

**FLORIDA BAY CLUB CONDOMINIUM ASSOCIATION, INC.  
BOARD OF DIRECTORS MEETING MINUTES**

August 29, 2017

**I. CALL TO ORDER/ ROLL CALL**

A duly noticed meeting of the Board of Directors was called to order by President Phillip Truran at 6:00 p.m. at the Florida Bay Club Office. The following persons were in attendance:

Board of Directors:

Phillip Truran, President (via teleconference)  
Michael Gandham, Vice President (via teleconference)  
James Farmer, Secretary (via teleconference)  
Michael Heise (via teleconference)  
John Lexa, Director (via teleconference)  
Wanda Robbins, Director (via teleconference)

Vacation Resorts International and Resort Management:

Richard Schwartz, Vice President of Resort Operations/VRI (via teleconference)  
Shawn Samland-Director of Resort Operations/VRI (via teleconference)  
Shelby Valles, Resort General Manager

Others:

Becky Bolesta, Owner  
Loif Arye, Owner

**II. NOTICE CERTIFICATION/QUORUM VERIFICATION**

A. Posted

Shelby Valles confirmed that the notice of the meeting was posted at the resort in an approved location in accordance with the condominium documents and Florida Statute.

B. Quorum

A quorum was established with six Board members in attendance.

**III. APPROVAL OF AGENDA**

**MOTION:** Phillip Truran moved to approve the agenda as presented.

**SECOND:** Motion was seconded by Wanda Robbins.

**DISCUSSION:** None.

**VOTE:** The motion was approved unanimously.

**IV. APPROVAL OF PREVIOUS BOARD MEETING MINUTES**

A. Approval of the Planning Committee Minutes (07/13/17)

**MOTION:** James Farmer moved to approve the Planning Committee Meeting Minutes of July 13, 2017 as written.

**SECOND:** Motion was seconded by Phillip Truran.

**DISCUSSION:** None.

**VOTE:** The motion was approved unanimously.

B. Approval of the Documents Committee Minutes (07/20/17)

**MOTION:** James Farmer moved to approve the Documents Committee Meeting Minutes of July 20, 2017 as written.

**SECOND:** Motion was seconded by Phillip Truran.

**DISCUSSION:** None.

**VOTE:** The motion was approved unanimously.

C. Approval of the Regular Meeting Minutes (07/25/17)

**MOTION:** James Farmer moved to approve the Regular Board Meeting Minutes of July 25, 2017 as written.

**SECOND:** Motion was seconded by Phillip Truran.

**DISCUSSION:** None.

**VOTE:** The motion was approved unanimously.

**V. TREASURER'S REPORT**

Richard Schwartz reviewed the July 2017 financial report, copies of which were provided to each attendee.

Matters highlighted included the following:

- Sale revenue to be discussed during New Business.
- The Association is on track to end the year with a surplus.
- Payroll and Operating expense are under budget by \$47,033 due to cut backs in housekeeping, maintenance and Shelby keeping a close eye on expenditures.
- Administrative fees are over budget by \$16,239 due to legal expenditures that are not likely to carry over to the 2018 fiscal year.
- Revenue is under budget by \$4,091 mainly due to inflated projections.

**VI. GENERAL MANAGER REPORT**

Shelby Valles reviewed her General Manager's Report, copies of which were provided to each attendee. Matters highlighted included the following:

- Deep cleans of all units are in progress. B5 and B2 are complete and B6 is in the works.

**VII. MANAGEMENT REPORTS**

A. Rental Reports

Richard Schwartz reviewed the Rental Reports as of July 30, 2017 and the Rental Deposit and Confirmed Report as of August 21, 2017, copies of which were provided to each attendee.

Michael Heise asked if weeks in the upcoming slow months have been rented. Richard Schwartz stated that none have been at this time but that it may pick up.

B. Delinquency Report

Richard Schwartz reviewed the Delinquency Report as of August 18, 2017, copies of which were provided to each attendee. The following represents the total delinquencies:

	<u>Weeks</u>	<u>Amount</u>
Association Owned	12	13,559
In Collections	17	18,422
Deemed Uncollectable	6	6,780
In Foreclosure	19	66,828
Deed in Lieu	3	11,127
Current Year Collection	<u>10</u>	<u>9,786</u>
<b>Total</b>	<b>67</b>	<b>\$126,502</b>

Michael Heise commented that the number of Association owned weeks was high at 12 with an additional 22 expected from deed backs and foreclosures. Richard Schwartz explained that even with 34 anticipated weeks, it was still below the average especially taking into consideration the fact that this was a catch-up year for the resort in placing all delinquent owners into foreclosure at one time. Subsequent years should not reflect this many Association weeks if sales effort is successful.

C. RCI Report

Richard Schwartz reviewed the RCI Report as of August 21, 2017, copies of which were provided to each attendee. All scores are above Gold Crown levels. Richard recommended that the Association retain its Silver Crown status since the resort does not have some of the amenities expected at a Gold Crown property. This would help prevent unwarranted expectations, thus avoiding possible negative feedback from RCI guests which may impact comment card scores and thereby affecting trading power for Florida Bay Club owners.

