

Board of Directors Meeting Minutes
Barefoot Beach Resort of Indian Shores Condominium Association, Inc.

Date – December 11, 2014

Time – Meeting called to order at 6:30 PM

Place – BBCCA Club House, 19417 Gulf Blvd, Indian Shores, FL 33785

Attendees – Bruce Bornick, Denise Reilly, Paul Sottile, and Kim Porte (Harry Artz attended by phone)

Also in attendance – Linda Pisano – Associa Manager

Bruce opened the meeting stating that we had a very full agenda and may need to push items that are not time sensitive to another meeting. Kim made a motion to approve the Minutes from the 2014 Annual Membership Meeting. Denise seconded the motion, a vote was taken and the motion passed 4-1 (Paul Sottile was the dissenting vote) to accept the Minutes. Kim made a motion to approve the Minutes from the November Board of Directors Meeting. Denise seconded the motion, a vote was taken and the motion passed unanimously.

Treasurers Report – Harry stated that having over a million dollars in our reserve account is very good. He proposed that we invest a portion our reserve funds in CD's paying higher interest rates than we are currently earning. He also proposed that we "self-finance" our insurance premiums in the future. We are currently paying 3.4% interest. By self-financing we would save more than \$10,000 per year in interest costs. (See the Treasurer's Report Below) The Board discussed several items in his report. Paul had several items that he wanted to discuss with Harry, Harry suggested they meet to discuss things in depth and report back to the Board when they have answers to the points Paul wants to explore. We were also supplied with a report of the December 1 meeting Harry had with Associa.

Treasurer's Report Below

November 2014	Closing Balances	Prior Month Balances
Operating Cash	41,347.54	68,640.62
Reserve Funds	1,072,855.70	1,078,130.91
Unallocated Interest in Reserves	50,070.38	53,861.91
YTD Net Income / (Loss)	21.429.76	(76,178.22)

- I. Current Month Actuals
 1. Several Transition catch-up transactions applied
 2. Laundry income low
 3. Bad Debt has exceeded budget for year
 4. Working to predict end of year – projecting surplus
- II. 2015 Budget / Associa meeting Review
- III. Proposals:
 1. Proposal to request owner approval to borrow from reserves to eliminate interest costs (i.e., interest on insurance bills)

- a. Current interest rate 3.4% on 2015 Insurance budget of \$310,000 = \$10,540 plus any increase for 2015)
- b. Have adequate funds in reserves to borrow and repay by end of year 2015 from owner maintenance fees
- c. Requires owner approval requiring meeting and proxy letters
- d. Recommend proxy to owners in December for 2015
- 2. Reserve Account Funds - proposal to improve interest via CD's
 - a. Reserves currently held in low interest accounts expected to yield approximately \$1,800 for 2014 = approximately .2%. vs current CD rates of almost 1%.
 - b. Recommend funding Insurance from reserves to save \$10,540 (minus the interest lost which is approximately \$550)
 - c. Need to leave enough funds for roof repair expected to occur during 2015
 - d. Need to limit CD's to \$250k per bank to be fully insured
 - e. Recommend begin with \$200k for 1 year @ 1% = \$2,000 and \$200k for 2 years at 1.25% = \$2,500, leave \$300k or \$600k in current bank @ .02% = \$550 or \$1,110. Total interest earned could be over \$5,000.

Managers Report – Linda told us that she has now received 31 Owner Information Forms. Mario has finished the pool bath tile installation and everyone agreed it looks great. Linda is still waiting on estimates for replacing both pool bathroom doors with fiberglass doors. These types of doors will not rust as the current ones have.

UNFINISHED BUSINESS

Property Maintenance and Projects

Roofing Project – Linda will contact Albritton and Associates (Roofing Consultants) and ask them to spec out the roofing project so that we can then begin to obtain bids. The Board would like the consultant to oversee the projects once a roofer is hired.

