

# MINUTES

THE ISLANDER OWNER'S ASSOCIATION, INC.  
TELEPHONE CONFERENCE BOARD OF DIRECTOR'S MEETING  
HELD AUGUST 17, 2013 @ 9:00AM  
IN THE PALM ROOM OF THE ISLANDER CONDOMINIUM, DESTIN, FLORIDA  
502 GULFSHORE DRIVE, DESTIN, FLORIDA

**BOARD MEMBERS PRESENT:** Fisher (Axel) Feltenberger (#303), Dr. Linus Carroll (#209, #706, #613, #607), Ken Dixon (#704), Leo Rolfes (#405), Sharon Schlott (#413, #603),

**BOARD MEMBER PRESENT VIA CONFERENCE CALL:** Stephen Page (#715, #607), James Swanson (#712).

**MEMBERS PRESENT:** Ann & David Grupzynski, Linda & David Noshay (#314), Rosemary Bubien (#411), David & Janet Jeffcoat (#709), John Wood (#710),

**MEMBERS PRESENT VIA CONFERENCE CALL:** Edgar & Robin Alverson (#215), Christine Fritchel (#503), Richard Rognehaugh (#514),

**MANAGEMENT:** Stephen Parish, Acting GM; Megan R. Pollak, Bookkeeping, Helene G. Korski, Minutes.

1. **CALL TO ORDER:** The President called the meeting to order at 9:03 am.
2. **ROLL CALL:** The President called the roll, all Board members present, Quorum was established.
3. **PROOF OF NOTICE:** Stephen Parish confirmed that notice of the present meeting was properly posted in accordance with the Florida Statute 718.

#### 4. APPROVAL OF THE AGENDA:

**Motion:** Sharon Schlott moved to approve the Agenda as presented, 2<sup>nd</sup> by Ken Dixon.

**Vote:** Unanimous, Motion carried.

#### 5. APPROVAL OF MINUTES, MAY 18<sup>TH</sup>, 2013

**Motion:** Leo Rolfes moved to approve the May 18<sup>th</sup>, 2013 Board of Directors' scheduled meeting as presented, 2<sup>nd</sup> by Leo Rolfes.

**Vote:** Unanimous, Motion carried.

#### 6. PRESIDENT'S REPORT – Axel Feltenberger

The President stated that the beach renovation was completed as well as the ADA approved walkover. He then confirmed Susan Miller's resignation. He stated that the GM Committee (composed of 7 owners) interviewed 8 out of the 11 candidates to fill the position. The Committee's decision was reported to Item 12 C on the Agenda.

#### 7. VICE PRESIDENT REPORT – Stephen Page

Mr. Pages' concern regarding the status of one of the GM Committee member, Dr. Carroll read the content of a Deed, stamped and recorded in the Okaloosa County, affirming that said member was the actual co-owner of a unit in the Islander. He concluded that said owner had the capacity and the authority to be part of the GM Committee for the selection of the GM replacement. Mr. Page then stated that he was satisfied.

#### 8. FINANCE COMMITTEE REPORT- Leo Rolfes

##### A) 2013 2<sup>nd</sup> Quarter Financial:

Mr. Rolfes reviewed Page 6 of the package "April through June 2013 Association Profit & Loss Budget vs. Actual" and Page 7 "Islander Rental Management Profit & Loss Budget vs. Actual" for the same

period and stated that we were ahead of this time last year. He explained the reason for the over budget expense (Items 8031-1 & 8031-2) was due to a severance payment made to the departed GM.

Discussion: The President described the circumstances surrounding this incident.

**Motion:** Dr. Carroll moved for the BOD to approve the severance payment contingent to the attorney's approval, 2<sup>nd</sup> by Steve Page.

Discussion: To obtain legal opinion prior for the BOD's vote approving said payment. Leo Rolfes explained the basis for calculations and the Florida State's position regarding contracts. The GM's severance pay was discussed at length.

**Vote:** 3 "Yes": Dr. Carroll, Steve Page, James Swanson  
4 "No" : Leo Rolfes, Ken Dixon, Sharon Schlott, Axel Feltenberger .  
Motion denied as presented.

**To Do:** BOD members to seek legal advice regarding the above matter.

B) Fiscal year dates reconsideration:

Mr. Rolfes stated that at the last BOD meeting, the CPA suggested that it would be profitable for the Islander to move from a calendar year to a fiscal year ending Nov 30<sup>th</sup>, 2014 and thereafter.

