

Sunset Bay Merritt Island Condominium Association
Minutes of the Board of Directors' Meeting
Thursday, July 19, 2016

Call to Order/Establish Quorum of Directors: President Jeanette Shultz called the meeting to order at 3:04 pm in the clubhouse at 225 S. Tropical Trail. Present at the meeting was President/Treasurer Jeanette Shultz, Secretary Diane Dahmer, and Director Coral Bailey. Attending by conference phone: Vice President Dale Hartzell and Director Robert Moskovitz. Michelle Davis with Reconcilable Difference also attended by phone conference. Lynn Hiott with Reconcilable Differences was also present. Unit owners in attendance were: Sarah Mahoney, Lisa Miller, and Will Johnson.

Approval of the Board Meeting Minutes of May 19th: Jeanette motioned to approve the minutes from May 19th as written, Dale seconded, and all were in favor.

Financial/Collections: Lynn reported the following: As of **May 31, 2016**, the operating account at BB&T showed a balance of **\$222,301** and Sunrise Bank has a balance of **\$17,196**, which both total **\$243,257**, but of that amount, **\$26,298** was from prepaid assessments, leaving a balance of **\$216,959**. There is **\$98,293** in the Reserve Accounts for future repairs. Accounts Receivable are at **\$26,470**. The current profit and loss statement shows the association over budget by **\$24,946 for the year**.

Collections Update: Lynn reported that the accounts below need further research before she will be comfortable reporting them. **Unit 108**-Unit is vacant, owing approximately \$5,565, but is being sent to Alliance for collections. **Unit 220** seems to have a balance of approximately \$3258, owner trying to research bank statements for proof to office of payment. **Unit 219** appears to be rented, so sent file to Alliance for collections and asked them to demand rents from the tenant. **Unit 318**-confusing amounts were paid to attorney, amounts are being paid monthly, owner is trying to show proof of payments to the office. **Unit 116/303**-After trying to reach out to the owner, the owner did not want to be forthcoming with proof, so turned both accounts over to Alliance Collections for further action including demanding rents from both tenants. **Unit 802**-owner has paid balance due in full and is now set up on ACH monthly. Remaining accounts owe smaller amounts, I will work with these owners again this month to try and get these accounts satisfied.

Unfinished Business:

Landscaping Contract: - Lynn reported that she is continuing to seek bids for other contractors, however, management recommends to stay with Segura through the summer. They appear to be working well with management. Lynn reported that there was an issue a few weeks ago that occurred where one of

the owners went after the landscapers and became physical with them in means of hitting their



cane against the foreman. The police were called to the scene and warnings were issued to the owner that the area that was being trimmed were in fact common elements and were not her responsibility. This issue has escalated and appears to be getting worse and not better. This owner continues to yell at the landscapers and get in their way of doing simple tasks. The two photos I the minutes show the ferns before the trimming and then after they were trimmed. This owner continues to do as she feels necessary on the common elements by placing mulch in various locations, moving rock to fill in holes along the seawall, waters plants from the carwash area utilizing the association water. Various acts continue on a daily basis. There is a fear of her endangering herself or her husband getting hurt while doing work along the common elements. Management would like to send this complaint to the attorney for them to write a cease and desist letter immediately. If things don't cease in terms of common elements, then the fining committee will be contacted to move forward. The Board discussed these issues in length and all agreed that in order to protect the association that it should be given to the attorney to deal with it. Dale made a motion to approve sending this file to the attorney to have them write a cease and desist letter and taking the next aggressive actions that may be necessary. Coral seconded the motion and all were in favor.

Dangerous Dog Breed List/Doggie DNA: Lynn reported that there are companies that could possibly come and speak with the Board to discuss the options available. The Board all agreed to have the doggie DNA companies come speak to them at their September Board meeting. Lynn will try to get this arranged.

