

MINUTES

ANNUAL OWNERS' MEETING THE ISLANDER OWNER'S ASSOCIATION, INC

HELD ON SATURDAY, JANUARY 9TH, 2021
IN THE PALM ROOM AT THE ISLANDER CONDOMINIUM
AT 502 GULF SHORE DRIVE, DESTIN, FL 32541

**THIS MEETING WAS AVAILABLE BY ZOOM AT WEBINAR ID 948 8519 2444
WEBINAR PASSCODE 250067 OR VIA CONFERENCE CALL AT 1 929 205 6099 TO ATTEND THE
MEETING**

Board Members Present: Merrilyn Cook (#713), Mark Hamilton (#510), Jerry Moore (#601), Janet Jeffcoat (#709)

Board Members Present via Zoom/Telephone Conference: Ken Dixon (#704), Rosemary Bubien (#411), Linus Carroll (#209,613,706),

Members Present: Steve & Tina Thomas (#204), John & Karen Boyd (#301), Grace Highfill (#317), Dennis and Sharon Schlott (#603), Scott & Jimsie Looper (#602), Ferrell Blair (#103, 113, 115), Melinda Keathley (#616), Tal Najjar (#216),

Members Present Via Zoom/Telephone Conference: Jack Collins (#612), Kevin Strand (#604), Pam Ludwig (#615), Steven Dudujian (#314)

Management Present: Avery McAninch, General Manager & Cindy Seitz, Staff Accountant

Election of the Chairman of Meeting:

Mark Hamilton nominated Merrilyn Cook, 2nd Janet Jeffcoat. There were no other nominations. Ms. Cook accepted the nomination by acclamation and called the meeting to order at 9:05 a.m.

1) Roll Call:

By way of roll call, the Chairman asked all owners present to sign the attendance roster.

2) Approval of Agenda:

There were no changes to the agenda requested, so agenda stands approved as posted.

3) Proof of Notice

Avery McAninch confirmed that Notice of the 2020 Annual Meeting was properly posted in accordance with Florida Statute 718.

4) Approval of the November 09, 2019 Annual Meeting Minutes (Pages 1-5 of the Annual Meeting Packet)

There were no additions or corrections to the minutes, so they stand approved as published.

5) Appoint Inspectors of Voting:

The Chairman reported that there were six (6) candidates to fill the three (3) vacancies on the Board.

Volunteer Inspectors: Karen Boyd, Melinda Keathley, Tina Thomas

- a) Count and Verify Paper Ballots
- b) Tabulate Electronic and Paper Ballot Results
- c) Tabulate Electronic and Paper Proxy Results

Inspectors relocated to the back of Palm Room to verify and tabulate ballots and proxies.

6) Officers Reports:

President Report Marilyn “Cookie” Cook

- Unexpected changes in 2020 to include COVID-19 and change in management.
- Outsourced accounting with Virtuous Management Group (VMG) since June 29, 2020, and The Islander is pleased with the results.
- Outsourced GM since October 26, 2020, through VMG and have received positive feedback from the staff and owners.
- Islander staff received 2 bonuses in 2020. First one was in the form of an additional week of pay and the second one was in the form of an annual end of year bonus.
- Recognized the hard work and dedication of the Board of the Directors as they have had 25 Zoom meetings in 2020 to work through The Islander’s issues.
- Employee handbook was revised with the assistance of Rosemary Bubien, Janet Jeffcoat, and Cookie Cook and VMG HR department.
- Rental Management Agreement was rewritten this year, with the eventual hope not to have to rewrite and have signed every year.
- Budget was revamped to include more detail which revealed some discrepancies from past management. It also includes additional percentage of profits given to the HOA from the rental company.
- An introduction was provided to Amanda Abbott from Abbott Realty Team to speak about the services Abbott Realty can provide to The Islander.
- The associates’ IRA was caught up with no penalties and fully funded on December 22nd.
- Tennis/pickle ball court update on repair of damages: the association will be reaching out to our lawyers for assistance to help pursue a resolution. Jetty East has allowed The Islander use of their tennis courts in the interim.

Treasurer Report: Mark Hamilton gave the floor to Cindy Seitz, staff accountant for The Islander, to discuss the financial well-being of The Islander.

