

Minutes
CARIBBEAN BEACH CLUB ASSOCIATION, INC.
Board of Directors Regular Meeting
Ft. Myers Beach, FL

August 17-18, 2009

I. CALL TO ORDER/ROLL CALL

President Dick Garrett called the meeting to order at 9:05 a.m., August 17, 2009, at the Caribbean Beach Club, Ft. Myers Beach, Florida. The following persons were in attendance:

Board of Directors:

Dick Garrett, President
Dave Zibolski, Vice President
Tom Andres, Treasurer
John Thomson, Secretary
John Vary
Ed O'Connor
Tony Annunziato

Vacation Resorts International (VRI):

Alex Fogel, Senior V.P. of Resort Operations, VRI
Jeff Wharton, Director of Resorts, VRI
Tammy Sloan, Director of Finance, VRI

Owners:

5 owners present.

II. NOTICE VERIFICATION/QUORUM

Ed O'Connor stated that meeting notice was posted in the Board approved location in accordance with the condominium documents and Florida Statutes.

A quorum was established with seven of seven Board members available in person.

III. APPROVAL OF MINUTES

MOTION: Ed O'Connor moved to approve the June 30, 2009 meeting minutes. The motion was seconded by Tony Annunziato and approved unanimously.

MOTION: John Thomson moved to amend the agenda to request discussion of a previous motion. The motion was seconded by Tony Annunziato and approved unanimously.

MOTION: John Thomson moved that upon advice from our Treasurer and in accordance with Florida State accounting practices, I wish to rescind my motion in the May 26, 2009 minutes under New Business relating to “monitoring the wells” which I moved to be paid by the Special Assessment account. I now move that the monitoring of the wells expenses be charged to Operating Expenses (a new Operating Expense category to be established). The motion was seconded by Tony Annunziato and approved.

Voting Yes: Dick Garrett, Dave Zibolski, Tom Andres, John Thomson, John Vary, Tony Annunziato.

Voting No: Ed O’Connor

IV. FINANCIALS/COLLECTIONS

A. Monthly Financials

Tom Andres reviewed the balance sheet from the June financials.

Tammy Sloan submitted financial statements through June 2009. Included in the review were the Cash Balances Report, Accounts Receivable Summary, Comparative Income Statement, Reserve Report, and Cash Flow Analysis.

Ms. Sloan reported that the Association has collected \$675,435.00 of the 2009 special assessment as of August 13, 2009.

B. Colebrook Loan Status Report

A loan to rebuild the fire-damaged north building was secured from Colebrook in the amount of \$3.5 million dollars, with an interest rate of prime plus 2.75%, minimum interest rate of 9.25%.

Mr. Andres reviewed the current balance of the Colebrook loan and suggested making a payment against the loan. Mr. Andres stated the next payment will total \$612,898.52.

MOTION: Tom Andres moved to suggest paying one fifth of the current Colebrook loan, which is approximately \$613,000.00, as soon as possible. The motion was seconded by John Thomson and approved.

Voting Yes: Tom Andres, John Thomson, Dave Zibolski, Tony Annunziato, John Vary, Dick Garrett.

Voting No: Ed O’Connor. Mr. O’Connor objected to the ambiguity of the motion.

Tom Andres reported that the Colebrook loan balance would be reduced to 1.2 million and result in lowering the interest to \$9,400.00 per month.

MOTION: John Thomson moved to amend the previous motion to have the payment made by August 24, 2009. The motion was seconded by Dick Garrett and approved unanimously.

John Vary asked to identify where the payments from Axis are shown in the financials. Tom Andres requested that the total amount be shown and book expenses against any payments.

C. Delinquency Report

Jeff Wharton reviewed the latest delinquency status at 567 intervals, representing 26% of the ownership.

Active	97	\$ 36,825
Payment Plan	67	\$ 15,553
Bankruptcy	14	\$ 39,856
Collections	61	\$ 31,060
Un-collectable	142	\$239,561
Foreclosures	00	\$ 0
Deedback	46	\$ 69,380
Association	<u>140</u>	<u>\$55,159</u>
Total	567 or 26% delinquency	\$487,394

Dave Zibolski questioned if all Board members were current with their maintenance fees. Management confirmed that each Board member was current.

