GRENELEFE ASSOCIATION OF CONDOMINIUM OWNERS NO. 1, INC.
Minutes of the Meeting of the Board of Directors
November 15, 2013

John Rasmussen called the meeting to order at 10:00 a.m. on the date above noted at the location and time specified in the notice of meeting.

Those present were:

John Rasmussen, President
Glenn Norton, Vice-President (via phone)
Robert Krueger, Treasurer (via phone)
Bryon Smith, Secretary (via phone)
Carl Bauer, Director
John "Randy" Kuhl, Director
Earl Monari, Director (via phone)
Richard Moore, Director (via phone)
Joyce Morris, Director (via phone)
Chris Gourdie, General Manager
Carol Post, Assistant General Manager

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

The first item on the agenda was election of new officers for the coming year. Randy Kuhl moved and Carl Bauer seconded a motion, which was passed unanimously, to keep the slate of officers the same.

The next item on the agenda was selection of an insurance broker to handle all the Association's insurance needs. Carl Bauer stated that he doesn't know anything about insurance and relies on Brian Siegel's expertise. He said that Brian Siegel knows McGriff and can work with McGriff but doesn't know Hylant. He said Brian is endorsing McGriff, and therefore Westgate will support remaining with McGriff.

Glenn Norton stated that the decision would come down to what the broker charges and their quality of service. He felt that McGriff's presentation was excellent, but stated that it took six months and repeated requests to get a copy of the Association's insurance policies. He then asked if everyone had looked at the cost comparisons. Carl Bauer stated that we don't know the cost. Glenn Norton responded that they know the costs in terms of commissions and that Hylant was cheaper in every scenario.

Robert Krueger then asked the members of the insurance committee who sat in on the presentations to rate the three brokers in order. Glenn Norton stated that if it weren't for the issues related to service, McGriff and Hylant would be neck in neck. He stated that Hylant was better in terms of cost, so he would rate Hylant first, McGriff second and Mulling third.

Randy Kuhl stated that he also sat on the insurance committee and that he concurred with Glenn's rankings. He stated that Hylant had a small brokerage fee, from zero to a maximum of $30,000, and he felt there would be significant savings with Hylant. He stated that they are a local brokerage firm and would be there to help the Association with wind mitigation, which could possibly help lower premiums.

Joyce Morris asked how McGriff has been with handling previous claims, and Chris Gourdie indicated that the Association had a lot of problems with Chubb on the tornado claim. Mr. Gourdie indicated that he called Brian Siegel, who spoke with someone at McGriff, and Keith Purser was sent down. Carl Bauer stated that that was Brian's point, that he can get things done with McGriff. He said that McGriff was able to get the hurricane claim reopened after it was closed, and the Association was able to collect a lot more money. Earl Monari stated that spending on the front end in higher commissions versus on the back would be a big point in selling McGriff.

Mr. Rasmussen stated that service-wise, McGriff and Hylant would probably be equal, but that Hylant could be less cost-wise. He pointed out that Westgate carries a big stick with McGriff if the Association runs into issues. He stated that with Hylant that is an unknown, but that they did well on their proposal and would probably be good.

Glenn Norton stated that Hylant's fee would also include workers' compensation, directors and officers, auto, etc. He pointed out that choosing an insurance broker is not an ongoing commitment, it's just a one-year deal, and that if the Association chooses McGriff, we'll know right away what the cost would have been with Hylant. He didn't feel the Association should pay the higher commissions at a time when it was struggling.

Robert Krueger asked if the brokerage fee was based on the amount of the premium. Randy Kuhl explained on property insurance, the brokers receive a commission of between 10 and 15 percent of the premium cost. Hylant charges a $15,000 flat fee plus 30 percent of the savings, but if they don't save the Association money over the prior year's premium, the fee is waived.

Robert Krueger pointed out that Hylant was predicting a 5 percent increase but McGriff was predicting a 5 percent decrease, and Mr. Rasmussen stated that McGriff was anticipating flat to 5 percent decrease, and Hylant expected 5 to 10 percent increase. Glenn Norton said that McGriff provided reports, but no one knows what the outcome will be. John Rasmussen stated that, while McGriff was willing to do other compensation structures, including a cap on commissions, it was such a small difference based on their current structure, it would be a waste of time. Glenn Norton stated that the straight commission idea makes him nervous because it requires so much trust, that if premiums increase 20 percent, the broker gets way more money with no additional work. Bryon Smith commented on Mr. Norton's reference to trust, stating that Brian Siegel trusts McGriff, and that they have to go with who they trust.

Carl Bauer then moved and Joyce Morris seconded a motion to select McGriff as the Association's insurance broker. Glenn Norton asked if they could do the vote differently and each board member vote for one broker or the other. Joyce Morris withdrew her second and Carl Bauer withdrew his motion. Randy Kuhl said that he would recommend going with Hylant, and that if the Association isn't seeing the expected savings, the authority could always be given back to McGriff. Glenn Norton agreed, stating that both brokers agreed to get their quotes in early.

Robert Krueger stated that over the years, McGriff has done a great job in providing coverage and that they got the Association through the hurricanes, and that he would be inclined to go with McGriff.

Glenn Norton suggested that Mr. Bauer go ahead and make the previous motion. Carl Bauer moved and Joyce Morris seconded a motion to select McGriff as the Association's insurance broker. The motion passed, with Carl Bauer, Robert Krueger, Earl Monari, Richard Moore, Joyce Morris and Bryon Smith voting in favor and Randy Kuhl, Glenn Norton and John Rasmussen voting against.

Glenn Norton stated that the Association needed to get a letter from McGriff verifying the time tables, and Mr. Rasmussen agreed, saying that the Association needs to be more involved in holding them to the time tables for different tasks, including receipt of policies. Carl Bauer stated that since Brian Siegel pushed for McGriff, that the Association needs to lean heavily on him in these areas.

At 10:37 a.m., Joyce Morris moved and Earl Monari seconded a motion to adjourn, which was approved unanimously.

Respectfully submitted,

Bryon Smith
Secretary