Vending machine contract: Lynn reported that as of this meeting, the new vendor company has not replaced the machine. Lynn reported on the contract guidelines and stated that the vending company offered a 20% of what was taken in. Basically for every \$100 brought in from both snack and soda machine, the association would profit with \$20. Lynn reported that over the past two months the vendor contractor stated the sales have been low, 1st month brought in \$62 revenue, so we were awarded \$12.40, then 2nd month brought in \$44 revenue, so we were awarded \$8.80. Not big numbers there, but I informed him that the snowbirds are not here and this is probably why the sales have gone down. Therefore, we will continue to monitor the machines and with him changing the drink options to include water and Gatorade, we may get better results. The Board stated that at this time, they did not want to sign a contract with him, but would like more research done on other vending machines in the area. Lynn will try to do some more research and report back to the Board with her findings.

Gate Codes Update-Lynn reported that Management wiped all the gate codes on June 28th. By doing this, most of the tenants that live inside the community came forward and brought what was asked of them. The office now has updated files with their leases, car registration, most driver's licenses and clicker information. Management is working on getting those owners that don't live here full time their new gate codes and access into the property. Overall, this was a great change for the community.

CPA Audit 2015 Financials Update: Lynn reported that the 2015 CPA Audit on the financials were completed. There are copies available in the office for any owner that would like to request one. Lynn stated that this information will be in the newsletter and sent to all owners whom we have emails for. If an owner doesn't have email listed with the office, then hard copies of the newsletter will be sent out to them stating that if they would like a copy of the 2015 CPA Audit, they need to let the office know.

New Business:

Seawall Issues: Lynn reported that she met with Waterfront Solutions to discuss options, and still are waiting on bids. However, Don with Waterfront stated that they are swamped and could not even get a bid out within the next month or two, so he suggested we contact Shoreline, which Lynn did and received a rough draft of a proposal. Lynn explained that in order to install a new seawall in front of the existing wall to the west of building 700 of approximately 100 feet, that they require an engineer to complete the drawings. But to install 600 vinyl sheet pilings, attach a 14" x 20" concrete cap with reinforcement. Install 3/4" x 16' tie-backs with concrete anchors, backfill with dirt and grade the yard to level, at a cost of \$56,673. File permits for the job and engineer drawings for another \$2650. This was the ONLY vendor to return us a proposal, so after a lengthy discussion with the Board, the Board were finally in agreement for getting engineer drawings completed to start the process. Coral made a motion to approve to get some engineer drawings of this area to not exceed \$3000, Jeanette seconded, and all were in favor. Management will work with Pete Kaiser with Shoreline Construction to seek a third party engineer to get these drawings started. Once this has been accomplished, the Board will discuss the options again with the seawall.

ShoreSox presentation: Lynn reported that after multiple discussions with Joe Harms with Lake and Wetland Management, they submitted a proposal to help with the erosion repair along the shoreline. Basically for years, the shoreline has been ignored and not attended to. The association continues to lose trees, ground coverings, and much of the soil to the river every day. In the last few weeks, many trees have been united with the river. Joe stated that there is approximately 1,000 linear feet located along our shoreline. He stated that at \$55 a foot, they were recommending to apply shoresox filled with pine straw. This solution would help preserve what little shoreline is left around Sunset Bay. This is not a seawall, but a preservation of the shoreline. This will help prevent any further trees being swallowed into the river. The cost of this improvement is estimated at \$55,000. Management asked the Board instead of automatically saying no to this right away, she would like to ask Joe to attend a Board meeting and present his proposal to the Board. Several of the owners liked this idea as well. So, management will consult with him to schedule a date and time for him to speak directly to the Board hopefully in September. Owner William Johnson, spoke about the downfalls of using pine straw versus other items, so he asked a Board member to go with him via kayak to look at and review another property down the road and what they did with their shoreline. They will report on their findings at the next Board meeting.

Rules Committee: Lynn stated that she is looking for volunteers to sit on the Rules committee to review the rules and bring forward a draft to the Board so that the Board could then agree to mail the owners a draft version of the Rules and hope to get them adopted. Currently the rules and regulations are outdated and were written in 2006. Diane stated that she would chair this committee, Sarah, Debbie, Maryann and Will agreed to serve on this committee. Lynn will get them copies of the draft rules to begin looking over and commenting on. We hope to have a plausible draft to allow the Board to approve to mail to the owners by the August Board meeting.

