

Barefoot Beach Resort of Indian Shores Condominiums Association, Inc.

Board Meeting Minutes

Date – July 28, 2016

Time – 6:30 PM

Place – Clubhouse and by Teleconference, 605-475-5920, passcode 7026708#

Attendees – Bruce Bornick, Denise Reilly, Kim Porte and Linda Pisano, Associa Manager, were present. Eric Olsen and Harry Artz attended by teleconference. Property owners attended in person and by telephone. Bill Priakos and Barry Bartley of BBVR were also present.

The meeting was called to order at 6:34 PM

Minutes – Bruce made a motion to approve the Minutes from the June 30th Board Meeting. Denise seconded the motion, a vote was taken with all in favor of approving the Minutes.

Manager's Report – Linda reported that we are replacing the doors and frames to the two pool bathrooms (rusted out from years of water damage). We are also repairing water damage to stucco on the side of the steps of a few units. Parking lot re-sealing is scheduled for 9-10 September in two phases, half the lots on 9 Sep and the rest on 10 Sep (see map below).

Owners should inform their guests they will have to move vehicles to accommodate this maintenance work. Linda presented a rough timeline for Awning Works (pool area umbrellas) outlining times for permits, production, and installation. We should see installation of the umbrellas in the pool area in late September or early October 2016.



Treasurer's Report – Harry reports that the balances this month are a bit off because of the bi-monthly water bill, summary legal bill, and 2015 Audit were all paid in June. Bruce made a motion to approve the June Treasurer's Report as presented. Denise seconded the motion. A vote was taken with all in favor. Harry presented the 2015 Audit Summary and included the detail in the Treasurer's Report below.

UNFINISHED BUSINESS

Landscaping Center Median and Pool Area – The landscaper (CPLM, Inc.) arranged by Harry completed work in the Center Median and the Pool Area. Everything looks significantly better. Bruce hopes that we can continue to replace or improve the original plantings from 2005, which are in need of attention throughout the property. He recommends we consider another \$10K landscaping budget for the 2017 Association Budget.

Utility Charges for BBR Boat Slip Association – The BBR Boat Slip Association (BBRBSA) has been reactivated now that all the boat slips have been sold. With the Developer resignation the BBRBSA Board has been re-established and is now led by owners only. The BBRBSA uses electric, water and garbage services some of which are provided by the Condo Assn. BBRBSA's electricity is on a separate meter, but the water cannot be metered separately. Bruce made a motion to charge the BBRBSA \$240 yearly for water usage and \$120 per year for garbage usage. Eric seconded the motion and a vote was taken with all in favor.

Mailboxes for BBR Residents – The Board researched the requirements to meet an owner's request for mail service. In accordance with Post Office policy they will not deliver to single units within a complex like BBR. If we desire delivery to each condo the Post Office requires facilities like BBR to request approval for and install a mailbox unit along Gulf Blvd. This type of mailbox unit for 165 addresses would have to be designed, fabricated and installed at a cost of \$10,000 or more. Given that less than 10 of the 165 owners live at BBR, and 90% of the owners rent their units out most of the year, it is not cost-effective to install a multi-unit mailbox. Eric made the motion to not pursue the multi-unit mailbox, Bruce seconded the motion and all voted in favor of not purchasing a multi-unit mailbox. Owners have the option of obtaining a Post Office Box in Madeira Beach or Indian Rocks. Mailboxes are also available at local UPS stores. The following website explains the policies the Post Office must weigh in determining the mode of delivery for an address:

https://about.usps.com/postal-bulletin/2012/pb22334/html/updt_001.htm

Window Screen Maintenance Requirements and Responsibilities – We recently performed an inspection of the window screens around the property. Many are deteriorating from the salt air and sun. Some owners have already replaced screens. Many years ago the Condo Assn was replacing screens for owners, however, this is actually an owner responsibility. As screens deteriorate it is the responsibility of each owner to repair or replace at their own expense (approx. \$25 per screen). Replacements must have white frames to match the window. There are several screen replacement companies in the area. You can also find many on the internet. Here are a few that have good reviews:

- Pyramid Aluminum, 727-585-8441
- USA Team Screen, Karl Oppenheimer, 727-585-9311
- Sr Screen, Scott Brunelle, 727-224-6999

Please inspect your screens and consider repair or replacement if applicable.

