

MINUTES

**THE ISLANDER OWNER'S ASSOCIATION, INC
BOARD OF DIRECTOR'S MEETING
IMMEDIATELY FOLLOWING THE ANNUAL MEETING
HELD ON SATURDAY, NOVEMBER 9TH, 2019
IN THE PALM ROOM AT THE ISLANDER CONDOMINIUM
AT 502 GULF SHORE DRIVE, DESTIN, FL 32541**

**THIS MEETING WAS AVAILABLE BY TELEPHONE AT 1-800-444-2801,
CONFERENCE CODE 6921782 TO ATTEND THE MEETING**

Board Members Present: Rosemary Bubien (#411), Linus Carroll (#209, #613, #706), Merrillyn Cook (#713), Ken Dixon (#704), Mark Hamilton (#510)

Board Members Present via Telephone Conference: Janet Jeffcoat (# 709), Jerry Moore (#601)

Members Present: Tina Thomas (#204), Sean Williams (#215), Ax and Pamela Feltenberger (#303), Grace Highfill (#317), Jim and Mary Coston (#505), Dawn Hamilton (#510)

Members Present Via Telephone Conference: None known.

Management Present: Megan Pollak, General Manager

1) Call to Order

Merrilyn Cook called the meeting to order at 10:08 A.M.

2) Roll Call

Merrilyn Cook called the roll and confirmed that a quorum was established.

3) Approval of Agenda

Motion: Rosemary Bubien moved to amend the agenda as follows:

Under Unfinished Business add d) Paver Sealing, e) Employee Health Insurance, and f) Enco Humidity Sensor Installation; and under New Business add g) Islander pipes. 2nd Mark Hamilton.

Vote: No objection. Vote unanimous. Motion carried.

4) Approval of Minutes - August 24, 2019 (Pages 19 – 24)

Motion: Rosemary Bubien moved amend the August 24, 2019 minutes to reflect that Grace Highfill attended via phone and to approve the amended minutes. 2nd Mark Hamilton.

Vote: No discussion. Vote unanimous. Motion carried.

5) Election of Officers

President: Linus Carroll nominated Merrillyn Cook as President, 2nd Mark Hamilton.

No other nomination. Nominations Closed. Vote unanimous.

Merrilyn Cook accepted the nomination and was appointed President.

Vice President: Rosemary Bubien nominated Ken Dixon as Vice-President. 2nd Mark Hamilton.
No other nomination. Nominations Closed. Vote unanimous.
Ken Dixon accepted the nomination and was appointed Vice-President.

Secretary: Ken Dixon nominated Rosemary Bubien as Secretary, 2nd Mark Hamilton.
No other nomination. Nominations Closed. Vote unanimous.
Rosemary Bubien accepted the nomination and was appointed Secretary.

Treasurer: Rosemary Bubien nominated Mark Hamilton as Treasurer, 2nd Ken Dixon.
No other nomination. Nominations Closed. Vote unanimous.
Mark Hamilton accepted the nomination and was appointed Treasurer.

6) Unfinished Business:

- a) Beach Renourishment Update - Megan Pollak
Mrs. Pollak attended a recent meeting of the Okaloosa County Commissioners. Mrs. Pollak and Darell with Jetty East both spoke about Holiday Isle's eroding beaches. Mrs. Pollak received an email from Guy Tadlock, member of Holiday Isle Improvement Assoc Board, that the previous judgement regarding awarding sand was not appealed. A review of the Army Corp of Engineers permit is scheduled for November 20th.
- b) Five Star Housekeeping Contract (Pages 25 – 35) - Megan Pollak
Mrs. Pollak reported executing the 2019 contract. It was unchanged from the 2017 contract reviewed by our attorney.
- c) Long Range Planning - Jerry Moore
Mr. Moore reported that the committee had held an organizational meeting via conference call. Going forward they will prioritize identified projects and make recommendations to the Board.
- d) Paver Sealing - Megan Pollak
Paver sealing was postponed until now due to occupancy. Mrs. Pollak confirmed Brazilian Pavers' square footage, licensing and insurance. To address the square footage discrepancy as compared with other bids Grace Highfill suggested incorporating aerial views.

TO DO: Mrs. Pollak will incorporate suggestions as feasible when she executes the contract.

- e) Employee Health Insurance – Megan Pollak
Choices have been narrowed to 4 options.

Motion: Mark Hamilton moved to accept the Health Insurance Program as outlined for employee single coverage with employees' adding family at their own expense. 2nd Linus Carroll.

Vote: No objection. Vote unanimous. Motion carried

TO DO: Mrs. Pollak will implement.

- f) Enco Humidity Sensor - Megan Pollak
Installation was scheduled for early June but product was unavailable before high occupancy season. Equipment was installed this past week. The Board voted in May to use Haliburton settlement funds to cover the installation and monitoring costs through 2019.

