

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

Tuesday, February 4, 2020

I. CALL TO ORDER/ ROLL CALL

A duly noticed telephonic meeting of the Board of Directors was called to order by Phillip Truran at 6:04 p.m. at the Florida Bay Club Office. The following persons were in attendance:

Board of Directors:

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

VRI Americas (VRI) and Resort Management:

Richard Schwartz, Vice President of Resort Operations/VRI (via teleconference)
Shelby Valles, Resort General Manager

Owners:

Janet and Mike Anderson (via teleconference)
John Faggio (via teleconference)
Bob and Millie Gorman
Pete McCormick
Linda Mihalek
Susie and Pete Paine
Mike Ranke (via teleconference)
Toni and Dave Richards
Bob and Linda Utter

II. NOTICE CERTIFICATION/QUORUM VERIFICATION

A. Posted

Shelby Valles 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 of seven Board members in attendance.

III. APPROVAL OF AGENDA

MOTION: Phillip Truran moved to approve the agenda as presented with the addition of Smoking Policy under Item IX. H. New Business.

SECOND: Motion was seconded by James Farmer.

DISCUSSION: None.

VOTE: The motion was approved unanimously.

IV. APPROVAL OF PREVIOUS BOARD MEETING MINUTES (01/07/20)

MOTION: Phillip Truran moved to approve the January 7, 2020 Regular Meeting Minutes as written.

SECOND: Motion was seconded by Robert West.

DISCUSSION: None.

VOTE: The motion was approved unanimously.

V. TREASURER'S REPORT

Richard Schwartz presented the Treasurer's Report consisting of a December 31, 2019 Revenue and Expense Variance Report, copies of which were provided to all attendees. Questions **(Q)** and Answers **(A)** were as follows:

- **Q:** Michael Heise - is there a way to reduce credit card fees?
A: Richard Schwartz - the credit card fees incurred are associated with merchant fees charged to VRI for owner payments by credit card. The fee is around 2% and is a pass thru cost to the Association.
A: Phillip Truran - the fees being incurred now are substantially less than the Association was paying under their owner merchant account prior to VRI.
- **Q:** John Faggio - inquired why capital improvements paid out of Reserves and Special Assessments are not capitalized.
A: Richard Schwartz - in a Homeowner's Association, capital improvements can be expensed through the Reserve Fund and Special Assessment Fund and do not need to be capitalized under the IRS code.
- **Q:** Michael Heise - requested clarification on the Miscellaneous Revenue of \$28,128.
A: Richard Schwartz - explained that when VRI assumed management in 2016, the prior audit reflected a payable for payroll taxes in that amount. Not being able to find out what this was for, it was left on the books until VRI was sure there was no liability to the IRS. This payable was written off as a prior year adjustment in December 2019, thereby creating revenue for the Association.

VI. MANAGEMENT REPORTS

A. Rental – Source of Business Report

Richard Schwartz reviewed the Source of Business Report for the month of January 2020, copies of which were provided to each attendee.

Total usage for the month was 81.67%, with Owner use leading the list at 62.04%. The average daily rental rate for the month was \$176.90 from 10 days of rental.

B. Delinquency Report

Richard Schwartz reviewed various reports, copies of which were provided to each attendee, as follows:

1. Special Assessment Report - as of January 24, 2020
 - a. 52.57% of the 2019 Special Assessment has been collected totaling \$301,520.
 - b. \$68,204 or 22.62% of the collected amount has been expended.
 - c. Remaining Special Assessment funds on hand are \$233,316.
2. Accounts Receivable Report - as of December 31, 2019
 - a. 2019 fees uncollected are \$30,811, the same as last month and \$8,921 less than the 2018 fees uncollected at December 31, 2018.
 - b. 2020 fees uncollected are \$385,551 - \$85,736 less than last month and \$90,579 more than the 2019 fees uncollected at December 31, 2018. Richard Schwartz explained that the increase this year in uncollected fees may be due to the simultaneous due dates for the annual resort fees and the special assessment.
3. Delinquency Report - as of January 21, 2020
 - a. 2020 fees uncollected are \$271,744, a decrease of \$113,807 from December 31, 2019 as outlined in 2(b) above.
 - b. These uncollected fees consist of the following 314 weeks:
35 Association weeks, 3 weeks in collection, 1 week deemed uncollectible, 2 weeks scheduled for foreclosure and 273 regular owner weeks.

C. RCI Report

Richard Schwartz reviewed the RCI Report as of January 31, 2020, copies of which were provided to each attendee. 4 out of the 5 award categories are at Gold Crown status with Unit Maintenance at Silver Crown status. It appears this lower score is a result of the dated interior of the units as evidenced by the guest comment cards.

D. Sales Report

Richard Schwartz reviewed the Sales Report as of January 31, 2020, copies of which were provided to each attendee. He reported that there were no sales in January, most likely due to the lack of the final decision on the renovation special assessment. In 2019 there were 8 Association weeks and 1 owner week sold at an average price of \$3,899.

