages for K. Smith have been wrong since 2001. We should add \$.08 to her wages--from \$16.06 to \$16.14. There is a \$4,800 increase in the budget if we give a 2 percent raise. We actually would be giving a 3.4 percent increase--2 percent in wages and 1.4 percent in benefits. Martha met with our employees and brought forth other things for the board to consider. There has been a cost of living increase every year calculated on the county amount or the Social Security Administration amount. Four options were presented: Bid for a better deal for insurance coverage; give a cost of living increase; give a cost of living increase in a

one-time payment; give more holidays in lieu of a raise. John reminded the board that the employees will get more through the stimulus package via reduced taxes. He said that extra days off do not put money in the employees' pockets. Pam stated that we pay 100 percent of the employee insurance and 75 percent of their family's insurance. The committee recommendation is to not give the employees an increase. A 2 percent raise would cost \$4 more per household per year.

2. Lease Review. 1) Post Office. The lease is now \$551. The committee proposed no increase. Pam will check how the post office is bid on. A 3 percent increase is \$567; a 5 percent increase is \$578.55. 2) Marina. There is a \$1,900 increase in the budget for this--a \$159.41 per monthly increase. Joe: Do we have a current lease with Hix? Pam: No, it expired in April 2008. Joe: We should get a lease. We should talk with Hix about ramp time. He locks the gate at noon on Saturday. Pam: How many people have complained about ramp time? Martha said that we have 13, 20' slips available; 10, 24' slips available; and 3, 26' slips available. John said that Hix has done great renovation to the building at his own expense. Joe: We want to see Hix to negotiate in order to take the slips. 3) Laundry. Pam: We received one check for \$1,700. They are supposed to pay \$350. We should get 55 percent of the gross amount or \$350, whichever is largest. Martha: The budget amount should be \$4,200. If they haven't paid what they should, can we break the lease? They paid only \$1,713 in 2008. John: They have broken the lease by not paying. Martha: This lease should be reviewed by the attorney. We should call the lessee first and then go to the attorney. Joe: Revenue dropped dramatically when people had to use a residents' key to get in. 4) Church. We didn't increase the 2010 budget because we increased it last year. It was increased 5 percent last year, and the church purchased the chairs for TE.

3. Marina Review--Lease and Rates. Should we have an annual lease or a semi-annual lease? Right now we have owners who pay quarterly. This makes someone pay one year in advance. It is tough for people to do this. John stated that he is not for a year's lease; six months would be easier for people to pay. Item #6 on the lease: Take "periods of 6" out of the lease. John: With a six-month rental, the second six months will be prorated with no penalty. We will drop all quarterly rentals. We should revise #2 into registration renewal and also insurance renewal. Pam said that in #10, the last word of the first line should read "guests" not "quests." In #4, take out "or extension." Pam: Have we sent to the attorney Mr. Featheringill's letter? Martha: We have sent his letter and we are waiting for a reply. Will rate increases be effective in October to coincide with the budget rate? Pam: It would make it a lot easier. PP 28 needs to be looked at.

4. Rate Review. Martha: How does everyone feel about looking at rates in the spring and putting rates into effect Oct. 1? Pam: Yes, it makes sense to do this. John: I recommend we put that "we may increase the rates by 5 percent." Take out "we will." Pam: I wouldn't see a purpose for increasing the rates. Martha: If we don't increase the rates, then from 2005-2010, there would be no increase. Joe felt we shouldn't raise rates on anything. John: We should rely on recommendations from the committee. Martha: Next March we should have a rate review. What do the rest of you think? Gail: I want to wait to see Item #6--legal fees expense. Fred: We don't need a rate increase. Martha: There should be a methodical increase so we don't open ourselves to harsh criticism for a large increase. John agreed.

5. **Contract Review.** Lease Committee update: The committee met on Feb. 12. We need to get a basic package because not everyone has a computer. Many have cell phones and don't need a landline phone. Committee recommends we talk with Bright House. If they freeze their prices for a year, what will they do for the next five years? Pam said the Bright House representative will not be back until Feb. 26. Some people on the committee thought we should get bids from two or three places. John: There are other companies that would be interested in us like Verizon or Dish. Joe: We should negotiate between Verizon and Bright House. Martha: What about trash? The Waste Management contract comes up in 2011. People are interested in recycling. It was #1 on the survey. We should get some information on recycling. John: Bayshore no longer has Waste Management. They have Waste Pro. Janet: There is no longer money in recycling newspapers, aluminum, etc.

At this point, we recessed for lunch.

Meeting was reconvened at 1 p.m.

Martha stated that we received a fax from a law firm asking us if they should verify the statements of occupants in a resident. Gail stated that since we haven't all seen and read the fax, we are at a disadvantage. The board agreed to have Martha check into things and postpone our answer until all have read the fax.

