

**Gulf Harbor Marina  
Condominium Association, Inc.  
Board of Directors Meeting Minutes**

**Meeting Date:**

Wednesday December 20, 2023 - 2:00pm

**Meeting location:**

William H. Jervy, Jr., Venice Library  
Community Room – 101  
300 Nokomis Avenue South  
Venice, FL 34285  
Meeting also available online via Microsoft Teams

**Agenda and Minutes:**

1. Calling of Role:

Secretary/Treasurer Jensen called the Meeting to order at 2:01pm.  
A quorum was established with all board members recognizing their in-person attendance:  
President: Aaron Gustafson  
Vice President: Mike Burke  
Secretary/Treasurer: Kaj Jensen

Marina Staff present:

General Manager – Shane Strause  
Office Administrator – David Ingram

Unit Owners in attendance:

See attached meeting sign-in sheet.

Others in attendance:

None.

2. Proof of due notice of meeting:

Board member Jensen noted that the meeting was conspicuously posted on the condominium property for at least 48 hours prior to the meeting in accordance with the Gulf Harbor Marina (GHM) bylaws. Jensen also noted that advance notice of the meeting was posted on the GHM website (not required by GHM bylaws).

3. Reading and disposal of any unapproved minutes (to the extent applicable):

No previous meeting minutes were presented.

4. Reports of Officers and Committees:

a) Financial report including 2024 operating budget

A printed copy of the proposed 2024 budget was passed out to owners in attendance and displayed to those owners attending the meeting via web. The Board took questions on the proposed 2024 budget from owners. Questions and discussion took place on the following proposed budget items:

Rental rates benchmark: An owner asked about how the marina benchmarks rental of commercial space rented to vendors, and tenor of the current commercial space contracts, with reference to Cool Breeze Boats & Jet Ski Rentals, Gulf Harbor Marina Service department and the Dockside Store. Board member Gustafson noted that Cool Breeze is not commercial tenant under contract with the marina; that Cool Breeze is a business that is independent of GHM, and Cool Breeze has outright ownership of their kiosk and the area the kiosk occupies on the south pier seawall on the GHM property. Cool Breeze also owns several storage racks for vessels, these are also owned and not leased. Gulf Harbor Marina Service is a commercial tenant of the marina, and while their lease contract does not come up for renewal until 2035, we have renegotiated the monthly commercial maintenance fees paid by Gulf Harbor Marina service. Starting in January of 2024, these monthly fees will increase total rent by approximately 10%. The Dockside Store vendor is a commercial tenant, their contract expires in July of 2025 and the Marina has notified that vendor that we will not be renewing their lease.

Insurance Claims: An owner asked if there have been any insurance costs and if there have been any claims on wind insurance. Board member Gustafson stated that there were no claims made on the wind policy in the last year and that he was unaware of any claims on the wind policy in recent years. An owner asked why the marina would carry wind insurance if there have not been claims. Gustafson replied that besides a requirement under Florida Statute that Condominium Associations such as GHM must carry insurance, the Board has determined that forgoing wind coverage would be fiscally unsound given the replacement costs borne by the owners in the event of severe loss. Board member Jensen advised that insurance costs for 2024 did not materially change compared to costs for coverage in 2023; most coverage remained flat, wind coverage increased but under 10%.

\$160K operating surplus: An owner asked a question about this line item in the budget. Board member Gustafson explained that the 2023 budget voted on by the previous Board did not include contingencies such as the loss of fuel sales revenue during the prolonged construction of the seawall project this year, and other previous unforeseen events that have impacted revenue in past years, such as during prolonged experienced red tide events. Gustafson noted that during the seawall project in 2023 it was necessary to borrow from reserves for the lost fuel revenue (due to the seawall project) and the provision for \$160K in the 2024 budget is to cover repayment to reserves.

Pending quote on health insurance: An owner asked a question about the notation on pending quote for health insurance. Board Member Gustafson responded that a review of GHM employee health insurance coverage determined that employee coverage was sub-par compared to the industry norm. In order to remain competitive in the marketplace and attract and retain talent, GHM is in the process of obtaining quotes for improved health insurance coverage. The GHM employee plan renews in February of 2024 and the budgeted provision is an anticipation of costs for the plan.