Clubhouse Update – The Board has been collecting information for months now trying to determine options for the Clubhouse. We have looked into whether we can sell, rent, remove, replace, or repair the Clubhouse. Eric Olson summarized the following about the Clubhouse:

- Pinellas County Property Assessed value... \$69K
- Market Value Appraisal (March 2016)... \$190K
- Insured for Flood... \$150K (as a commercial building we cannot insure for full amount)
- Insured for Fire/Wind/Hazard... \$285K (replacement cost)
- There is no parking spots allocated to the Clubhouse (only one spot per condo)
- If totally destroyed by a catastrophic event, we must build to new code, which requires more road setback and raising the bottom of the building to 10 feet above ground level
- We can continue to operate and maintain the building as long as we do not request city permits above 50% of the Assessed Value. In the past 10 years we have requested zero permits, nor do we anticipate the need to request any in the future.

These facts limit our options. We cannot sell or rent the property without parking spaces plus the land it sits on is a single parcel and would be retained by the Association further complicating a sale. The code restrictions discussed above also detract from a sale. Removing the building and replacing the space with extra parking spaces or green space would cost \$30K or more. We still need to retain the Maintenance Shed, which would complicate building removal since the shed and main clubhouse are one structure and share electric. Removing the Clubhouse would remove a potential amenity. Replacing the building is cost prohibitive and would require building to new codes thus reducing the size and requiring an elevated structure.

We can repair the Clubhouse and create an additional amenity for owners and guests besides the Pool, Fishing Pier, Laundry Rooms, and Grill areas. Since the Clubhouse is an integral part of the facility, the Board feels it has value as an amenity. On multiple occasions owners/guests have asked for a gathering place other than the pool area, which closes at dusk. Others have requested a fitness room. The Clubhouse has a men's and women's bathroom, kitchen, and large open area for tables, chairs, sofas. To repair the Clubhouse it would require: Repairing the terrazzo floors, replacing window coverings, repairing sheetrock, painting, installing security system, and installing electronic door access. We would have to create a policy designating specific operating hours and rules for use. We could re-locate a BBQ grill to the front to allow residents to grill just outside the Clubhouse. We could also add fitness equipment into one corner of the large room, a feature that most short-term condo facilities like ours have available to guests and owners. We could rent the Clubhouse to residents that require event space (assumes parking on property for residents only, other guests would park off in local public parking). We do not expect a high volume of event rentals, but again, it becomes an amenity that you offer your guests. We would target a budget of approximately \$30K for this project.

Bruce requested that Linda have the damaged thermostats repaired and replaced immediately. Thermostats will be locked and controlled by the Assn. We will set the temperature to minimize the cost of electricity as we consider Clubhouse repair actions.

NEW BUSINESS

Collection Policy – Bruce made a motion, subject to approval by Attorney Shawn Costis, that the Board accept the Collection Policy as it was presented by Associa. Eric seconded the motion and a vote was taken with all in favor.

Fishing Pier Repairs – Our recent Reserve Study recommended an engineer inspect the Sea Wall and Fishing Pier. It was determined by the engineer that the fishing pier is unsafe for more than five occupants at one time. We will have a diver assess the pilings for damage, worms, etc. If the pilings are found to have worm infestation they will have to be replaced. The substructure below the composite decking is sagging and will have to be replaced. Linda will obtain bids for replacement/repair of the Fishing Pier as soon as possible as it is a safety hazard. We have posted a safety warning sign on the Fishing Pier. Harry pointed out that we have money in reserves for this project.

Resort Amenities Improvement Plan

Bruce suggested we improve a few of the amenities at the Resort and freshen up the resort theme that was only partially implemented by the 2005 Development. He recommends we look into some of the following suggested improvements:

- Create BBQ Grill picnic areas within the available green space behind the grills near the pool by adding white picnic tables, seats, and maybe a pergola to provide some shade
- Add small tables, shelves, hooks (for clothes hangers) in the newly repainted laundry rooms and add better signage about laundry room use
- Improve nighttime lighting throughout the property (install auto-sensing switches) and replace the aging light poles with new light poles
- Improve exterior signage – over 200 signs could be combined into fewer signs and improved using a similar shape/color/logo and be set to a uniform weight to improve functionality and appearance
- Improve the appearance of buildings by painting storage and equipment room doors with the same color as the building so they blend in
- Add plantings to hide air conditioners and that also do not damage the air conditioners (current Split Leaf Philodendrons are growing into many air conditioners)
- Improve outdoor showers by adding a bare feet-friendly river rock standing area
- Enhance the North and South entrances of Barefoot Beach Resort with attractive fencing or plantings. Improve the median at the Southern entrance (near Salt Rock). Add a new median at the Northern Entrance.

