GRENELEFE ASSOCIATION OF CONDOMINIUM OWNERS NO. 1, INC.
Minutes of the Meeting of the Board of Directors
June 7, 2018

The president called the meeting to order at 10:02 a.m. on the date above noted at the location and time specified in the notice of meeting.

Those present were:

John Rasmussen, President	Earl Monari, Director (via phone)
John "Randy" Kuhl, Treasurer (via phone)	Joyce Morris, Director (via phone)
Bryon Smith, Secretary	Chris Gourdie, General Manager
Carl Bauer, Director (via phone)	Carol Post, Bookkeeper
Tom Leiser, Director (via phone)	

Richard Moore and Glenn Norton were absent.

The president announced that a quorum was present and the notice for this meeting was posted in accordance with the bylaws and statutory requirements. No owners were present to address the board.

The minutes of the February 1, 2018 meeting were then presented to the board. There being no corrections to the minutes, the president stated that the minutes of the February 1, 2018 board meeting stand approved as submitted. The minutes of the February 19, 2018 meeting were then presented to the board. There being no corrections to the minutes, the president stated that the minutes of the February 19, 2018 board meeting stand approved as submitted.

Randy Kuhl then gave the treasurer's report. He stated that at first glance, the $42,000 loss for the month would be cause for alarm. He reminded the board that the loss was just for one month, that the other months didn't show such losses, and with most budget items, expenses were in line. Contributing to April's loss were increases in workers' compensation insurance, creating a $6,452 overbudget amount, increases in the hourly rate for temporary employees, and the fact that April was a five-pay-period month. Mr. Rasmussen asked if the loss would even out by the end of the year, and Ms. Post indicated that most of it should, except that insurance rates were going to be higher than budgeted. Operating cash was $1,196,834 and cash in reserves totaled $846,281. Reserve funds are up $107,018 since the beginning of the year.

The next item on the agenda was the general manager's report. Mr. Gourdie stated that the Association was moving ahead with preventative maintenance on the multi-unit buildings, although it won't complete twelve buildings this year as planned, due to shortages in staffing. He stated that the Association is monitoring the condition of the lake lofts and taking care of safety issues, property protection and low-cost cosmetic repairs. Mr. Rasmussen asked if the Association is giving up on that area because of all the "no" or non-votes to fund repairs, and Mr. Goudie stated that is how the lake lofts have been managed for some time due to lack of funding. Mr. Gourdie suggested that as the reserve slowly builds, to have the lake loft membership vote to allow the structural changes, and then have them done a little at a time, based on money flow. Mr. Rasmussen suggested coming up with a low-cost, long-term plan, which didn't involve a special assessment, to spread out repairs and gradually bring the buildings back up.

Mr. Gourdie then reported on grounds, stating that due to the hurricane, freezes, droughts and lack of irrigation, a lot of plants are needing to be replaced this year. He provided a large list of planned plant installs and stated that the Association had also done weed control, placed rocks in alcoves, mulched, installed sod and prepped the trash area for compactors, which involved adding paving. He stated that Association staff is doing a lot of work on the irrigation system, that they follow a quarterly preventative maintenance list for each of the 53 zones. He stated that sometimes after replacing deteriorating lines at a building with schedule 40 pipe, the schedule 20 mainline then breaks. He stated that many things around property require continued maintenance because of age and type of materials.

Carol Post then gave a report on collections. She stated that although some units had been added since the last report, as far as she knew, none of them are in bank foreclosure, so the Association will likely recoup the majority of the amounts owed. As far as sales, she indicated that they seemed to have slowed somewhat but are still fairly good.

Mr. Gourdie then updated the board on 2018 legislative changes. He stated that if the Association forecloses on a unit, a board member or relatives of a board member are not allowed to buy it. He indicated that lawmakers postponed the new requirements that association websites have an owners-only portion and that certain records must be posted. He also stated that the seven-year retention requirement has been removed for certain official records, including accounting records, which means they must be kept in perpetuity. He consulted with the Association attorney, who agreed that the Association is in compliance with the new law based on year end records it keeps, as well as the fact that its TOPS accounting software goes back to 2002 and everything is backed up.

