

# MINUTES

## OF THE ISLANDER OWNER'S ASSOCIATION, INC REGULAR SCHEDULED BOARD OF DIRECTOR'S MEETING

Held SATURDAY, MAY 16<sup>TH</sup>, 2015 AT 9:00AM CST IN THE PALM ROOM OF THE ISLANDER  
CONDOMINIUM AT 502 GULF SHORE DRIVE, DESTIN, FLORIDA 32541  
The meeting was available by telephone @ 1-800-444-2801 Code 6921782

**Board of Directors Present:** Ax Feltenberger, President (#303), Leo Rolfes, Vice-President (#405), Rosemary Bubien, Secretary (#411), Ken Dixon (#704)

**Board of Directors Present via Telephone Conference:** Sharon Schlott (#413).

**Board of Directors Absent:** Bob Whitley (#508).

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

**Members present:** Lou Mossotti (#511), Pamela Feltenberger (#303).

**Owners present via telephone conference:** Jimmy and Carole Marie Stuart (#516), Merrilyn Cook (#713), Jeff Zola (#116)

- 1) **Call to Order:** The President called the meeting to order at 9:00AM CST.
- 2) **Roll Call:** The President called the roll and confirmed that a Quorum was established.
- 3) **Proof of Notice:** Ms. Pollak confirmed the notice of meeting was properly posted in accordance with Florida Statute 718.

#### 4) Approval of Agenda

**Amendment:** Item 11 b. has been removed.

**Motion:** Leo Rolfes moved to approve the agenda as amended, 2<sup>nd</sup> by Rosemary Bubien.

**Vote:** No discussion, vote unanimous. Motion carried.

#### 5) Approval of Minutes (February 21, 2015)

**Motion:** Ken Dixon moved to approve the February 21<sup>st</sup>, 2015 Minutes as published, 2<sup>nd</sup> by Leo Rolfes.

**Vote:** No discussion, vote unanimous. Motion carried.

#### 6) President's Report – Axel Feltenberger

The President invited owner members to comment and ask questions during the meeting. Mr. Feltenberger remarked, that spring break was rather soft; and that we would be hearing the audit results, and updates regarding marketing, unit front door replacement, Palm Room renovations, and a technology update.

## 7) Finance Committee Report – Megan Pollak

### a) 2014 Audit

Ms. Pollak referenced the audit report (CRI - Carr, Riggs & Ingram, pages 8-34) and provided a detailed explanation of the “Audit Comparison 2013 vs. 2014” report (page 95).

### b) First Quarter Review

Ms. Pollak reviewed the March and 1<sup>st</sup> Quarter Financials (pages 35-46 and summary, page 96). On the Association side the 1<sup>st</sup> quarter shows Brokerage income to be less than projected as April and May closings will be reflected next quarter and successive financial statements. Contingency items were over budget. The 2<sup>nd</sup> floor water leak near the elevator which occurred during testing and plant replacement due to the freeze accounted for most of the contingency expenses, the other item being the Web Cam repair which was paid as part of the Insurance from the lightning storm.

On the Rental side occupancy-related expense items as well as Legal and Professional Fees were under budget. Credit card fees were over budget.

### **Discussion:**

Mr. Mossotti voiced concern about preserving roof integrity after observing a Climate Makers’ employee drag an AC replacement unit across the roof and asked management to address.

**To Do: Management will discuss with Climate Makers and follow-up with roof inspection.**

Mr. Rolfes asked about payment of the master policy premium. Ms. Pollak clarified that payment of \$125,000 to \$145,000 is due June 1<sup>st</sup>. The Islander finances the payment over 9 months as sufficient cash is not available.

Mr. Rolfes asked how management was responding to the Audit findings related to segregation of duties. Ms. Pollak explained the change in office policies following the 2013 audit. Instead of Ms. Pollak performing all functions, Ms. Grzyboski now makes the bank deposits, Mr. Parish signs all checks and Ms. Pollock signs checks only in his absence. Ms. Pollak explained that due to staff constraints she performs the Bank reconciliation. To incorporate an element of independent oversight, Donna Anderson, who was recommended by Christine Hale with CRI, will begin to work with Ms. Pollak once a month on bank reconciliations (cost is \$150/hr). They will attempt to reconcile the Sweep account which to Ms. Pollak’s knowledge has never been reconciled.

## 8) Marketing / Rental Working Group – Stephen Parish

### a) Occupancy Report (pages 47 and 49)

Mr. Parish reported that the gross revenues for 2015 were progressing nicely with 2016 bookings substantially higher than 2015 for the winter months. Abandoning the \$35 Booking fee in favor of the \$9/day Waiver fee had an unanticipated negative effect on online bookings. To stimulate online bookings, the “BOOK ONLINE & AVOID A \$35 BOOKING FEE!” has been reposted to our Website (although we are not enforcing the charge).

