

Board of Directors for Aquavista of Panama City Beach Owners Association
Meeting Minutes
December 18th, 2015

1. **Call to Order.** Gene Christian called the meeting (Agenda One) to order 4:00 p.m.

2. **Calling of roll and determination of a quorum.**

Julie Hile, Gene Christian, Richard Dowdy, and Christine Prue responded to roll call. Jerry Carpenter was not present.

3. **Proof of posting of Notices of Meeting.**

The first agenda (Agenda One) had only the budget adoption/ratification as the sole agenda item, and was mailed to all owners of record at least 30 days prior to the meeting date, by Gulfview personnel. The proposed budget was mailed to owners along with Agenda One so owners could have adequate time to review and comment on it. The second agenda (Agenda Two) had many other agenda items as well. Gulfview (Terry) posted notice of the meeting on the bulletin board on property December 16th and Gulfview (Charlie Allen) distributed it by email to owners on December 15th. We will tackle both agendas in this combined set of minutes for both agendas.

4. **Discussion and possible ratification of the Proposed 2016 Budget-Fully Funded Pooling Reserves.**

Julie made a motion to adopt/ratify the budget proposed to owners with contributions to reserves utilizing full funding of pooled/cash flow method reserves. Richard Dowdy seconded the budget ratification/adoption. Richard Armbruster, immediate past president, made statement about full funding and that no prior boards have ever allowed owners to vote for less than full reserve funding contributions and that no prior board has ever proposed budgets with reserve full funding contributions. Mr. John McClung (E704) asked if the buildings could be power-washed instead of painted. Julie described that the engineers who did the on-site analysis make estimations of the remaining useful life of various components, including painting, based on visual observations of inspected condition. There was a productive discussion of the need for preventive maintenance to make various components last as long as possible. All board members present voted to ratify the budget as proposed.

Julie made a motion to recess the meeting (Agenda One). Richard Dowdy seconded the motion and all members voted to recess the meeting at 4:40pm.

Motion to reconvene (Agenda One) at 5:50pm. Gene motioned and Julie 2nded the motion. All members present voted to reconvene. Additional owner comment was invited for any late arriving owners. Each board member was asked after completion of any additional budget comments by owners if each bod members' earlier vote to ratify the budget remained as stated earlier and each bod member confirmed.

Motion to adjourn the meeting (Agenda One) on the budget only (Agenda One) at 5:52pm on the budget. Voted unanimously.

Call to Order of Special Meeting agenda (Agenda Two)

5. **Meeting minutes. No minutes were presented for review. Julie announced that Thomas Hildebrandt has agreed to serve as the association's assistant secretary.**

6. **Review and approval of minutes of previous board meetings.**

Julie made a motion to approve the minutes of the organizational meeting held on October 10th as presented at an earlier meeting. Richard Dowdy seconded the motion. Gene, Julie, and Richard approved the minutes. Chris Prue abstained from voting because she was not present at the Oct 10 meeting.

Charlie and Diane Allen arrived at the meeting at 5:45pm.

7. **GACO certified letter sent a month prior was returned to sender, and therefore recently resent to their new mailing address made known as a result of the mail return.**

8. **Certification of board-each new bod member was reminded to send in a self-certification (as typically done with candidacy for the bod mailings) if not yet completed.**

9. **Aquavista Owner balcony inspection report.**

Gene presented a document that described the results of the inspections. Gene believes that Valcourt, the contractor for the balcony spalling repairs and floor waterproofing/painting, will be responsive to making repairs/corrections. The contractor who did the rail painting (Beach Remodeling Services LLC, sole owner, Charles Mansfield) is not likely to be responsive to a claim on the warranty. Gulfview maintenance staff (Gary Akman) is painting all the railings in the area around the pool and hot tub. John McClung (704) asked who made the specifications for the owner balcony skid-proof surface.

10. **Spalling.**

There was a brief discussion of some balcony spall repairs that have been made by VALCOURT that have since failed. Mike O'Mara's spalling repair has failed.

11. **Reports of Officers or Committees, or Management:**

These items were not covered in the meeting.

a. **President's report (see above)**

b. **Maintenance Issues-status**

- Roof repair update report
- Balcony inspections-status of report to compile deficiencies/damages to handrails, waterproof balcony coatings.
- Claim-status-against the roofing system warranty with the manufacturer (GACO western) and applicator (SPF Systems, Inc.) of the SPF roofing system.

c. **Treasurer's report**

- Financial Reports. Julie received the reports that Gulfview brought with them to the meeting, so she did not have time to review them in advance. This lack of timely report preparation is an ongoing problem that has to be solved by Gulfview.
- Operating cash: Negative balance of 23,000 in Hancock account. This is possible only on paper but not in reality only because Gulfview printed checks that have not been signed or sent to the respective recipients, and this is an unacceptable practice that must end.

The association in reality appears to owe about \$75,000 (\$25k of this is owed to reserves and the rest, \$50k, is due to outside vendors). Julie noted that the association will get a water bill from PCB for October and November (minimum bill is \$3k/month) among others. The association needs to develop a plan to resolve this ongoing operating deficit/cash shortage.

- Reserve funds: \$381,000
- Special assessment funds: \$11,200 – which needs to be paid out soon
- Accounts receivable: \$33,000 (\$4,000 claim made against insurance for elevator; \$29,000 due from late pay owner assessments)
- Expenses: Julie reviewed the items that were over budget and under budget year to date and are primarily security, fees paid to Gulfview, fees paid to the lawyer and special assessments.
- Access to records and data: It's been difficult to impossible get accurate data timely from Gulfview
- Banking process and authorizations: General concept is to switch to having bank accounts that only board members will have authority to sign/disburse, and not the management company, as a way to strengthen internal controls.