Mr. Gourdie also stated that the law regarding board terms has changed again, that directors can now do eight consecutive years starting in 2018. Randy Kuhl questioned the language in the summary stating that the term limit requirement can be waived by an affirmative vote of "unit owners representing two-thirds of all votes cast in the election," rather than two-thirds of the membership. He stated when the issue was brought before the membership at the 2017 annual meeting, there weren't enough votes to make up the required percentage of the membership, but if the law was as stated in the summary presented, the item would have passed. He suggested having Drew research it and see if the law has in fact changed, and if so, whether the board would want to consider bringing the issue to the membership again.

Mr. Gourdie then reported that the Association had added 33 parking spaces. Tom Leiser asked if any spaces were added on the west side, and Mr. Gourdie said no, that there hasn't been a shortage of parking spaces there like there has been on the east side.

The next item on the agenda was insurance renewals. Mr. Gourdie indicated that, at a prior meeting, the Association renewed its liability, umbrella and property insurance, with a substantial increase in premiums over last year. The directors and officers insurance was renewed with 3 million in coverage and a $5,000 deductible. Auto insurance was renewed on registered vehicles. He stated that all insurances now had a May 1 renewal date except for the Association's fidelity bond (crime insurance), which renews in December.

Mr. Gourdie then presented information regarding the purchase of a new tractor. He stated that the issue was discussed last February, but that at the time, the Association was purchasing a new lift and wanted to find out how much money it would receive from the sale of the old lift before purchasing a tractor. He stated that the Association received approximately $11,000. He indicated that the tractor is having some problems now, and that purchase of a new tractor was in fact included in the equipment reserve budget this year. He presented a quote of $23,850 for a new Kubota tractor with a front end loader and pallet forks. He indicated that the pallet forks, which are needed for unloading lumber, rocks, etc., are quick-attach, rather than the type that the Association currently has, which have to be tightened onto the bucket, which weakens it. He also included a $9,000 quote for a backhoe but doesn't feel the Association needs it unless it decides to do its own sewer line replacement.

Carl Bauer then asked if the Association was required to have more than one bid, and Earl Monari stated that he thought that the board had decided that if equipment was over a certain cost, there had to be two bids. Mr. Gourdie indicated that he didn't believe there was anything in the statutes requiring multiple bids for purchase of equipment, and that he had looked at several options online, and this one was four to five thousand less than the other options. He suggested that the board vote today on the purchase of the tractor, pending the advice of the Association attorney. Randy Kuhl then moved and Earl Monari seconded a motion, which was approved unanimously, to authorize the purchase of the new Kubota tractor as proposed, at a cost of $23,850, subject to legal approval.

The next item on the agenda was parking. Mr. Gourdie provided a copy of a Q&A between a condo owner who was frustrated with people parking in his assigned spot and a lawyer. Mr. Gourdie stated that the only real remedy came down to towing the vehicle, which created another set of problems. He also provided some information on new technologies that are available, such as scannable stickers through smart phones. He also included the current local laws on towing and the Florida Statutes on towing. He then referred to a spreadsheet he had provided, which listed each building with the number of bedrooms, number of parking spaces and average number of spaces per bedroom at each building, indicating that the Association may need to consider adding parking to buildings where the average was less than one.

Carl Bauer indicated that adding parking spaces would be a substantial change to the common element, especially if removing landscaped areas, and asked if it would require an owner vote. Randy Kuhl asked if there is anywhere in the documents that defines common area and whether the square footage of parking spaces is defined in the common element. Mr. Rasmussen said common element is defined, but not parking spaces specifically. He stated the issue is what would be considered a material alteration. Mr. Gourdie was instructed to check with Drew and get back with the board.

John Rasmussen then left the meeting room. In the president's absence, treasurer Randy Kuhl temporarily chaired the meeting. Mr. Kuhl then moved to the discussion of hot water heaters. Chris Gourdie stated that the information is similar to what he had sent out earlier, that the board had wanted to discuss it further at this meeting. The board was concerned about hot water heater leaks, and one of the options discussed was retrofitting water heaters with a pan and drain. Mr. Gourdie stated that this is not a good idea, because of the chance of breaking them and causing leaks by moving them around. Secondly, the state laws don't state that water heaters have to have a drain, without which pans can fill and overflow. Lastly, if the Association were to install the drains, they would come down the outside of the buildings. He reminded the board that the Association has only had a handful of hot water heater leaks. Mr. Gourdie stated that as the HVAC personnel are doing their preventative maintenance this year, they are taking down the serial numbers of the water heaters to find out their age. If any are more than eight years old, the Association can send a letter to the owner notifying them of this and that they could be held liable for damages in the event of a leak. He also stated that codes require water heaters to be installed by a licensed contractor, and if anyone had handymen do the work or did it themselves, and it was done incorrectly without a permit, that could create a liability on their part also.

