



Errol by the Sea

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

Board Meeting Minutes

Date: July 14, 2018
Location: Errol by the Sea Condominium Clubhouse
Time: 10:00 AM

1. Call to Order

The meeting was called to order at 10:00 AM by Vice President, Larry Eriksson.

2. Establish Quorum

There was a quorum at the meeting with 5 board members present in person: Larry Eriksson, Vice President, James Lacovara, Treasurer, Dale Fage, Secretary, Jennifer Bennett, Director, and Mark Hilborn, Director; and Ken Rhodes, President via Webex.

3. Proof of Notice

Sheila McCollum, association manager, stated that notice had been given in accordance with board direction and statute.

4. Approval of Minutes of Previous Board Meeting April 07, 2018

Motion by Jim Lacovara 2nd by Dale Fage to approve the minutes as written. **Vote:** Unanimous.

5. Treasurer's Report – Jim Lacovara

- a. **Collections Update** – We have one person substantially behind but has contacted the office this week. Mr. Lacovara requested that further actions be taken to ensure that all rentals related expenses are tracked and accounted for separately from association expenses. Sheila McCollum will draft a procedure & process to make this happen. All owners were also reminded to respond to Errol related statements in a timely manner, and that late fees and interest are now being charged.
- b. **Financial Review** – The Condo Association is under budget Year-to-date of \$51K. The P&L's now reflect the 3 different funds that must legally be accounted for separately: Condo Operations, Reserves/Special Assessments, & Rental Program. The Chart of Accounts must and will be realigned for 2019 to help automate the reporting process.
- c. **Rental Program Rates** – Mr. Lacovara also reported that our Rental Program expenses are above budget. The Board is working to determine what actually constitutes rental related expenses. This question needs to be answered; "Is the 11% the association currently takes for rental expenses adequate?" it is the lowest rate on the beach. Moontide is conducting a survey of rate policies at other condominiums and will be sending that information to our Manager for the Board to review.
- d. **Capital Contribution** – Mr. Lacovara proposed that Errol adopt a fee similar to what other condominium and homeowners' associations have, normally \$500.00 - \$1,000.00 at the time of sale from the new owners to be used as a buffer for budget shortfalls and serve to bolster our operational funds.

- i. **Motion** by Jim Lacovara to institute a Capital Contribution for a vote by the membership at the next Annual Meeting. No 2nd. **Motion Failed**. The rest of the Board would like more research and information on this item for the next meeting in September.

6. Manager's Report

a. Executive Summary at the Meeting

- b. **Insurance Renewal completed** – the cost is slightly less than last year with, an A rated provider.
- c. **Premier Elevator Update** – Bid for \$37,908.00 for all items not addressed by our prior elevator maintenance vendor – Oracle Elevator. The items were recommended by an Elevator Engineering Consultant, Lerch Bates whom we hired for their expertise. **Motion** by Larry Eriksson, 2nd by Dale Fage **Vote**: Unanimous.
- d. **New Chart of Accounts** – will take three months to design, implement, and get ready for 2019.
- e. **Budget 2019 Prep** –
To appropriately create a budget that is compliant with Florida Statute and that accounts for mandatory and desired future maintenance and improvements we need to have a Reserve Study. This will provide professional cost recommendations for mandated maintenance items and allow the board to propose a budget with more realistic future maintenance numbers. Also as a part of the budget planning process the board will incorporate other projects that are in the pipeline.
- f. **Reserve Study** – **Motion** by Mark Hilborn 2nd by Jennifer Bennett to Approve Dreux Issacs to proceed with a Reserve Study from \$3,200 - \$3,500. **Vote**: Unanimous.

7. Unfinished Business

- a. **Front Entrance** – Has passed county inspection. Larry Eriksson stated that the sign is wonderful, but with the addition of the transformer louvers the sign for "Errol By The Sea" is not visible at 45 miles an hour until you have passed the turn off for Errol.

Discussion ensued regarding the nature of changes that could be done to make the address/name more visible. Team Jim Lacovara & Jennifer Bennett will review, and report back to the Board.

- b. **BB&T transition** - will happen 4th Quarter of 2018.
- c. **Reserve Study Bids** – Addressed during the manager's report.
- d. **Rental Program – New Policy** – The Rental Committee met on Saturday May 12th, and recommended the following new policies:
 - i. **Credit Card Only** – to cut down on deposits and accounting for checks.
 - ii. **Auto-Debit** dependent on Winter or Summer Rentals to cut down on calls to office to pay off their balances.
 1. **Winter Renters** will pay at 60 days out & 30 days out so there is 2 months payment in-hand before they arrive.
 2. **Summer Renters** will pay 100% at 30 days out.