John Thomson suggested that based on the current delinquent percentage, the 2010 D.R. percentage used in the budget preparation should be changed.

John Thomson informed the Board members that 26 of 67 owners on payment plans had not paid anything since 2008 and recommended sending those 26 to Collections.

MOTION: Dave Zibolski moved to send uncollectable accounts to the 2nd collection company to resolve all the remaining uncollectable accounts. The motion was seconded by Ed O'Connor, and approved unanimously.

Special Assessment Delinquency

Billed 3/24/09 delinquent by 6/15/09

Total 2009 collected: \$673,395

Total 2009 delinquent: \$232,453

Total 2008 collected: \$724,102

Total 2008 delinquent: \$100,435

Total 2007 collected: \$946,975

Total 2007 delinquent: \$92,961

D. Deed Back Status Report

1. 91 accounts deeded back
2. 51 accounts pending work at Wilkinson (28 of which are older than 6 months)
3. 18 consist of title work paid by the Association.

E. 2010 Projected Reserves

Postponed to Manager's Report.

V. MANAGER'S REPORT

A. RCI Scores

Ed O'Connor reported that the RCI comment card scores are continuing to increase, although 3/10th of a point separates the resort from making the Silver Crown award this year; we will receive the Hospitality Award. The staff is doing a great job and the scores will continue to increase.

B. Completed/Future Projects

Ed O'Connor provided a list of completed projects and upcoming projects 2009-2010 (exhibit attached as part of the minutes). Mr. O'Connor reviewed individual projects requiring Board consideration.

MOTION: Dave Zibolski moved to approve the purchase of ten (10) GE air conditioners, provided the expense does not exceed \$6,000.00. The motion was seconded by John Thomson and approved unanimously.

MOTION: Tom Andres moved to replace bedspreads in the south and middle buildings, provided the expense does not exceed \$8,000.00. The motion was seconded by Dave Zibolski and approved unanimously.

MOTION: Tom Andres moved to purchase 10-16 cu. ft. GE refrigerators, provided the expense does not exceed \$5,000.00. The motion was seconded by John Vary and approved unanimously.

VI. SALES REPORT

Joe Takacs, TheMVPSERVICE sales company, reported on recent sales activity.

A. General Sales Report

Mr. Takacs reported that since February 23, 2009, TheMVPSERVICE completed 26 sales, plus 14 BOGO weeks for a total of 40 weeks. There are 24 weeks in some form or fashion of closing at the title company.

Through the efforts of salesperson TJ Bryant, he contacted many uncollectable owners from Caribbean Beach Club. Of the 118 owners, 62 owners have disconnected or wrong information, 8 weeks have been sold, 23 weeks have been or are being transferred back to the Association.

VII. UNFINISHED BUSINESS

A. Completed Reserve Study

Buddy Hughes from Hughes Reserves & Asset Management, Inc. provided the results of Caribbean Beach Club's reserve study. The 100% web based software program with a real time reserve component provided a preview for the Board members and owners present. Mr. Hughes outlined a detailed scope of component study services and explained how the study meets the unique needs of the Association, and presented an optional feature that allows continued input to identify, track and control expenditures as well as perform critical "what-if" funding scenarios online. CBC management will have to provide the reserve study program with current, realistic costs to ensure that the program generates realistic Reserve dollars.

MOTION: John Thomson moved to approve and pay Hughes Reserves \$75 per month to continue the reserve study program. The motion was seconded by Ed O'Connor and approved unanimously.

B. Fire Insurance – Status Of Lawsuit

1. Results of Legal Motion

Ed O'Connor and John Vary provided a status report of the depositions from the Fire Insurance Lawsuit.

2. Future Court Date and Possible Action

Ed O'Connor commented that both sides requested a trial date which may end up in December of 2009.