Mr. Rasmussen then reentered the meeting room. Mr. Gourdie asked if the board would like for him to continue with the gathering of data then bring it to the board when complete. Mr. Kuhl felt that Mr. Gourdie should continue to get the information, then send letters to people with water heaters more than eight years old, putting them on notice, then make an announcement at the annual meeting that this is something being done to stay on top of any unnecessary expenses to the owners. Mr. Gourdie stated that he would put it in a newsletter also. Mr. Rasmussen pointed out that the overflows are already piped to the outside and questioned whether the drains could be piped into those. Randy Kuhl asked about the laundry room water heaters, and Mr. Gourdie indicated that the Association already manages those.

The next item on the agenda was parking lot and street lighting. Mr. Gourdie indicated the board has looked at this several times over the years. At the time there was no money for it. The cost to replace the current wooden pole lights is $750, because of the labor involved. He provided a variety of examples. Some were post lights without arms extending over the road, which he felt would have to be installed too close to the road. He indicated that a 16-foot aluminum pole will cost between four and five hundred, and the fixture would be in addition. He stated that the fluorescents are about the same energy-wise as LEDs, but the LEDs last much longer. Mr. Rasmussen stated that an LED fixture gives better lighting than an LED lamp retrofitted into another fixture. Mr. Monari asked how many poles the Association currently had, and Mr. Gourdie stated 250, so the entire project would probably run between $250,000 and $350,000.

Mr. Monari questioned where the spray is going to go on some of the models. Mr. Rasmussen indicated that the fixtures can be bought so they do 180, 270 or 360-degree illumination, so the Association would want to go through every pole location to determine which fixture to place there. Mr. Gourdie suggested that the board come up with some specs, including what look they want. Mr. Kuhl felt that the task should be handled by a committee, such as the design review committee. Mr. Gourdie stated that the design review committee currently consists of Randy, Tom and himself. Mr. Rasmussen instructed the design review committee to come up with a suggestion, possibly choose a pole mount and an arm mount in the same fixture. The pole mount can be placed between parking spaces and the arm mount along the roadway. Bryon Smith stated that if the wrong fixture is installed, it's dark in the parking lot and someone falls, it's a liability. He stated that most of the companies will do a foot candle rating for free and suggested making sure any lights purchased are adequate. He pointed out that there are probably places where trees are blocking light also.

Earl Monari asked about the sample poles installed several years ago. Mr. Gourdie explained that the Association had installed a four-inch aluminum pole, a tapered fiberglass pole and a three-inch aluminum pole. He stated that the three-inch was too small, and the fiberglass one faded and started to unravel after some time. The four-inch aluminum one worked well. Mr. Gourdie stated that he would schedule a design review committee meeting to come up with a fixture to present at the September board meeting, and anyone who wanted to join could.

The next item on the agenda was the appointment of a budget committee. Mr. Rasmussen asked if the board wanted to keep the same committee members. Randy Kuhl, Earl Monari, Carl Bauer and Tom Leiser agreed to again serve on the committee. Mr. Monari asked if, prior to presenting the budget, Mr. Gourdie could give them a narrative of some goals, what areas are the most in need of budget review to give them an idea of where they would be headed if they increased the budget. Mr. Monari stated that the board has been successful in not increasing fees for the past seven or eight years, but felt they've also hurt themselves in the long run and haven't accomplished some of the goals that should have been accomplished on the property. Mr. Bauer questioned what goals the Association hasn't been able to accomplish, and Mr. Monari stated that, due to lack of funds, the Association delayed the preventative maintenance on the buildings at one point, the lighting replacement and the irrigation program. Mr. Gourdie stated that funding for specific budget items has had to be shuffled around and monies taken from other parts of the budget as costs for items such as wages and insurance have increased. Mr. Monari stated if the Association continues to do this, unexpected expenses may require a special assessment, and he would rather increase the budget periodically. Mr. Rasmussen instructed Mr. Gourdie to put together some places where he felt additional funding was needed, then the committee can discuss it and present it to the rest of the board.