**Motion:** Leo Rolfes moved to seek ownership approval, by way of proxy, to change the fiscal year date from a calendar year to the November 30<sup>th</sup> date, 2<sup>nd</sup> by Dr. Carroll.

Discussion: Regarding the best interest of the Islander.

**Vote:** Unanimous, Motion carried.

**To Do:** Management to prepare the Proxy for the fiscal year date change, said Proxy to be added to the Annual Meeting package.

C) Reserve funding the new boardwalk:

Mr. Rolfes referred to P. 8 Reserve Item "Beach Walkover" and confirmed that the amount in reserve (\$3,000) was insufficient to cover the new Beach Walkover (\$66,859.) which was paid through the line of credit. He then referred to Page 10 showing an adjustment made to said Reserve Item to fully fund item for years to come. He stated that the Financial Committee's intention is to repay the line of credit. As this expense is an Association one, the Committee proposed two (2) solutions: 1. levy a special assessment (\$526.45 per owner) or 2. Increase the monthly dues by \$16.68 over the course of the next 3 years.

**Motion:** Leo Rolfes moved to levy a Special Assessment in the amount of \$526.45 per owner to pay for the Beach Walkover, 2<sup>nd</sup> by Sharon Schlott.

**Amendment:** Proxy for Ownership vote on the Levy of Special Assessment will be part of the Annual Meeting Package.

**Vote:** Unanimous, Motion carried as amended.

**To Do:** A special conference call meeting was scheduled for September 4<sup>th</sup>, 2013 to discuss the amount to be allotted to the Reserve Item "Beach Walkover" to fully fund the Item, and for discussion regarding the Special Assessment has been scheduled for September 4<sup>th</sup>, 2013.

D) 2014 Proposed Budget Review:

Megan presented 3 drafts of proposed budgets for 2014

P. 13 - 14: Draft 3 proposing the payment of the line of credit over a 3 years period (dues increase) including – Stephen Parish as General Manager & Megan Pollak as Assistant Manager.

- P. 15 – 16: Draft 5 proposing levy of Special Assessment including – Stephen Parish as General Manager & Megan Pollak as Assistant Manager.
- P. 17 – 18: Draft 6 adding Rental Management payment of additional monies to the Association as returns for their investment including – Stephen Parish as General Manager & Megan Pollak as Assistant Manager.

Megan added that all 3 proposed budgets reflect a reduction of the commission from 28% to 25%.

On the subject of “returns on the Association’s investment”, Leo Rolfes recommended Draft 6 and related a discussion he had with Ken Klus, outside rental. Mr. Klus provided a copy of the purchase statement reflecting the amount paid (\$200,000 plus \$4,000 for good will) by the Association for the purchase of the Management Company. Mr. Rolfes believes that it would be to the benefit of all members of the Association to get a return on their investment including outside rentals and non-rentals. Mr. Rolfes added that this was the direction the Financial Committee intended to take so to drive down the dues for the benefit of all owners.

**To Do:** To avoid, as in the past, commingling of funds between Association and Rental, Megan will contact the CPA to set up the proper way to achieve said payment.

**To Do:** In order to welcome back the outside rental owners (OR), Stephen will prepare a letter offering them the 25% commission (3% reduction), the free beach service, the linen exchange services, the acceptance of credit cards payments, the Children program, and our management’s friendly Front Desk Agents. Furthermore, for liability purposes, the letter will require them to provide the names of all future guests staying in their units. It was suggested that a letter bearing our attorney’s letter head be sent to Holiday Isle requesting the names and ages of guests which will be staying in the units they are managing.

**To Do:** Stephen will contact the attorney in this regard. Subject tabled until the next BOD meeting.

**Motion:** Leo Rolfes move to approve proposed Budget Draft #6, 2<sup>nd</sup> by Sharon Schlott.

**Vote:** Unanimous, Motion carried.

Leo Rolfes concluded that he was very happy with the direction the Islander was heading.

## **9. MARKETING / RENTAL REPORT – Stephen Parish & Sharon Schlott**

### **A) Occupancy Report:**

Stephen presented his occupancy report (P.19) and stated that at this time we mostly already reached the projected budget. He added that this year, the online booking grossed a million dollars and that the Gold, Silver and Bronze program proved to be the right way to go. Management is now in the process of re-negotiating the “Free Beach” service for next year.

Discussion: Regarding the status of Reserves In case of a disaster/hurricane.

