



4501 S. Atlantic, New Smyrna Beach, FL 32169 (386) 427-3641

**ERROL BY THE SEA CONDOMINIUM ASSOCIATION, INC 2013 ANNUAL OWNERS' MEETING MINUTES
December 7, 2013 Club House - 10:00 A.M.**

1. Calling the Meeting to Order

At 10:10 a.m. Mr. Vinci, the President of the Association called the meeting to order. Board members present were, Roger Vinci, President, Bob Dugan, Vice President, Ken Rhodes, Secretary, Irby Moore, Member and Larry Eriksson, Member. Bob Glassmyer, Treasurer was absent. Mr. Vinci announced that a quorum was present.

2. Reading/Approval of Minutes of Previous Board Meeting

Mr. Vinci called for the Meeting minutes from the 2012 Annual Meeting to be approved as written without reading. A motion was made by Irby Moore and seconded by Bob Dugan. The motion was approved unanimously.

3. Proof of Notice

Mr. Rhodes, Association Secretary certified that the Notice for the December 7, 2013 Annual Owners' Meeting First and Second notice along with the Agenda was mailed, in accordance with Florida Statutes, to all owners of record, posted and e-mailed as a courtesy to owners accepting electronic notification.

**4. Explanation of Proxies and Appointment of Tabulators
a, Announcement of Tabulators**

Mr. Rhodes outlined the two types of proxies that were mailed to each owner of record. One was a proxy for voting and the second was a limited proxy which has to do with the method you wish to choose for our accounting. If anyone present did not fill out a proxy and wants to do so, you must do it now since tabulation of the limited proxies will begin shortly. Mr. Rhodes then stated that Gary Loomis and Linda _____, who are not members of any of Errol's Committees, Board of Directors and or relatives of either would serve as ballot tabulators. Mr. Rhodes was asked to explain the four choices in the limited proxy, Full Audit, Cash and Expenditure Report, Compiled Financial Statement, and Reviewed Financial Statement. Historically we have always done a Compiled Financial Statement which costs between \$5000 and \$10000, and then conduct a full audit about every 3 years. Cost for the other options range from \$3000 to \$15000. Last year we did a complete audit which cost approximately \$15000.

5. Old or Unfinished Business

Mr. Vinci stated that the board had passed a motion, mandating that all rental units have a new lock system put on their doors beginning in mid-January, 2014. Owners who choose to opt out of this locking system must indemnify Errol by the Sea of any responsibility in case their unit is entered without authorization. There will be 5 keys created for each unit, with 2 being retained by the office. Cost for additional keys, would be \$16.00 per key and must be ordered in advance. A key storage and dispensing system will be installed in the office. Significant fees will be incurred for lost keys because the locking mechanism will require replacement. Renters will be informed of the importance of protecting their keys at check-in, both in writing and verbally. There was a period of discussion where various scenarios were proffered and discussed. Mr. Vinci also announced that details will be forthcoming by email or snail mail, to include costs and options for owners, including the process for owners to order duplicate keys. After discussion it was decided that we should order 6 instead of 5 keys. Mr. Vinci reported on the costs as well as stating that the reason for this decision was due to recent burglaries. Included in this locking system is a 'pick guard' to prevent doors from being opened by a knife, card, screw driver or other slender device when inserted in the door crack. Those are currently being installed. Mr. Vinci also described various options relating to the choices and impact on owners who do not rent, stating that if non-renting owners want the new locking system installed on their doors the office must be informed in writing very soon. Installation of the locking system will be done in groups of 10. If you choose to wait until a later date to have the locking system installed, an additional fee of \$60.00 will be charged by the locksmith for a service call. New parking tags that do not have Errol by the Sea or the unit number on them are being prepared for distribution to renters. This will prevent someone from discovering information about the occupancy of a specific unit.

Mr. Loomis was given all the proxy forms and asked to tabulate the forms and report back.

Mr. Vinci asked for a motion to transfer all excess income funds from the 2013 budget to the 2014 budget. The motion was made by Mr. Eriksson, seconded by Mr. Dugan and approved unanimously.

Mr. Vinci stated that overall the past year has a success. From the looks of the place and the quality of the services we provide, there has been significant improvement. We are all aware that Mr. Kovacs had resigned to accept a position where he and his wife could work together. Mr. Vinci then reported on some of the positive changes that Mr. Kovacs has instituted: \$65,000 annual savings on a variety of contracts, repairs and services. He identified and addressed defects in our day-to-day operations. He brought us a much improved and secure internet service with the capability of monitoring the amount of data, device by device. He was also responsible the resurfacing of shuffle board and tennis courts, and quickly repairs to sprawling at various places in the building. The board is currently working to select a new manager who can help us continue on an upward path.

Mr. Vinci announced that there would be no election since only two candidates had submitted the appropriate documents to run for vacancies on the board. He thanked Irby Moore and Bob Dugan for their years of service to the Association as board members and officers. He then announced that Dale Fage and Jim Lacovara would become board members. Mr. Vinci also reported that in the very near future we would likely need to replace the south seawall cap.

6. New Business and General Discussion by members

Mr. Vinci next opened up the floor for general discussion. Mr. Eriksson announced that the rental committee had recommended a rental management fee increase, to approximately 9.6%, due to the fact that in the past when rental rates were increased there was no corresponding change in the management fee paid to the association. The result has been that while management expenses for our rental program have risen, the actual amount paid to the association has remained the same. Mr. Eriksson then made a motion that, for a trial period of time during the winter season from December 7, 2013 to April 30, 2014, 'dry finger foods' be allowed on the ocean deck during the late afternoon hours. The motion died for lack of a second. Mr. Vinci allowed a brief period of discussion on the topic. The issue of spalling on the walls near unit 420 was discussed. Mr. Vinci reported that our office staff is doing a very good job under difficult circumstances. He then made a strong statement to all owners to "NOT HASSLE ANY STAFF MEMBER". If you have a problem, contact the appropriate board member or send me an email. He further stated that ANY issues needing attention should be put in writing so they can be properly addressed. The office will provide my email and other appropriate contact information. He also stated that owners may receive from the office a list of all owners and their primary address contact information, excluding telephone numbers which is prohibited by Florida Statutes.

7. Report of Tabulators Counting of Votes by Limited Proxy

Mr. Loomis finished the counting of the votes and Mr. Vinci asked for the results. There were 16 votes for a full Audit, 6 for a Financial Review, 34 for a Compilation Report and 15 for Cash and Expenditure Report. The majority of the owners approved a lesser financial reporting than required by the Association's Documents and by Florida Statutes Chapter 718. The owners 'approved 2013 End of Year Financial Reporting' will be a Compilation Report.

Adjournment

The meeting was adjourned at 11:10 a.m.



Kenneth D. Rhodes, Association Secretary