Budget Committee: It is budget time and again, we are asking for volunteers to assist the Board with the 2017 budget. Coral volunteered to chair this committee. They are looking to get other volunteers to help out. Budget time has already started. The goal is to get a proposed budget approved at the September meeting to mail to the owners for their review. Then in October or early November, have the budget approval meeting so that the new budget can be adopted and coupon books can be ordered and mailed to all owners by the end of November to early December.

Roof of 300 Building: Lynn explained that Craig with Rock Roofing is expected to replace the additional roofs over the next few years, from a contract that was signed with him back in September of 2015. Building 300 is next to be scheduled in 2017 for a new roof. However, there are leaks occurring right now and the roof itself is bowing and water is getting into units. Management asked Craig to come look at the roof and he stated that doing a repair is a large magnitude of the price, basically it is throwing good money out the window for a repair. He would have to remove the shingles to get to the rotted wood and then replace the shingles to just come back in within a few months and remove all that work to replace the roof. So, management asked him to work with us regarding the roof. He is willing to allow us to pay half of the cost of the roof replacement now, then 12 equal monthly payments with a 10 percent interest. However, if we pay off the remaining amount, it would be interest free. Management recommends that this is the way to go if the Board chooses not to pay for the new roof all at once with this year's budget. Lynn reported the following numbers: \$40,425, suggested to seek to spend \$50K, so pay half now of \$25,000, then 12 equal payments of approximately \$2000 a month with 10% interest. Or the Board can elect to spend the \$50K now and get the roof replaced and not wait until the end of 2017. The Board discussed the options at length, they decided to request management get another bid from another company to compare the pricing with Craig's. Once that was submitted and discussed, the Board would make their decision regarding the 300 building roof at the next scheduled Board meeting.

Security Camera System: Lynn reported that she had several companies come out and offer proposals. However, none have returned them except Innovative Surveillance, whom management has worked with in the past and does a great job. Lynn requested that the Board not do the entire contract, but to start with a few cameras at prime locations so that they could see the benefit of having the cameras and utilizing the company. Lynn stated that more cameras could be added later down the road, but currently, there is a very

large need for cameras at specific locations due to extensive damage. If Innovative Surveillance installs the cameras, Lynn personally knows that the cameras he installs allows the Board and management to access the cameras any time of the day on their cell phones. So if something is occurring and someone contacts management, they would have the ability to pull the camera up on their phone and review the footage right then and there. They also have the ability to screen shot for still pictures. These screen shot photos can be used in letters to the owners/tenants. A picture says a 1000 words. In experience with other properties, once the cameras were installed and management could utilize them, the damage decreased considerably and management was able to utilize the cameras to go after clear covenant enforcement issues. His proposals stated to place cameras at the pool, the cost is \$1780, then add on the gate and main office for an additional \$1257. For \$3,037 this would put cameras in the ideal locations where they are heavily needed. Suggested proposal is install 16 channel network recorder (NVR) in main office \$395, install 4 TB DVR-Certified Hard drive \$175, Install 4 port PoE Switch (to interface recorder to local cameras) \$79, install quantity 2, 3.0 MP cameras on main office building, one camera in lobby, one camera aimed at driveway \$358, conduit, cables, connectors, adapters and labor to install \$255. Then equipment for 5.8 GHz wireless link to connect pool cameras to recorder in office \$375, replace 3 analog cameras with 3 IP cameras \$537, install IP dome camera by SPA area \$179, install IP dome camera by bathroom area \$179, Install 8 port PoE switch, cables, connectors, adapters and labor to install \$689, grand total of \$3037 to install all hardware and labor for 8 cameras. The Board liked the idea of this company, however requested that management get a few other proposals to compare with. This topic was tabled for the next Board meeting.

