

SEA CLUB IV OWNERS ASSOCIATION
BOARD OF DIRECTORS MEETING MINUTES
Thursday, September 13, 2018 at 10 A.M via telephone

A. Call to Order – President Gil Lesko called the meeting to order at 10:00 A.M. Gil did roll call and a quorum was established.

- **The following Board Members were present:**
 - Gil Lesko – President via telephone
 - June Lesko – Vice President via telephone
 - John Swogger – Treasurer via telephone
 - Bill Craig – Secretary via telephone
 - Mary Spangler – Director via telephone
 - Danny Abboud – Non-Voting Board Member via telephone
- **Others present:**
 - Scott MacGregor – ARC via telephone
 - Halee McLaughlin – ARC via telephone
 - Michael DiPaola – Sea Club IV

Approval of Agenda – Scott MacGregor advised that the meeting was being recorded for facilitating the minutes. June made a motion, John seconded, and a motion was passed unanimously for the agenda.

June Lesko made a motion to approve the minutes, John Swogger seconded, unanimously passed.

Financial/Budget Updates – Scott advised that in the next coming weeks he will be distributing the 2019 proposed operating budget out to the Board; still accumulating some of the bigger items (insurance).

Scott advised that there are three major capital projects to come and we need to be sure we have the money in reserve capital items. The three major projects are as follows:

- Sliding glass doors
- Pool deck
- Update of the unit interior

Selection of a Window Vendor – Board President Gil Lesko asked Danny Abboud for his professional advice regarding the cost and overall over view of the two vendors.

Danny discussed both vendors and advised to the Board that Atlantic Windows looks to be a couple thousand dollars more, but more affordable in the long run with more inclusions in the contract. Atlantic Window's proposal is for the most part a fixed cost and can

only go down, except for the portion of the repairs that may need to be completed when taking down the shutters.

- Atlantic Windows maximum cost of \$100 - \$200 additional in repairs per shutter if needed.
- Includes if they do 1-2 windows at a time. May be cheaper to buy all the windows at once.

Danny stated that he believed US Glass would do a great job, but that cost may escalate quickly according to the contract. On top of the possibly higher costs, Sea Club IV would be responsible to hire a separate vendor to take down the storm shutters and an electrician for electrical work. Atlantic Windows looks to have all of that included in their contract.

Gil asked what Danny thought the upper range of the price for US Glass would be or how high he believed it could reach. Danny stated that he thought it would be around or close to the \$500,000 range. Plus needing to hire someone to remove the shutters.

- US Glass prefers to do all windows at once
- Atlantic has the ability to do 1-2 windows at a time or whatever Sea Club IV has available at the time.

The window that Atlantic Glass plans on using is PGT 5570 - Impact sliding glass doors that Danny estimated to hold winds up to 150 MPH.

The glass that Atlantic Glass plans to use has a grayish tint. US Glass plans to use blueish tint; both are turtle compliant.

Scott stated that the only "wild card" relating to this project is what will be found behind, whether its wood or concrete repair, interior or exterior once the sliders are removed in the overhead. Suggested to possibly use 1 unit to see what type of repairs are needed ahead of time by removing the shutters and sliding doors.

In the contract for US Glass, there is a stipulation that if the project is stopped for more than 30 days due to any arising issues, it could be costlier to Sea Club IV.

There was a discussion between the Board to whether the blue tint is an agreeable choice for the windows. Scott advised that there is about a 7% difference in cost with blue being the highest in price compared to gray.

Gil mentioned changing the door in the front lobby from a swing out door to a sliding glass door and asked if either vendor included them in their contracts. Danny confirmed that Atlantic's contract already included that price.

Financing Options for Capital Projects - Scott discussed the financial options that may be available to Sea Club IV regarding the capital projects coming up.

Scott received a proposal from Alliance Bank that would essentially swap out the existing loan at Valley Bank at \$730,000. The proposal was for a 10-year loan at a rate of approximately 6 $\frac{3}{4}$.

Sea Club IV's current loan with Valley Bank is at a rate of 4 $\frac{1}{4}$. They proposed a second additional loan for \$350,000 at a rate of 5.2%. Taking an additional loan out would add \$4,980 to the current monthly payments. When spread out with the current number of dues paying members it comes out to \$34.08 per owner per year which is a 5.6% increase in for the owners in special assessments. The loan length for the additional Valley Bank loan would be for 7 years.

Danny stated that Sea Club IV looks to be about \$100,000 short from the last project. He then asked if there is money to make up the difference. Estimated cost at around \$450-455,000 with Atlantic for the lobby doors and end windows. Big portion of reserve cash will be spent this fall for the bathroom project. Scott stated that Sea Club IV could inquire for a larger loan amount or through owner assessments.

- Looking at about a 3% increase in operating costs for 2019

June made a motion, John seconded, pending the outcome of the loan approval to select Atlantic Window's for the vendor on the sliding doors and end window project, unanimously passed.

Scott suggested to the Board that Atlantic have their contract written on an AIA form (America's Institute of Architects), as most attorneys are familiar with that form its designed with the protections in it that a "homemade" one may not have. Scott also asked that the Board ask for the warranty that Atlantic will provide.

Michael mentioned an owner complaint regarding the previous mailing for the Annual Meeting, Scott explained the difference between a proxy and ballot. Scott advised that legal did prepare these documents and went over the Written Consent and what the Board is trying to achieve for the 3-year proxy.

June makes a motion to adjourn, John seconds, unanimously passed, meeting adjourned at 11:30 A.M.