

Barefoot Beach Resort of Indian Shores Condominiums Association, Inc.

Board Meeting Minutes

Date – March 20, 2017

Time – 6:30 PM

Place – Clubhouse

Attendees – Bruce Bornick, Denise Reilly, Kim Porte and Harry Artz were present. Joe Fritz attended by teleconference. Linda Pisano of Associa was present along with several property owners. Several owners participated via teleconference.

The meeting was called to order at 6:31 PM

Minutes – The February Minutes along with tonight's Minutes will be approved at our April Meeting and will be available on our website shortly after that.

Manager's Report – Linda Pisano reported that Speiler would be finishing with the seawall in the next few days. Owners reported several water leaks in units causing damage to drywall and ceilings in lower units. Bruce would like to remind owners that they are responsible for icemaker line leaks, toilet seals, and if mold is growing in your shower it is a sign that your shower pan is leaking. The icemaker lines can be replaced with the newer metal flex hoses. These things need to be addressed by individual owners. After a leak the Association is only responsible for drywall repair. Having insurance helps when your unit leaks and damages another unit. Save yourself and your neighbors hassles by checking all the water related locations periodically.

Treasurer's Report – Harry presented the January and February Treasurer's Report via e-mail. The cash balance in our checking account is \$61K and our Reserve Balance is \$649K. Please see the attached Treasurer's Report for other details. Kim made a Motion to accept the January and February Treasurer's Reports. Denise seconded the Motion, a vote was taken with all in favor.

Harry and Linda noted that a few owners have not updated their HOA payments to reflect the increased amounts that went into effect January 1, 2017.

UNFINISHED BUSINESS

Insurance Premium Payment – Last year we funded half of our insurance premium by borrowing from our Reserves. The other half was borrowed at 3.05% from the insurance company. This process saved us approximately \$3,000 in interest payments to the insurer. It was a complicated process as we have reported in the February Minutes. We decided a vote

was not necessary tonight. Premiums are not due until July and August of 2017. Harry further stated that this was a very complicated procedure, and while our intention was to save money, the time and work involved was substantial and if interest rates remain low we may just want to borrow from the insurer next year. We will consider the interest rate they propose and our cash on hand and vote at our June or July meeting.

Clubhouse Security System – Several quotes were received and reviewed by the Board. Bruce made a motion that we approve signing with Fort Knox Security. Denise seconded the motion; a vote was taken with all in favor. Fort Knox Security is the same company we used at the pool. They were the best price and they do not require a separate phone line. The installation and equipment will cost \$2,500 and the monthly monitoring fee is \$29.99.

Line of Credit – Bruce made a Motion to not renew our line of credit which would cost us a fee close to \$500 to maintain. Harry seconded the motion. A discussion of fees and interest rates took place. A vote was taken with all in favor of not renewing our line of credit. If we ever find the need we will shop rates and open a new one.

Bulk TV, Wi-Fi, and Phone – Bruce continues talking with companies and researching costs and logistics. Paragon gave us a presentation a few months ago. We need to look at more companies that offer bulk services.

2017 Ongoing Projects Update

- Clubhouse close to completion, awaiting security system installation and setup of procedures before opening.
- Pole Lamp Replacement – Linda reports electrical problems continue and the replacement of the pole lamps is a priority. This will take a significant expenditure but the Board feels it is time to begin this process.
- Picnic Areas and Grills – TBD – The Board wants to get the Clubhouse open and the pole lamp project going before starting on the grilling areas.

NEW BUSINESS – None at this time.

Bruce made a motion to adjourn the meeting, Kim seconded the motion, and all agreed to adjourn at 7:25 PM.

Questions from owners and discussion followed. Several owners reported an increase in pets on the property. Bruce agreed to send an email to the owners.

Our next Board Meeting will be held on Thursday, April 20, 2017 at 6:30 PM

Barefoot Beach Resort Treasurer's Report January, February 2017

Summary of Operating and Reserve Account Balances

Month	February	January	December
Operating Cash	(4,726.01)	(5,541.47)	(33,559.04)
Operating Funds Balance	61,341.73	78,904.77	74,459.20
Owed to Reserves	66,067.74	84,446.24	108,018.24
Prepaid Owner Maintenance Fees	27,860.02	35,430.55	21,408.68
Reserve Funds Balance:	649,744.88	650,561.54	675,368.70
Unallocated Interest in Reserves	9,841.24	9,837.61	15,333.37
Month Net Income / (Loss)	4,616.36	(7,043.48)	12,397.57
YTD Net Income (Loss)	(2,427.12)	(7,043.48)	17,330.08
Prior Year Funds	112,383.97	112,383.97	95,053.89
Delinquency Report Owed* Total	11,083.14	11,417.45	11,999.33
Delinquency Report Owed* >120 days	5,034.26	6,601.48	5,964.30

* Delinquency Report is net of owner maintenance fees owed less any rental income. It does not reflect additional legal fees owner may owe.

Month	February	January	December
Line of Credit Outstanding	0	0	0
Other Loans <i>(no other loans at this time)</i>	0	0	0

Monthly Financial Statements

1. December, 2016 Insurance actuals exceed premiums for 2015/2016 – under investigation. Reset in December and January to insure prepaid insurance and insurance loan - \$0 with June actuals.
2. Reserves paid back \$25,000 in January and \$25,000 in February, insurance loan now paid back in full.
3. Reserves allocations not updated for January 2017 (showing same as 2016), corrected in February along with some expense to capital reclassifications for plumbing.
4. Checking on balance showing as still owed to reserves.
5. January and February showing 26, 24 accounts respectively for 30 day delinquencies mostly for difference of 2016 vs. 2017 maintenance fees.

YTD Financial Statements

1. Financials tracking close to budget for 1st 2 months, with a slight overrun YTD.

Discussion

1. Using Reserves to fund Insurance – For 2016-2017 our insurance premium is \$311,910, we chose to partially fund from reserves - \$150,000 and a loan for the balance - \$161,910.18 with finance fees of \$2,479.59 and \$567 in doc stamps -total \$3,046.59 - (for roughly ½ the premium). We had difficulty aligning this new funding approach within the financial system and it did not get corrected until February 2017 for the remaining premium, and December actuals still exceeded premium. We are still pending an explanation on this. We learned late in the year that we would only be able to pay back \$100,000 of the \$150,000 loan by year end due to miss-applied expenses which required a board motion to complete. Having completed 1 cycle of using reserves, it will definitely be easier to repeat the process should we decide to save finance costs. RECOMMENDATION: revisit once we know what the new loan rates will be for 2017-2018.

2. Maintaining a Line of Credit Loan – A few years ago the board obtained a LOC to assist in meeting financial obligations. The cost for renewal of this LOC is \$495 which includes Doc Prep fee of \$150.00, UPS fee \$20.00 and Annual Loan fee \$325.00. We are in a favorable cash position and no longer need this loan to meet our financial obligations. RECOMMENDATION: do not renew LOC at this time.