### **B) Advertising / Marketing Report:**

Stephen confirmed that the Islander will continue advertising on Google & Facebook and added that we reached 10,000 fans on Facebook. He announced that the Islander now has an Android App posted on Google Play created by our new front desk agent, Andrew Geoghagan (Ref. P. 32), an App is in the process of being available on iPhone/iPad. He added that the Islander was known to be a “Family Friendly” place as we are attracting more and repeated families with our Children Program. He continued saying that we are now promoting on the Canadian website “Rogers Communications” hoping to attract new Snowbirds (SB). The new domain name for the Islander Real Estate business website is [www.islanderdestin.com](http://www.islanderdestin.com). He added that from September to January, signs will be posted at the front gate to invite walk-ins to come and visit our condos.

**To Do:** Letter to SB. Letter will also include research results regarding the “Sport games/Cox satellite”.

**To Do:** To manage our website advertisement part to reflect all of the above marketing items and prepare signs for the front gate inviting walk-ins.

C) 2014 / 2015 Rental Rates:

Stephen introduced the 2014/2015 rate schedules which will be posted on our website.

D) Unit Evaluations Updates:

Stephen stated that once all completed reports are received from Ann White, said reports will be forwarded to all owners.

## 10. MANAGEMENT REPORT

A) "No Smoking" signs applied to patio doors and designated areas established:

Megan stated that all signs have been purchased but due to the high volume of occupancy, signs are still in process of being posted. Smoking area is located Unit 118.

B) AT&T Proposal:

Megan reported that she was in contact with AT&T representative who said that they opted to go with the lower bidder and added that if the contract doesn't go through, AT&T will consider the Islander.

**To Do:** Management to contact AT&T and as suggested by the BOD, Islander to match the offer.

C) Elimination of the FSBO MLS Listings:

Stephen reported that all the "For Sale By Owners" have been removed from the Website.

## 11. UNFINISHED BUSINESS/INQUIRIES IN PROGRESS

A) Quotes/bids obtained for:

Megan referred Members to P. 33 Quotes obtained for Future Projects which were mentioned in the May 18<sup>th</sup>, 2013 BOD meeting minutes.

- = Management report/recommendations:

● = BOD suggestions/decisions:

### Replacement of Front Doors

### Refurbishing of Front Windows

### Replacement Keyless Entry Hardware

- Decision: all 3 projects reported until further evaluation.

**To Do:** Management will provide Ken Dixon with copies of all bids for evaluation. Owners suggested long lasting solid fiberglass doors.

**To Do:** On the next Proxy, Management will mention and notify all Owners that, within the next 2 years, kitchen windows, front doors, and keyless entry hardware will have to be replaced. At that time, Management will seek approval and support from all Owners.

### Basketball Pole Installation

- Due to the cost of installation, Stephen will bring a temporary Basketball Hoop.

### Balcony/Pool Patio Furniture Replacement

- Balcony Patio furniture needs replacement. Replacement needs to maintain uniformity.

- **Suggestion:** To form a Committee to evaluate furniture status, selection of style, color, fabric, etc.

Balcony Patio Furniture Committee: appointed members: Rosemary Bubien, Janet Jeffcoat, Sharon Schlott.

## **Security Camera Proposals:**

- Megan and Leo Rolfes reviewed 3 bids for installation of a basic Security System: 16 cameras with capability of maintaining recorded information for 3 weeks, which will be installed in strategic locations: 3 in lobby, 3 in various areas and 10 on the roof with option to add 6 more as need arises.
- BOD approved spending up to \$12,000 with the understanding that said system will cut back night shift personnel during the slow season.

Discussion: Who will have the authorization to review footage, how cost will be recovered.

**To Do:** Leo and Megan will contact Vendors to determine and select appropriate and effective material to be installed. Stephen will verify why the Islander would be required a “24 hours attendance at the front desk”. Is the Islander’s status considered to be Hotel or a Condo?

## **Fitness Center**

- Proposal: Transform the GM’s office into a Fitness Center with reconditioned home used equipment. As per Insurance Company, there will be no increase in our liability insurance.

**To Do:** Management will establish the Guests’ access procedure, determine policies, group age for allowed to use equipment and option to impose a user fee, determine the policy, group age using the equipment, and if any fee should be charged. To mention the Fitness Center project in the Snowbirds letter.

## **Pool Repair**

- Phase 1 Spa to be repaired this year.
- Phase 11 and Pools to be repaired by next autumn or as needed.

## **Parking Lot – Seal, Stripes and Repair**

- Parking lot needs a new overlay. Megan presented bids for both sealing & re-surfacing the parking lot.
- Ken Dixon suggested re-ceiling the parking lot by October of this year.

**To Do:** Ken Dixon will study specifications contained in bids and make his recommendations at the called September 4<sup>th</sup> BOD meeting.