Security – Cameras for the pool and boat docks are still being researched. Paul wondered if people would mind being filmed while at the pool. Linda stated that properties up and down the street have security cameras. Bruce stated we would not save money on insurance premiums but they would provide a record if property were damaged or in the case of an injury. Bruce informed us that the two estimates that we currently have are very different in price. One requires hard wiring which is more expensive and the other said he could provide a dedicated wireless line to run the cameras for less than hard wiring. The Board would like more information and possibly another quote before making a decision.

Drainage – Paul informed the Board that standing water after big storms accumulates at the south side of the pool as well as by the bathroom doors. We need to look into how this standing water could be drained.

Pool Signage – There has been a delay in the pool signage, proofs should be available soon, once approved they will be ordered and posted.

Committees and Special Actions

Status of Condos in arrears or foreclosure – Denise and Linda updated us on this subject. Linda reported that Associa has a procedure in place that they follow with any delinquencies. Linda wanted clarification on what to do when an owner is more than two months delinquent. A pre-lien letter should be sent at 90 days. She will no longer need Board approval to do this. At 120 days the attorneys should be instructed to set the lien.

Storage Room Rental – The Board agreed to renew the lease with BBVR (on-site rental office) for the Storage Room in Building D. They currently pay \$100/month and we will renew for another year. The Board would like to discuss establishment of a documented Storage Room policy. This might include bringing back a lottery for those owners interested in leasing a storage room with terms more acceptable to owners. The Board will look into forming a committee to look into this.

Boat Slips – No new information at this time. We are still waiting for the submerged land lease to be approved by the State of Florida.

NEW BUSINESS

In response to the information given in the Treasurer's Report and the discussion that followed, Bruce made a motion to have Associa send out the proper notice and proxy information to all owners by U.S. Mail as required by Florida Statute to hold an Owners Meeting on Thursday, February 12, 2015 to vote on borrowing money from the Reserve Account to pay for insurance in order to save over \$10,000 in interest expense. Harry seconded the motion; a vote was taken and passed unanimously. The Board agreed that we would not pursue the use of CD's at this time because we need to be sure funds are available to perform the roofing work. (Late Correction to these minutes... As it turns out a calculation error was made and we would save approximately \$4,000, not \$10,000 by borrowing money from the savings account)

Laundry Proceeds – Paul questioned the process for collecting the money from the laundry machines. He reviewed the amounts collected over the past three years. With increases in the tourism rates, he expected to see an increase in laundry room revenue. Denise stated that not all guests stay long enough to warrant the use of the laundry machines and we cannot predict the possibly changing habits of travelers to our property. Paul also pointed out that in the past, because it is a time consuming job to collect the money, in slower months they skipped collecting it. Paul proposed that regardless of activity the collection should be made monthly for accounting purposes. It takes about four hours for the staff to collect laundry proceeds. The Board agreed.

Pet Policy – Paul read from Board Minutes from several years ago making note of several conflicting statements from previous Boards and Owners regarding exceptions to the pet policy for a select few

owners. Bruce agreed we should properly document our current pet exceptions and generate a detailed Pet Policy as we did with the Parking Policy. Harry suggested we form a Rules Committee to see to these kinds of issues.

Mission Statement, Code of Ethics, and Conflict of Interest Policy – Paul provided Draft copies of these documents to the Board to read in advance of the Board Meeting. Paul made a Motion that the Board accept the Mission Statement, Code of Ethics and Conflict of Interest documents as he presented them. A discussion took place in which the Board members stated that Florida Statute, the Owners Governing Documents and our own fiduciary responsibilities are adequate guidance for the Board. Bruce recognized Paul's intent with these documents was good. Denise pointed out that we would have to have our attorney review these docs to ensure they would be acceptable for a Board to sign. Bruce asked Linda if other Board's have these types of docs and she said no they do not. A vote was taken and all but one member voted against the motion (Paul Sottile was the only vote in favor of the measure).

Bruce moved that we adjourn the meeting. Kim seconded the motion, a vote was taken and the meeting adjourned at 8:04 PM.