

**Sunset Bay Condominium Association
Minutes of the Members' Budget Meeting
Thursday, November 3, 2016**

Call to Order: The meeting was called to order at 6:02 pm in the clubhouse.

Establish Quorum of Members: A quorum was met. Ninety-seven (97) proxies were needed to establish a quorum of members. One hundred and forty-eight owners attended (9 in person and 139 by proxy).

Voting Results on **CPA Audit versus CPA Review** for 2016 financials: Eighty-nine (89) voted to have a CPA review and fifty (50) voted to have a CPA audit of the 2016 financials.

Voting results to **fully fund or partially fund reserves** for fiscal year 2017: One hundred and thirty-eight (138) voted to have partially funded reserves for fiscal year 2017 with one (1) voting for a fully funded reserve budget for fiscal year 2017.

Voting results asking owners to **opt out of receiving Association paperwork through the US Postal Service and elect to receive them via Email Only:** Sixty-nine (69) elected to receive via email only, and seventy (70) requested hard copies be sent to them.

There were 70 owners who requested that we order coupon books and 66 owners who elected to continue with Bill pay or ACH for their 2017 dues.

ADJOURN MEMBERS' MEETING: There being no further member business, the meeting adjourned at 6:09 pm.

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**Sunset Bay Condominium Association
Minutes of the Board of Directors' Meeting
Thursday, November 3, 2016**

Call to Order/Establish Quorum of Directors: President Jeanette Schultz called the meeting to order at 6:09 pm in the clubhouse at 225 S. Tropical Trail. Board Members present were: President/Treasurer Jeanette Schultz and Secretary Diane Dahmer. Vice President Dale Hartzell and Director Coral Bailey were on speaker phone. Director Robert Moskowitz was absent. A quorum was established. Lynn Hiott, Michelle Davis, and Ted Manna with Reconcilable Differences were present. Nine unit owners attended.

Approval of the Board Meeting Minutes of September 27th Meeting: Coral made the motion to approve the minutes as written, Jeanette seconded, all approved.

Financial Report: Michelle reported that as of September 31st, the operating accounts at Sunrise Bank and BB&T show a balance of **\$264,605**, with prepaid assessments of **\$31,530**, leaving a total balance of **\$233,075**. The

Reserve account balance is **\$192,797**. Accounts Receivable are **\$32,163**. Year-to-date through September 31st, the association is under budget by **\$45,179**.

Owner Discussion regarding 2017 Budget:

Owner asked about dryer vent cleaning and why it was not in the 2017 budget. Jeanette explained that dryer vent cleaning is an owner responsibility. Management will send out reminder letters that owners MUST clean their dryer vents and show proof to the association, but this cost is not absorbed by the whole association because not every unit has dryer vents.

An owner asked about the maintenance salary and questioned why there was a 7.2% increase. Jeanette stated that this is a budget for next year, and while Brian has not had a raise in 3 years, the decision to increase salaries in 2017 will be a board decision.

There was much support acknowledged about the maintenance men. They are saving the association money due to their experience and abilities in completing projects and repairs. For example, Brian and John are repairing the dock that was heavily damaged in Hurricane Matthew. If a dock company was hired to make this repair, it would cost more than \$10,000. Brian and John are doing the repairs and will save the association about \$6,000 on just this issue. Brian and John have repaired the carwash wall, replaced fencing, sealed walkways leading into the hallways of the buildings, painted a top coat on the sidewalks, repaired fencing along the river's edge, etc. All but one audience member agreed that the maintenance men save the Association thousands of dollars in subcontractor repairs.

Another owner asked if dropping the pennies from the monthly association dues in 2017 is legal. Management explained that the fees are based on the formula in the governing documents regarding square footage, but the fees were rounded to the nearest full number. Another owner was present who has many years in the association industry and he supported the Board in this decision. He said that the Board has a little bit of wiggle room regarding the fees and supports rounding them to the nearest full number. It makes sense to not have pennies, especially in the bookkeeping of things. He was in complete support of this.

Discussion and Ratification of Member Votes: A total of 139 proxies were received:

- 1) **Voting Results:** Eight-nine (89) votes were received voting to waive the audit and have the review. Fifty (50) owners voted to have the audit. Based on the majority vote, Jeanette made a motion to approve having a CPA review of the 2016 financials. Diane seconded and this motion passed by unanimous voice vote.
- 2) **Voting Results to Fully Fund or Partially Fund Reserves for fiscal year 2017:** One hundred thirty-eight (138) votes were received in favor of partially funding the reserves, and one (1) vote was received to fully fund the Reserves. Jeanette motioned to approve partially funding the reserves for 2017. Diane seconded, and this motion passed by unanimous voice vote.

Board Vote on 2017 Budget: Due to the majority of owners voting to partially fund the reserves, Jeanette motioned to approve the 2017 budget with

partially-funded reserves. Lynn explained that those owners who sent in the form requesting a coupon book will be mailed a new coupon book by early December with a letter from management. Lynn explained briefly that the association is changing banks and moving from BB&T to Sunrise Bank, a local bank in Cocoa Beach. They do not charge fees on ACH and billpay checks, so will save the Association money. All those who still desire “auto debit”, where the bank automatically takes their monthly payments out, will have to complete the Sunrise Bank form by the end of this year. More information will be forthcoming as the new year begins.

Lynn will work with Sunrise Bank to schedule a date and time for owners to come into the clubhouse or the bank, so that we can help them sign up through Pay Lease.

New Business:

Pool Bathrooms: As previously reported, the pool bathrooms are in desperate need of repairs. Two contractors submitted proposals: Mike’s Masonry stated that they would cut out and remove rusty wire lathe and cracked stucco, remove or replace any rotten studs on top or base plates in wood frame wall, re-lathe and re-stucco, add bullnose tile border at the top of the tile in the men’s restroom to cover crack joint, replace metal doors and frames (men and women’s doors), and trim and caulk doors and walls for \$4,100 - all labor and materials included. No painting of the stucco is bid, because it needs to cure for 2 weeks and Brian can do that work. The other contractor was Cape Canaveral Construction and they bid \$4,400, with the only difference being fiberglass doors instead of metal doors. Jeanette made a motion to accept and approve the proposal from Mike’s Masonry for the pool bathroom repairs. Dale seconded, and all were in favor.

Roof Contract: Lynn stated that Rock Roofing has not been receptive to returning to the property to close in the repairs of the 800 building that they left exposed before the hurricane. Lynn requested permission to send Rock Roofing’s contract to the association attorney to review and give the Board direction in regards to moving forward and signing a new contract with another vendor to replace the roof of the 300 building. Jeanette made the motion to approve all the above details. Coral seconded, and all were in favor.

Damage at Water’s Edge: A speaker from ShoreSox could not attend the meeting, and there was discussion about what is truly needed to stop the erosion of the bank. Sunset Bay has lost large trees at the river’s edge, and the problem is getting worse. RDI will contact the Army Corp of Engineers in Melbourne or Jacksonville for help in deciding what will work best to stop this erosion.

Set Next Board Meeting: The next Board Meeting will be scheduled when a need arises.

Adjournment: There being no further business to discuss, the meeting was adjourned at 6:56 pm by Jeanette.

Respectfully Submitted,

Lynn Hiott, CAM #35322
Reconcilable Differences, Inc.