- d. **Communication Committee report.** Chris reported that she has drafted a letter summarizing the two ballot initiatives.
- e. **Performance Committee report.** No report.
6. **Review details with Secretary and/or Management Company the open issues regarding status/progress of compliance with Sprinkler Opt-out report as required by statute**

Gene prepared the vote tally and will file it with the clerk's office.

7. Discussion of possible action on report on balcony inspections.

Gene volunteered to contact contractors to get fixes made.

8. Discussion and possible actions to identify appropriate items paid from the current operating account that could be paid from reserve funds and authorize the transfer of said payments from the operating account to the appropriate reserve account and to review payments made from reserve accounts to date for 2015.

Gene reviewed invoices and identified about \$10,000 worth of invoices that might qualify as legitimate reserve expenditures.

\$6600 is the sum from invoices that Gene and Julie concur that they are legitimate reserve expenses.

Chris moved that these expenses be paid for by reserve funds. Richard Dowdy seconded the motion. All board members agreed. So, the operating account will be reimbursed for payment of these invoices from reserve funds. Gulfview will take a picture of the invoices and Julie's summary and notes so they have documentation to support the decision of the board.

9. Discussion and possible action about applying for an operating line of credit.

No action taken.

10. Discuss and review the terms of the management services contract to fully understand the duties of the management company and the association.

A meeting occurred between Gene, Julie, and Gulfview leadership on December 17th. Items 10, 11, and 12 on the agenda were the main focus of discussions with Gulfview. Potential policy/procedure changes may include: The board requested that all records would be brought onsite. Julie shared the type of information that she needs to fulfill her duties as treasurer. Board members will become the only signers on checks. The board will take control of the mailbox and open the mail instead of Gulfview. Julie will note which bills are to be paid and Gulfview will pay them in accordance to her direction. One hurdle not yet overcome as yet, is how to get Julie the electronic information from Quickbooks product that Debbie uses for bookkeeping. The board will be creating a notice of failure statement to let Gulfview know what needs to be corrected in a timely manner. Verbal notice of this was given to Gulfview at last night's meeting.

11. Discuss and develop an action plan to resolve issues regarding requests for information in light of contract terms and cash deficiencies/cash flow problems.

Ideas discussed included:

- Delaying payment of bills but not paying them so late as to incur significant late payment penalties. Prioritizing which bills will get paid first.
- Board members pre-paying their dues for 2016
- Delaying the transfer of operating funds to reserve
- Step up collections efforts to get funds from owners that are past due.

The board discussed reimbursing Gulfview payroll charges now and paying other bills in mid-January when the next round of quarterly assessments are expected to have been received. Debbie said that about 85% of owners pay their bills in a timely manner.

Approximately \$19,000 is available to use in the operating account (after tallying checks printed but held/not signed) minus payment of GV's payroll expenses will leave an estimated balance of about \$11,500 in our banks account.

Gene and Lou have pre-paid their quarterly assessment. Richard Dowdy and Christine Prue committed to paying their quarterly assessments right away as well.

12. Discussion and possible action to accept volunteers to determine amount of unrecorded debt/unrecorded accounts payable balances and details.

Julie primarily completed this item prior to the meeting by calling vendors.

NEW BUSINESS

13. Discussion and possible action to adopt the “pooling method” of determining and/or funding of reserves for the Association for all future dates and for all budgets beginning with the 2016 budget of the association.

Julie made a motion to adopt the Pooling method of reserves accounting and Richard seconded. Motion Approved by all.

14. Discussion and possible action to adopt the proposed Budget and Reserve Schedule for Aquavista for the period of January 1, 2016 to December 31, 2016 as provided to the members of the Association by mail on the 18th day of November 2015

Budget was approved under agenda one.

15. Discussion and possible action to provide instructions to board members and management to implement and convert to the “pooling method” all past/current reserve amounts and accounts as authorized by the vote of the Owner’s on December 11, 2015.

By December 31st, Gulfview will do a journal entry to pool funds. Because the cash balances in reserves are large, the association will still need the cash funds to be in different banks’ accounts so that they are insured by FDIC.

16. Discussion and possible action to determine vendor for metal roof replacement and begin process of material selection, color and contract requirements and conditions.

Richard reported he had spoken with Ameritech (Philip). We’ve got their pricing and information, but still need to decide on color of the metal that we want to use, etc. Julie noted that according to statutory law, perceptible change is often considered a material alteration/modification and needs to be approved by owners. Julie described some of the differences: the new material has a seam that is shorter in height and it does not have a top flat ridge at the top of the standing seam. Looking at the roof cross-sectionally, it will look like the letter I instead of the letter T. All of these issues are design-related, so having an engineer involved in design is needed. Gene asked the opinion of the CAM. Gulfview’s Debbie Flemings confirmed what Julie shared.

We need to get a mock-up’s or drawings and whatever is required to provide enough information to owners to make an informed decision in order to vote. “Interstate blue” is the color being considered most strongly. The association needs to start contract negotiations as soon as possible.

Richard made a motion to table any contract preparations to the next meeting. Julie seconded. All voted in favor of tabling the contract to the next meeting.

17. Discussion and action to determine vendor for metal roof replacement contract/construction management including contract requirements and conditions.

Invite the architectural engineer and Ameritech to the next meeting. Julie moved to table further action until to the next meeting when the roofer and engineer will be present to discuss.

18. Discussion and possible action to award and execute beach services contract with Aquatic Adventures for 2016.

Chris moved to table this. Julie seconded. All voted favorably.

19. Adjournment

Chris Prue moved to adjourn the Special Meeting (Agenda Two). Julie Hile seconded the motion. All voted in favor. Meeting adjourned at 8:25pm.