



Board Meeting Minutes – June 13, 2020

Location: Errol by the Sea Clubhouse
4501 So. Atlantic Ave.
New Smyrna Beach, Fla. 32169

Date: Saturday, June 13, 2020

Time: 10:00 AM

The Meeting was Called to Order at 10:01am

A Quorum was established with all Board members attending. Mark Hilborn and Ken Rhodes attended via Zoom. Cheryl Fazio, Deborah Fourness, Lars Eriksson, and Jim Lacovara attended in person.

Proof of Notice was verified by Manager Greg Foster.

Minutes of January 25, 2020, February 28, 2020, May 9, 2020, and June 2, 2020 Board Meetings were reviewed. Jim Lacovara made a motion to approve all, Larry Eriksson seconded the motion. Motion carried unanimously.

President's Report: Cheryl Fazio led discussion on the upcoming roof project. After meeting with our Project Manager (PM) and Engineer from Karin's Engineering (KWA) for a question and answer session to finalize an official Project Plan and Bid Package, all questions were answered to the satisfaction of Karin's and the Board.

It has been determined by our PM and Engineer that we could possibly get another year out of the current roof however, the poor condition of the roof (which was then validated by an independent roofer at our request) is of more immediate concern.

The next steps are as follows: We will receive a Final Project Manual by the end of June for Board review. After review, a Pre-Bid Meeting will occur, and pricing submitted. The Board will then choose a contractor and enter negotiations on cost and process to determine a start date.

Treasurer's Report: Deborah Fourness reported on current Account Balances totaling 1.3 million dollars which includes 42,600 of our Payroll Protection Program (PPP) Loan that was secured to continue payroll during the Covid-19 revenue losses, to avoid lay-off and furlough of employees. The loan is forgiven if we keep all employees working through the required timeframe.

Budget vs Actual: still difficult to analysis due to line items not aligned in Quick Books (QB) with our budget. Overall analysis is that maintenance fee income is down \$3,000, rental income to the Association is down \$10,000, Landscaping/lawn care is over budget by \$11,000 (Greg will investigate further), and repairs are over budget by \$14,000, some of which is related to the beach stairs,

Insurance for the year May-May renewals is under budget by nearly \$20,000 which allowed us to negotiate a 1% hurricane deductible rather than 2%.

Overall, with some savings on large items and some losses, we appear to be able to meet budget unless we have another event and lose July or August rentals.

Audit: Although there is no evidence of misappropriation, our 2019 accounts are not in auditable form, per our Accountant. They were unable to reconcile accounts from June/July/August 2019, without reposting all of 2019. We need to expand the role of our accountants to provide as close as possible of account balances as of the end of 2019 and reconcile through June 30, 2020. Then, they will continue to perform our quarterly financial statements based upon a revised chart of accounts which will then line up with our budget for 2021.

Cheryl Fazio made a motion that we expand the scope of service of Belote (our Accountants) to provide additional services in a manner to provide us with reconciled balances as of June 30, 2020, to continue the quarterly financial services as previously approved and to revise our chart of accounts to enable us to have more accurate budgets and a three year financial plan.

Jim Lacovara seconded the motion. The motion carried unanimously.

Full Disclosure: our current Manager has found more than \$55,000 in checks (that were not deposited timely last summer) in various folders and envelopes in the office. To date, more than \$40,000 has been recovered by replacement checks and we are working to replace the remainder including nearly \$13,000 related to rental operations by working to recover these sums from prior renters with replacement checks.

This issue is related our Accountant's inability to reconcile accounts, leading to accounts not being in auditable form.

Maintenance Account Balances were sent out in June, owners are asked to report any discrepancies to the Manager.

The Board was asked to consider an Investment Policy that will yield some return, with respect to reserves held for catastrophic loss.

Deborah and Greg will meet with Regions Bank and set up an auto-pa method for monthly maintenance fees. This method will allow owners pay by direct deposit to Regions bank into the Errol HOA account. This will eliminate the need for writing and deposition individual checks each month.

Discussion ensued regarding cleaning protocols for Covid-19 and the logistics of our program. It was recommended that we increase our cleaning fees to reflect the additional time and resources required to meet the requirements set forth by the CDC and Volusia County, as well as the cost of the management of this program with the cleaning staff. The information will go to the Rental Committee for evaluation and recommendation.

Rental Report: Greg Foster discussed the challenges of running a rental program in the Covid-19 environment and highlighted the steps the team has taken to provide outstanding results, including the use of lock boxes for quick and seamless check-in, and the new cleaners who have joined us.

Not all sheets and towels that were ordered arrived on time but were secured by our staff by shopping in person, at Sam's club. There has been an outstanding effort by our staff to make all of this happen to continue our rental program.

Maintenance/Grounds Report: Jim Lacovara reported that the Committee will be rounding on the property prior to the end of June and submitting a report back to the Manager for review and closure.

Also, with the rust issues that are constant on our stairs due to the salt environment, Mark and Laurie Smith have offered to have the painter that they use in their business (works with rust on metal) come over and look at our stairs and give us an estimate on products and services that we may not have considered. The committee will be working with the Smith's and their painter on this project.

The landscapers will be coming back again to further remove the rust color from the walkways as the result of a product that they used to treat the lawn.

Manager's Report: Greg Foster reported the following:

Nick LeBeau has completed his 8th year at Errol. The Board recognizes Nick for his outstanding work and service.

Repair on the 24-26 stack is scheduled to mobilize on Sunday, 6/14 and will take two weeks to complete. We will have the contractors' "eyeball" the building for other cracks eligible for a quick fix while they are here

Ken Rhodes reminded everyone that there needs to be an annual review and repair of all parts of the building by R&J Coatings. Greg Foster will schedule that

Greg has scheduled security for the 4th of July weekend as requested. We will have two guards from 3-11pm on Friday (official holiday) and Saturday.

Our Maintenance staff are now working alternate and staggered shifts to meet the need for additional on-site support on weekends and holidays.

As Property Manager, Greg will be working a full day on Saturdays through the summer (8-10 weeks) during our busiest times. Greg will take a day off during the week.

Mark Hilborn requested help cleaning up the beach following the fireworks on Friday night (7/4). We will supply the trash bags, and on-site Board members who are able, will assist. Owners are encouraged to participate as well.

Discussion ensued regarding rules. Specifically, eating on the decks, and glass bottles, despite signs being posted at all deck entry points.

The Board encourages owners to take part in the solution for keeping our decks free of ants, birds, bugs, and animals. Also, in avoiding the danger that glass pieces and splinters present when on a deck. It is very costly and not very well received when pools must be drained and out of service for any length of time to search for glass in it.

We will have an increased manager and staff presence over the summer weekends to assist with policing this, but as owners, we need to be good stewards of our property as well.

We will be adding an 8 X 10 sheet of paper in each renter's welcome packet that outlines the rules for no food or glass on the decks.

With there being no further business, Larry Eriksson made a motion that the meeting be adjourned. Deborah Fourness seconded the motion. The motion carried unanimously. The meeting was adjourned at 11:49 am.

Cheryl Fazio, Secretary