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Truck payment, reserves loan: An owner asked a question about the budget provision for a company vehicle including a note in the proposed budget for paying off the purchase of a vehicle. Board members Gustafson and Jensen noted that the provision covers the payoff of a mid-size pickup truck purchased for the Marina in 2023. The approximate \$40,000 purchase was financed, and the Board decided to pay off the financing in 2024 given the currently high interest rates. An owner asked why a vehicle was purchased for marina use. Board members Gustafson and Jensen explained that during recruiting efforts in 2023 for the General Manager position, the board learned from the recruiter that it was common practice for most marinas to have a company pickup truck available for use by the marina staff for light duty hauling of equipment, parts, and repair runs to and from the marina. Gustafson added that actual daily use of staff personal vehicles by marina staff for such purpose is frequent, a practice we're looking to avoid. The Board added that our insurance agent advised that switching to the use of a company vehicle for marina business by staff would limit and better control liability. Additional questions were posed by owners on who is using the vehicle and how the vehicle is used by staff during after-hours. The Board responded that use of the pickup is by any marina staff during normal working hours under direction of the General Manager. Use of the vehicle during off-hours is acceptable for the General Manager including for nearby commute to and from the Marina and for emergency response by the General Manager for marina purposes during off hours. The Board added that this is a common market practice and use scenario by many marinas similar to GHM.

Personnel Expense: An owner asked about the 2024 payroll budget and whether the budgeted amount would be enough for staff needs attributed to fuel pumping at the Dockside Store. Board member Gustafson indicated that the budget does include a provision for using marina staff to help ensure coverage of fuel sales during operating hours (7am-4:30pm 7 days a week).

Rack rental income: An owner asked about rental fees on rented racks and whether that is aligned to market norms and the status of rented rack occupancy. The Board asked General Manager Shane Strause to weigh in on the question as Strause has been researching market rates and related strategy. Strause responded that initial review of the market indicates that most of the rental rates at GHM have been below what the market could bear, and that future adjustment will likely be needed. Strause added that there is some rack vacancy which the staff is working on renting.

Review of the budget: An owner asked who was involved in reviewing the budget. Board member Jensen responded that our Certified Public Accountant, Whittaker and Associates conducted a review of the proposed 2024 budget.

The Board stated that monthly maintenance fees for each owned rack will be \$212 in 2024 provided members approve a 5% reserve funding exception as was approved in 2023.

Board member Jensen made a motion to approve the 2024 budget. Board member Burke supported the motion. All board members voted in favor of the 2024 budget.

b) Seawall Project – Phase I Completion Summary

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Board member Burke asked General Manager Shane Strause to provide an update on the Phase I Seawall Project. Strause stated that the seawall portion of Phase I seawall project is about 99% complete. Steps that remain before turning on the fuel pumps include a full inspection of the existing above ground storage tank and polishing the fuel, a process through which a vendor will pump and filter the fuel from the tank (diesel and the recreational gas) to ensure it meets standards for use after being stored since project inception. The Board took questions related to the Phase I seawall project:

An owner asked about fresh water being turned back on in the vicinity of the north building. General Manager Shane Strause responded that piping will be completed to restore hose bibs that were disconnected during disruption of the seawall project.

An owner asked what seawall repair projects would be next in line. Board member Jensen responded that a set of dry rack storage racks will be constructed between the office/service building and the south storage building. These racks will accommodate boats that may be disrupted at the very west side of the north building during Phase II of the seawall project. The Phase II seawall project will involve getting the boat launch operational from the north building to the north basin. This launch area has not been operational in many years and the north basin is currently underutilized. Jensen added that phase III of the seawall project will entail the seawall repair/replacement on the north side of the south (main) launch basin along with replacement of concrete areas near the operational entrance to the north storage building. The phase IV seawall project will involve repair and likely elevation adjustment of the seawall area where the Dockside Store is located which has been flooding with increased frequency. These phases will occur over time, Phase III will not likely be initiated for some time, possibly into 2025. Phase IV (Dockside Store seawall area) is not currently anticipated until 2025.

An owner stated that his vessel is at the far west end of the north building and wanted to know how he'd be impacted during the Phase II seawall project. Board member Jensen stated that the few boat owners that may need to be temporarily moved to other dry storage racks (such as those new racks referenced earlier) would be notified well in advance of the Phase II seawall project.

