**THE CHARTER CLUB OF MARCO BEACH®**

**BOARD OF DIRECTORS MEETING**

**March 20 & 21, 2018**

The meeting was called to order at 9:00 a.m. by President, Lyman Wood at Hilton Grand Vacations Regional Office, Marco Island, Florida. Board members in attendance were: Noel Briggs, Jim MacArthur, Martin Terry and Lyman Wood. Attending from Hilton Grand Vacations were: Joan Paquette – Resort Director, Scott Shook – Assistant Resort Manager, Sharry Luneke – Area Managing Senior Director and Riki Martin – Executive Assistant and Acting Recording Secretary for this meeting. Also in attendance owner, Mary Streitmatter.

**APPROVAL OF AGENDA**

**MOTION was made by Mr. MacArthur and seconded by Mr. Briggs to approve the agenda.**  Mr. Briggs voted aye, Mr. MacArthur voted aye, Mr. Terry voted aye and Mr. Wood voted aye. **Motion Carried Unanimously.**

**APPROVAL OF PREVIOUS MEETING MINUTES**

**MOTION was made by Mr. Briggs and seconded by Mr. MacArthur to approve the minutes of the November 7 & 8, 2017 Budget meeting as amended.**  Mr. Briggs voted aye, Mr. MacArthur voted aye, Mr. Terry voted aye and Mr. Wood voted aye. **Motion Carried Unanimously.**

**MANAGER’S REPORT**

1. **4th Quarter Financials**

The Board reviewed the financials.

1. **Delinquency/Association Owned Weeks – Michael Belle**

The Board discussed the Association owned weeks and is concerned that there may be a Conflict of interest with the on-site Resale Department. Hilton Grand Vacations to create a policy for how to handle sales of owner weeks and association owned weeks. How to get rid of 50 Association owned weeks without disrupting normal sales. Mrs. Luneke to consult with Neil Hutchinson, Jan Anderson and Stephanie Jenkins.

1. **Resale Update**

The Board reviewed the 8-year sales history report.

1. **Beach 4X4** **Vehicle**

The Board reviewed the proposal to purchase a beach 4X4 vehicle and requested that Mrs. Paquette provide an additional quote prior to purchasing the vehicle. The purchase will come out of board-authorized projects and will be added to the reserves for future beach 4X4 purchase. **MOTION was made by Mr. MacArthur and seconded by Mr. Briggs to purchase the 2018 Honda 420 Rancher and bring the golf cart up from the beach.** Mr. Briggs voted aye, Mr. MacArthur voted aye, Mr. Terry voted aye and Mr. Wood voted aye.  **Motion carried unanimously.**

**RESERVE BUDGET ITEMS**

1. **Entry Locks**

The Board tabled the entry locks until management can provide additional information on Salto and Kaba.

1. **Water Heaters**

The Board has concerns with Bob’s plumbing only having a P.O. Box address and no physical address. The Board requested that Mrs. Paquette contact Florida Mechanical to see if they would be the General Contractor for the project for a 10% fee of the project cost. The Board agreed to approve Bob’s Plumbing proposal to install water heaters. **MOTION was made by Mr. Briggs and seconded by Mr. Terry to approve a Florida Mechanical proposal for unit water heaters to include permitting and warranty.** Mr. Briggs voted aye, Mr. MacArthur voted aye, Mr. Terry voted aye and Mr. Wood voted aye.  **Motion carried unanimously.**

**PROJECT LIST**

The Board reviewed the project list.

The Board asked that Mrs. Paquette contact Dave from Custom Waterfall Creations for a cost to add a flat canvas cover to the reflecting pool pump enclosure.

**MOTION was made by Mr. Terry and seconded by Mr. Briggs to replace full boardwalk and railings.** Mr. Briggs voted aye, Mr. MacArthur voted aye, Mr. Terry voted aye and Mr. Wood voted aye.  **Motion carried unanimously.**

The Board discussed the open maintenance position and they are concerned that the maintenance position has not been filled. Mrs. Luneke stated the HGV has a competitive pay scale. She will contact Human Resources to re-evaluate the pay structure. The Board discussed options to be considered, possible housing or look into the possibility of sponsoring a Visa program.

The Board requested additional information for the parking lot paving project.