C. Committee Reports

1. Web Site

John Vary reported that the domain license was ready for renewal.

MOTION: John Vary moved to authorize management to pay the current domain site at a cost of \$90.00. The motion was seconded by Dave Zibolski and approved unanimously.

2. Governing Documents (Articles, Bylaws, Declaration)

Dave Zibolski reported that two amendments were omitted from the previous list of amendments voted and approved by the Ownership, one of which was Article IV., Directors, Section 5.

MOTION: Dave Zibolski moved to accept the amendment of the Bylaws, Article IV., Directors, Section 5, as submitted by our attorney, and place it on a ballot in the next newsletter for owners to vote upon. The motion was seconded by John Thomson.

Voting Yes: Dave Zibolski, John Thomson, Tom Andres, John Vary

Voting No: Ed O'Connor, Tony Annunziato, Dick Garrett
The motion was approved.

Ed O'Connor stated that Article IV will require 75% approval from the ownership to pass. Ballots will again this year be handled by Attorney Ellen DeHaan's office with Becker & Poliakoff, P.A.

3. Axis Lawsuit

Previously discussed.

4. Board Rules & Regulations

Ed O'Connor reviewed the current rules and regulations for the Board members. Mr. O'Connor requested input and recommendations from the Board to revise the current list. The Board will review changes in November.

D. Well Monitoring Report

Ed O'Connor reported and the Board reviewed a report from American Environmental Engineering of Florida, Inc. As a result of the underground monitoring wells, the report was satisfactory.

MOTION: John Vary moved to approve payment to American Environmental Engineering, Inc. for an invoice in the amount of \$3,700.00 for the quarterly well monitoring. These dollars are to be paid out of the Operating Expense. The motion was seconded by Dave Zibolski and approved unanimously.

30 minute recess for lunch.

VIII. NEW BUSINESS

A. Building & Walkway Survey

Ed O'Connor reported that he is contacting engineering firms to obtain bids to inspect the walkways. Mr. O'Connor will present the bids at the November meeting.

B. Week 53 Outline

John Thomson presented a Week 53 Policy modeled after several other resorts.

John Thomson reviewed the previous policy concerning the use of week 53. Previously, owners of week 52 and 01 or just week 52 lost use based on the first-come, first-served method.

MOTION: Ed O'Connor moved to table the discussion regarding week 53 discussion in order for the Board to review the proposal. The motion was seconded by Tony Annunziato and approved unanimously.

C. Weeks 29 & 30

Ed O'Connor reviewed issues from the two weeks which caused damage to the resort's furniture. Mr. O'Connor reported that he charged the owner for the damage to the furniture.

D. Newsletter Schedule

Ed O'Connor projected that the next newsletter will be sent out at the end of September with the candidate resume deadline set for September 26th.

MOTION: John Vary moved to adopt a schedule for January 2010 – 2011 as to how many newsletters and specific dates the letter is to be sent and if items are not ready, the letter will still be sent. The motion was seconded by Dave Zibolski.

Voting Yes: John Vary, Dave Zibolski, John Thomson, Dick Garrett, Tony Annunziato

Voting No: Ed O'Connor. Mr. O'Connor objected to the ambiguity of the motion.

Dates: (1st of each month) March, July, October, December

The motion was approved.

Discussion followed regarding the newsletter by e-mail. Mr. Alex Fogel stated that some other resorts use this means of communication, but first we have to obtain owners' e-mail addresses and their permission to use such. VRI has a legal form for such. VRI will provide this form for the next newsletter for owners who wish to use this form of communication. This form of communication is a money saving opportunity for the CBC.

E. Voting Committee – 2009

Dick Garrett appointed the following Board members as the 2009 voting committee: John Vary, Dave Zibolski, and Ed O'Connor.

F. Maintenance Fee ABC Policy

The Board of Directors reviewed the Assessment Billing & Collection (ABC) Policy which is established for a billing and collection timetable and establishes the Association's ability to serve lock out notices, for both the maintenance fee billing and the assessment fee billing.

