**MINUTES**

**SANDPIPER OWNERS' ASSOCIATION, INC.**

**BOARD OF DIRECTORS MEETING**

**October 20, 2014**

A meeting of the Board of Directors of Sandpiper Condominium took place on October 20, 2014, at 5:00 p.m., at the office of Board member Terry Hadley, 1031 West Morse Blvd., Suite 350, Winter Park, Florida. Notice of the meeting was properly posted.

**QUORUM:**

All members of the Board were in attendance including in person Dusty Sutton, Michael Pollack, Pam Shaw, Rhonda Pearlman, Terry Hadley, Steve Selznick and Scott Johnson. Rennie McDaniel, Diane Browning and Jeff Knipe participated by phone. Our manager, Keith Jones, was also in attendance in person. Our rental manager, Diane Moreno, was also in attendance in person for the initial part of the meeting.

**RENTAL MANAGER'S REPORT:**

The Board had been working with Diane to update her Rental Program Contract with the Association. A proposed new contract version was discussed, with Diane suggesting certain revisions from the existing contract. Those revisions included that her rent paid for use of the Sandpiper office would be increased from $700 per month to $850 per month. Her administrative fee charged to tenants who rent would be increased from $50 per rental to $75. This would help defray credit card charges and other expenses Diane incurs. After discussing the contract and those proposed changes, Diane departed the meeting. A motion was then made, seconded and adopted to approve a new contract with Diane effective January 1, 2015, that would include the above revisions requested by Diane. The contract would be for a one year term, renewable annually, subject to further negotiation between the parties regarding any particular provision.

**MANAGER’S REPORT:**

A copy of Keith’s October 2014 Manager’s Report is attached. In addition to what is stated in Keith’s report, the following additional discussion occurred at the meeting.

1. First floor bathroom – as reported in the prior September 2014 minutes, Keith had been asked to revisit the proposed scope of work regarding the best price we could get, maintaining a function and appearance that would be in keeping with what Sandpiper wants. Keith reported that contractor Jay Reed agreed to perform the work at a bid price of $36,850, which was within the approved budget. The funds for this work will come from reserve funds we previously had ear-marked for windows and doors. But windows and doors were recently deleted from our reserve funding since under our condominium documents, such items are the responsibility of Owners. The work would commence approximately November 1, and we would hope to have the work concluded during November. Because of issues of unauthorized use and vandalism over the past year, the first floor bathroom will be accessed by the same key used for the gates. A motion was made, seconded and adopted to approve the foregoing proposal.

2. Keith presented the attached proposed list of 2015 major projects, regarding capital projects to be paid from reserve funds, and building maintenance expenditures to be paid from the operating budget. The amounts set forth on the attached list are agreed costs, except for the proposed stucco repairs which is currently an estimate.

3. Keith reviewed the Owner responses from the recent survey, as reported on the page attached to Keith’s report. Having such information is useful for the Board and management as we prepare for the 2014 annual meeting and a new calendar year.

4. Regarding Board of Directors candidates, and as a supplement to Keith’s report, the terms of four current Board members would end at this annual meeting, subject to re-election if there were a desire to serve again. Only one of those Board members has submitted an intent to continue on the Board, Michael Pollack. The other three members have elected not to run again, being Diane Browning, Steve Selznick and Dusty Sutton. Dusty advised that she is in the process of selling her unit, with a closing anticipated during October, and as a result, we will be losing Dusty as not only an Owner, but as our current President. Two other Owners have submitted an intent to serve as a Board member, Bucky Hurt and Shawn Morgan. Information on both Bucky and Shawn will be distributed to all Owners with the annual meeting package of information that will be forthcoming. While we are sorry to lose current Board members, the good news is that we will have two new Board members along with Michael. And because the total number of 2015 Board members will not exceed our allowed 11, there will be no need to have a contested election for Board members at the annual meeting.

5. Keith reported that he is meeting with representatives of Waterproofing Specialists regarding the repairs that are necessary for the coatings on our walkways. We have issues where the coatings are delaminating. We are well within our warranty and will pursue with the contractor and material supplier having the problem areas repaired at no expense to the Association.

**TREASURER’S REPORT – BUDGET/RESERVE SCHEDULE:**

The Board reviewed the final proposed budget for 2015, copy attached. The Board also reviewed the attached two documents regarding reserve funds, including funds by each listed component, as well as the attached current 20 year reserve schedule. Upon motion made, seconded and adopted, the attached budget and reserve schedule were approved to present to the Owners at the upcoming annual meeting. The motion included funding of partial reserves for 2015 (as we have done for the past years), that will maintain the monthly maintenance fee at $620.

Also, as reported in the prior Board minutes of the September 22, 2014 meeting, the Board recommended that we switch from a straight line method of accounting for reserves, to a pooled method. Under the pooled method, the funding for the required items included in the reserve budget will be pooled into one lump sum, as opposed to separate balances for each reserve category. The advantage of the pooled method is that it gives the Board more flexibility to use reserve funds for reserve purposes that become necessary earlier than anticipated, and where we can fund such needed reserve expenditure without concern that such funds may have been ear-marked for a different reserve item if we use the straight line method. This will benefit the Association’s reserve cash flow for use of reserve funds, and provide the Board with such needed flexibility. Thus, the motion that was adopted included amending our reserve method to go to a pooled reserve.

The Board’s recommendation for funding of partial funding of reserves, and for going to the pooled method of reserve accounting, will require the approval of a majority of the Owners in attendance at the annual meeting. Those are the two votes that will be presented to the Owners for approval regarding the budget, recognizing that the final approval of the entire budget will be presented to the new Board to approve at the meeting immediately following the annual meeting of Owners.

**INSURANCE SETTLEMENT (CONFIDENTIAL):**

This is confidential for the Owners. As reported in the last Board minutes, the Association was negotiating a proposed settlement of a claim the Association had made against its former insurance agent to refund approximately $64,000 of premiums that we discovered were paid by the Association over three years to insure interests involving individual condominium units, and which by statute are not insurable by the Association. With prior approval of the Board, Terry Hadley advised the Board that a settlement has been reached by which the Association will be paid $30,000. This was acknowledged to be a favorable settlement, including for the reason that it avoided potential costly litigation that would have had no certainty of result. We are in the process of obtaining the $30,000 check, which will be accounted for in our operating account. Special thanks go to Jeff Knipe who gathered the initial information in order to present the claim to the insurance company, and to Terry Hadley who undertook asserting the claim and negotiating the final result (at no expense to the Association). The settlement agreement we have reached requires this result to be kept confidential. The Board wanted to report this favorable result to all Owners**, BUT PLEASE KEEP THIS SETTLEMENT CONFIDENTIAL AND DO NOT DISCUSS IT WITH ANYONE.**

**NEW BUSINESS:**

As referenced above, Dusty Sutton, a long-time Owner at Sandpiper and our current President, advised the Board that she had contracted to sell her Sandpiper unit, with the closing scheduled for this month. Accordingly, Dusty will no longer be an Owner, and as a result, will be stepping down as our President. The Board thanked Dusty for her many years of service on the Board, including several years as our Treasurer, and then as our President for this past year. The Association has been well served under Dusty's leadership this past year.

**2014 ANNUAL MEETING OF OWNERS:**

The 2014 Annual Meeting of Owners is scheduled for November 15, 2014, beginning at 9:30 a.m. in the 7th floor room. A further package of information will be mailed to all Owners in advance of the meeting. We hope as many Owners as possible can attend the meeting.

There being no further business to come before the Board, the meeting was adjourned at approximately 6:30 p.m.

 Submitted by:

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Scott Johnson, Secretary

 Date

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