Mr. Bauer then stated that he found the language he was referring to earlier in the meeting regarding the possible requirement of multiple bids for equipment purchases. He read, "Condominiums and cooperatives must get multiple bids for service contracts for the purchase or lease of materials or equipment that costs more than 5 percent of the annual budget." He stated this wouldn't apply to the equipment purchase discussed.

The last agenda item covered was discussion of the natural area management plan. Mr. Gourdie stated that he approached the situation as a compromise of the two views in trying to come up with something that could be managed by the board and not have to come to an owner vote. He had gotten feedback from Drew, the Association attorney, whether he felt it was required to have an owner vote. Drew stated if the Association were to take the Maple Leaf Court natural area and pave it and put parking spaces there, that would definitely be a material change. He also stated if the Association removed all the vegetation except the trees and replanted the area, that probably wouldn't be a material change, because the area wasn't being repurposed. If it was managed where things were being left in and others being taken out, it would be considered management of the area rather than a material change.

Mr. Gourdie provided a summary of the visit that Tony, Mr. Rasmussen, Mr. Kuhl and he had with Shannon Carnevale, the Natural Resources and Conservation agent. As far as coming up with a plan, he stated that there are 53 natural areas, and each area is different. He felt that instead of having a general plan, a specific plan should be developed for each area. He chose a small area on Sherwood and developed a plan with pictures, a drawing and narrative on what should be done in that particular area. He stated that a large chunk of the area would need to be cleared, but behind it is a beautiful pond. He indicated that it is especially important to maintain the edges of these areas, because that is where the vines are particularly aggressive, due to watering. He suggested picking out some areas for plans to be developed and presented at the September meeting. Mr. Gourdie stated that the areas that have already been cleared need to be planned first, because clearing makes it more easy for the vines and other undesirable plants to grow more quickly.

Mr. Rasmussen indicated that Shannon stated that most of the vines at Grenelefe are natural Florida vines such as wild grape and smilax vines, and don't hurt the trees. As far as the focus on taking out the dead trees, she said those provide fertilizer when they break down, as well as provide habitats for birds and other wildlife. Her recommendation was to leave the trees unless they're presenting a safety hazard, and to clean around the edges of the areas, which she referred to as beauty barriers, going in 10 or 15 feet, or a certain percentage. She had a lot of suggestions of what to put back, such as Carolina cherries.

Randy Kuhl felt that Mr. Gourdie had provided a good foundation to move forward. He agreed that the board needed to look at individual areas and decide whether those areas should be landscaped or maintained as a natural area with a beauty barrier. He liked the idea of choosing five areas to work on, as that would probably be the limit of what the volunteers could handle in one season. One area he felt needed to be landscaped was on Maple Leaf Court, designated 6-I, both for the safety benefits and that it would fit well with the landscaping around those buildings. He stated that traffic safety is an issue with some of the areas and gave an example of trying to pull onto Camelot after playing golf. The other area he felt needed to be landscaped was on Olde Camelot, designated 4-C. He stated he didn't have a preference for what other three areas were chosen.

Mr. Gourdie questioned whether changing an area from "natural" to "landscaped" would require a vote. Mr. Kuhl indicated that he believed the change would be considered managing rather than repurposing the area and therefore wouldn't need a vote. Mr. Gourdie stated that, based on his conversation with Drew, if they killed everything except the trees, that would be considered a change. However, if some of the natural plants were left and the area wasn't repurposed, it wouldn't need a vote. Mr. Rasmussen stated that if natural areas are landscaped, the areas that have to be maintained are increased. He indicated that if an area is made safer by allowing people to see through it, that it's just maintaining what is there. Mr. Gourdie stated that it would be a matter of the aggressiveness of the approach, which would need to be put into the plan and discussed by the board.

Mr, Rasmussen then instructed Mr. Gourdie to prepare a plan for landscaping sections 6-I and 4-C. Mr. Kuhl agreed, and suggested picking three other areas to work on the beauty barriers. Mr. Gourdie stated that someone had already gone in about ten yards into the Sherwood area, and that beauty barrier needed to be managed. He indicated that he would make a list of the five areas and send it to the board, and upon approval, prepare plans for the board to consider at the September meeting. Mr. Kuhl also requested that in the future, a hard copy of the general manager's report and associated materials be sent to him.

At 11:55 a.m., Randy Kuhl moved and Joyce Morris seconded a motion to adjourn, which was approved unanimously.

Respectfully submitted,

Bryon Smith
Secretary