

Barefoot Beach Resort of Indian Shores Condominium Association, Inc.

Board Meeting Minutes

Date – September 13, 2016

Time – 6:30 PM

Place – Clubhouse and Teleconference (Call 605-475-5920 enter passcode 7026708#)

Attendees – Bruce Bornick, Denise Reilly, Kim Porte and Linda Pisano, Associa Manager were present. Eric Olsen, Harry Artz and several owners attended by teleconference.

The meeting was called to order at 6:33 PM

Minutes – Bruce made a motion to approve the Minutes from the July 28th Board Meeting. Kim seconded the motion, a vote was taken with all in favor of approving the Minutes.

Manager's Report – Linda reported that parking lot re-sealing is complete. We have purchased signs for owners to place in their rental properties to instruct guests on the proper disposal of items into the plumbing in the bathrooms and kitchens.

Linda also advised us that we should add a vote to our General Meeting Agenda to OPT OUT of retro-fitting the complex for sprinklers. This is a request based on a bill passed by the State. If we do not officially OPT OUT by majority vote we will be required to completely out fit the complex with sprinklers at a prohibitively expensive cost to the owners. The Board agreed to add this item to the Agenda at our November General Meeting.

Treasurer's Report – Harry reports that the Operating Account is negative this month because we opted to pay for some of the insurance costs directly, rather than financing completely as we have in the past. This decision is saving us approximately \$3K in interest expense for the year. Our Reserve fund is up, we are \$6K positive year to date. Delinquencies go up and down each month, Denise continues to pursue collections through our attorneys.

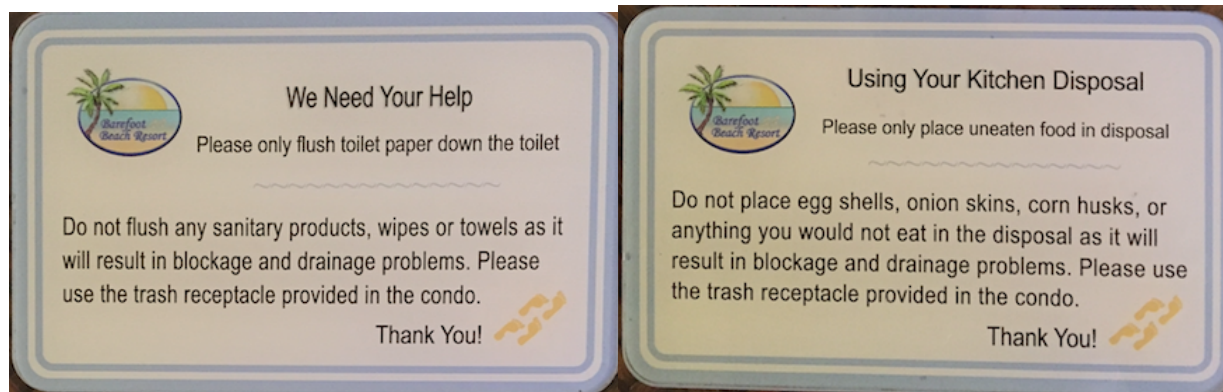
Reserve Study – Harry continues his report with positive remarks regarding the reserve study and the company that we worked with. The new study shows that we need more money to roll in. Two methods were proposed, Harry supports continuing with the Straight Line Method which was used in the past. Associa also agrees with this. To continue funding our reserves by this method a 10% increase in our monthly fees will be needed. Harry is working on possible budget cuts that may help us reduce this impact to the owners. Harry and Bruce point out that we have not had a valid reserve study done since 2005, we need to accept that these increases are necessary. Bruce made a motion that we approve adopting the Straight Line Method for funding Reserves. Denise Seconded the Motion. Vote was taken with all in favor of the Motion.

