

**CARIBBEAN BEACH CLUB ASSOCIATION, INC.  
BOARD OF DIRECTORS TELEPHONIC MEETING  
Ft. Myers Beach, FL  
Minutes  
May 19, 2017**

**CALL TO ORDER/ROLL CALL/QUORUM VERIFICATION**

President Edward O'Connor called the meeting of the Caribbean Beach Club Association, Inc. Board of Directors to order at 9:00 a.m. The following were in attendance:

**Board of Directors:**

Edward O'Connor, President  
John Vary, Vice President  
Thomas Andres, Treasurer  
Anthony Annunziato, Director  
Steve Elbing, Director (Telephonically)  
David Siktberg, Director

**Absent (Excused)**

David Zibolski, Secretary

**Defender Resorts/Resort Management:**

Mark Westbrook, Chief Operating Officer  
Peter Pasca, Regional Director of Operations  
Sondra Ritchie, General Manager

**Owners:**

Five owners were present.

**Guest:**

Joe Takacs, MVP Sales

**NOTICE VERIFICATION**

Sondra Ritchie verified the notice of meeting had been posted on the Board approved location in accordance with the condominium documents and Florida Statutes.

**APPROVAL OF MINUTES**

**February 10, 2017 Minutes**

The Board wants to change the word "Bonds" to "CD's" on page 3.

**MOTION:** Upon a motion by David Siktberg and a second by Tomas Andres, the Board unanimously approved the February 10, 2017 Board Meeting Minutes with the correction made of "Bonds" to "CD's" on page 3.

**March 29, 2017 Minutes**

The Board wants to amend the minutes to note the Marsh McClennan Insurance proposal included a more liberal definition of appraised value in their flood policy.

**MOTION:** Upon a motion by Tomas Andres and a second by David Siktberg, the Board unanimously approved the March 29, 2017 Board Meeting Minutes as amended.

**FINANCIALS**

**Approval of March 2017 Financials**

**MOTION:** Upon a motion by Tom Andres and a second by John Vary, the March 2017 Financials were unanimously approved as presented.

**Discussion of South Building Financials**

Tom Andres presented and discussed a handout detailing the South Building Renovation Expense. The Board reviewed the sheet listing those incidentals paid by the settlement fund for items that are normally covered by reserve funds (see Exhibit A). The Board discussed transferring the total amount of those incidental costs that were paid out of the settlement funds so that they are charged to the reserve account. This amount totals \$157,107.67.

**MOTION:** Upon a motion by David Siktberg and a second by Ed O'Connor, the Board unanimously approved the transfer of \$157,107.67 from the reserve fund to the settlement account to cover the cost of renovation items normally paid for from reserves.

**Appraisal - Reserve Study**

**MOTION:** Anthony Annunziato made a motion, seconded by Ed O'Connor, to approve the Reserve Study presented by GAB Robbins as amended. The Board reviewed the Reserve Study completed by GAB Robbins. Discussion on the motion ensued, focusing on inaccuracies in the reserve study. Many changes needed to dates were detailed in an exhibit provided and attached (Exhibit B), as well as other errors raised during discussion. The second and the motion were withdrawn.

**MOTION:** Upon a motion by David Siktberg and a second by Ed O'Connor, the Board unanimously agreed to return the Reserve Study to GAB Robbins with comments on changes needed and request a revised study to review and approve before the next meeting.

**Approval 2016 Audit**

**MOTION:** David Siktberg moved, and Ed O'Connor seconded, that the Board approve the 2016 Financial Audit from Myers & Brettholtz as presented. Discussion ensued, with Tom Andres wanting to study the cash flow statement before giving the Treasurer's approval. Other board members expressed approval of the statements.

**MOTION:** Upon a motion by Ed O'Connor and a second by John Vary, the prior motion was amended to authorize and direct Tom Andres, as Treasurer, to either approve or not approve the 2016 Audit by May 25<sup>th</sup>, being certain the statement is signed and filed by the state's deadlines. The amended motion was unanimously approved.

Caribbean Beach Club

May 19, 2017

## **MANAGEMENT REPORT**

Sondra Ritchie presented the Management Report.

