

Sunset Bay Merritt Island Condominium Association
Minutes of the Board of Directors' Meeting
Tuesday, September 27, 2016

Guest Speaker: Richard Collard with Poo Prints: Richard Collard spoke about his company Poo Prints and how this would help the community. He explained in detail how the DNA reporting works. Owners were able to ask questions and get their concerns addressed. Each resident owning a dog would have to register their dog with the office and submit a \$50 per dog fee for the DNA test. Management would arrange a time for each animal to get swabbed and collect the fees. This swab would be sent to his company where the DNA is extracted and entered into a database. If and when fecal matter is found outside, it would be collected by either a Board member, management, or a committee member, and the collection would be sent to his company. If a match is detected, then the resident owning the dog would be fined \$150 for the first violation, \$250 for the second, and finally \$350 for the 3rd time they don't clean up after their pet, and the dog would be removed from the property permanently. The Board expressed that this was a good decision for the community moving forward and would be addressing the rules and regulations in the upcoming meetings.

Guest Speaker: Joe Harms with Lake and Wetland was unable to attend the meeting and will speak at the next Board meeting.

Call to Order/Establish Quorum of Directors: President Jeanette Shultz called the meeting to order at 4:40 pm in the clubhouse at 225 S. Tropical Trail. Present at the meeting was Secretary Diane Dahmer. Attending by conference phone: President/Treasurer Jeanette Shultz and Directors Robert Moskovitz and Coral Bailey. Vice President Dale Hartzell was absent. Lynn Hiott with Reconcilable Differences was also present. Unit owners in attendance were: Nina Corbellini, Mary Ann Johnson, Lisa Miller, Will Johnson, Debbie Curtis, Bill Fleming, and Sarah Mahoney.

Approval of the Board Meeting Minutes of August 18th: Jeanette motioned to approve the minutes from August 18th as written, Diane seconded, and all were in favor.

Financial report: Financial/Collections: Lynn reported the following: As of **August 31st, 2016**, the operating account at BB&T showed a balance of **\$223,567** and Sunrise Bank **\$24,188**, a total of **\$247,755**, but of that amount, **\$29,837** was from prepaid assessments, leaving a balance of **\$203,730** in the Operating Fund. There is **\$143,103** in the Reserve Accounts for future repairs. Accounts Receivable are at **\$30,850**. The current profit and loss statement shows the association over budget by **\$32,343 for the year**.

Collections Update: With Alliance in Collections are: Units 108, 116, 219, 303, 311, and 421. Remaining units that are delinquent, management is working with in trying to get their account balanced out or proof of payment

shown or just simple information on how to contact them because they are just paying the wrong amounts.

Unfinished Business:

Seawall Issues: Management reported that Pete Kaiser with Shoreline Construction had his engineer from MK Structural Engineering send us a contract for the drawings. Quote is \$3250. Jeanette made a motion to approve the additional money to get the drawings completed. Diane seconded and all were in favor. Once the drawings have been completed, then the Board will have a better understanding of the cost to repair the collapsed seawall.

Roof of 300 Building: Management reported that they have been trying to reach out to Rock Roofing regarding the proposal that they submitted, however Rock Roofing has increased their original bid signed in 2014, increasing labor and material costs. Due to these unexpected increases from Rock Roofing, the Board feels that they have breached their contract. Lynn will continue to try and work with Rock Roofing and the association attorney to find out what options are available moving forward.

Security Camera System: Lynn reported that Innovative Surveillance came in and installed a total of 14 cameras around the property. There were additional expenses that were not calculated in the original proposal. A pole had to be erected at the pool area to house 3 cameras; one facing the dock, one facing the sidewalk area where residents don't pick up after their pets, and one facing the spa. The other additional amount was for the monitor in the office. It was not large enough to clearly show all the cameras feeds, so a larger monitor was purchased. Jeanette motioned to approve the additional expense of the cameras from the original contract price, Coral seconded, and all were in favor.

Committee Updates: No updates at this time for the Rules Committee.

Fire Sprinkler Opt out vote update: Lynn reported that 127 owners returned their votes agreeing to opt out of the sprinkler upgrade. Lynn will get this sent to the Association attorney for recording.

New Business:

AC Condenser lines: Jeanette made a motion to approve the mailing of the AC Condenser line letter explaining to the owners that the condenser lines need to be replaced and the association will have a contractor complete this so that everything is uniform. Emails and letters will go out to those units that are affected. The work should be completed mid-October. For the lower units that need the condenser lines attached, the cost is \$65, for upper units, the cost is \$105. Should the units need the attachment part, this will be an additional cost of \$47.25 per unit. Also, the contractor will let us know if the actual pan is rusted out and needs to be replaced. He will give us a price and we will contact the owners for approval moving forward.

