

Sea Winds Condominium Association, Inc.

Minutes of the Sea Winds Board meeting held at the Sea Winds Clubhouse on Saturday July 12, 2014

1. **Determination of a Quorum**

A quorum was announced by the presiding officer, Doug Loudon. Jeff Peet and Nigel Smith were physically present while Jane Hartman, Doug Loudon, and Peter Weir participated via speakerphone.

2. **Call to Order**

Mr. Loudon, President of the Board, called the meeting to order 10 AM at the date and location noted above.

3. **Approval of minutes from previous board meeting**

The minutes from the previous board meeting were approved by a vote of 5-0.

4. **Officer's Report**

The President reported that the \$40 registration fee for renters is to be implemented on Monday July 14th, 2014. This registration fee was approved by the Board on a 3-2 vote at a meeting held last October. Before implementing the fee, the President checked with the Association's lawyer to make sure that it complied with HOA regulations. An owner in the audience asked how much that legal advice cost the Association. The President reported that the legal fee was \$1,500 and that it had been requested by several members of the Board. The owner in question then asked whether the Board would be able to see the bill and report from the lawyer, and the President responded that they would be made available. Jeff Peet, Vice-President, again requested a copy of the legal opinion.

5. **Agenda Items**

Building and Grounds/Manager's Report

Gary Thompson, our CAM, in collaboration with Jeff Peet, Vice President and Chair of the Buildings and Grounds Committee, reviewed current projects as follows:

(a) Repaving

The president proposed a "motion to approve spending up the total amount now held in reserve for this purpose"

Nigel Smith pointed out that few people know what that amount is in the reserve fund. A figure of \$180,000 has been floated, but Mr. Smith pointed out that spending \$180,000 on repaving the SW complex is not only excessive and unneeded but is likely to trigger a special assessment down the road because the reserves would be drained severely. Jeff Peet obtained the latest revision of the Dreux Isaac study (rev 4) and explained that the report inaccurately includes the \$180,000 estimate for repaving with an unfunded balance of \$0 which is not accounted for in the contributions to the reserve and if approved as requested by the President it would result in an immediate shortfall of \$100,000 and a

special assessment. Jeff suggested that the Board vote on a cap of \$89,000 for repairs and paving, which has been funded and is close to the figure that the Building and Grounds Committee had suggested a few weeks ago. However, the President opted to defer the motion pending further study.

(b) Lagoons

The lagoons need to be deepened to reduce the threat of algae blooms. The manager reported that he is working on this issue and is waiting to hear back on the cost and schedule.

(c) Drainage Swales

Swales that were created to assist the drainage of the roads at SW during rainstorms have filled in over time. The manager reported deepening of the swales will be scheduled shortly.

(d) Irrigation Pump

A new irrigation pump has just been installed after the old one failed and the sprinklers are now operating normally

(e) Lift Station

The two pumps in the lift station in the hut at the corner of the tennis court by the entrance to SW are wearing out and one failed recently. A new one will be installed shortly at a cost of \$2,880. Jeff Peet stated that deferred lift station maintenance is a line item in the reserve which will cover the expense with a periodic reoccurrence of about 5 years.

(d) TV/internet service

The manager is waiting to hear back from AT&T as to whether they can offer a better deal to SW for TV service. SW has had issues with repair service/technical assistance from COMCAST, and COMCAST has recently raised their rates. Several condo associations have switched to AT&T U-verse for TV service. While it appears that nearby condo associations are generally satisfied with the move, Jeff Peet pointed out that if DSL is proposed, the telephone wires in many of the units here at SW are inadequate. AT&T is not responsible for wiring inside the units. So this issue will need to be resolved before any decision is made to change our TV service.

(e) Dunes

Some owners of units facing the ocean at SW no longer have a view of the ocean from their living room balconies because the dunes have built up over the years due in part to periodic sand replenishment along St Augustine Beach. They want to know whether the dunes can be lowered in order for them to restore their view of the ocean. However, state law forbids tampering with the dunes. The greater height of the sand dunes is actually a benefit to SW because it will help prevent storm surges from breaking through into our property. A nearby community was fined heavily by the state recently for cutting into the dunes to facilitate foot traffic.

A related question was raised by an owner in the audience as to whether the walkway through the dunes could be levelled. The current narrow passageway through the dunes could be deepened, but it would soon fill in either by collapse of the sides or during high winds sweeping the sand over the walkway. Formerly there was a wooden walkway and

steps leading down to the beach but they have been buried for almost a decade and are now under at least 6 feet of sand if not more.

(f) Entry Sign

The entry sign will receive a cleaning, repainting of colored areas and resealing at a cost of \$675. Work is to begin shortly.

