

Barefoot Beach Resort of Indian Shores Condominiums Association, Inc.

Board Meeting Minutes

Date – June 30, 2016

Time – 6:30 PM

Place – Clubhouse

Attendees – Bruce Bornick, Denise Reilly, Kim Porte, and Linda Pisano, Associa Manager were present; Eric Olsen and Harry Artz attended by teleconference. Property owners were invited to attend in person or by telephone.

The meeting was called to order at 6:48 PM

Minutes – Bruce made a motion to approve the Minutes from the May 24th Board Meeting. Denise seconded the motion, a vote was taken with all in favor of approving the Minutes.

Manager's Report – Linda reported that she called in Florida Leak Detection, Inc. to search for a leak due to reports of extremely high demand for pool chemicals. At first, a search using ultrasound was negative for a leak in the main part of the pool. They also performed a pressure test. They eventually found a leak in the gutter and made the repair.

The Clubhouse was recently tested for asbestos as a precaution since we are taking it back over after leasing it to BBVR for many years. At the time of this meeting Linda only had a verbal report from the inspector. She informed us that they found asbestos to be an ingredient of some of the ceiling material in the restroom, kitchen, and hallway areas only. The Board requested the inspection in preparation for any repairs and/or remodel in the future. There is no containment concern at this time, however if we decide to renovate those areas, we will have to get those materials removed first.

Treasurer's Report - Harry reported that operating cash continues to grow favorably. Delinquencies are down but he noted that the figures do not reflect pending legal fees. Bruce made a motion to accept the May Treasurer's Report as presented. Kim seconded the motion, a vote was taken with all in favor. See attached Treasurer's Report.

UNFINISHED BUSINESS

Property Insurance Review and Approval – Matt Mercier of Bouchard Insurance reviewed his findings with the Board. He was unable to find a second carrier to quote our property (this is common for Florida Beach property). Pages 5 through 6 of his report named the twenty plus companies that reviewed our property and their reason for refusing to offer a quote. The

majority of the companies offered the explanation that they could not compete with the current program, others stated the age of the buildings and the Barrier Island as the reason they would not quote. In review Matt stated the following points:

- We have a reduction in total premium from last year (was \$317,599.30, now \$311,910.18)
- Premiums reflect deduction in the windstorm deductible per building from 5% to 3% with no extra charge
- Cost of windstorm coverage was reduced by \$10,174 (Rates have fallen due to the fact that Florida has not had a significant storm in over ten years)
- Cost of flood increased by \$4,339 (this ate up a good portion of our earlier windstorm savings)

Eric questioned via telephone why flood and wind give opposing property values of almost \$1,000,000. Matt informed us that flood covers more of the building (foundation and interiors) while wind does not.

Harry referred us to a spreadsheet that laid out options for financing our insurance premium for 2016-2017. At the time of this meeting the interest rate being offered by our insurance carrier is over 5%, which is a significant increase from the 2.6% we paid last year. We have asked Matt to research the possibility of obtaining a better rate but he won't have any answers until 1 July. Harry suggests we take some funds from Reserves and some from the Operating Fund. We could then access up our line of credit at an interest rate that should be lower than their proposed rate.

Bruce made a motion that we fund the 2016-2017 insurance premium of \$311,910.18 by the following formula:

- \$175,000 from Reserve Funds and/or Operating Funds
- \$60,000 from our line of credit
- Balance from the insurance carrier at lowest negotiated rate

Harry seconded the motion, a vote was taken, four approved with Denise voting no as she is opposed to borrowing money from the Reserves. The motion passed. Note was taken that the above figures will increase slightly when the cost of a Workers Compensation premium is added to our annual premium.