Gutter/Downspout Clean out: Lynn reported that majority of the gutters and down spouts are in need of being cleaned out. A lot of the gutters are full of leaves and pine needles. Jeanette stated that we can clean and repair those that are needed at this time, but all of them were cleaned out by Rock Roofing just 7 months or so ago. Watertite Gutters did send a proposal in for cleaning gutters/downspouts, removing debris from roofs and blowing walkways for a total of \$1,230 for all buildings.

Palm Trees Trimmed: Lynn reported that none of the Palm Trees have been trimmed this year and hurricane season is upon us. Lynn did get quotes returned from three companies. Most of them were quoting \$20-\$25 per palm to be trimmed. We were informed that we have 112 Palm trees on the property. Segura proposed \$2800, Jenkins proposed \$2000, Lindemann proposed \$2240, and Daly's Trees proposed \$2130. However, Daly's does not have Worker's Comp insurance proof. This topic will be addressed at the next Board meeting.

Mailing of Proposed Budget to Owners: Jeanette reported that the committee worked diligently to make sure the fees for the owners did not go up. However, management does not like dealing with pennies, so everything is equally divisible by 12. The committee is recommending \$309,072 be saved into reserves for 2017. The fees per unit will only increase or decrease the number of pennies to make the owner at an even amount. Due to the price per square footage on the units, the simplest breakdown is if you were paying in 2016 \$176.05, you will now only pay \$176 per month. If you were paying \$176.61, you will now pay \$177. Management will send a large package to the owners and this will have a cover sheet explaining things, operating budget, reserves, price breakdown of units, account explanation, proxy to vote and how to pay for next year. Lynn explained that the association will start using Sunrise Bank for the collection of monthly fees next year, because they will not charge as much and, being a small bank, are easier to deal with. Owners will choose to either pay by automatic debit (ACH), Bill pay from their bank, or they can order a coupon book and send in their monthly payment with a coupon book. The coupon books if ordered will cost \$5 each if ordered by the middle of November. If after this, the owner will be charged \$10 for a separate request. We would like to encourage owners to either go with automatic debit or bill pay as this is the safest and easiest way to pay their monthly dues. We will also be asking the owners to not only vote on partially funding or fully funding the reserves, but to also vote on waiving the need for a full audit of the 2016 financials and choosing the lesser cost of a review, thus saving thousands of dollars. Lastly, the owners will vote on receiving all association communication via email or postal service. If they choose to receive by email, then this will save the association money in copying charges and postal fees. Jeanette stated that in 2017, the Board hopes to: Repair the seawall, save the shoreline from further degradation, and replace two roofs. Some smaller items are: install mulch in the flower beds and get areas sodded, once the irrigation repairs are completed.

Jeanette made a motion to approve the mailing of the 2017 proposed budget package to all owners, Diane seconded and all were in favor.

Annual Meeting Date and Time: Lynn reported that last year's annual meeting was held on January 22, 2015. The governing documents state the next annual meeting must be held within 13 months of the last one. The Board agreed to Thursday, January 26, 2017 at 6 pm for their annual meeting. Notices will go out 60 days in advance, by November 25th.

Manager's Report: The management for unit 409 is demanding that the association be responsible for an invoice from LB Drywall for repairs inside the unit that were allegedly made during roof installation. The Board all agreed that they did not grant permission for this work to be completed and if there was something agreed upon with Rock Roofing, then they had to go through Rock Roofing or against their insurance, not the association. Management will let this property manager know again about this decision.

Lynn reported that there are several leaks into the 500 building from the roof. Lynn has attempted on several occasions to contact Rock Roofing to no avail. Lynn contracted Total Home Roofing to complete the repairs so that the leaking would stop into the 500 building units. Jeanette made a motion to approve Total Home Roofing to complete the emergency repairs to the 500 building, Diane seconded and all were in favor.

Lynn reported that the bicycle and kayak registration is not happening as of yet. Lynn has ordered the decals and when they arrive, the registration will start.

Owner Input: An owner complimented the Board for all that they have been doing and also wanted to compliment management for all their tireless hours helping the association get organized and handled properly. The owners feel that there have been good changes occurring and are happy with the services.

Set Next Board Meeting: It was agreed that the next meeting will be held on **Thursday, November 3rd at 6 pm** in the clubhouse. This will be the approval of the 2017 Budget.

Adjournment: There being no further business to discuss, the meeting was adjourned at 5:49 pm by Jeanette Shultz.

Respectfully Submitted,

Lynn Hiott, CAM #35322
Reconcilable Differences, Inc.