### b) Advertising / Marketing Report: (Page 49)

Mr. Parish announced that to generate additional business, the Islander has signed up with Vacay Hero & Waterplay USA (two Home Away channel partners). The Islander APP (Glad To Have You), Islander Destin, is now available from the App store. The App is still being refined. He reported that we are still on a high placing on Google and have 43,000+ fans on FaceBook.

Discussion:

Ms. Schlott shared that she had not been able to share the Islander link with “friends” if the “friend was not actually a “friend” with the Islander. **TO DO: Mr. Parish will investigate.**

c) Unit Evaluations Updates (page 48)

Ms. Pollak reported that Ann White was nearly finished with evaluations as several units underwent spring updates. To better differentiate the tiers, new criteria for 2016 are Gold 40-38, Silver 37-35, Bronze 34 and under. A Platinum rating is under discussion.

d) 2016/2017 Rental Rates (page 49)

Mr. Parish will present information in August. The 2015 rates have been uploaded for 2016 as we need 12 months of rates for the new APP.

**9) Management Report – Stephen Parish**

Mr. Parish discussed the status of completed and ongoing projects as itemized on page 49.

The recently identified problem with new larger size replacement air conditioners was deemed to be new business and will be discussed under new business.

The bid from Custom Fabrications of Freeport, Inc. to replace the walkway railing plates was discussed (page 51). The earliest the project can be done is mid-October.

Discussion:

Mr. Parish explained that the steel was oxidizing and replacement was not covered as part of the warranty. Mr. Dixon clarified that The Islander is in compliance with code, The Islander is addressing a problem The Islander has identified which has to be corrected.

Mr. Dixon asked that a warranty for work to be performed and that code compliance be added to the contract.

**To Do: Management shall ask to have these clauses added to the bid and attempt to have local inspectors verify to code.**

**10) Unfinished Business**

a) Replacement Paver Suggestions/Bids

Mr. Feltenberger recapped background related to the paver replacement dilemma explaining that the 20 year old ¾ inch pavers are no longer available. The available new pavers are thin and not compatible. While The Islander continues its efforts to replace the most extensively damaged pavers with edge pieces posing the most difficulty as a temporary fix, a long term solution is needed. To minimize expense to owners, the Board asked Management at the February meeting to explore alternative surfacing and staged replacement.

Mr. Rolfes recounted that he too made no progress with regard to securing ¾ inch pavers.

Ms. Pollak reported that the staged approach has not been favorably received by vendors and neither of the two paver companies from whom she requested bids has responded. (A preliminary estimate from Tile and Stone is on page 65.) Also, Ms. Pollak reported that Victor Bowman informed her that DEP regulations strongly recommend and may require pavers at the pool deck.

**TO DO: Ms. Pollak will verify DEP regulation.**

Ms. Pollak summarized Friday's working group discussion related to Impact Safety Surfacing's Rubaroc product; a potential alternative surface (pages 60-64). In response to owner questions related to cleaning, repair, durability, and UV resistance, Mr. Dixon referred owners to the information provided and Mr. Feltenberger assured owners that replacement was in the exploratory stage, that no choice had been made, and that the board would exercise due diligence. Mr. Feltenberger expanded on earlier statements related to the difficulties of having contractors bid and perform small jobs over time as opposed to completing the entire project at one time.

In response to a question regarding the packet of information e-mailed to owners, Ms. Bubien informed telephone participants that The Islander had been experiencing significant incoming and outgoing internet difficulties for a few days. Ms. Pollak e-mailed the packet Thursday afternoon but the communication was only received by Friday evening when difficulties were resolved.

**TO DO: Management to obtain additional information including local use of Rubaroc.**

b) Palm Room Update:

Mr. Feltenberger provided background information regarding the Palm Room Renovation explaining that several items such as the sliding glass doors, front windows, front doors, and the Palm Room had not been included in the 2010 owner assessment as it was cost prohibitive. The Islander has the potential to attract many more of the weddings in the Destin Area with accompanying room bookings as well as other events if the Palm Room is updated.

Ms. Bubien stated the Working Group's Recommendations as requested.

