

Cape Haze Resort B 3/5 Condominium Association, Inc

Minutes of Meeting

Board of Directors, 9 August 2016, at 10:00 AM

Cape Haze Resort Clubhouse

Members Present: Bob Baran, President
Ken Maloof, Vice-President
Pete Travers, Secretary-Treasurer

Members Not Present: None

Others Present: Clark Gillaspie, Association Manager

Observers: None

I. Declaration of a Quorum

Mr. Gillaspie advised a quorum was present.

II. Certification of Notice of Meeting

Mr. Gillaspie gave written certification that the meeting had been properly noticed.

III. Call to Order

The meeting was called to order by Bob Boran acting as chair.

IV. Approval of Minutes

The minutes of the meeting on 10 May 2016 were reviewed. **Action:** Upon motion duly made and seconded, the minutes were approved.

V. Old Business

A. Fire Safety Repairs

Inspections and repairs are being scheduled for two consecutive weeks in February 2017 with inspections the first week and sprinkler head replacement/repair as necessary in second week. Other repairs to be completed shortly. Clark worked with Piper for billed but not completed work which will be included. Pipe inspections will be done based on requirements of law (total cost \$2750 with \$1260 for inspection and the remainder for routine maintenance for the Association). Owners needing sprinkler head replacement have not yet been contacted; Clark will send out letters to owners as soon as inspection/replacement dates in February are established. At this time about 1/3 of the owners will be need to have sprinkler heads replaced (cost per owner \$46-185. **Action:** Information only.

B. Sound Attenuation

There will be another “experiment” on 10 August 2016; the first experiment may have been flawed. “Mass loaded vinyl” wall coverings are central to this and the Board is anxious to have cost-effective solution. **Action:** Information only.

C. Drainage

The sewer line damage affecting Units 01s and 02s of Building 3 has been temporarily repaired and the line is draining, but permanent repair is not yet accomplished. The cost of the permanent repair is not yet established. **Action:** Information only.

VI. New Business

A. Review of Year to Date Financials

Clark reported that the Association is basically on budget and we are projecting a budget surplus of approximately \$12,000. The Board discussed some specific issues:

Electricity. We are slightly under budget for the year. Electricity consumption by equipment operating in garages (dehumidifiers etc) varies considerably with one adding as much as \$400 annually to our bill. The Board discussed adding a surcharge for garage appliances, an idea that had been previously brought forward, but no action was taken. This may be discussed at the annual meeting.

Water/Sewer Rates. Credit has been received of \$1,000 per building due to the installation of smaller source pipes. The Sandlehaven rate increase has not yet been felt and a question of its application has not yet been resolved.

Miscellaneous income. This line item is due to late fees and interest negotiated with one owner. The account is now up to date, the mortgage is funded, and funds are being escrowed. The outstanding liens have been released and the owner has paid the lien-release fees. The owner’s tenant is paying rent directly to the owner.

Other receivables. One unit owner has been an habitual late payer and is currently one quarter behind (has not paid 3rd quarter. Clark has already sent notice to the owner using the procedure authorized by the Board in January 2016. **Action:** There has been no response from the owner; the matter has been referred to our attorney.

Maintenance. Railings, AC platform and garbage enclosures have been examined. Quotes are out to put some framing on garbage enclosure; replacing lattice on AC platforms (\$5,500 - \$6,000) – can be done as part of maintenance in 2017. **Action:** Information only.

B. Preparation of the 2017 Budget

The Board reviewed a preliminary draft budget. Some income amounts are not yet known. Clark put in a 3% increase in expenses. Reserves are budgeted to be funded at 100%. Pete presented a spreadsheet for the years 2017 to 2038 based upon a 2% rate of inflation for costs. While there does not appear to be any need to increase the reserve amount for 2017, the spreadsheet projects a time after about 2020 when reserves may begin to fall behind the amounts necessary for planned replacements and maintenance.

C. Insurance Coverage

The deductible needs to be discussed with membership. This year was the first year where we have had the opportunity to select a category of deductible.

Action: The Board will include a discussion of the deductible at the Annual Meeting.

D. Awnings

The awnings require replacement. They will be replaced without scallops – full fold with durable edge to minimize tattering. The cost will be \$286/awning and there are 8 awnings to replace. **Action:** The Board authorized the expenditure of approximately \$2,300 to replace the awnings in 2016.

VII. Other Business

A. Summons and Complaint Regarding Insurance and Maintenance of Properties.

About 3 weeks ago, Clark received an unsigned, undated letter from law firm acting on behalf of an insurance company followed by Summons & Complaint. The insurance company was asking for compensation based on the claim that either the Association had not repaired everything we insured, did not carry the appropriate insurance or failed to keep insured items in proper repair. The insurance company asked for \$4,000. Our attorney said he could “make it go away” for \$2,000. We have contacted our liability insurance carrier who indicated a large number of similar cases had been referred to them from Florida. If this is liability issue, our liability carrier will take over our legal defense; if the issue is one of property damage rather than liability, we may have an unexpected out-of-pocket expense. The Association awaits further clarification.

While our Rules & Regulations assign liability for maintaining ACs, dryer ducts etc assigned to owners, these responsibilities are not part of our Declarations. For that reason, Clark referred the Board to its previous decision to postpone the Becker Poliacoff review of our governing documents. The Board reviewed this matter in the light of the recent Complaint and with the advice that sufficient unexpended funds remain in the 2016 budget for legal services. **Action:** The Board reversed its previous decision and committed up to \$3,500 to have Becker and Poliacoff do a review of the Association’s organizing documents.

B. Vehicles.

Draft modifications of the “Vehicles and Parking” section of the Rules & Regulations were thoroughly discussed based on concerns about vehicle size and the maintaining of commercial vehicles on the property. **Action:** Upon motion duly made and seconded, action on the draft document was tabled.

C. Mortgage Questionnaires.

Clark will post a “guide” on our web site of general information that may be useful to people wishing to find help answering questions that mortgage lenders ask without specifically identifying the information as being posted there for the purpose of completing such questionnaires. **Action:** Information only.

D. Code of Conduct

Clark prepared a draft of a Code of Conduct for Board members. This was reviewed briefly. **Action:** Board members will forward comments to Clark.

VIII. Next Meeting of the Board

The next meeting will be the Annual Meeting on 12 November 2016.

IX. Adjournment

Upon motion duly made and seconded, the meeting was adjourned until 12 November 2016.

Pete Travers, Secretary-Treasurer