NOTE – On July 1, 2016 we received an updated interest rate quote of 2.95% from Bouchard. The formula above will be altered as follows:

- *\$150,000 from Reserve Funds and/or Operating Funds*
- *Balance of 2016-2017 premium which will include coverage for Workers Compensation will be financed through Bouchard at a rate of 2.95%*

Parking Lot Sealing Contract – Linda presented three proposals for seal coating the parking lot which includes restriping and purchase/installation of additional parking wheel stops. The proposals were found to be using similar products and processes with Rose Paving Company having the best pricing. Bruce made a motion that we contract with Rose Paving Company for the proposed work order, Denise seconded the motion and all were in favor. The work will be scheduled in September when rentals are light. We will keep owners posted as to scheduling and parking limitations.

Landscaping Contract – The Board voted at the May 24 meeting to engage CPLM for a landscape project. Harry updated us on CPLM's plans for the landscaping project of the entrance island and pool area. The work will be done on Saturdays. When they are working in the pool area they will accommodate guests as best as possible. The landscaping will take into account the new permanent umbrella installations. The landscaper will also work with our existing irrigation system as much as possible. All plants are Florida "tolerant" and all plantings reflect a variety of colors. The Board further voted tonight on a motion made by Bruce to spend only up to the limit of our 2016 budgeted amount of \$10,000 on the plan presented by CPLM. Harry seconded the motion and all voted in favor of the motion.

Sun Shades for Pool Area – Linda arranged for payment of the initial deposit for the proposed work with funds from Unallocated Interest. Production of the umbrellas has begun. We are still a few months away from installation. These umbrellas should add to the functionality of the already popular pool area.

Boat Slip Update – Seven owners closed on boat slip assignments on June 30th. Two more will be closing on July 5th. One more closing date is still TBD. The Boat Slip Association Board will soon be re-established and begin collecting maintenance fees on 1 Sep 2016 for the first time since Barefoot Beach was renovated in the 2004-2005 timeframe. As soon as the final Submerged Land lease is approved by the state (anticipate August 2016), the Boat Slip Association will be able to approved Boat Lift installation requests and the county will be able to approve permits for new boat lift installation by contractors.

NOTE – On July 13th the final Boat Slip assignment was completed. All boat slips are owned by current condo owners and the Developer no longer has any interests at BBR.

Clubhouse Update – BBVR will be completely out of the Clubhouse by 6 July 2016.

Bruce opened the floor to any owners present or on the phone. No response was made. Bruce made a motion to adjourn the meeting, Kim seconded the motion, and all agreed to adjourn at 7:45 PM.

The next Board Meeting will be Thursday, July 28, 2016 at the Clubhouse and available by telephone conference call.

**Barefoot Beach Resort
Treasurer's Report
May, 2016**

Summary Of Operating And Reserve Account Balances

	May Balance	April Balance	March Balance
Operating cash	78,666.32	74,092.40	64,106.27
Prepaid Owner Maintenance Fees	40,100.11	40,025.51	36,130.40
Reserve Funds Balance:	654,247.09	641,888.44	629,496.09
Unallocated interest in reserves	48,253.43	48,084.78	47,923.43
Month Net Income / (Loss)	3,234.88	7,612.90	18,296.02
YTD Net Income (Loss)	31,004.61	27,769.73	20,156.83
Prior Year Funds	117,299.42	119,383.42	121,466.42
Delinquency Report Owed* Total	6,326.86	13,068.23	19,294.37
Delinquency Report Owed* >120 days	869.65(1)	6,163.53(3)	10,373.76 (3)
* Delinquency Report is net of owner maintenance fees owed less any rental income.			
It does not reflect additional legal fees owner may owe.			
Line of Credit Outstanding	0	0	
Developer Loan Outstanding	0	0	

Monthly Financial Statements

1. Reduction in Delinquency Denise shared at last meeting reflected this month.
2. Large expenses in account 6600 General Repair for storm drain repair and owner reimbursement – in checking Linda shared first reimbursed by Haverty's and second will be reversed.

YTD Financial Statements

Continued positive budget to actuals results

2016 Discussion

Audit draft