## **UNFINISHED BUSINESS**

### **Middle Building**

**MOTION:** Upon a motion by John Vary and a second by Anthony Annunziato, the Board moved to ask Management to solicit at least three bids to refurbish the Middle Building. The bids are to include the air conditioners, showers, vanities and mirrors. David Siktberg moved to amend the motion to also include a fire sprinkler system, John Vary seconded David's amendment. Bids should be presented to the Board by the end of June 2017. Motion passed unanimously.

### **Dining Tables and Chairs**

The Board discussed the refurbishment of all dining tables and chairs. Management will continue to research companies to repair the remaining dining tables, and secure three bids to repaint the base of the chairs. David Siktberg was assigned to work with Sondra on this, and Sondra will report her findings to the Board.

### **MVP Sales Contract**

Joe Takacs, of MVP Sales, presented a proposed sales contract and several sales program ideas to the Board for their consideration. First Mr. Takacs stated that point values of CBC weeks would increase if we were in the Interval International point program.

**MOTION:** Upon a motion by David Siktberg and a second by Ed O'Connor, the Board unanimously agreed to ask management to contact Interval International to set up point exchanges in addition to the week exchanges we already have.

Mr. Takacs then discussed a new idea of his -- the MVIP program -- which would use a package of incentives coupled to the purchase of an off season week. The Board created a committee chaired by Peter Pasca to look into this, and consider whether it would work and be desirable.

Mr. Takacs asked the Board to purchase the Customer Count service. After discussion, the Board deferred making a decision.

Mr. Takacs asked the Board to engage MVP after delinquent units reach the point of foreclosure, where they would use additional options to attempt a favorable resolution. Potential legal issues need to be resolved with the association's legal counsel before a decision on this can be made.

The Board then discussed the proposed contract with MVP for handling sales during the coming year.

**MOTION:** David Siktberg moved, and Ed O'Connor seconded, to approve the sales contract presented by MVP, with the amended fee of \$350 to be paid to the Association for each HOA week sold. Discussion and vote on the motion taken. The motion passed 5 to 1, opposed by Anthony Annunziato.

### **Clarification of September 27, 2016 Motion by David Siktberg**

David Siktberg discussed and clarified his motion made at the September 27, 2017 Board Meeting. The motion read as follows:

May 19, 2017

*Upon a motion by David Siktberg and second by Tony Annunziato, the Board directs Management, in conjunction with appropriate members of the Board, to maintain and develop where needed, useful and complete written documentation of major systems, and set up an annual review process to verify the specifications are being met. A roll call vote on the motion was taken: David Siktberg-Yes, Tom Andres-Yes, Steve Elbing -Yes, Tony Annunziato-Yes, and Ed O'Connor-No. Motion carries.*

Mr. Siktberg stated the motion directed Management to set up a comprehensive set of documentation (configuration descriptions, manuals, operating instructions, crib sheets, ...) and records (purchases, repairs, vendor contact information, ...) for each major system at the resort, i.e., A/C units; telephone system; internet; pool and spa and related equipment; room furnishings; elevator; and including architectural drawings. Contracts and repairs should be included. Records should be easily accessible and not susceptible to loss or disorganization. As much as possible should be stored on-line.

### **Review of November 7, 2016 Tom Andres Motions**

The following motions by were tabled at the November 7, 2017 Board of Directors Meeting:

- 1. Upon a motion by Tom Andres and a second by Anthony Annunziato, it was moved the 2016 monthly compiled financial statements that are prepared on a modified cash basis of accounting, should be converted to an accrual basis of accounting December 31, 2016 in accordance with Generally Accepted Accounting Principles (GAAP) and, that particular statement be submitted to the Board of Directors for their review prior to being issued to the auditor for the year-end audit. Discussion on the motion ensued. Motion by David Zibolski to table, second Ed, Vote taken to table the motion. Vote passed 6:1. Motion tabled until the next meeting.*

Motion 1 – Tom Andres waived/withdrew this motion.

- 2. Upon a motion by Tom Andres and a second by John Vary, it was moved the reserve schedule (Statutory Reserves) for the year 2016 be provided to the Board for analysis as soon as possible. This schedule will allow the Board and Management to see what the cash balances are in each of the various components within the schedule, in order to make appropriate determination as to what construction cost and renovation cost, if any, will be paid from the reserve fund. Discussion on the motion ensued. Motion by David Zibolski to table the motion, second by Ed. Vote passed 6:1. Motion tabled until the next meeting.*

Motion 2 – Tom Andres withdrew the motion as it stands and stated he will provide the reserve schedule to the Board and Management.