(g) Clubhouse Kitchen Renovation

A plan for renovating the kitchen in the clubhouse is in place and the manager is awaiting samples from the contractor before a final decision is made to proceed.

(h) Pool Bathrooms

The men's and ladies bathrooms at the pool are slated for renovation within the next few months.

(i) The willow tree at the east end of the last lagoon by the boardwalk will be trimmed back about 6 feet from the lagoon. A suggestion was made that the tree be removed entirely, but Jeff Peet pointed out the tree itself is right on the boundary of state property, if not just inside the conservation zone, so removal of the entire tree would be a risky proposition.

(j) Pool Deck Painting and Sealing

The pool deck will be repainted and resealed in house. This will take place after the main summer tourist season is over and will take about a day. An effort should be made to only limit partial access to the pool area during work if at all possible to prevent inconveniencing guests.

(h) Clubhouse Pillars

Four steel columns supporting the clubhouse are deteriorating and we are waiting on the architect to produce drawings and get with the contractors on their costs for repairs. This is an unexpected expense not accounted for in the Dreux-Isaac study.

Treasurer's Report

Peter Weir, Treasurer, led the discussion as follows:

(a) The insurance premium for SW comes due every July. This year the premium is \$98,000. A motion was put forward for the Board to approve payment of the premium and it passed 5-0. Provisions will be made to set aside funds so that the premium can be paid in full in the future out of Association funds. At present the Association is financing that premium at an annual cost of \$1,800 in interest. In the past, the Association has levied a special assessment to pay for the insurance.

(b) Audits

Peter reported that the services of an auditing company are being sought to perform an annual audit of SW finances. An owner asked who would pick the auditor and the President stated he would make the selection.

(c) Reserve Fund and Dreux-Isaac Study

The most recent version of the study suggests an annual funding rate that is about \$13,000 higher (it was later discovered that the actual amount was \$8,000) than was anticipated in the 2015 budget previously approved by the owners. As a result, the monthly contribution will be increased by an amount appropriate to fully fund the

reserves for this year. No further assessment is contemplated being needed to pay for the increase. An owner in the audience suggested it would be helpful if a representative of the team that puts together the Dreux-Isaac study come to SW to see our facilities and amenities to better understand our situation and to make provisions for at least some unexpected repairs.

Jeff Peet asked if the rental program has been making the monthly contribution to the Association Operating account. Peter Weir stated yes, it's a line item in the budget. No financial reports were available for review at the meeting.

The financial position of Sea Winds is strong. Peter Weir pointed out that in fiscal 2014 we seemed to be generating a surplus relative to the budget of about \$5,000 per month. It is planned that when the final surplus for fiscal year 2014 is determined that some portion of those funds will be held in reserve against future year's insurance premiums.

Rental Report

Jane Hartman, Rental Committee Chair, led the discussion as follows:

(a) More storage is needed for towels and linens. Accordingly, a shed will be purchased for this purpose. The precise location of the shed is yet to be determined but it will most likely be placed near the clubhouse in the area that was formerly used to park the golf cart. Jeff Peet expressed concern over the proposed location of the shed with the potential for being an eyesore upon entering the property. A walk down of the proposed area will occur after the meeting.

A motion was made to approve the purchase of a shed for the linens at a cost not to exceed \$5,200 with the final location to be approved by the B&G Committee. Currently, it appears the fence is not 6 feet in height and may not even be 5 feet tall.

(b) A change in book keeping for the rental program is taking place. This will now be performed in house by Carolyn, our office person, in conjunction with Gary, our manager.

6. Additional questions raised by owners

An owner asked whether part of the monthly assessment (dues) that owners pay is actually being transferred over to the Reserve fund, as it should, or whether it is all going into the operational budget. Peter confirmed that the transfer to reserves is occurring monthly.

Another owner asked whether it would be possible to pay the monthly assessment automatically out of the owner's bank account. This question has come up before. The Treasurer reported that he is looking into that. If we can once again have the option of autopay for the monthly dues, it would be convenient for many owners, especially those who travel frequently.

A question was raised as to the status of several units that have not been paying their monthly dues. The most serious case is unit 22 which has not paid any dues or special assessment for several years. Unit 22 is essentially abandoned, though the owner is still paying county taxes on the property. This case is still in limbo with an outstanding

amount due to the Association in the order of \$100,000. Unit 2 is in bankruptcy. Unit 77 is going to be a short sale.

An owner noted that there have been complaints about our website, especially for potential renters checking out Sea Winds. There are apparently some deficiencies. Jeff Peet pointed out that he was involved with setting up our new Sea Winds website and the rental program site in 2013 which merged into one project, but was never consulted about the objectives and pending enhancements after committee assignment changes were made last year.

7. Adjournment

The Board meeting was adjourned at 11:30 AM

Respectfully submitted
Nigel Smith, Secretary