

GRENELEFE ASSOCIATION OF CONDOMINIUM OWNERS NO. 1, INC.
Minutes of the Meeting of the Board of Directors
September 6, 2018

The president called the meeting to order at 10:05 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)
Glenn Norton, Vice-President (via phone)	Joyce Morris, Director (via phone)
John "Randy" Kuhl, Treasurer (via phone)	Tom Sparks, Director (via phone)
Bryon Smith, Secretary (via phone)	Chris Gourdie, General Manager
Carl Bauer, Director (via phone)	Carol Post, Bookkeeper
Tom Leiser, Director (via phone)	

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 president asked if anyone had a problem with changing the order of the agenda and moving right to item five, board member vacancy/replacement. He asked Carl Bauer if he had someone he wanted to replace Richard Moore. Mr. Bauer stated that he did, and provided the name of Tom Sparks. Mr. Sparks was present on the phone and introduced himself, stating that he has been with Westgate since 2000 and is currently Senior Vice-President of Operations. He stated that he was on the Grenelefe board for a couple of years in the early 2000s and is familiar with the property. Carl Bauer moved and Randy Kuhl seconded a motion, which was approved unanimously, that the board appoint Tom Sparks to the board of directors for Grenelefe Association of Condominium Owners No. 1, Inc. for the balance of Richard Moore's term.

The minutes of the June 7, 2018 meeting were then presented to the board. There being no corrections to the minutes, the president stated that the minutes of the June 7, 2018 board meeting stand approved as submitted.

Glenn Norton then asked if the board could go out of order on the agenda one more time and discuss the operating budget next, because he was going to have to leave the meeting early. Mr. Rasmussen asked if anyone had a problem with moving to that agenda item. Mr. Bauer stated that he would like to at least talk about the treasurer's report first, because he had a question on it. He asked about the \$19,000 disbursement for the year in the equipment reserve, and Chris Gourdie indicated that reserve fund covers both office and maintenance equipment and this year includes the purchase of a tractor. Mr. Rasmussen asked if Mr. Kuhl had anything he wanted to add, and Mr. Kuhl stated that he felt the report was self-explanatory.

Mr. Rasmussen then asked who wanted to speak for the budget committee. Mr. Kuhl, as chairman, explained that there were some scheduling conflicts, and since he had already received input from Mr. Leiser, he moved the meeting to accommodate Mr. Bauer's schedule. He stated

that they discussed the budget and made the recommendation to advance budget A because of the required need of the Association to maintain the premises in a manner they felt it should be maintained. He explained that Mr. Bauer didn't agree and voted no, while he and Mr. Monari voted yes. He felt that Mr. Gourdie's explanation provided to the board previously, laid out item by item where the required needs are and where the Association was lacking in providing the services that should be provided to the members, which was why they advanced budget A. He added that it had been nine years since any maintenance fee increase, and although the recommended increase doesn't bring the budget to where it would be had it been adjusted for the cost of inflation over the years, it does provide the Association with the staff needed.

Mr. Bauer, as the only budget committee member not in favor of budget A, then presented a dissenting opinion for the board to consider. He stated that the committee was presented with three possible budgets that the Association could operate under, with A being the highest, B being a little less, and C being the leanest, but something Association management still thought they could live with. The committee decided to vote for A, the most over-weighted budget, in his opinion. He stated that the property is functioning, the Association is still maintaining the buildings and providing the services needed. He felt the Association spends way too much on employee costs and could save a lot using outside contractors. He stated that budget A represented a \$178,000 increase in operating costs over the previous year, and he felt the Association needed to look at how it is spending the money it has.

Mr. Rasmussen asked if Mr. Bauer had a proposal. Mr. Bauer stated that he felt the Association could make due without an increase again if it looked at how things were being done. He suggested that if that wasn't acceptable, to at least look at budget C that the Association management provided and said it could live with. Mr. Rasmussen stated that the board was already having a discussion although there wasn't a motion on the floor yet. Randy Kuhl then moved, and Earl Monari seconded a motion to adopt budget A.