These are just some initial ideas. Bruce made a motion that we spend up to \$500 for Resort Design advice on how to cost-effectively bring together all the current and future changes into a cohesive look that exploits the very good Key West/Beachy look we have already. The Designer would also advise us on interior options for the Clubhouse (window coverings, paint colors, etc.). Eric seconded the motion and a vote was taken with all in favor of the motion.

Bruce made a motion to adjourn the meeting, Kim seconded the motion, and all agreed to adjourn at 7:28 PM.

**Barefoot Beach Resort
Treasurer's Report
June 2016**

Summary Of Operating And Reserve Account Balances

	June Balance	May Balance	April Balance
Operating cash	69,819.08	78,666.32	74,092.40
Prepaid Owner Maintenance Fees	38,786.49	40,100.11	40,025.51
Reserve Funds Balance:	656,894.85	654,247.09	641,888.44
Unallocated interest in reserves	36,786.49	48,253.43	48,084.78
Month Net Income / (Loss)	(15,024.35)	3,234.88	7,612.90
YTD Net Income (Loss)	15,980.26	31,004.61	27,769.73
Prior Year Funds	113,565.16	117,299.42	119,383.42
Delinquency Report Owed* Total	7,905.30	6,326.86	13,068.23
Delinquency Report Owed* >120 days	2,308.89	869.65(1)	6,163.53(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. First month to show a negative income for the month (\$15,980.26)
2. Monthly expenses over due to audit \$4,650, Water (\$17,189.12 over budget \$10,942 due to timing of 2 payments), legal \$4,775
3. Several clean up entries by Associa
4. Should continue to see "under budget" months moving forward

YTD Financial Statements

1. Continued positive budget to actuals results.

Discussion

1. Insurance Funding – Use of reserves (least interest bearing accounts, and small loan).
2. Audit Summary – next page

Audit Summary

Auditor Comments:

“Based on our audit, the financial statement referred to above present fairly, in all material respects, the financial position of Barefoot Beach Resort of Indian Shores Condominium Association, Inc. as of December 31, 2015, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the U.S.”

Notes:

1. Eight Adjustment entries were provided by the auditor totaling \$19,846.23 including 2 checks not cashed to be voided, reversing bad debt write off/reduce allowance at end of year, prepaid tax/tax expense, negative balance of doubtful accounts, record 2014 and 2015 depreciation.
 - a. Two checks not cashed in the amounts of \$79.32 and \$358.97 were voided from our operating account and \$438.29 placed into our owner equity account which increased this account balance (two adjustments).
 - b. Reversed bad debt write off/reduce allowance account at end of year in the amount of \$6,284.22 removed from our owner equity account and placed into our bad debt write off/reduce allowance account, and increased this account balance.
 - c. Prepaid tax/prior year federal tax expense \$1,240 removed from our owner equity account and added to our prepaid tax account and increased this account balance.
 - d. Reclassified 2015 federal income tax payment in the amount of \$36.00 removed from our owner equity account and added to our federal tax account, and increased this account balance
 - e. Adjusted negative balance of accounts receivable allowance for doubtful account and removed \$7,236.72 from this account and increased our owner equity account balance (may not have a negative balance for accounts receivable).
 - f. Removed 2014 depreciation in the amount of \$4,611 and 2015 depreciation amount of \$935 from our owner equity account and added to our accumulated depreciation – other property and equipment account and increased this account balance (2 adjustments).
 - g. The net account adjustments provided by the auditor reduced our owner equity account balance by \$5,431.21 from \$127,716.42 to \$122,285.21 and correspondingly updated the other accounts and the previous Associa financial system balances in the same total amount.
2. Other than a few clarifying historical and factual statements in draft audit, overall a clean audit with minimal adjustments required.
3. Audit completed in July, and, per Miranda, future audits should begin with prep work in December to avoid tax season and complete by April.
4. Miranda suggested an audit for 2016 may be appropriate in light of pending boat slip sales, and still newness to Associa. Audit may also be waived with approval, and done in a future year.