6. **Legal Expense.** Before we get into this topic, Martha announced that she sent the letters from Bev Lew and Tom Featheringill to the attorneys and is awaiting a reply. In regards to the lawsuit, Martha used the screen to illustrate Case No.: 2008 CA 11315, Mary Lou Smith and Sharon Denson vs. Trailer Estates and four individuals--Janet Jones, John Vander Molen, Joseph Salerno and Mary Lou McNulty. Martha explained that the estimated costs of the lawsuit for 2008-09 is \$160,000; for 2009-10, \$260,000; for 2010-2011, \$60,000+; and future years will have appeal costs. The average monthly cost is \$10,000 and the projected time line is Feb. 1, 2009 to Dec. 30, 2010. If it is determined that the district is responsible for attorney fees and costs for individual trustees, the additional monthly cost is at least \$10,000. Martha dispersed two possible scenarios for the \$260,000 option--add \$300 per month to the assessment or pay \$130,000 which adds \$20 a month to the assessment and borrow the other \$130,000. There was a discussion about borrowing the \$130,000. Pam will look into it. Gail asked that the total cost--\$130,000 plus interest be brought to the board and stated that these figures are "worst case" scenarios. She expressed the fact that she is outraged about the cost to the park and what it does to the budget and wondered if anyone else is outraged. John said he, too, is outraged but we have to budget it still; Gail agreed.

7. **Budget.** After hearing the presentation in regards to the litigation, Pam and the budget committee realize they will have to rework the budget in light of the new information.

8. **Public Records Policy PP24.** Martha will rework this and will bring it to the meeting.

9. **Insurance Update.** Martha had been in contact with Byron Beard, underwriting manager for our insurance company Florida Municipalities Insurance Trust. He spoke with two carriers who work with him. The first said they offer coverage to private entities only. The second said they are not interested in offering coverage to Trailer Estates Board due to the lawsuit. Gail asked if we could go back to Pam's suggestion and check into other

companies ourselves. The board agreed. In the meantime, Martha will write a district policy that covers the board members for non-monetary alleged claims.

10. Horseshoe Pit. Joe stated members of the Horseshoe Club would like another horseshoe pit. They are willing to pay for the material and be the laborers. Some wondered if the area should be roped off to prevent someone from backing into the area. Gail stated that she had gone over there the day before and there seemed to be no problem with a new pit being placed there, though she felt a roped area might be something to consider.

11. Proposed Deed Restrictions. As it was late in the afternoon, the board agreed to move this to the first item on the agenda for the March 9 meeting.

12. Add Trustee Comment to the Board/Workshop Agendas. Gail explained that she feels board members should be able to respond to comments of residents; and particularly where the board meeting is concerned, she was unable to find a place where that would be appropriate. It has been done already in the "Informational Reports of Trustees" area, but Gail didn't feel that is appropriate. She also feels residents should have three minutes to speak in which they are not interrupted, but the trustees have a freedom-of-speech right to respond; and, if the response area is tacked onto the end of the meetings/workshops, the responding trustee (s) would have time to collect their thoughts. John stated that board members can relinquish their seat to speak, but Gail said she didn't feel that was appropriate all the time. John also stated the agenda is part of the By-Laws but those could be amended. Martha reminded everyone that according to the By-Laws, Roberts Rules of Order are to be used as a guide only. Martha will look into a place for the trustees to respond to residents' comments.

13. Public Meeting. Martha reminded everyone that there is a public hearing Monday, March 2, at 7 p.m. to discuss the budget. That is also a regular meeting day; and because a morning meeting was not listed in the newspaper, could we have a short business meeting at 7 p.m. before the public hearing? Everyone agreed to do that.

14. Public Comment.

Bill Secraw, 1803 New York—He discussed the fact the trustees can be recalled and asked Gail if she had heard this from the attorneys. She replied she had not. Bill read Amendments 1 and 4 of the U.S. Constitution regarding free speech and trespassing. He alleged that a board member cannot make a comment that allegedly divides the park.

Bev Lew, 2008 Illinois--She stated that if the board does not listen to their legal counsel, then they need to step down from the board. If the board thinks they need to get a loan because they are so arrogant and cannot follow the law of the United States, she wants members to step down and let Smith/Denson and the board negotiate. She doesn't believe the board is going to get 700 people in the park to borrow the money to fluff up the board's egos. You are not a volunteer but you are elected officials. You can't buy insurance because if you could buy insurance to keep you out of jail, there would be no jails. Mary Lou McNulty should not have sent a letter to Mary Lou Smith to sue them. Janet Jones shouldn't have said that they can't do anything. John Vander Molen shouldn't have said,

"Maybe we don't follow the Sunshine Law." You need to step down from the board if you are a conduit--"The Deed is Done." They sued you to follow the law.

15. Response. Martha responded that the comments made by Bev Lew are simply allegations—allegations. Gail responded to Bev Lew's comments stating that Mrs. Lew had directed the "The Deed is Done" comments at her. Gail went on to say that the reference is to an e-mail Gail sent (in Jan. 2008). Gail stated emphatically that no one made her a conduit and she was not a conduit to anyone. As a resident, she attended the Let's Talk Club meetings because she felt it was the right thing to do. Gail told Bev that she really stepped into something and stated that Mrs. Lew should be more careful in what she says because lawsuits can go both ways.

Workshop was adjourned at 3 p.m.

Respectfully submitted,

Gail Opper, Secretary