Discuss Rules and Regulations: The committee will be discussing these and will report back to the Board with their recommendations. However, regarding clickers, amenity keys, and mailbox keys. Lynn explained that clickers are a hot amenity right now for the gate. The association has the ability to purchase clickers at \$21 each. Lynn proposes that owners should be allowed to purchase up to two clickers per unit at a cost of \$25 each. Tenants should be able to purchase clickers at \$50 each (up to two per unit) and when they vacate the property, they can return the clickers in good condition and usable, they will be sent a refund check of \$25. Then with the amenity key, owners and tenants are currently charged \$50 for a replacement amenity key. Lynn suggested that there should be a rule put forward regarding a step system for amenity keys. If an owner loses their amenity key, they can have this key replaced with a price each time. 1st time-\$50, 2nd time-\$75, 3rd time and forward-\$100. This will help owners keep better track of their keys and no so eager to lose them or loan them to a friend and not have them returned. Regarding tenants, owners should not give their amenity key to tenants. The tenants should have to purchase their own amenity key when they move into the unit at a cost of \$50. When the tenant vacates the unit at the end of their lease, they can return the amenity key to the office and with proper proof of them paying for that key, they can be refunded their \$50 for the return of the key. For tenants, it will be an amenity key deposit, if returned they will get that money back. If not returned, they will lose that money and the step system will work the same way

with them regarding if they lose the key, however, they will only be refunded \$50 for the return of the pool key at the end of their lease. This benefits the owners as well for not having to give up their amenity key which goes with the unit during a sale transaction. Mailbox locks can be changed out by maintenance and the new owner/tenant are given two new keys to their mailbox, the fee for this is \$25. Management highly recommends to ANY new owner or tenant to pay the fee and get their mailbox lock changed due to the security of anyone having access to their personal mail. The association does not keep copies of the mailbox keys. Jeanette made a motion to approve the security deposit for the tenants with the amenity keys and the step system charges for owners/tenants, also approved the clicker rate change for owners and tenants with their deposit. Coral seconded, all were in favor. Management stated that she would go back through the financials and see who has already paid for a clicker at full cost and refund their additional monies.

Manager's Report-Lynn reported that the association hired Brian's father-in-law whom was highly recommended by Brian himself. He is hired for 20 hours a week, Monday, Wednesday, for 8 hours and Fridays for 4 hours at \$12 an hour with a possible raise with a 90-day review.

Issues regarding **Dumpster locations**, homeowner is looking for us to erect a fence or plant more trees or plants to hide the compactor from being visible. Brian is looking into the costs and will supply that to the Board once he has it. Also, would like to consider locations of where to possibly put a 4-yard dumpster, either by the garage in a parking spot by the 400 building, or in a parking spot by the maintenance area, but it will have to be accessible for the dump truck to get to it. More information is requested on this topic and will be discussed at a later meeting.

Signs posted. Lynn bought 4 signs and Brian posted them. 2 signs are 12x18 on the most used gates to the pool (riverside and other side by vending machine) that reads "Gate must remain closed and locked at all times". The sign at the gate reads the office hours and then the other sign reads that if any gate code issues to contact me at xxx and for tenants to register with the office with lease, car registration, and driver's license. Management hopes that this will help with the folks who cannot access the gate due to an invalid code.

Lastly, **July 4th security at gate.** Lynn reported that she came to the property at 11:30, worked the gate starting at noon. Lynn had her chair and umbrella out there with a clipboard of who had registered. If their name was not on the list of registered tenants or owners, their names had to be on a guest list. No name on lists, no entrance into the complex. She reported that several guests were allowed to contact their person that they were visiting and then that person had to come to the gate to retrieve them. Brian came in around 3 and between the two of us we managed the gate and did several walk throughs of the pool, telling folks to keep the gate locked at all times and remove the glass bottles. For the most part everyone was civil and respectful. The fireworks went off at 9:30 and they were beautiful, and everyone commented on how nice it was to watch from their property or sidewalk and not feel overwhelmed.

Lynn will be out of the office on August 1st due to her flying to Ohio to see her other son who is in the military. Thursday is the only day the office will be closed. A notice will be posted on the door.

Owner Input: None.

Set Next Board Meeting: It was agreed that the next meeting will be held on **Thursday, August 18th at 3 pm** in the clubhouse.

Adjournment: There being no further business to discuss, the meeting was adjourned at 5:16 pm by Jeanette Shultz.

Respectfully Submitted,
Lynn Hiott, CAM #35322
Reconcilable Differences, Inc.