

**FLORIDA BAY CLUB CONDOMINIUM ASSOCIATION, INC.
BOARD OF DIRECTORS MEETING MINUTES**

Friday, October 21, 2016

I. CALL TO ORDER/ ROLL CALL

The meeting of the Board of Directors was called to order by President Phil Truran at 6:00 p.m. with the following persons in attendance:

Board of Directors:

Phillip Truran, President (via teleconference)
Michael Gandham, Vice President (via teleconference)
James Farmer, Secretary (via teleconference)
Edward Daniel, Treasurer (via teleconference)
Michael Heise, Director (via teleconference)
John Lexa, Director (via teleconference)
Wanda Robbins, Director (via teleconference)

Vacation Resorts International and Resort Management:

Richard M. Schwartz, Vice President of Resort Operations/VRI (via teleconference)

Owners:

David Purdy (via teleconference)
Becky Bolesta (via teleconference)

II. CERTIFICATION OF QUORUM

A. Posted

Phil Truran confirmed that the notice of the meeting was posted at the resort in an approved location in accordance with the Condominium Documents and Florida Statute.

B. Quorum

A quorum was established with seven Board members in attendance.

III. APPROVAL OF PREVIOUS MEETING MINUTES (10/05/16)

MOTION: Mike Gandham moved to approve the Regular Board Meeting Minutes of October 5, 2016 as written.

SECOND: Motion was seconded by Wanda Robbins.

DISCUSSION: David Purdy requested that his question and answer under IV. (A) be included in the minutes as follows: *Will the float reservation system remain the same under VRI? Phil Truran stated that it will.*

VOTE: The motion was approved unanimously.

IV. OLD BUSINESS

None.

V. NEW BUSINESS

A. Roof Repairs Special Assessment

President Phil Truran reviewed the DBPR Deficiency Letter received and sent to all owners, specifically addressing the \$131,220 that is due to the Reserve Fund from the Operating Fund. Treasurer Ed Daniels outlined the revised proposed Special Assessment which reflected a Special Assessment of \$275,400 or \$300 per week owned. He stated that this amount would be used as follows:

Item	Toward Roof	Toward Operating Fund	Operating Fund Deficit
Balance Forward			-\$217,171
Assessment Amt. / Week	\$300		
Weeks	918		
Total	<u>\$275,400</u>		
Uncollectible	<u>27,540</u>		
Balance Collected	\$247,860	98,780	
Due Reserves		131,220	131,220
Due Operating Fund		<u>17,860</u>	<u>17,860</u>
Balance	<u>\$230,000</u>	<u>\$17,860</u>	<u>-\$68,091</u>

The discussion which followed addressed the following:

- John Lexa - concerned about reducing resort costs, he inquired as to how the insurance is paid and recommended using financing. Phil Truran stated that insurance is paid in full when invoiced to avoid additional finance costs.
- John Lexa - recommended allowing another insurance agent to review the current policies to see if a further reduction in premiums was possible. He requested the declaration pages and most recent insurance appraisal so that he may provide to another agent. He also recommended financing the roof replacement rather than initiating a special assessment.
- Mike Heise - reviewed the deficiencies in the reserve fund as stipulated in the DBPR's letter and recommended the special assessment as a way to address the deficiencies and fund the roof replacement.
- Ed Daniel - explained the underfunding of reserves over the last two years, pointing out that financing insurance as well as the roof replacement would only increase costs and is only a short-term fix.
- John Lexa - inquired as to how the Board plans on cutting costs. Ed Daniel stated that one area that will be looked at would be housekeeping. John Lexa recommended a possible reduction in the maintenance staff also as a way to help cut costs.
- Mike Heise - stated that any financing would not benefit the Association since the financing costs would all have to be paid within a one budget year.

- Wanda Robbins - requested clarification as to whether the \$300 special assessment was per owner or per week. Phil Truran stated that it was per week. Wanda also wanted to know about those owners who may not pay. Ed Daniel stated that a ten percent delinquency factor was used in computing the special assessment to account for such owners.
- Jim Farmer - agreed with the \$300 special assessment.
- David Purdy - stated he owns ten weeks and that he was the treasurer in 2009, at which time the resort only had \$20,000 in total and was on the verge of bankruptcy. He felt that the resort has come a long way since then and agreed with the \$300 special assessment.
- Wanda Robbins - agrees with the \$300 special assessment rather than financing the roof replacement.
- David Purdy - some owners may not want to pay the special assessment and the Association must be vigilant in collection efforts.

MOTION: John Lexa moved to approve financing the roof replacement.

SECOND: Motion was not seconded and therefore withdrawn.

MOTION: Jim Farmer moved to approve the roof special assessment in the amount of \$275,400 or \$300 per week owned.

SECOND: Motion was seconded by John Lexa.

DISCUSSION: Mike Heise requested that the special assessment billing process be reviewed. Ed Daniel stated that the billing would occur immediately with a due date of December 1, 2016.

VOTE: The motion was approved six to one with John Lexa voting no.

- Phil Truran reviewed the process for scheduling the roof replacement.

VI. ADJOURNMENT

MOTION: John Lexa moved to adjourn the meeting at 6:52 p.m.

SECOND: Motion was seconded by Wanda Robbins.

DISCUSSION: None.

VOTE: Motion was approved unanimously.

James Farmer, Secretary

RMS/jmf

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