

MINUTES
BOARD OF DIRECTORS MEETING
Held Saturday, November 8th, 2014
in the Palm Room at The Islander Condominium

Board Members Present: Fisher (Axel) Feltenberger (#303), Ken Dixon (#704), Leo Rolfes (#405), Sharon Schlott (#413, 603), Ken Klus (#502), Rosemary Bubien (#411)

Members Present: Jeffrey Zola (#116), Louise & Stan Squires (#213), Ben Oliver (#217), Dennis Schlott (#413, 603), Donna Klus (#502), Mary & James Coston (#505), David Clausen (#611).

Management Present: Stephen Parish, General Manager, Megan Pollak, Assistant General Manager, Helene G. Korski/Transcription.

1) **Call to Order:** The Chairman, Ax Feltenberger called the meeting to order at: 10:30 AM.

2) **Roll Call:** The Chairman called the roll and confirmed that a Quorum was established.

3) **Approval of Agenda:**

Motion: To accept the agenda as presented moved by Ken Klus, 2nd by Sharon Schlott.

Vote: No discussion, vote unanimous. Motion carried.

4) **Approval of Minutes (August 23, 2014; October 15, 2014)**

Motion: To accept the minutes as presented moved by Leo Rolfes, 2nd by Ken Dixon.

Vote: No discussion, vote unanimous. Motion carried.

5) **Election of Officers:**

President: Sharon Schlott nominated Ax Feltenberger, 2nd by Ken Klus.

Ax Feltenberger accepted the nomination and was appointed President.

Vice President: Sharon Schlott nominated Leo Rolfes, 2nd by Ken Klus.

Leo Rolfes accepted the nomination and was appointed Vice-President.

Secretary: Sharon Schlott nominated Rosemary Bubien, 2nd by Leo Rolfes.

Rosemary Bubien accepted the nomination and was appointed Secretary.

Treasurer: Leo Rolfes nominated Ken Klus as Treasurer, 2nd by Sharon Schlott.

Ken Klus accepted the nomination and was appointed Treasurer.

6) **Unfinished Business:**

a) **Palm Room Update:**

Megan referred the members to Ann White's proposal regarding the Palm Room renovation. Megan added that in 2014, 22 weddings were celebrated on our beach and in the Palm Room and that thus far, for 2015 we already received 13 requests/inquiries for weddings and noted that the sooner the Palm Room is renovated, the sooner we can advertize its multiple usages.

Discussion:

Ken Dixon & Management to:

1. Obtain a firm proposal and a time frame to replace the Palm Room's windows.
2. Obtain bids for installation of granite counter top for kitchen counters;
3. Obtain bids for carpet replacement;
4. Obtain cost for renting or buying a dance floor and add optional cost to the rental fee;
5. For Anne White to present a detailed proposal which will include:
 - Wall Costs: (Stripping wall paper and finishing versus attaching dry wall and finishing)
 - Ceiling renovation options: (Whether dry wall can be attached allowing for possible recessed lights)
 - Obtain bids for carpet replacement;

6. Ken Dixon and Megan will schedule a meeting with Ann White, interior decorator to finalize project, prepare scope of the work, and establish the project timeframe.

Motion: To move forward with the windows replacement in the Palm Room moved by Ken Klus, 2nd by Sharon Schlott.

Vote: No objection, vote unanimous. Motion carried.

b) Staff Bonuses:

Ken Klus presented the members with a draft of a "Staff Bonus Program" for their review. Said bonuses would be based on performance criteria and contributions to The Islander's success. Said bonuses are intended to full time employees and will be prorated if employees worked less than a full year. He added that for 2014, a pool of \$18,000 funded by 1/3 from the Association operations and 2/3 from the Rental operations will be distributed to employees following Management recommendation and BOD performance evaluation. Bonuses represent up to 5% of the employee's annual salary.

Discussion: Targeted starting date and how said pool amount was determined.

Motion: To adopt the Staff Bonuses Plan moved by Leo Rolfes, 2nd by Sharon Schlott.

Vote: No objection, vote unanimous. Motion carried.

c) Doors / Window Committee:

Ken Dixon referred members to Page 6 following the blue divider sheet. He described the specifics of a proposal received from HRG (Hotel Resources Group, LLC) general contractor, for replacement of all 127 front doors and hardware.

To Do: Megan to provide the buildings renovation color schemes to match the doors.
To have Todd search if there would be a resale market for the old steal doors at some salvage places.

To Do: Ken Dixon will get back with the general contractor to obtain final bids for the following:

- Price for custom color
- Price for removal of the old doors (swapping doors)
- Dead bolt option & master key
- # of PODs needed to store new doors
- # of dumpsters needed to store the old doors
- Timeframe for installation and duration
- Obtain final price for demolition and installation.

Mr. Dixon concluded by stating that the final price will determine the amount of the Special assessment needed to complete the project. Management suggested time to start in mid April 2015.

To Do: Megan will investigate cost of separate contractor removing doors/frames.

Discussion: Regarding other bids for windows replacement from local contractors.

Motion: To go forward and replace the front doors moved by Leo Rolfes, 2nd by Ken Klus.

Vote: No objection, vote unanimous. Motion carried.

d) Management Contract / Duties:

BOD developed a Management Contract. After review by the members of the committee workshop the following change was made: on Page 14, 30 days replace the 90 days; the effective date to be January 1st, 2015.

7) New Business:

a) Adoption of Approved 2015 Budget:

Mr. Rolfes explained that the increase in the monthly assessment was due to an increase to our insurance. He added that our Reserve study has increased as well. He announced that Stephen sold 9 units this year resulting in a reduction of the commission.

Motion: To approve the 2015 budget moved by Leo Rolfes, 2nd by Ken Dixon.

Vote: No objection, vote unanimous. Motion carried.

b) Board of Director's 2015 Meetings Schedule to be held at The Islander in Destin:

February, 21st, 2015 May, 16th, 2015 August, 22nd, 2015 November, 14th, 2015

As suggested by Management, BOD agreed that all attended meetings will also be telephone conference meetings.

Motion: To approve the 2015 BOD's meetings schedule listed above moved by Rosemary Bubien, 2nd by Ken Klus.

Vote: No objection, vote unanimous. Motion carried.

c) Reserve Interest Income:

Megan explained that accrued interest was currently applied to each reserved item. Following discussion with CPA and Mr. Bowman suggesting that, moving forward, said accrued interest to be deposited in a new account from which funds may be used to fund projects when the reserve for said project is short. Said account would not bear the usage restriction as would a reserve account. Megan specified that funds could only be used for replacement items and not for repair.

Motion: To approve that all future accrued interest be put in the discretionary fund moved by Ken Klus, 2nd by Ken Dixon.

Vote: No objection, vote unanimous. Motion carried.

d) **Rental Agreement:**

Stephen Parish referred members to Page 23 Rental Agreement and read the changes made to the document. In Section 5, he stated that in 2015 the booking fee was replaced with the Damage Waiver Fee of \$9.00 and clarified the meaning and usage of said fee (replacement of broken items up to \$1000). He also read Section 6, F which references owners "Honoring Rental Reservations".

e) **Maintenance/Service Agreement**

Defer to unfinished business.

To Do: Stephen and Megan will revise Maintenance/Service Agreement.

The President thanked Megan, Stephen and Todd for a good year of accomplishments, and Leo Rolfes thanked the Owners for up-dating their units.

Adjournment:

Motion: To adjourn moved by Leo Rolfes, 2nd by Ken Klus.

Vote: Unanimous. Meeting adjourned at 11:30AM.