Motion: Linus Carroll moved to return unused funds to rainy-day Settlement Fund. 2nd Rosemary Bubien.

Vote: No objection. Vote unanimous. Motion carried

Megan Pollak suggested that the remaining Halliburton Settlement Funds set aside for a Rainy Day be allocated to offset the \$21,500 increase in Insurance costs.

Motion: Ken Dixon moved to use the Halliburton rainy-day fund to pay insurance costs. 2nd Linus Carroll.

Vote: No objection. Vote unanimous. Motion carried

7) New Business:

a) Adoption of Approved 2020 Budget (pages 36 - 37)

Motion: Mark Hamilton moved to adopt the 2020 approved Budget. 2nd Ken Dixon.

Vote: Discussion none. Vote unanimous. Motion carried.

b) Board of Director's 2018 Meetings Schedule to be held at The Islander.

January 25th April 25th August 8th November 14th

c) Year-end Employee Bonuses

Mrs. Pollak reported the financial data at the Annual Owners' meeting. Applying the remainder of the Halliburton Settlement fund to insurance reduces the Association's operation shortfall through year's end to approximately \$10,000.

The Islander Bonus Guidance Document: Performance-based Bonus Criteria

- | | |
|--|------------|
| 1. Did the Association operate within budgeted expenses? | No |
| 2. Did the Rental Operation achieve target rental revenue? | Yes |
| 3. Did the Rental Operation generate a profit/gain | Yes |

The Guidance allows up to a 5% bonus for permanent employees and includes the General Manager. The Association contributes 29.6%. The Rental Company contributes 70.3%. Allocation is based on staff salary source(s) as budgeted.

All agreed that employees did an outstanding job and should not be penalized.

Motion: Mark Hamilton moved to authorize a 4% Bonus based on employee's base salary. As the Association has insufficient funds, the Islander Rental Company will withhold rent until the cost is covered for the staff bonuses. 2nd Jerry Moore.

Discussion: Criteria will be further refined at the January 2020 BOD meeting.

Vote: Vote unanimous. Motion carried.

TO DO: Mrs. Pollak will report amount distributed to each employee to the Board and add to January agenda.

d) 2020 Rental and Snowbird Rates (pages 39-43) Megan Pollak

- Mrs. Pollak reviewed plan to adjust the 2020 October rates to that of late spring as despite discounting October rates, occupancy did not meet historical comparisons.

- Mrs. Pollak reviewed plan to adjust the winter rate to end March 13, 2021 as our neighbor competitors have extended the winter rate duration. The 20/21 Snowbird rates for stays 70 + nights and stays 28-69 days will be adjusted to 4 tiers as displayed in option 1 (page 42).

e) Outside Rental (OR) Service Agreement – Megan Pollak

- Mrs. Pollak discussed the issues posed when non-Islander Rental owners and guests are locked out of their unit or do not have their key. Proposed 2019 revisions to the current 2015 agreement address these deficiencies and (per FL law) requires occupancy sheets.

Motion: Linus Carroll moved to accept the proposed 2019 outside rental services agreement as amended to include occupancy list. 2nd Mark Hamilton.

Vote: Discussion none. Vote unanimous. Motion carried.

f) Islander Brokerage Merrillyn Cook/Megan Pollak

Options to minimize conflict of interest were discussed at length at the Friday Working Group meeting. Megan Pollak currently contracts with Broker Olivier Monrod of Anchor Realty to receive split referral commissions for the Islander and herself. Tibor Pollak, Megan Pollak's spouse, is a licensed real estate agent and also contracts with Olivier Monrod of Anchor Realty.

The management plan to avert conflicts of interest which could potentially arise is as follows: Megan Pollak will notify the Broker of all potential sellers/buyers and the Broker will assign the real estate agent. Under this arrangement no monies would pass through Megan Pollak and she will receive the agreed up split referral fee 60 Islander/40 Pollak.

Florida law requires that the Islander have a Broker to receive real estate referral fees.

Motion: Linus Carroll moved to add a Broker and that he become a non-voting ex-officio Board member as specified in the Condo by-laws. 2nd Mark Hamilton.

Vote: Discussion none. Vote unanimous. Motion carried.

g) Islander Pipes - Megan Pollak

Water leaks are of increasing concern due to the age of the pipes. How to address and whether it's possible to add pipes as part of the reserve study and as a line item to the reserves is unknown.

TO DO: Megan Pollak will contact Victor Bowman and add Pipes to the January Agenda.

9) **Adjournment:**

Motion: Ken Dixon moved to adjourn. 2nd Mark Hamilton.

Vote: Discussion none. Vote unanimous. Motion carried. Meeting adjourned at 11:55 A.M.

Submitted
Rosemary S. Bubien, Secretary