**VIII. UNFINISHED BUSINESS**

A. Floating Plan

Phil Truran reported that the Floating Plan amendment had been sent to all owners for voting purposes and the results will be presented at the September 26<sup>th</sup> Special Owner Meeting.

Shelby stated that she has received 150 proxies thus far and will be recording the rest as they are received.

**B. Strategic Plan**

Richard Schwartz stated that Shawn Samland and himself were on property August 28, 2017 to meet with two designers and their general contractors to begin the process of obtaining proposals for remodeling the kitchens and bathrooms. The quotes will be used to give the Board options on design and cost. It is anticipated that these proposals will be available for the next meeting.

Richard also stated that he had two painting contractors visit the property to provide quotes on painting the building exteriors, one local painter and one larger company out of Ft. Lauderdale. Richard will forward the quotes to the Board when they arrive.

Michael Heise expressed concern over who provided a scope of work to the designer and the need to involve a designer/general contractor versus the Board doing it themselves.

Phillip Truran stated that the Board directed Richard to obtain quotes on remodeling the bathrooms and kitchens during the last Board meeting following the review of the owner's survey sent out by the Planning Committee.

Loif Arye (owner) stated that she feels most owners would welcome the remodeling of the units as long as it was done with quality products and in a fiscally responsible manner.

Michael Heise stated he would like to see a pocket door added to the half bath due to space issues.

**C. Budget Meeting**

Phillip Truran stated that the 2018 proposed budget would be discussed under New Business.

**D. Annual Meeting**

Phillip Truran asked Shelby to confirm that the Annual Meeting is scheduled for 1:00 p.m. on October 29, 2017 at the Lions Club. Shelby confirmed.

**IX. NEW BUSINESS**

**A. 2018 Proposed Budget Review**

Phillip Truran reviewed the proposed 2018 Operating budget and the 2018 Reserve budget. Phil noted that the deficit reduction line item relates to an error in the 2015 audit which was discovered during the 2016 audit and corrected. Michael Gandham inquired whether there was any recourse against the auditor for this error. Richard Schwartz addressed this stating that recourse was probably unlikely.

Michel Heise inquired whether the deficit reduction line item in the proposed 2018 budget will eliminate the entire accumulated deficit in 2019. Richard Schwartz stated that if they reach the \$77,000 anticipated 2017 surplus, that the accumulated deficit of \$140,000 would be totally eliminated. If that surplus is not reached, there may still be a residual deficit to be added to the 2019 budget.

**MOTION:** Wanda Robbins moved to approve the Proposed 2018 Budget as presented for mailing to owners and subsequent approval at the Board Budget Meeting on September 26, 2017.

**SECOND:** Motion was seconded by James Farmer.

**DISCUSSION:** None.

**VOTE:** The motion was approved unanimously.

**B. Resort Website**

James Farmer stated that he had contacted the FBC website administrator concerning changes to the VRI website link and adding a Facebook link to the site. He was told that there would be a \$95 charge per change to the website.

**MOTION:** Phillip Truran moved to approve the expenditure of \$190 to make the recommended changes to the website.

**SECOND:** Motion was seconded by Michael Heise.

**DISCUSSION:** None.

**VOTE:** The motion was approved unanimously.

**C. Sales Program**

Richard Schwartz, representing Net Realty Services, outlined the status of the resale program being adopted by Florida Bay Club. Richard stated that he anticipates having all the required documents and website ready by the end of the month and requested direction on the following:

- Reducing the three tier pricing to only two tier. Two bedroom units priced at \$6,000 and three bedroom and C Building units priced at \$7,000.
- Order of priority in selling unit/weeks.

**MOTION:** Phil Truran moved to reduce the three tier pricing to two tier as recommended and to sell unit/weeks for the Association and owners in the order they are listed.

**SECOND:** Motion was seconded by Jim Farmer.

**DISCUSSION:** None.

**VOTE:** The motion was approved unanimously.

**X. CONFIRMATION/SCHEDULING OF MEETING DATES/TIMES**

The Board confirmed the upcoming meeting dates as follows:

- Owner Special Meeting-Tuesday, September 26, 2017 at 6:00 p.m.
- Board Budget Meeting-Tuesday, September 26, 2017 following Owner Meeting
- Annual Owner Meeting-Sunday, October 29, 2017 at 1:00 p.m.
- Board Regular Meeting-Tuesday, October 29, 2017 following annual meeting.
- Board Regular Meeting-Tuesday, November 28, 2017 at 6:00 p.m.
- Board Regular Meeting-Tuesday, December 26, 2017 at 6:00 p.m.

**XI. ADJOURNMENT**

**MOTION:** Wanda Robbins moved to adjourn the meeting at 7:36 p.m.

**SECOND:** Motion was seconded by Phillip Truran.

**DISCUSSION:** None.

**VOTE:** The motion was approved unanimously.

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James Farmer, Secretary

RS/jmf

fbc: 082917min