

**Barefoot Beach Resort of Indian Shores Condominiums Association, Inc.**

**Board Meeting Minutes**

Date – September 28, 2015

Time – 6:00 PM

Place – Unit A113, Barefoot Beach Resort

Attendees – Bruce Bornick, Denise Reilly, Kim Porte, Harry Artz, and Linda Pisano, Associa Manager. Paul Sottile was unable to attend.

The meeting was called to order at 6:05 PM. Kim moved to approve the minutes from the August 24, 2015 meeting. Denise seconded the motion and the motion passed unanimously.

Treasurer's Report – Prior to the meeting Harry emailed the 2016 Proposed Budget to the Board. During the meeting we reviewed and discussed the budget line by line. The Board was concerned that Operating funds were reduced too much from previous years. Harry made a few adjustments on the spot. Significant discussion centered on the Reserve Study and reserve values. Harry did a fantastic job bringing the budget in compliance with the Reserve Study. Harry plans to update Paul separately on the budget discussions. The four members of the Board all approved the 2016 Proposed Budget. We will review the budget with Associa and make final minor refinements and include it in the Annual Owner mailing to go out in early October. We will be asking owners to vote on four budget related requests:

(1) Request the owners approve rolling over any excess 2015 monies to the 2016 budget. By approving this, we will not have to pay tax on the excess monies. (FYI... we make this request every year)

(2) Request the owners allow the Board to align the reserves properly according to the Reserve Study. Some categories, such as Plumbing, have too much funding and others do not have enough. By moving the monies into the proper buckets it allows us to align to the proper way to fund each category without excessively raising our monthly dues. The only other way to align properly would be to raise dues even further, which we do not want to do. If we do not align to the reserve study, we risk running out of funds in one or more categories, which would require other financial changes in the future.

(3) Request the owners approve the use of reserves to pay the yearly insurance bill. Our insurance bill is over \$300K, and since we do not have \$300K in operating funds we take a loan out each year from the insurance company (currently at a rate of 2.6%). We have plenty of reserves but only earn 1% interest on those reserve monies sitting in the bank. In the end we save a thousand or two by using our own reserves to pay the insurance bill.

(4) Request the owners approve the use of reserve funds to pay for an emergency operating expense. This provides a backup for the Treasurer to fund an operating expense for some unforeseen emergency situation.

All of these owner requests are designed to align the budget properly and keep dues at a minimal amount. We have a healthy financial status despite the raising insurance costs, developer settlement issues, and misaligned reserve categories. We have completed numerous maintenance projects, refined contracts, and eliminated unnecessary costs. We have moved funds to two additional banks to align with FDIC maximum coverage, and also in doing so have placed the funds in higher interest bearing money market accounts. We have moved to a new wireless fire alarm monitoring system with significant cost savings. All these financial actions should steady the budget and keep dues from wildly going up or down in the future.

Manager's Report – In early October Linda will include more details of the four budget-related owner votes in an information packet going out to owners for the Annual Owner's Meeting.

***Please look for the voting/proxy forms and sign and return them for counting at the Annual Owner's Meeting. We must have as many owners as possible vote on these actions.***

### **Unfinished Business**

#### **Property Maintenance and Projects**

Roofing Replacement and Repair – The F Building roof replacement is very close to completion leaving only minor repairs to the E Building and Clubhouse roofs. The roof project began in 2014 with interviews and planning in the Winter of 2014/2015. We hired a roofing consultant, Gary Albritton, who walked us through the selection of a quality roofer, Southern Roofing, in May. Southern obtained permits began work early Summer 2015. Southern did a very good job minimizing the inconvenience to guests. Considering the extent of the work, they did well. We are all satisfied with the quality of the work and pleased to see this project coming to completion soon.

Pool Fence Replacement – The replacement of the pool fence will be completed by October 1<sup>st</sup>. The fence company is allowing guests to use the pool during the fence replacement, therefore, the pool is not closing during the fence project.

### **New Business**

Other discussion items on the agenda were pushed to a future meeting since the budget discussions took up most of the time. The meeting was adjourned at 7:35 p.m. **The next meeting is the Annual Meeting, which will be held on Thursday, November 12, 2015 at 6:30 PM in the BBR Clubhouse.** If you cannot attend, please send in your voting/proxy forms.

# Barefoot Beach Resort Treasurer's Report August, 2015

## Summary of Operating and Reserve Account Balances

	August Balance	July Balance	
Operating cash	94,786.14	137,787.97	
Prepaid Owner Maintenance Fees	33,856.08	36,541.31	
Reserve Funds Balance:	905,151.24	908,357.53	
Unallocated interest in reserves	52,828.20	56,372.84	
Month Net Income / (Loss)	6,653.66	(903.85)	
YTD Net Income (Loss)	56,868.65	50,214.99	
Prior Year Funds	(11,833.08)	9643.24	
Delinquency Report Owed Total	15806.92	22,738.50	
Delinquency Report Owed >120 days	8,300.98	14,609.31	
Line of Credit Outstanding (prime+.5%)	5,000.00	35,000.00	
Developer Loan Outstanding (4.25%)	57,695.76	60,554.99	(\$46,258.84 at year end)

## Monthly Financial Statements

1. August Monthly Actuals
  - a. Reduced Line of Credit by \$30,000 – \$5,000 remaining due to my typo to Associa to reduce.
  - b. Underrun due to reclaim of bad debt expense from foreclosure settlement activity, timing of water service
  - c. 2 \$1,545 legal retainers for foreclosures E204, B110
  - d. July prior year funds were \$9,643.24, August is (11,833.08) – checking with Associa
  - e. Sent August financials to auditor to validate adjustments
2. YTD Actuals
  - a. Strong cash position – operating cash at \$94,786.14 which should grow to \$110,000 or more by end of year
3. Discussion
  - a. 2016 Budget –
    - i. Inclusion of Reserve Study
    - ii. Consider pay off of developer loan as part of budget plan (\$46,258.84) from operating cash
    - iii. Partial use of carryover funds (2015 EOY underrun) for 2016 budget as done in 2014