

**SEA CLUB IV OWNERS ASSOCIATION  
BOARD OF DIRECTORS MEETING MINUTES  
Saturday, October 6, 2018 at 10:00 AM**

**A. Call to Order** – President Gil Lesko called the meeting to order at 10:10 A.M. G. Lesko introduced himself, roll call was completed and a quorum was established. Bill Craig advised that the meeting was being recorded for the purpose of facilitating the minutes.

- **The following Board Members were present:**

Gil Lesko – President

June Lesko – Vice President

John Swogger – Treasurer

Bill Craig – Secretary

Mary Spangler – Director

Danny Abboud – Non-Voting Board Member

- **Others present:**

Scott MacGregor – ARC

Jeff Ingram – ARC

Halee McLaughlin – ARC

Michael DiPaola – Sea Club IV

G. Lesko gave an over view of the budget stating that in previous years, prior to the Board, nothing was done to Sea Club IV; i.e.: no reserves and inevitable decline of the reserves. Major projects upcoming for 2019 (sliding glass doors and pool deck). Scott MacGregor has been actively pursuing a loan for these major projects.

**B. Discussion and Approval of 2019 Budget** – G. Lesko asked that S. Macgregor review the budget. S. Macgregor asked that all the owners present (when having the chance to), go to the Sea Club IV website to look at the audit that's posted that reports on the finances.

- Accruing on the years' operating balance, meaning money collected from assessments, rentals, sale of items in the lobby, etc. is less than the amount of money it costs to operate the property. The deficit is something

that adds up each year and reviewing last years (12/31/17) deficit between operating and reserves the deficit was \$295,000.

- Roughly \$80,000 under funded in the reserves account.
- \$220,000 of operating deficit. This is something that builds up after years. This brings the Board to establish a 5-year plan to start aligning the finances.
- Project to replace sliding glass doors, remove hurricane shutters and replace with turtle compliant windows estimates at \$460,000.
- S. Macgregor stated that Danny Abboud has been assisting the board with all the bids being received to review and look over.
- Pool deck – currently receiving bids
- Unit Interiors need an update – average time for updates are 7 years and its been longer than that period.
- Bathroom project has been started
- Major cost is labor (health insurance, payroll taxes, workers compensation insurance). \$426,000 is the proposed 2019 labor cost (front desk, maintenance team, housekeeping, and temp workers).
- 33,000 in property tax.

Insurance audit was completed last year which concluded that the property was under insured. Interior contents weren't insured. Flood and wind policies were dramatically below the average needed. A re-evaluation of the insurance was completed, which resulted in an increase to the insurance which ended up being a good thing. Insurance bill dropped about \$2,000 due to great claims history.

- Bad debt expense is another impact on the proposed 2019 budget.
- Part of the ARC's management agreement with Sea Club IV Association was to pay assessments on 100 intervals. Paying more assessments than the management fee.
- 5-year agreement with Spectrum has brought the cost down in Wi-Fi, telephones, and cable.
- Bad debt expense and rental expense is difficult to project.

- \$1,113,557.85 – Total proposed income to the association (2019).
- 8% increase in the operating budget for 2019.
- 200 intervals that the Association currently owns.
- 317 non-paying members as of 8/31/18.

June Lesko made a motion to approve and adopt the 2019 budget, B. Craig seconds, no discussion, motion unanimously passed.

**C. Meeting Dates for 2019** - S. MacGregor suggested to the Board that the meeting dates for 2019 be tabled until after the election and Annual meeting is held. The Board agreed and they moved to the next item under 'Other Business'.

**D. Preparation for Annual Meeting** – Quorum requirement in the declaration for a valid annual meeting is a majority of voting interest. For many years, SCIV have not reached quorum. Proxies were sent out earlier this year, but we are not quite there. Florida Statutes now only requires 20% quorum for a valid election of Board of Directors, which we have ample of. S. MacGregor announced that the association has not reached quorum for a valid Annual meeting, but we are continuing to receive proxies. There are not any other items to be voted on. The Annual meeting will be called to order but due to not reaching quorum it will be adjourned. There is nothing else to be voted on, but the Board will still conduct their business.

Michael DiPaola briefly discussed the reviews that guests/owners provided on external sites and S. MacGregor advised that he had copies for owners if needed. M. DiPaola stated that there is a challenge when it comes to the scores in category, 'Unit/Maintenance'.

G. Lesko adjourned the meeting of the Board of Directors at 11:00 AM.