- Financial reporting from November 30th and does not include year-end totals.
- Will be able to provide an end of year report by the end of January 2021, once the rental side is closed out.
- There is a net income at the end of November in the amount of \$142,000. Of that income, \$112,000 is from PPP loans.
- Income is lower year over year and so are expenses.
- PPP loan was applied for, Avery is working on providing some additional information prior to them processing the forgiveness application. If the loan is not forgiven, then there would be an additional expense of \$112,000 for 2020.

- It was noted by The President, Merrilyn “Cookie” Cook that she wished to recognized the efforts and the additional time spent and resources that Cindy and Mary from the accounting department put into The Islander. She stated it was quite a challenge due to the way the books were kept with non-descriptive entries, and it was difficult for the accountant to reassign these entries to the proper GL codes without a sufficient history of the transaction.

7) Management Report: Avery McAninch

Mr. McAninch reported the status of the industry until the time he arrived at the Islander and provided a report for The Islander and the vacation rental company.

- COVID-19 impacted the entire vacation rental industry as vacationers declined to travel and rescheduled their trips. The Islander, like many other industries, allowed folks to reschedule their vacation to a future date.
- Beaches closed in spring and vacation rentals were not permitted to rent during that time as well. Once the beaches opened back up before summer, the area saw a resurgence of near previous year vacation travel again.
- Due to Hurricane Sally impacting neighboring beaches by not allowing them to open during the fall break, coupled with an increase in demand from folks that are working from home, schooling from home, pent up demand, and folks who want to go on fall break, a better then normal fall break for The Islander and Destin area as a whole was the result.
- Since Mr. McAninch’s arrival, he has been able to work with the Board of Directors to make staffing changes in the laundry room. These changes include not outsourcing this service to save The Islander approximately \$25,000 per year and to provide laundry services in house. Additionally, he has worked with the accounting department to recraft the 2021 budget to include additional detail.

Unfinished Business

None

8) New Business

Discussion of 2021 Proposed Budget

Mr. McAninch provided a broad overview of the 2021 proposed budget. The chair recognized questions from Dennis Schlott about what the increase was year over year and what the main driver is in the marketing budget. Mr. McAninch explained the increase of monthly dues from 2020 to 2021 going from \$630 to \$699. There is not one specific marketing driver. Many methods are used to come up with the marketing budget. The floor recognized John Boyd, his question was how does the ownership stand on owners being late on paying their dues. Mr. McAninch explained that the HOA does not have many late or delinquent owners. Merrilyn Cook was recognized and she asked if there is a recourse for owners that are late on their dues. Mr. McAninch stated that there are a few methods and provided an example from the RMA that allows the association not to rent their condo if they are 90 days delinquent.

Election Results:

Ms. Cook announced that the Inspectors had returned and we would proceed with election results.

Voter Summary:

Ballots: Electronic: 59 Paper: 28

Proxies: Electronic: 59 Paper: 39

Proxy 1: Summary: Approval was sought to apply excess income against subsequent tax year assessments per Internal Revenue Service ruling 70-604.

Yes: 88 No: 8 Abstain: 2

Approved: Required 51% majority (61 YES Votes)

Proxy 2: Summary: Approval was sought to go from straight line method of reserves to pooled method of reserves.

Yes: 54 No: 38 Abstain: 6

Not Approved: Required 2/3 majority (85 YES Votes)

Election:	Board	Merrilyn Cook 44 Votes	Grace Highfill 45 Votes
		Dennis Schlott 58 Votes	

Runners Up:	Linus Carroll 34 Votes	Jack Collins 42 Votes
	Scott Looper 24 Votes	

Ratify Actions:

No actions of the board needed to be ratified.

Open Floor to discussion:

Chair recognized Grace Highfill. Mrs. Highfill stated that The Islander owners are members of the Holiday Isle Improvement Association and they will be having a meeting on January 16th. Mrs. Highfill wished to encourage everyone to attend. She stated that dues will go up 10% due to increase of cost of insurance.

Chair recognized Jerry Moore. Mr. Moore asked Ms. Abbott if she had any expertise or in-depth knowledge of the difference of Pooled Reserves vs. Straight Line. Ms. Abbott stated she did not.

9) Adjournment

Motion: Mark Hamilton moved to adjourn the meeting, 2nd Janet Jeffcoat.

No discussion. Vote unanimous. Motion carried.

Meeting adjourned at 9:59 a.m.