

HARBOR OAKS CONDOMINIUM ASSOCIATION, INC.

Board of Directors' Meeting Minutes

Wednesday, September 19, 2018

West Pool House, 201 International Drive, Cape Canaveral, FL

1. CALL TO ORDER & BOARD QUORUM ATTAINED

The meeting was called to order at 10:04 AM. A quorum was established with the attendance of President Bryan Ellsworth, Vice President Robert Parlin. Secretary Jill Prince attended by speakerphone. Michelle Davis & Ted Manna were present from Reconcilable Differences. Bryan reminded everyone that Cape Canaveral posts weekly updates on the city's website of events going on. The City is in negotiations with Canaveral Bay to take over their shoreline and install a nice park with nature trails, fishing docks, and more. The meeting agendas were posted in four places onsite on Tuesday, more than 48 hours in advance of this meeting. Sixteen owners attended.

2. APPROVAL of PRIOR MEETING MINUTES

Rob motioned to approve the June 14, 2018 meeting minutes as posted. Jill seconded, all were in favor.

3. FINANCIAL REPORT

Michelle stated that the Operating Account has \$83,533. There is \$373,431 in Reserves. There is \$39,000 in Accounts Receivable, but \$20,000 of that is from Unit 325. Since the unit was returned to the original mortgage holder, the Association may get up to 1% of the original mortgage amount. About \$17,000 will have to be written off as bad debt for the year, which will skew the financial report for the year. Through August, the Association is \$535.00 over budget. This is excellent, considering the long list of repairs that have been done to the common areas.

4. MOTION TO USE RESERVES FOR CLUBHOUSE REPLACEMENTS

Rob made a motion to use the Reserves to pay for the Clubhouse repairs. Lighting, air conditioning, fans, sauna repair, and pool furniture re-covered. The total of these items came to \$2,774. There is more than \$10,000 in Reserves for the Clubhouse. Jill seconded, all were in favor.

5. PAST DUE ACCOUNTS

Approximately 10 accounts are in arrears. Notices were sent to the 10 residents, and 7 of them have paid their past due balance. The remaining 3 units must be sent to collections. Bryan reminded all residents that if HOA fees are not being paid, the residents are not permitted to use common areas, such as the pool. The 3 units in collections are Unit #123, #416, and #511, for a total of \$11,000. Michelle recommended using a collection agency versus an attorney to avoid fees. Two of the units are rented out, so Michelle stated she will pursue collecting rent from the tenants.

6. INSURANCE RENEWAL

Michelle requested three quotes from local agents. Drew from Sihle Insurance prepared a renewal with very small increase. The Board agreed to renew the insurance policy with Sihle. Total costs for property and flood insurance for this next year is about \$113,000. A resident asked if protection for volunteers is included in the policy. With Bryan's permission, Michelle stated that she will look into having volunteer coverage added to the policy.

7. 2019 BUDGET DISCUSSION

A draft 2019 budget will be sent to all residents. Michelle and the Board are still working together to bring costs down as low as possible to avoid a jump in Association fees. Owners will be able to ask questions before the board decides on approval, at the next Board meeting. Bryan thanked Michelle for beginning the budget approval process so early in the year, which is different from last year's budget approval process. Bryan explained that the property has not been given the "TLC" it needed, and things have been let go for many years, and the Board is now working to give the property the repairs and upkeep that it needs. Rob made a motion to send the draft budget to all residents. Jill seconded, all were in favor.

8. ROOF AND ASPHALT UPDATES

The roofs are not getting done as quickly as Bryan had hoped, but the process is going well. Bryan stated he is impressed with Chillemi's work. The 2-story roofs are complete except for the hardiboard around the AC units. The colors didn't match, so supplies have been ordered and should arrive next week. They have begun putting the roof down on Building 6. The City of Cape Canaveral did not issue the permit by the expected date; they have requested additional information. The A/C contractors will not be able to come in until the city approves the permit. The roofing was supposed to be complete by the time the parking lot sealcoating began, but due to permit delays, that doesn't appear to be possible now. Asphalt should be completed next Thursday and Friday, and the following Monday. A resident asked why the roofers were permitted to post a company sign on the property, which is against the Condo docs. Bryan stated he hadn't seen it and would take care of it.

9. INTERNATION DRIVE POTHOLES

The Board has submitted a complaint to the City of Cape Canaveral regarding the potholes on International Drive, but it turns out the driveway is owned by Canaveral Bay. They own from the bank building. The weekly newsletter from the City lists all of the updates coming to A1A. Bryan believes all the updates coming to the city in the next two years will have a positive impact on the Association's property values.

10. INTERIOR REPAIRS

Roofs are nearly done, and ceiling repairs are complete in Buildings 2 & 4. Ted reported that 2 washer/dryer closet doors have been ordered, 3 front entry doors have been ordered, and 1 broken garage door replaced. Screens and windows are being handled on a case-by-case basis. There are major water damage issues in some units; the Association is waiting on an engineering report from Keystone.

11. PAINTING

The Board has received bids for cleaning, sealing and painting the exterior of all buildings. There are stucco issues as well. The Board will discuss this again at the next meeting.

12. LEGAL ISSUES WITH AIRBNB RENTALS

The Space Coast Community Association (SCCA) holds monthly meetings and recently discussed vacation rentals within Associations. Harbor Oaks has a minimum 3-month rentals rule, but AirBnB is trying to get around association documents so attorney Jay Levine can write an amendment to stop units from being rented on a daily and weekly basis.

13. AMENDMENT BALLOT DETAILS

The board wants to make a change to the language in the Association documents that approval is needed from 75% of the owners who vote instead of 75% of all unit owners. Another change needs to be made

regarding the method of delivery for documents; they are currently required to be sent by certified mail, which is a large expense. There are several other outdated rules in the Association documents that need to be updated.

14. OPEN FORUM

Bryan encouraged residents to ask strangers using the common areas where they live. If they give pushback or can't provide an answer, call the police and report the trespassing. It is up to the residents to protect their common areas.

15. ADJOURNMENT

The next meeting will be held at 6pm on November 14. Michelle will try to secure the library for the meeting. With no further business to discuss, the meeting was adjourned at 11:23 AM.

Respectfully submitted,

Michelle Davis

Michelle Davis, CMCA, AMS, LCAM
Reconcilable Differences, Inc.