

GRENELEFE ASSOCIATION OF CONDOMINIUM OWNERS NO. 1, INC.
Minutes of the Meeting of the Board of Directors
June 2, 2011

John Rasmussen called the meeting to order at 1:05 p.m. on the date above noted at the location and time specified in the notice of meeting.

Those present were:

John Rasmussen, President	Carl Bauer, Director
Shirley Gold, First Vice-President (via phone)	Earl Monari, Director (via phone)
Joyce Brown, Second Vice-President	Joyce Morris, Director
Robert Krueger, Treasurer	Chris Gourdie, General Manager
Bryon Smith, Secretary	Carol Post, Asst. General Manager

Richard Moore was absent.

The president announced that a quorum was present and that the notice for this meeting was posted in accordance with the bylaws and statutory requirements.

Under provisions for owner comments, no owners were present to address the board.

The minutes of the February 3, 2011 board meeting were then presented to the board. There being no corrections to the minutes, the president stated that the minutes of the February 3, 2011 meeting stand approved as submitted. The minutes of the February 25, 2011 meeting were then presented to the board. There being no corrections to the minutes, the president stated that the minutes of the February 25, 2011 meeting stand approved as submitted. The minutes of the April 14, 2011 meeting were then presented to the board. There being no corrections to the minutes, the president stated that the minutes of the April 14, 2011 meeting stand approved as submitted.

Mr. Rasmussen then went to agenda item number five, discussion of 911 re-addressing project. Chris Gourdie gave some background on the lack of consistency in addressing at Grenelefe then turned the meeting over to Sally Tolley with Polk County's Emergency Management Division. Ms. Tolley indicated that not having clear addressing can delay help from arriving in an emergency. She shared a recent incident where a resident called 911, and the emergency responders couldn't find the address. Help was delayed, and the resident ended up dying, although it is unclear whether the resident could have been saved. She explained that the County has been working with the Association to rename streets in Grenelefe that have names similar to other streets in the response area and get all streets properly recorded. A spreadsheet was presented which showed the new addresses. Mr. Gourdie indicated that he had consulted with the Association attorney, and while the Association wasn't required by law to comply with the County's request for readdressing, not complying would place the Association in a position of enormous liability if another incident happened in the future. Mr. Gourdie explained that 62 buildings would get new addresses, totaling 312 door signs. In addition, 26 new street signs and 62 new buildings signs would be needed. Depending on the design of the building signs, the total cost would be \$42,151, \$15,515, or \$11,107. Carl Bauer felt that the County should help with the cost of the signs, but Ms. Tolley indicated there was no public money available. Shirley Gold

expressed support of the readdressing project, and John Rasmussen asked where the money would come from. Carol Post indicated that new signs generally come out of the multi-unit building reserve, but that the reserve wasn't funded high enough in 2011 to replace that many signs. She suggested expensing the signs to the operating budget since the amount could be absorbed by underbudget amounts in other accounts. It was then decided to table the decision and move to item number six on the agenda.

Chris Gourdie indicated that he had met with representatives of Brown Insurance Services regarding Guaranteed Assessment Program (GAP) insurance to insure against owners defaulting on maintenance fees. He then turned the meeting over to Rob Tallent and Craig Brown of Brown Insurance Services and Richard Duer of Advanced E&S Group. Mr. Duer explained the program wherein the Association would receive 6 months of fees upon filing a claim on a delinquent account, then another 18 at completion, for a total of 24 months. The annual premium would be \$23,590 and would be taken out of the proceeds given to the Association. He indicated that his company is 98% successful in recouping all condo maintenance fees in cases of bank foreclosure rather than the standard 1% of the mortgage. Mr. Krueger asked if GAP is a registered insurance program, and Mr. Duer indicated that it is. It is a new program that has been in existence for one year. In addition to the frequently asked questions and other information provided previously, the board asked to see the contract and policy, which would be e-mailed after the meeting. It was also decided to have the Association attorney review all documents before making a decision.

Robert Krueger then gave the treasurer's report. He indicated that he had reconciled all of the Association's bank statements with the balances on the balance sheet, and that all the numbers are accurate. Mr. Krueger stated that the Association ended April with a surplus of \$22,778 and operating cash of \$434,158, which includes an insurance trust fund amount of \$43,965 for repair of the fire damaged building. He reported that cash in reserves totaled \$607,733, \$200,814 of which is the Property Insurance Fund. However, he indicated that, per the board's instructions, \$60,000 was moved from this fund in May to cover the deductibles for the March 2010 tornado and December 2010 fire.

