

OCEAN VIEW MANOR CONDOMINIUM ASSOCIATION, INC.

3600 SOUTH OCEAN SHORE BOULEVARD

FLAGLER BEACH, FL 03624

MINUTES OF THE BOARD OF DIRECTORS' WORKSHOP

November 10, 2010

Association President Jim Stanton opened the meeting at 11:00 AM. Secretary Bill Hopson certified that proper notice of the proposed Budget adoption had been posted and sent to all owners of record according to State Law and the Condominium documents.

ROLL CALL: Directors Rosemary Claxton, Bill Hopson, Bob Minahan, Alf Olsen and Jim Stanton were present. Directors Pinky Burgos and Terri Westwood were absent. Maintenance Manager Tom Pawson and Officer Manager Debi Pawson were also present.

PRESIDENT'S REMARKS: Jim introduced the Board Members to those in attendance and then opened the session to members' questions and comments. In response to a question concerning current and possible foreclosures, Jim said that as of Oct. 31 there is a balance of \$7,966.00 in arrears and \$888.00 overdue from 2009. Two units are the cause of most of the over-due funds. One is 4 months behind and is struggling to catch up. The other is mired in divorce proceedings and owes \$4,177 plus \$888 from 2009. The owners have vacated the unit, the electricity had been turned off, and that created a mold problem. We installed a dehumidifier on our electric circuit and charged \$100.00 per month for the equipment and electrical service. The maintenance and legal fees have been added to the outstanding debt. With the advent of cooler weather, the dehumidifier has been turned off.

We made an offer to the owners to clean the unit, install a new hot water heater, furnish the unit and offer it for rental to recoup the moneys owed and pay current assessments. We also offered to provide the owners with an insurance policy to cover any claims. The owner on advice of Alf Olsen has refused permission to do so and the matter will be discussed later under new business.

In answer to questions concerning line items in the proposed budget, Jim explained that our insurance policies have been carefully reviewed by Jim Stanton, Joe Tarantino and Mike Mort of Key Insurance for two years and are reasonably expected to remain unchanged for the coming

year. Electricity costs have been reduced by various means including the way the new elevators operate and by installing timers on many of the electrical motors and circuits so that they do not run when there is no demand.

Tom added that during the 2 months since the last meeting he has blacktopped the front drive and parking, painted the stairways, painted all the curbing around the property, the cabana supports were replaced and painted, vent pipes are being replaced and garage doors are being scraped and painted.

Items Tom expects to face in the coming months include: Replacing the water shut off valves for each stack of units, main shut off valves in many units are breaking down from wear and tear over time and will need to be replaced, fire sprinkler pipes and valves are breaking down and will need extensive re-working and the installation of shut-off valves, exterior doors need work and the installation of drains in the outside stair well to prevent recurring damage, and the waste pipes for the 8th and 9th floors are deteriorating and will need to be replaced or repaired to prevent damage to the electrical room.

Jim led a general discussion about recurring problems. We have had to use a substantial portion of our reserves in the past years causing them to be lower than Jim would prefer. The reserve budget has been raised slightly for 2011 but is tight. We are dedicated to preserving and maintaining an adequate reserve while attending to reasonably anticipated repairs.

In response to a question about the well drilling going on out front, Tom said that the old well casing broke and the pump burned out. Because the well was drawing sand and was collapsing, it had to be sealed and relocated away from the building. The new well will go down about 165 feet and will pump about 60 GPM. Tom had obtained bids in the \$20,000 range, but managed to find a very competent driller to do the complete job for \$10,000. The well will have a 50 year warranty and the pump is warranted for 5 years.

A comment was made concerning the carpet on the 2nd floor that has mold and an unpleasant odor. Floors 2,3,6 have not been done recently. The 2nd floor is scheduled to be done in the new budget.

A question by an owner was raised over the constant rise in maintenance fees and large increases in the line items for maintenance and supplies. Jim gave some history of how the association is managed and money has been saved by not having a professional manager and by having the accountant do double duty as the CAM of record. We have also saved by cutting back on contracted services and having our excellent maintenance department do things "in-House". The building is ageing and we have been attending to all break-downs as they occur. The Board works very hard to efficiently manage the building while keeping the maintenance

fees stable. The questioner was offered a meeting with Dave Doolittle and we will pay for his time and services.