- iii. **Manager query to Rental Committee** to address 14 items that need policies, so the office may publish to both renter & owners. This will streamline the amount of time the manager must intercede to negotiate a win-win scenario for both renter & owner.
- iv. **Red Awning** – Legal Opinion – Red Awning is a 3rd party channel provider that is able to integrate with Barefoot,
 - 1. **Motion** by Mark Hilborn to incorporate Red Awning into the Rental Program for those owners who wish to opt in. Red Awning will uplift the Rental Rates 10% to cover their commission. **No 2nd Motion Dies.**
 - 2. **Discussion** ensues regarding the process that would be necessary, and how the system works. Mark Hilborn volunteers to be the test case. Board Agrees.

8. New Business

- a. **Pool Fence vs Gate Area** – Discussion – **There is a choice that owners have asked the Board to consider** - Taking down the fence around the pool & gating the entry ways with lockable gates at the 5 entry points to the courtyard. The first query the board asked the manager to ascertain was what will happen to the insurance. The association broker stated that the insurance would increase 5% for both the condo & owners' insurance.
 - i. Board wishes to send an owner survey out to ascertain if they want to take down the fence or leave it. Manager will put the survey together.
 - ii. If we take down the fence the association insurance will be 5% more each year going forward, and the owners insurance will go up 5% each year as well.
 - iii. **Motion** by Dale Fage 2nd by Jim Lacovara to Survey the Membership to determine how many would like the fence to be taken down. **Vote:** Unanimous.
 - iv. Larry Eriksson asks for volunteers for a sub-committee to determine:
 - 1. Legal implications
 - a. Will the county allow the fence to be taken down?
 - 2. Insurance implications
 - a. Our broker has quoted 5% increase.
 - b. Can we shop and get the same Florida Insurers with A+ rating at a lower rate?
 - 3. What does the membership want, and Larry Eriksson asked for a temporary sub-committee.
 - a. Dave Hancock (204)
 - b. Tammy Moreira (122)
 - c. Cindy Norris (112)
 - i. The committee will be covered by the Association Insurance while performing the duties of the committee.
 - ii. The committee will prepare a report for the Board at their earliest convenience, so the Board may address the matter at a legally posted meeting.
 - 4. Manager will put a survey together.
- b. **Bids:**
 - i. **Roof Scenarios** are dependent on a Pull Test
 - 1. **Motion** by Mark Hilborn 2nd by Dale Fage to arrange the Pull Test for a maximum of \$2,500.00. **Vote:** Unanimous.
 - ii. **Gate**
 - 1. Discussion of the different types of gate operation software and design layout, and how the association wants to deal with each.

2. **Motion** by Dale Fage 2nd by Jennifer Bennett to Survey the Membership first on if they want a gate system at the front entrance. **Vote:** Unanimous

iii. **Lighting**

1. Review of bids
 2. **Motion** by Dale Fage 2nd by Jennifer Bennett to hire Coastline for the lighting of both parking lots up to \$15,000.00. **Vote:** Unanimous.

iv. **Security**

1. Discussion regarding why the security bids were requested by the Board. As there have been some items stolen on the campus & one car window was smashed in.
 2. **Motion** by Larry Eriksson 2nd by Ken Rhodes to add this item to the Membership Survey. (These names are guesses)

c. **Legal Opinion**

- i. Dog Policy – Discussion regarding the policy in place now. No renters are allowed dogs excluding documented and visually identified service or emotional support animals. Board asks for an opinion from the Rental Committee at their next meeting.

d. **Renting the Pool Deck/Clubhouse**

- i. **Motion** by Larry Eriksson 2nd by Jim Lacovara that there be a renter security deposit & cleaning fee for the clubhouse of \$500.00 and \$150.00 respectfully. Deposit only is refundable pending damage assessment. **Vote:** Unanimous. There will be no renting of the pool deck area.

- e. **Clubhouse Cabinets** – The water heater broke in the clubhouse last week, and the entire kitchen cabinets are not salvable because of the flooding. **Motion** by Jim Lacovara 2nd by Jennifer Bennett to approve \$15,000.00 to replace the cabinets at \$9,750.00 & the top at \$3,450.00 plus incidental expenses. **Vote:** Unanimous.

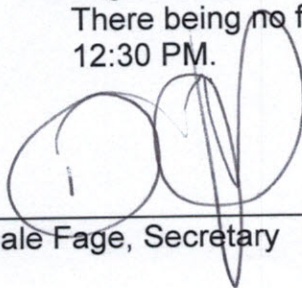
- f. **Laundry Room** – Discussion; the 1-bedroom side laundry room is full of mold and it needs to be eradicated. **Motion** by Dale Fage 2nd by Larry Eriksson to correct the mold and repair what needs to be done in the room for a maximum of \$5,000.00. **Vote:** Unanimous.

9. **Open Session for Homeowners**

A few of the owners present expressed perceptions both pro and con about why and how rules were being enforced. Various board members replied to those comments to address those perceptions. Ken Rhodes, President, restated that the current course of 'rule enforcement actions' has not only the support of the entire board but also is being done at the direction of the board.

10. **Adjournment**

There being no further business to come before the board, the meeting was adjourned at 12:30 PM.


 Dale Fage, Secretary