VII. GENERAL MANAGER'S REPORT

Shelby Valles reviewed her General Manager's Report, copies to which were provided to all attendees.

Items further discussed include the following:

- Water in the gym appears to be coming through the bathroom wall, possibly from the accumulation of rainwater in the adjoining bathroom. Possible solutions include: adding another gutter and downspout on the roof, changing the floor level in the bathroom or adding an additional drain that is higher. Shelby Valles will obtain recommendations and proposals from a general contractor to resolve the issue.
- Mike Gandham recommended communication to the owners about the recent special assessment as well as the anticipated upcoming one. Owner Mike Faggio questioned the plans to renovate the remaining units. Phillip Truran stated that the Renovation Assessment will be discussed under New Business.

VIII. UNFINISHED BUSINESS

A. Dock Lighting

Shelby Valles announced that she has one proposal from Wire Nuts Electric and is still waiting for proposals from Brown' Electric and Gonzalez Electric who state that they cannot bid until they know what kind of pilings will be installed. As soon as she receives plans from Upper Keys Marine, she will provide to all contractors so they may properly bid. Additionally, Shelby spoke to an electrician in Brevard county who stated that they do not work in Key Largo but that their price would most likely exceed \$20,000.

MOTION: Phillip Truran moved to table this matter until the dock construction begins.

SECOND: Motion was seconded by James Farmer.

DISCUSSION: None.

VOTE: The motion was approved unanimously.

B. Building Painting Color Ratification

Pictures of recommended colors and striping on the building were provided to all attendees.

MOTION: Phillip Truran moved to paint all buildings with the colors presented, the lighter color on top and the darker color on the bottom, with a white stripe between the two.

SECOND: Motion was seconded by Robert West.

DISCUSSION: None.

VOTE: The motion was approved unanimously.

C. Signage

Phillip Truran recommended installing a lighted sign behind the maintenance area, facing southbound Overseas Highway. After some discussion, Shelby Valles was directed to obtain proposals for signage, both at the recommended location as well as near the dumpsters at the end of Churchill Downs.

This matter is to be tabled further until the proposals are obtained.

IX. NEW BUSINESS

- A. Action Plan
- B. GM Bonus Worksheet
- C. Long Term Projects List
- D. Property Checklists

The above agenda items were tabled until the next regular Board Meeting.

- E. Stairway Safety Handrails

Phillip Truran recommended adding additional railing or a motorized lift in one unit to assist disabled persons. Shelby Valles said that the general contractor recommended making it removable for access purposes. After some discussion, it was decided to table this matter until the renovation of a 3-bedroom unit was scheduled.

- F. Pool Vacuum

This matter is tabled until the next regular Board Meeting.

- G. Renovation Assessment

Phillip Truran presented the financial plan for the renovation of the remaining units as previously discussed by the Board:

Interior renovations	\$125,000 x 17 units *	\$2,125,000
Deck replacements	\$ 45,000 x 9 decks **	<u>\$ 405,000</u>
Total Renovation Cost		\$2,530,000
6% Delinquency Rate	6% x \$2,530,000	<u>\$ 151,800</u>
Total Special Assessment		\$2,681,800
880 weeks (918 less 35 HOA owned and 3 DQ)		\$3,047.50 per week
3 ½ year payout=15 quarters		\$ 203.16 per quarter

Owners paying entire amount upfront will receive 5 years of preferred reservations, beginning one month prior to the early open reservation time of the first Monday in November.

There was an in-depth discussion by Board and owners as to the amount of the proposed special assessment and the need for the renovations. A majority of those present were in favor of the plan.

Richard Schwartz recommended increasing the DQ rate to 25% based on the current response to the recently approved special assessment of \$626 per week.

MOTION: James Farmer moved to approve the scheduling of a Board Special Assessment Meeting on Monday, March 16, 2020 at 6:00 p.m. with a 14-day notice to the ownership, detailing the planned special assessment as outlined along with scope of work and pictures of the A10 model.

SECOND: Motion was seconded by Wanda Robbins.

DISCUSSION: Phillip Truran will utilize a conference call program that allows for controlling of questions by owners in order to allow for a more orderly meeting.

VOTE: The motion was approved unanimously.

H. Smoking Policy

This matter is tabled until the next regular Board Meeting.

X. EXECUTIVE SESSION

A. Personnel Matter

This matter is tabled until the next regular Board Meeting.

XI. SCHEDULING OF NEXT MEETING DATES/TIME 2020

MOTION: Phillip Truran moved to schedule the next regular Board Meeting for Tuesday, March 31, 2020 at 6:00 p.m.

SECOND: Motion was seconded by Robert West.

DISCUSSION: None.

VOTE: Motion was approved unanimously.

XII. ADJOURNMENT

MOTION: Robert West moved to adjourn the meeting at 9:18 p.m.

SECOND: Motion was seconded by Wanda Robbins.

DISCUSSION: None.

VOTE: Motion was approved unanimously.

James Farmer, Secretary

STS/cht

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