The discussion on the budget was interrupted to permit Butch from Advanced Cable Services to give us an update on the cable service and to answer any questions. He said the MTV is on #72, more Christian channels will be added and he's trying for a super channel on #55. Advanced Cable programming costs do not go up for OVM because we house their equipment. Units can pay extra for ESPN and ESPN II. HD on #2, #6 and #9 are included in the standard services. Butch explained some of the problems concerning distribution of signals and the costs involved. He is negotiating to get "Zap2it" menu programming, but the distributor is difficult to deal with.

New equipment is currently being installed to reduce the frequency of outages and flickering of signals. Viewers should see improvement very soon as the equipment goes on line. Butch was asked to check out the size of the picture received on #35. If you have a concern, Butch is best contacted between 7 and 9 AM.

The general budget discussion resumed with members commenting on the current condition of the building and the maintenance dollars needed to keep it in top condition. The exterior will need repainting very soon. Tom said that he is considering doing the exterior painting in house during 2011 or 2012. Alf Olsen voiced his opinion that the work should be done by painting contractors as had been done in the past. The discussion reached a very vocal stalemate and Jim asked Tom to research the matter further and report back to him and the Board for a final decision. After stating emphatically that "No assessment for painting is contemplated", Jim asked that the meeting move forward.

Jim closed the meeting to public comment and called for a motion to approve the proposed budget as advertised. **Bill Hopson moved and Alf Olsen seconded a motion to approve the budget proposed for 2011. The motion passed without dissent.**

TREASURER'S REPORT: Jim reported that as of Oct. 31st we were +/- \$2,215.00 over budget for the year-to-date. Total reserves are about \$60,000.00.

MAINTENANCE: Tom said that the pool area needs maintenance and painting with an expected cost of \$4,000 - \$5,000. This is the appropriate time to do the needed work and Tom was authorized to go ahead

Building painting estimates from contractors are in the \$80,000 to \$90,000 range with an approximate 6 week completion time. Tom could take it on as an in-house project at an estimated cost of \$50,000 to \$60,000 and 4 months completion time. April would be the best

time to commence painting. After discussion of the pros and cons of doing the job in-house, the matter was tabled for further discussion after more information becomes available.

The tennis court fencing will need repair and replacing.

Garage door openers are wearing and will need replacement.

The roof will need only continued on-going care and maintenance to keep it in good condition.

Without a land line phone, units cannot activate the remote door locks in the lobby. Cell phones might work if the cell phone has a local number. The call system was up-dated recently and we will not get a new system as one owner requested. The cost would be prohibitive and unnecessary.

Several letters were received complaining of materials placed or left in the 2nd floor hallways. Fire laws state that Nothing is to be left in the hallways that would impede or block passage. We will try to get the occupant's cooperation.

Discussion resumed on the circumstances surrounding Unit 113. Jim reviewed the discussions and read the e-mails about our attempts to rent the unit to recoup over-due fees and charges and the owners refusal to consider the matter after receiving advice from Alf Olsen. Jim said that he believed Alf has a conflict of interest in the matter.

Alf rigorously defended his actions and the discussion rapidly turned heated and personal.

At this point the Board voted to excuse Alf from acting as a Board member during the rest of this discussion.

Jim said that he had spoken to the owner by phone and was told that she had checked with her attorney and she knew that we ultimately could only collect part of what was unpaid. Despite this, she refused to allow us to rent the unit and try to recoup the full amount due us. At that point, she refused to discuss the matter further and hung up the phone.

Debi Pawson clarified the events leading up to the rental proposal by saying that Dave Doolittle acting in response to a new State law allowing Associations to rent units to recover unpaid fees, brought the idea to The President's attention.

Jim said that as President of the Association he has the duty to take any lawful action that is for the betterment of the Condominium as a whole.

Jim appointed Bill Hopson chairman of a committee of 3 of his choosing to try to meet with the owner as soon as possible and attempt to resolve the matter.

The next matter involved materials and objects stored on balconies and garage parking spaces. Jim has received frequent complaints from various Board members and owners regarding the violations of the reserved parking spaces rules by a Board member and others. Another animated discussion followed. The Board's consensus was that one vehicle, or in the alternate, a boat or trailer of reasonable size may be permitted if they are parked totally within the confines of the assigned parking space. Storage of up to 2 bikes will be permitted until such time as a secure bike storage area is provided by the Association, but no household items, clothes or furniture are allowed in the parking areas.

A motion to adjourn was approved at 2:20 PM.

Respectfully submitted,

William Hopson, Secretary