

Sunset Bay Merritt Island Condominium Association
Minutes of the Board of Directors' Meeting
Thursday, October 26, 2017

Call to Order/Establish Quorum of Directors: President Jeanette Shultz called the meeting to order at 1:02 pm in the clubhouse at 225 S. Tropical Trail. Present at the meeting was Treasurer Coral Bailey. Attending by conference phone: President Jeanette Shultz Director Robert Moskovitz, Secretary Diane Dahmer, and Vice President Dale Hartzell. Lynn Hiott with Reconcilable Differences was also present. Unit owners in attendance were: Signe Kastberg and tenant Denise Hearn.

Approval of the Board Meeting Minutes of August 24th: Coral made a motion to approve the minutes from August 24th as written. Diane seconded, and all were in favor.

Financial/Collections: Lynn reported the following: As of **August 31, 2017**, the operating account at Sunrise Bank showed a balance of **\$276,008**, but of that amount, **\$22,494** was from prepaid assessments, leaving a balance of **\$253,514**. There is **\$243,979** in the Reserve Accounts for future repairs. Accounts Receivable are at **\$20,379**. The current profit and loss statement shows the association over budget by **\$4,190 for the year**. Jeanette made a motion to remove the item of "Due to Developer-Disputed" from the books as she doesn't believe it is valid based on the statute of limitations. Michelle will post the debit to the liability account in QB with a credit to miscellaneous income. This will remove this invalid line item from the financials. (All per CPA-Ron Cole) Coral seconded the motion, and all were in favor.

Collections: Lynn discussed various accounts that were not paid up to date and Alliance currently has 3 open accounts moving forward with foreclosure proceedings.

UNFINISHED BUSINESS:

Seawall Update: Lynn reported that the first seawall is still awaiting final permit from County. The second seawall behind the pool had emergency shoring that occurred right after hurricane Irma to protect the pool from collapsing, however we are on the waiting list with the contractor to move forward. Jeanette made a motion to approve the proposal from MK Structural to complete the drawings of this phase of the seawall and to oversee the project of the completion of the second seawall. Coral seconded the motion, and all were in favor.

Roof Update: Building 500 was completed right after the storm. Due to severe damages Building 100 and 900 need to be replaced immediately. Total Home Roofing is holding a slot for the 100-building roofing project. Coral made a

motion to approve the contract with Total Home Roofing to replace 100 and 900 building roofs. Jeanette seconded the motion, and all were in favor.

Bicycle/Kayak registration with decals Most residents have registered their bicycles/kayaks. Brian and I went through garages 3 and 4, time was given to residents to claim bicycles. All those not claimed went to the church last week. We have a receipt of the donated bikes. Brian and Carl cleaned out garages 5, 6, 7, 8 and we now have all these bicycles under lock and key with signs posted that they have until November 15th to claim them or they will be donated to the church as well. Pictures of all these bicycles have been taken.

National Valley Loan: Jeanette made a motion as “the board of Sunset Bay Merritt Island Condominium Association, Inc. approves to move forward with the loan offer from Valley National Bank for a Non-Revolver/Term Loan in the amount of \$500,000 for a term of 10 years at a rate of 4.50%. Additionally, it is also agreed that Coral Bailey and Diane Dahmer will represent the association in the signing of the loan documents, along with Lynn Hiott as manager. It is also approved to make a check payable to Valley National for closing costs associated with this loan. Closing costs: Doc Stamps: \$1750 Attorney Fee: \$300 UCC Filing: \$150 Doc Prep: \$500 ½% fee: \$2500 **Total: \$5200** **Payments** if the full amount of \$500,000 is taken out: First 24 months: \$1849.32/month After 24-month period principal and interest: \$5181.92. Coral seconded this motion, and all were in favor. The Loan was taken out for a complete seawall build along the shoreline of Sunset Bay, as well as to help with the costs of shore stabilization and roof replacements.

NEW BUSINESS:

Stabilization of Shoreline: Stabilization of shoreline by 900 building sitting area: Mike’s Masonry has been working diligently to fill in and stabilize the shoreline so that we do not lose the sitting area by the 900 building. His costs for this area will be approximately \$9,000, will need this ratified. He would like to complete the area by the 900 building and also in front of the pool area as well. Jeanette made a motion to ratify the expense to Mike’s Masonry and approve his expenses to continue along the shoreline another 100 feet, fill in the pool area, fill in behind the dock area where it has washed out and reset the pillars on the dock area. Coral seconded this motion, and all were in favor.

Approval to Mail Out Proposed Budget to Owners: Lynn reported that after a lot of hard work with the Board and management, the fees for 2018 were able to be left alone and to not go up or down. The monthly fees are proposed to stay the same as 2017 fees based on square footage of the units. The package explains the line by line items, the reserve analysis, the written justification and a proxy for the owners to return their votes. The owners are asked to vote

on a “fully funded reserve” or a partially funded reserve, CPA Audit of 2017 financials or a Review, and if they would like to receive association email versus hard copies and lastly if they would like their phone/email information to put into a directory for all owners/tenants to have access to. We asked that all proxies be returned by November 15th so an accurate count could be given. Jeanette made a motion to approve the proposed budget to mail to all owners as written, Diane seconded, and all were in favor. Lynn will get them mailed out after the meeting.

Marcon Forensics Engineer Building 300/600 Repairs: This is part of our lawsuit and Felix with Marcon Forensics has given a proposal to complete the drawings and oversee the repair project to the stacks of the 300/600 buildings. The Board requested to seek another opinion from another engineer before finalizing Felix’s contract. This will be discussed at another meeting.

Damages to trash compactor: Lynn reported that Pro Waste owns the trash compactor, but Waste Management has the contract to service the compactor weekly. A Waste Management driver attempted to remove the compactor without disconnecting the hydraulic hoses, which caused the heavy machine to be ripped from its stand and do heavy damages to it. Upon review of the camera footage, we could see the driver do these damages. Lynn immediately put a claim in against Waste Management insurance and was guaranteed payment would be made to cover the repair damages to the compactor. The damages were estimated about \$2,000.

Neighborhood Watch Group Report: Denise Hearn-Chairman reported briefly that their group has been meeting and are on track with positive changes in the horizon. She stated that the group assisted with the trash removal while the compactor was down, and the Board recognized their efforts and thanked them as well. Denise stated that distinct groups have different times that they patrol the grounds, the pool, and verify that the community lights are working safely. She will have more of a report at the January meeting.

Landscape Committee Report: Lynn reported that Signe resigned from the position of Chairman for this committee. The Board approved Mary Ann Johnson to Chair this committee for the future. Mary Ann requested that the name be changed from Landscape Committee to “Master Gardening Club”, which the Board agreed to. Mary Ann will give a report to the Board at the January meeting. The Master Gardening Club will give recommendations and costs of ways to improve the community grounds and brighten the foliage up and allow for a better curb appeal. Everyone looks forward to hearing their recommendations.

Manager’s Report: Nothing to report.

Set Next Board Meeting: It was agreed that the next meeting will be held on **Thursday, November 16th at 1 pm** in the clubhouse. The Owners will have their Budget meeting first, and the Board meeting to follow.

Adjournment: There being no further business to discuss, the meeting was adjourned at 1:55 pm by Jeanette Shultz.

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