Mr. Rasmussen then stated that there were several areas of the budget that went up. He, however, was not inclined to increase staffing, but instead look at trying to become more efficient in how the Association does things. Mr. Bauer pointed out that health insurance costs for the grounds department are estimated to be \$46,000 for 2018, but the 2019 budget includes \$84,000. Mr. Rasmussen stated that the estimated costs are low because of vacancies in staffing and the budget for 2018 was \$70,000. Mr. Rasmussen asked why the Association needs to increase staffing rather than just filling the vacant positions it already has. Carol Post explained that during the first five months of the year, the Association used temps, which caused large overbudget amounts in temporary help and underbudget amounts in payroll and health insurance. Mr. Gourdie stated that the temp costs have gone up considerably since the hurricane, so it's not as economical anymore to have temporary workers. Mr. Bauer stated that the Association is able to use temps only when needed and doesn't have to keep them on in the winter months. Mr. Gourdie stated that during the winter is when the Association does all the detailing on the buildings, which only gets done once per year, because the staff isn't having to mow as much. He said it is different work, but there is still plenty of it.

Mr. Bauer asked what didn't get done last year that needs to be done. Mr. Gourdie stated that he felt the staff was actually doing a better job than it had in the past, but there is more pressure from the ownership to continue to improve, because the prior owners who were used to the

outsourced landscaping have sold their units and new owners have higher expectations. Mr. Bauer stated that he suspected the people complaining were a small percentage of the ownership and felt that if they were told that to get the landscaping to look the way they are asking, their dues would be increased by \$40 per quarter, they would probably say the current standard is fine.

Tom Leiser pointed out that on August 20, the Association office sent the letter to owners informing them of this meeting, including the details and justification for increasing the budget. He asked if anyone got feedback from any owners. Mr. Gourdie estimated the Association office had heard from ten owners or less. Mr. Leiser asked if the comments the Association office received were favorable or not. Mr. Gourdie stated that most of them wanted to know why the fees were increasing and were concerned about not making enough from their rentals. Several also asked questions for clarification.

Randy Kuhl then called the question. Mr. Rasmussen stated, as far as Mr. Leiser's question about whether people are complaining, he personally doesn't have a problem with raising the fees, but is not in favor of increasing staff. He asked what would happen if the vote failed, and Mr. Gourdie said someone could propose budget B or C. A vote was then taken on budget A, and the motion failed, with Tom Leiser, Earl Monari, Randy Kuhl and Glenn Norton voting in favor and Carl Bauer, Joyce Morris, Bryon Smith, Tom Sparks and John Rasmussen opposed.

John Rasmussen then moved and Carl Bauer seconded the motion to approve budget C. Glenn Norton then stated that his time on the board is almost over, and that the reason the Association doesn't hear much from the owners is that most of them have given up, because they don't think anybody cares or is going to try to make Grenelefe better. He stated that he didn't feel that it made sense to be going backwards, which is what he felt that vote did, instead of trying to move forward and make things better. He said he wasn't familiar with budget C and wasn't prepared to vote on it. He expressed his frustration and said he was leaving the call.

Mr. Kuhl told Mr. Norton that he might want to remain on the call, that the budget C that Mr. Rasmussen proposed was still an increase of \$20 per quarter. Mr. Rasmussen stated that he has no issues with the budget increase, just didn't want to add more staffing to the grounds department. He felt the staffing was adequate, because grounds maintenance is one of his responsibilities at his facilities, and that if he didn't feel that way, he would vote for budget A. He added that budget C was a \$60,000 increase over the 2018 budget. Mr. Bauer stated that if budget C passes, it would encourage the Association to look at ways to save money and do more.

A vote was then taken. Carl Bauer, Joyce Morris, Bryon Smith and Tom Sparks voted in favor, and Tom Leiser, Earl Monari and Randy Kuhl voted against. Glenn Norton had left the call. John Rasmussen cast the remaining vote in favor, stating that without his "yes" vote, there would be a tie and the budget would go back to last year, which would be no increase. The motion carried to adopt budget C.

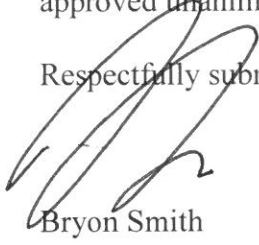
Mr. Gourdie then presented some highlights of the general manager's report. He stated that Association staff has been very busy with plantings and sidewalk replacements. He stated that building department staff remeasured the lake lofts, and there has been no increase in the fall, which proves it is a very slow process. He hopes to continue to be able to build the reserve fund for the lake lofts.

He gave an update on the garbage, stating that the Association was on track for the change. It had signed its contract with Advanced Disposal and still has to pour slabs, as compactors are currently being built and should be in as soon as the Republic Services contract is over in mid-November.

Under administration, he stated that the delinquent accounts total is down to \$15,000, and only two sales went through.

At 10:35 a.m., Joyce Morris moved and Randy Kuhl seconded a motion to adjourn, which was approved unanimously.

Respectfully submitted,

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

Bryon Smith
Secretary