The next item on the agenda was the general manager's report. Chris Gourdie reported on some changes made in the building maintenance department, which have allowed the staff to catch up on preventative maintenance, as well as do other projects. He reported on lighting issues at the lakelofts, indicating that all exterior lighting is tied into the unit meters, and when power is off at unoccupied buildings or a resident chooses to turn off the breaker, the walkways and parking areas are dark. Mr. Gourdie presented three possible solutions: 1) locking out the breaker (\$10,200) and the Association paying the resident for the power used (\$2,528/year), 2) rewire walkway and parking lot lights and tie in to an Association meter (\$11,380 for romex, \$24,947 for wire in conduit, plus cost of electricity), and 3) install lamps with solar panels (\$30,600). Carl Bauer asked about renting streetlights from Progress Energy, and Mr. Gourdie indicated he would check into it.

Under administration, Carol Post reported that receivables in collection totaled \$275,519, \$115,071 of which is owed by Treehouse, LLC, owner of 19 units. \$20,079 of the \$275,519 is for 2008 fees, \$64,471 for 2009, \$112,090 for 2010, and \$59,438 for the first two quarters of 2011. Ms. Post reported that the Association has collected \$42,152 in rents for Treehouse thus far, which is actually decreasing its total debt by approximately \$5,986 per quarter.

Ms. Post then gave a report on laundry equipment revenue, indicating that net income after expenses is averaging \$5,000 to \$7,000 per month, up from \$4,000 to \$5,000 per month the last quarter of 2010.

Mr. Gourdie then presented the board with information regarding levying fines on owners who repeatedly violate Association documents. A discussion ensued, and Mr. Rasmussen instructed Mr. Gourdie to draft a proposed policy and put fines on the agenda for the next board meeting.

The next item on the agenda was a recommendation by director Joyce Brown to complete installation of hurricane fasteners on all the buildings rather than complete them building by building with the scheduled preventative maintenance. Mr. Gourdie indicated that the cost for the materials would be approximately \$20,428, and the cost for a contractor to complete all the buildings at once would be \$20,832, for a total cost of \$41,260. Mr. Rasmussen suggested that Mr. Gourdie check with the Association attorney to see if the property insurance fund could be used to pay for the strapping, since it would help to reduce potential damage.

The president then returned to agenda item five, the 911 readdressing project. Carl Bauer moved and Joyce Brown seconded a motion, which was approved unanimously, to proceed with the purchase of signs at a cost not to exceed \$11,107.

Mr. Gourdie then returned to the portion of the General Manager's Report titled "Cash Flow Accounting Report." Ms. Post indicated that in February, the Association upgraded its TOPS accounting software to include a cash flow report with the other financial statements. However, the TOPS report is very basic and doesn't break the cash flow into different funds. Ms. Post presented the TOPS cash flow report for the first quarter of 2011, along with a report putting the TOPS numbers into a template provided by the Association's accountant. The TOPS report showed a net decrease in cash of \$28,983. However, the changes in fund balances were as follows: The insurance trust account, which holds insurance proceeds from claims and distributes them to contractors as work is completed, decreased by \$41,411, the reserves decreased by \$59,008, largely due to the resurfacing of Camelot Circle, and operating funds increased by \$71,436.

The next item on the agenda was the condition of the roads. Carl Bauer indicated that Central Florida Investments is willing to pay its share, but that others use the roads and should contribute also. He stated that they had checked with the County, and while there is no program for the County maintaining the roads, if they are brought to county specs, they would take them over. He indicated that Mark Waltrip of Central Florida Investments is dealing with someone to get the Grenelefe associations together to discuss chipping in to repair the roads. Mr. Rasmussen asked Mr. Bauer whether the Association should do a demand letter now or wait, and Mr. Bauer indicated they would have something in a month.

The last item on the agenda was discussion of the 2011 budget and budget planning for year 2012. Mr. Bauer then expressed concern over lost income from delinquent fees. Ms. Post indicated that the amount of delinquent fees for the first two quarters of 2011 total \$59,438, \$26,074 of which is on Treehouse units and is being covered by rents collected, leaving an uncollectible amount of \$33,364, or \$66,728 for the year. \$30,000 is budgeted for bad debt, leaving \$36,728. Mr. Rasmussen instructed Ms. Post and Mr. Gourdie to make up the shortage in fees by spending \$6,000 less than budgeted per month for the last six months of the year. A

budget committee consisting of Robert Krueger, chair, Carl Bauer and Earl Monari was appointed to assist with budget planning for year 2012.

At 5:50 p.m., Joyce Morris moved and Joyce Brown seconded a motion to adjourn.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Bryon Smith", written over the printed name.

**Bryon Smith
Secretary**