After careful evaluation of newly received bids from Koskey Corporation and Sandcastle Design and as compared with previously received bids from Ann White, Matt Hyde, and Ashley Miller, the Working Group recommends that the Islander move forward with planned renovation as follows:

I: Accept Koskey Corporation bid for the following:

- a) Laminate wood flooring throughout including kitchen, additional 150 sq ft
- b) Upgrade window trim for 2 windows and defer Bahama Shutters
- c) Crown Molding
- d) Base Boards
- e) Building Partition for Storage Area
- f) Kitchen Area proposal with the following modifications:
  1. Accept dollar amount for the cabinets but retain choice flexibility
  2. Relocate sink to the north end, to extend and provide continuous serving counter
  3. Remove 4 in granite backsplash considered to be redundant
  4. Tongue and Groove Board Wall Accent pending clarification

II: Secure comparative bid from Ashley Miller and clarify with Koskey Corporation

- a) Remove Grass Cloth, Repair and Paint Walls
- b) Scrape popcorn and paint ceiling

III: Clarify Lighting

IV: Islander purchase GE Appliances, Replace Blinds, possible valence to cover seam above windows

V: Ms. Pollak to investigate furnishings

VI: Potential payment sources to include Reserves approximately \$10,000, Line of Credit, and Special Assessment.

Discussion:

Mr. Rolfes commented the estimated total cost was approximately \$50,000 - \$60,000.

**Motion:** Sharon Schlott moved to accept the proposal to move forward with the Palm Room renovation as stated, 2<sup>nd</sup> by Ken Dixon.

**Vote:** Unanimous.

c) Unit Front Door Replacement Update

Mr. Dixon reported that the new sample door with frame would soon be installed. The lock system has a number of upgrade capabilities. The Islander may utilize more capabilities going forward. At this time, he loves the option of waving the card rather than having to insert key. Door installation is scheduled for mid-October. A minimum of 5-10 doors will be installed each day with completion expected within 3 weeks. Current door closers will be retained for use.

d) ADA Pool Lift

Mr. Feltenberger reported that The Islander paid \$2,500 (of the \$4,000 settlement costs). As stipulated, The Islander is required to install chair lifts (bids provided pages 93 and 94).

Discussion:

Safety concerns have been raised as identified in the CRC Pool Services, LLC bid that the location and size of the hot tubs do not allow ample space to lower the person into the tub without placing the person on top of the main drain. Ms. Pollak reported that the ADA statute requires the device be safely employed. Per the settlement agreement The Islander has 10 months to comply.

**TO DO: Mr. Parish will seek legal opinion and accompanying grandfather exemption for the hot tubs.**

## 11) New Business

a) Fill Board Vacancy Treasurer – Unit Sold

Mr. Feltenberger reported that Mr. Klus resigned as Board Treasurer Friday, May 15, at 10 AM as he officially sold his unit. Taking into account that there was one meeting remaining (August 22<sup>nd</sup>) before elections at the annual meeting, that the Vice President Mr. Rolfes, who previously served as Treasurer, offered to assume the position of Treasurer; and that the Board is able to maintain a quorum, the decision is made to not fill the vacancy at this time.

b) West-view Rental Rate vs. East-view Rental Rate – Richard Rognehaugh (514)

Removed from the agenda at owner's request.

c) Technology Report – Jeff Zola (116)

Mr. Zola has been looking at 4-5 projects which he reports will result in cost savings and efficiency.

1) Mr. Zola first updated the Board on the vent-less combination washer dryer. His most research indicates that there are now several models available for under \$900.00 and he plans to install a unit this fall.

- 2) A potential cost savings to owners of approximately \$10 per month may be realized if The Islander utilized the internet for phone services.

**TO DO: Management will examine the current contract terms.**

**Mr. Zola will provide Ms. Pollak with contact information.**

- 3) Proposed working with Cox to install an HD signal for all units at a lower monthly rate than individual plans.

**TO DO: Mr. Zola will provide Ms. Pollak with contact information to follow-up.**

- 4) Discussion with a Solar Energy Company indicates that an 85% reduction in electricity is possible with the installation of solar panels on the roof. There are some financial considerations related to the company's charges and the requirement for Gulf Power back-up.

e) **Air conditioner Roof Access**

Ms. Pollak explained that The Islander's supply of 2 ton 13 SEER air conditioners is depleted after scheduled installation. These 2 ton units are no longer available. The new air conditioners, thought to be 3 ton, require a larger roof access or a crane has to be rented to position the air conditioner on the roof, Bel-Mac Roofing, the Islander's roofing company, submitted a proposal to enlarge the roof hatch.

Discussion:

Mr. Dixon specified that that The Islander needed to verify size requirement to avoid having to repeat in 3-4 years. Ms. Pollak reported she had obtained the dimensions from Climate Makers. Concern was raised that work could void roof warranty. Mr. Stuart reported that he had understood that 2 ton units were still available but that the newer higher efficiency had increased size.

**TO DO: Ms. Pollak to verify air conditioner status, size requirements to avoid having to redo, Florida code requirement, and to secure warranty for access work and statement that roof work does not void the roof warranty.**

**12) Adjournment:**

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

**Vote:** Unanimous. Motion carried. Meeting adjourned at 10:30AM.