## **Elevator Carpet Replacement**

- Carpet in both elevators need replacement.
- BOD authorized replacement of carpets in both elevators.

## **Palm Room / Window Replacement / UpDate**

Discussion: it is in Stephen’s opinion that, as a projection, the Palm Room can be potential revenue for the Islander if room would have a more 21<sup>st</sup> century look. He added that 5% of revenue comes from reservations made by groups (wedding, church, sport, family reunions). He added that for the past 2 years, the Snowbirds have been hoping for better lighting in the Palm Room.

- Palm Room renovation reported until further studies.

**To Do:** Management will elaborate a business plan and evaluate if it would be cost effective to renovate the Palm Room.

## **WebCam Replacement**

- 2<sup>nd</sup> Floor WebCam needs to be replaced by a full screen camera and moved to the 7<sup>th</sup> floor.
- Management authorized replacement and relocation.

## **Fire Sprinkler Repair/Replacement**

- In April 2013, annual fire inspection failed due to some units having defected painted sprinklers heads
- Decision: To have new inspection done by Gulftech to evaluate the number of units in need of sprinkler replacement so that we can obtain the green tag. Inspection will be paid by Association. Sprinklers replacement cost will be charged to individual owners. New inspection and replacement to be scheduled by next week.

**To Do:** Management will send a Notice to all owners to act with caution when painting their unit to avoid having paint on the sprinkler heads.

Discussion: President reported that the BOD was not aware of the Fire inspection failure as said problem had not reported by the GM in last May Board minutes.

### B) Future Projects:

#### **Second Floor Laundry Room – Tile Replacement**

- Laundry Room floor tiles need replacement. We have sufficient tiles surplus stocked in maintenance building for replacement .
  - BOD authorized labor cost for replacement of tiles in the 2<sup>nd</sup> floor laundry room.

**To Do:** Suggested to add Laundry Room tiles and paint items to the Reserve study.

#### **Construction of new enclosure for both garbage containers:**

- Subject tabled until the next meeting.

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**To Do:** Suggested addition of a small playground area will be added to the next Agenda.

**Motion:** Ken Dixon moved to accept completion of the following future projects: primarily Fire inspection and fire sprinkler replacement, patio/pool furniture, security system proposal, second floor laundry room tile replacement, fitness center, Phase 1 spa repair, elevator carpet replacement, WebCam replacement and installation on 7<sup>th</sup> floor. The completion of the following future projects have been excluded until further studies: front door replacement, refurbishing of kitchen windows, replacement of keyless entry hardware, basketball pole installation, parking lot resurfacing, Palm Room up-grade and window replacement, 2<sup>nd</sup> by Sharon Schlott.

**Vote:** Unanimous, Motion carried.

## **12. NEW BUSINESS**

### A) General Manager Contract and Job Description:

Review of the Manager Contract and Job Description is in working process.

### B) Fitness Center:

Subject already discussed in Point 11 A. and voted on in conclusion of Point 11B.

### C) General Manager:

The President acknowledged that the GM Committee conducted interviews and evaluated 8 candidates. The Committee concluded that it was in the Islander's economical interest and voted unanimously to retain the services of Stephen Parish as General Manager and Megan Pollak as Assistant Manager. Each of them will continue their responsibilities as Rental Manager & Bookkeeper respectfully. Both positions are salaried positions.

**Motion:** Leo Rolfes moved to approve Stephen Parish, as General Manager, and Megan Pollak as Assistant Manager, 2<sup>nd</sup> by Sharon Schlott.

Stephen Parish clarified that he will remain the Islander's broker and that the brokerage commission would be: 45% of total commission for the Association, 10% for marketing, 45% for brokerage for Islander unit sales.

**Vote:** Unanimous, Motion carried.

**Comments/Discussions/Additional subjects to be added to the November Agenda:**

- Sidewalk pavements located on the west side of building need stabilization.

**To Do:** Management to obtain a bid for pavement repair.

- Security light located on top of woman west pool bathroom blinding guests/owners in units.

**To Do:** Maintenance will work on correcting this irritant problem.

- Spas jets running day and night.

**To Do:** For maintenance to contact Aqua Pool/electrician for installation of a timer.

**12. ADJOURNMENT:**

**Motion:** Leo Rolfes moved to adjourn meeting, 2<sup>nd</sup> by Ken Dixon.

**Vote:** Unanimous. Meeting adjourned at 12:01PM.

Respectfully submitted: Dr. Linus Carroll, Secretary.