- 3. Upon a motion by Tom Andres and a second by David Siktberg, it was moved the books and records, including the monthly compiled financial statements, will be prepared on a full accrual basis of accounts in accordance with general accepted accounting principles beginning January 1, 2017. Discussion on the motion ensued. President O'Connor moved, and David Zibolski seconded, to table the motion until the next meeting. Vote taken to table the motion. Vote passed 6:1. Motion tabled until the next meeting.*

Motion 3 – After discussion, the vote was called. Tom Andres voted yes, others all voted no. The motion failed to pass.

Caribbean Beach Club  
May 19, 2017

### **Ground Level Pool Bath**

Upon the recommendation of Fowler Construction, and after considerable research, it appears we cannot get approval for a ground-level pool bathroom.

**MOTION:** Upon a motion by Tom Andres and a second by Anthony Annunziato, the Board unanimously agreed to abandon the attempt to install a ground level lavatory.

### **NEW BUSINESS**

#### **Hardship Policy and Deed Back Policy**

**MOTION:** Upon a motion by John Vary and a second by Anthony Annunziato, the Board unanimously authorized Management to amend the Hardship and Deed Back policy to give the President authority to act on any hardships or dissolutions submitted by owners.

#### **Connecting Doors in South Building**

The Board discussed the possibility of reinstalling the connecting door between units 105 and 106 as requested by an owner who has long used that feature. Management will research the requirements, feasibility, and cost of doing that.

**Motion:** Upon a motion by Anthony Annunziato and a second by Tom Andres, the Board unanimously authorized Management to research the cost and feasibility of installing a fireproof connecting room door between units 105 and 106.

#### **Comment Cards**

The Board reviewed the Comment Card report for March 2017.

**MOTION:** Upon a motion by John Vary and a second by Anthony Annunziato, the Board unanimously directed that the Comment Card report be included on the agenda of each meeting.

### **COMMITTEE REPORTS**

#### **Website**

David Siktberg presented the Website Committee report, stating the owner pages on the CBC website are no longer a viable option to communicate effectively with Owners, and would like to implement a different web hosting service for owners unless Defender can provide a more owner-friendly web format.

#### **Building and Grounds**

Anthony Annunziato presented an update on building and grounds status.

#### **Investment Committee**

John Vary provided an extensive Investment Report documenting the suggested overall strategy and detailed policy for investing CBC funds. The report is attached as Exhibit C.

**MOTION:** Upon a motion by David Siktberg and a second by Anthony Annunziato, the Board unanimously approved the investment strategy as detailed in the Investment Committee Report.

Caribbean Beach Club  
May 19, 2017

**MOTION:** Upon a motion by David Siktberg and a second by John Vary, the Board unanimously authorized the Investment Committee to implement the investment plan immediately, provided the terms in the approved strategy are followed.

**Internet Services**

David Siktberg presented the Internet/Telephone Report.

**Governing Documents Committee**

No report presented.

President O'Connor stated that during the August meeting an Owner requested the Board consider allowing Owners to use the resort's facilities when the Owner is not in-house. The request was referred to the Governing Documents committee and the Board is awaiting a response.

**Candidate Search Committee**

The Board discussed broadening the search for new Board members by sending out a postcard in search of candidates in addition to the Call for Resumes sent in the July newsletter. Steve Elbing presented a letter he drafted listing important qualifications for future candidates that could be included with the Call for Resumes.

**FUTURE MEETING DATES**

Telephonic Board Meeting – June 2017. Exact date and time to be determined  
Budget Meeting: August 18, 2017 - Caribbean Beach Club Recreation Room  
Board Meeting: October 27, 2017 - Caribbean Beach Club Recreation Room  
Annual Meeting: October 27, 2017 - Caribbean Beach Club Recreation Room  
Organizational Meeting: October 27, 2017 following Annual Meeting

**CALL FOR ADJOURNMENT**

**MOTION:** Upon a motion and a second, the meeting adjourned at 2:50 p.m.

BY: \_\_\_\_\_

DATE: \_\_\_\_\_