MOTION: Dave Zibolski moved to approve the Assessment Billing & Collection policy as presented. The motion was seconded by John Thomson and approved unanimously.

G. Ratification of Contracts

Ed O'Connor reported that two contracts were entered into since the last meeting.

1. South Florida Painting Contractor

MOTION: John Vary moved to ratify the South Florida Painting Contractor as previously approved in August. The motion was seconded by Dave Zibolski and approved unanimously.

2. South Florida Painting Contractor

MOTION: John Vary moved to ratify the South Florida Painting Contractor contract of \$14,092.00 for the north and south building. This money is to be paid through the Reserve account. The motion was seconded by Dave Zibolski and approved unanimously.

The first day session of the budget workshop meeting was convened at 3:34 p.m. The meeting will reconvene at 9:00 a.m. on August 18, 2009.

Dick Garrett opened the meeting with a roll call at 9:02 a.m., August 18, 2009. A quorum was established with 7 of 7 Board members present. One owner present. Alex Fogel, Tammy Sloan and Jeff Wharton represented VRI.

IX. 2010 BUDGET

A. Component Funding vs. Pooled Funding

Previously discussed in Reserve Funding portion of the meeting.

B. 2010 Maintenance Fee Budget

The 2010 Budget was presented for review and approval. After extensive discussion, Board members reviewed and made adjustments to the operating and reserve line items of the budget.

MOTION: Dave Zibolski moved to approve the 2010 budget as: Operating \$463.85, Reserves \$24.85, totaling \$488.70, plus property tax. The motion was seconded by Tom Andres and approved unanimously.

C. 2010 Reserve Funding

Previously discussed in 2010 Maintenance Fee budget portion of the meeting.

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D. 2010 Assessment Funding Discussion

No discussion.

X. FUTURE MEETING DATES

The future meeting date is as follows:

November 6, 2009 – 9:00 a.m. – Budget and Annual Meetings

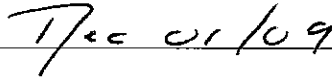
XI. ADJOURNMENT

There being no further business, the meeting was adjourned at 11:28 a.m., August 18, 2009.

BY: _____


John Thomson, Secretary

DATE: _____



UPCOMING PROJECTS 2009 – 2010

1. Replace rollaway mattresses (in-house). (Reserve)
2. Mini-blinds in recreation room (in-house). (Reserve)
3. Purchase 10 TV's. (Reserve)
4. Purchase 10 GE (5 year warranty) room A/C's. (Reserve)
5. Rescreen 112 – 212 and Gazebo. (Contract) (Reserve)
6. Remove, paint or cover wood on south end of center building, under building and along walkways (this could be done in 3 steps). (Contract)
7. Redo four to five bathroom tubs (they are going bad). (Contract) (Reserve)
8. Improve hot water system in south building. (Contract) (Reserve)
9. Purchase 44 sets of barbecue utensils (in-house).
10. Upgrade 60 amp boxes in center and south building (cannot replace any longer). (Contract) (Reserve)
11. Replace 36 bedspreads in center and south building (in-house). (Reserve)
12. Replace 8 – 12 mattresses in center and south building. (Contracted) (Reserve)
13. Screen in patio of 204. (Contract) (Reserve)
14. Install curved shower curtain rods where possible (in-house).
15. Reconfigure grill placement and replace paver blocks (in-house).
16. Improve solar lighting on dock (in-house).
17. Reseal and stripe parking lot. (Contract) (Reserve)
18. Paint lanais (in-house).
19. Replace rusting room air conditioner cans 202, 203 and 204 (in-house). (Reserve)
20. Paint pool coping (in-house). (Contracted)
21. Purchase 10 – 16 cv ft refrigerator. (Contract) (Reserve)
22. Replace bicycles.
23. Replace communication radios.
24. Replace drapes in 27 units (in-house). (Reserve)
25. Paint outer door in north building (in-house).
26. Consider Salt System for pool.
27. Round table – 8 – folding north building.