### c) Changes in Dockside Store Fuel Dispensing

The Board explained that GHM will take over responsibility for dispensing fuel, a service previously provided by the commercial tenant that currently operates the Dockside Store. Board member Gustafson explained that we will move to an all credit card and debit card based sales system for fuel, and that neither cash sales nor house account sales will be offered on a go-forward basis for fuel. Gustafson added that GHM will still honor our agreement with the commercial tenant of the Dockside Store. Aligned to the agreement, GHM will continue to pay a 5 cent commission per gallon on fuel sold on "outside sales" to those that are not owners, renters, or associated with GHM. The Board took questions related to the changes in fuel dispensing that will now be managed by GHM:

An owner asked if there will be any other compensation to the vendor at the Dockside Store. The Board responded that the vendor had requested that GHM re-consider the compensation to augment the 5 cent per gallon commission. The Board decided not to change the compensation but

did decide to take over the task of fuel dispensing to more carefully control conditions associated with this important revenue stream for GHM.

An owner asked about the legal issue involved with the vendor operating the Dockside Store. Another owner asked about timing of the Phase IV seawall project which would impact the Dockside Store. Board members Gustafson and Jensen responded that certain GHM Board members and staff received a demand letter from an attorney representing the vendor of the Dockside Store. This action related to compensation GHM provided to the vendor during the recent seawall project. During earlier discussions with the vendor, and since receiving the legal demand letter, The Board had received written and verbal concerns from the vendor about the increased frequency of flooding incidents of the Dockside Store, among several other requests made to GHM. The Board has made it clear to the vendor that GHM does not intend to make significant improvements to the Dockside Store, adding that this building is approaching the end of its useful life, has increasingly been impacted by flooding (as noted by the vendor) and will be removed during the Phase IV seawall project which will likely occur in 2025. The Board has officially notified the vendor of the Dockside Store that we will not renew the lease which will come to term in July of 2025.

5. Unfinished Business

There was no unfinished business to report.

6. New Business

a) Ownership Limits Discussion.

The Board explained that some homeowner associations are experiencing a situation where individuals are purchasing multiple units in order to gain majority voting control of an association. These actions occurred at other marinas similar to the ownership model at GHM. During the meeting, the Board encouraged questions and discussion from owners at GHM to consider a change to our bylaws that would limit individual ownership to no more than 6% (16 racks). The Board asked for questions in response to the proposal:

An owner asked why the Board suggested a cap at 6%. The Board responded that currently the largest single owner at the marina owns 6% (16 racks).

An owner asked if such a change in bylaws would require a 2/3 majority vote. The Board responded that it would require a vote and large majority to support.

An owner suggested that there could be a better way to achieve the goal of limiting the ability of a small number or individuals from having too much control over governance of GHM. This owner suggested that a better approach would be to limit voting by any one individual but allow actual ownership in the number of units to be unfettered.

The Board agreed that limiting voting vs limiting ownership of units may be a better approach and decided to continue to pursue this idea, along with advice from GHM's legal counsel.

b) New Board of Director Candidate Introductions

At the time of this Board meeting, eight candidates as owners of one or more units at GHM had filed a formal notice of intent to run for the upcoming special annual meeting on February 1<sup>st</sup> 2024, where three positions (two years each) will be open on the Board. During the meeting, the eight candidates were given a chance to provide a 5-minute discussion on their interests and qualifications for the Board. Owners in attendance were given an opportunity to ask questions of each candidate. Each candidate name was picked randomly for their presentation to owners in the following order:

- Ray Wersel
- Nancy Adams
- David Jasik
- Bruce Iovinelli
- Steve Cocchi
- Jamie DiDomenico
- Joe Farrell
- Neil Bepko

Some owners asked candidates Cocchi and Farrell about potential conflict of interest given that Cocchi is also a commercial tenant of GHM (operator of GHM Service Department), and Farrell (owner of Pops Restaurant) has a lease agreement for parking at the gravel lot owned by GHM. Both candidates stated that they would be able to navigate any potential conflict of interest and would recuse themselves from situations that may pose a conflict. Other owners attending the meeting recognized that there is precedent for managing such conflict under Florida Statute.

Board member Gustafson reminded all meeting attendees that Board Meetings are posted on the marina bulletin board which is located in a common area accessible to all owners (in the hallway across from the marina restrooms). This posting is the requirement per GHM bylaws. Gustafson added that the GHM website is also an excellent way for all owners to easily be informed of upcoming board meetings and other special notices.

7. Adjournment

At 4:00pm board member Jensen made a motion to adjourn the meeting. The motion was supported by board member Burke with all board members voting in favor to adjourn.