UNFINISHED BUSINESS

Ongoing Projects Update

The signs we would like owners to place in their rental condos instruct guests on the proper disposal of trash in bathrooms and kitchens are shown below. Too many guests are tossing baby diapers, feminine hygiene products, and non-biodegradable wipes down the toilet. In the kitchen guests are putting corn husks, egg shells and onion skins down the disposal. All of these

items clog our plumbing and costs all of the owners about \$10,000 per year in plumbing bills. Yes, \$10,000 a year. We designed the signs in the hope that guests will follow them and reduce our sky high plumbing bills. We would like to post these small 4"x6" inch signs in all the condos.



Clubhouse Update – Since our last meeting the thermostats have been replaced and fitted with locking covers. Our maintenance staff has begun the cleanup and has removed baseboards. Linda is obtaining bids for the interior painting. She will also arrange for repair of a leak in the south facing wall just outside the kitchen in the main room. We voted to repair the Terrazzo floor, which will take about 10 days to complete. Security cameras and a locking system for entry will be needed. We will establish rules and hours of operation, and a budget for purchasing of furniture and a large Screen TV for the wall. We will investigate the pros and cons of purchasing exercise equipment.

Sun Shades in Pool Area – The footer work began on September 13th and we are hopeful that the project will be complete by Columbus Day, October 10, 2016.

Fishing Pier Replacement Contract Decision – Three proposals were obtained and considered for replacing the fishing pier. We decided that Speeler offered the most comprehensive proposal and the best price. Bruce made a motion to approve signing a contract with Speeler Foundations, Inc., to replace the fishing pier. Denise seconded the motion. A vote was taken with four yes, and Eric voting no. The Motion passed.

Building Railing Paint Contract Decision - Three proposals were obtained and considered for this exterior painting project. It was decided that Thomas White Painting offered the most comprehensive proposal and best pricing. Bruce made a motion to approve signing a contract with Thomas White Painting for painting the building railings. A vote was taken with all in favor.

NEW BUSINESS

Amenities Improvement – The Clubhouse is just one obvious amenity that is in need of improvement. In general we are looking to improve the amenities at Barefoot Beach Resort according to the following draft plan:

- Signage – Improve upon the BBR theme with consistent and attractive signage throughout (vehicle signs, grill areas, pool area, laundry rooms, fishing pier, and others)
- Lighting – the 62 pole lights around the complex are in need of replacement

- Picnic Areas – Create picnic areas in the greenspace behind the grills adding picnic tables and other seating, adding lighting, moving grills away from the road, and adding a small grill table
- BBR entryway enhancement – Enhance the north and south entryways with pillars on each side, clear signage, and plantings
- Pathway to Salt Rock – To be discussed with Salt Rock

Bruce made a motion to adjourn the meeting, Kim seconded the motion, and all agreed to adjourn at 7:20 PM. Our next scheduled Board Meeting is to be determined.

Barefoot Beach Resort Treasurer's Report September 2016

Summary of Operating And Reserve Account Balances

	September Balance	August Balance	July Balance
Operating Cash	(47,250.92)	(62,278.80)	(3,927.95)
Prepaid Owner Maintenance Fees	34,373.61	38,638.40	30,869.50
Reserve Funds Balance:	681,427.34	673,407.25	669,275.49
Unallocated interest in reserves	35,409.94	38,855.85	38,855.83
Month Net Income / (Loss)	14,037.53	(16,280.81)	(9,140.49)
YTD Net Income (Loss)	4,596.49	(9,441.04)	6,839.77
Prior Year Funds	103,096.92	109,556.71	111,482.16
Delinquency Report Owed* Total	9,480.24	11,516.50	9,833.23
Delinquency Report Owed* >120 days	2,921.78	3,343.03	2,490.69

* 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. Water – account reset after payments to eliminate temporary overrun – back in line with budget
2. August includes Landscape actuals of \$9,919
3. Prepaid insurance reset to new 2016-2017 policy amounts

YTD Financial Statements

1. Operating cash includes (\$150,000) due to reserves for insurance - will repay October through December)
2. Monthly and YTD financials again positive
3. Expect year end actuals to be close to budget

Discussion

none