* Specification of asphalt
* Type of fill to be used
* French drains
* Raising the parking lot

Mrs. Paquette has installed vinyl door weather-stripping in two units as a test to see if it solves the problem of light coming into the unit by the side of the front entry door. The Board reviewed the proposals for automatic door bottom (plunger) and retractable screen door.

**MOTION by Mr. MacArthur and seconded by Mr. Terry to install in two units for 6 months the retractable screen door and automatic door bottom plunger as a test.** Mr. Briggs voted aye, Mr. MacArthur voted aye, Mr. Terry voted aye and Mr. Wood voted aye. **Motion carried unanimously.**

**MOTION was made by Mr. Briggs and seconded by Mr. MacArthur to recess for lunch at 12:30 p.m. -1:45 p.m.** Mr. Briggs voted aye, Mr. MacArthur voted aye, Mr. Terry voted aye and Mr. Wood voted aye. **Motion carried unanimously.**

**MOTION was made by Mr. Briggs and seconded by Mr. MacArthur to reconvene the meeting at 1:45p.m.** Mr. Briggs voted aye, Mr. MacArthur voted aye, Mr. Terry voted aye and Mr. Wood voted aye. **Motion carried unanimously.**

Mr. Briggs will provide Mrs. Paquette with the name of a new product for painting the balcony railings and provide an assessment.

The Board agreed to select Maddox Construction for guest bathroom model with a larger mirror, add shelves, medicine cabinet mirror with lights, remove medicine cabinet on the sidewall and possibly add magnified mirror on sidewall.

The Board decided not to replace the credenza and TV stand in the units at this time.

The Board reviewed the proposal presented by DSBoca and asked for clarification on the type of plants to be provided in the landscaping master plan. The Board requested that the spa equipment fencing become a part of the landscaping plan. Mrs. Paquette will ask the architect if a salt intrusion test is needed.

**MOTION was made by Mr. MacArthur and seconded by Mr. Terry to have the architect clarify the type of plants for the overall site landscape improvement master plan for $5,500. If the landscaping is not included in the master plan, the Board approved to pay an additional $2,000.** Mr. Briggs voted aye, Mr. MacArthur voted aye, Mr. Terry voted aye and Mr. Wood voted aye. **Motion carried unanimously.**

**MOTION was made by Mr. MacArthur and seconded by Mr. Briggs to authorize up to $2,300 for mulching the property.** Mr. Briggs voted aye, Mr. MacArthur voted aye, Mr. Terry voted aye and Mr. Wood voted aye. **Motion carried unanimously.**

The Board requested more details on the plantings around the sculpted rock water feature and entrance sign.

The Board reviewed the proposal presented by Custom Waterfall Creations, Inc for the sculptured rock water feature and entrance sign. Charter Club will need to contact the City of Marco for permitting. Need specifications for dimensions of entry sign and letter height. If dimensions are four foot or more and is approved by the City of Marco then the Board agreed to move forward with the quoted price, plus electric and permitting.

**MOTION was made by Mr. MacArthur and seconded by Mr. Terry to approve the front entry sign once approved by the City of Marco. The Board agrees to move forward with the front entry sign.** Mr. Briggs voted aye, Mr. MacArthur voted aye, Mr. Terry voted aye and Mr. Wood voted aye. **Motion carried unanimously.**

Mrs. Luneke contacted Jason Dassow, Senior Risk Manager for HGV the wind-buy down policy. Mr. Dassow’s statement follows.

“The South Florida associations purchase a separate Wind Deductible Buy-down (WBD) policy along with the Primary Property Insurance Program. This WBD policy reduces the 5% wind deductible to $100,000 for each scheduled location. Some properties are grouped together to be considered one location. This policy does have sub-limits that cap some coverage areas. The sub-limit for “Landscaping, Tree, Plants and Shrubs” is $100,000 “from any one loss or disaster.” The Primary Property Program has a sublimit of $5Million per occurrence for “Golf Courses, Landscaping, Trees and Shrubs.”

Although the resorts did receive substantial damage, the amount of the claim will not exceed the 5% buy down value to receive coverage under the Primary Program without paying the 5% deductible of the actual value per unit of insurance. In the case of Charter Club, the deductible buy-down is $2,243,811.

The Primary Property Policy will provide additional coverage for landscaping but subject to the 5% deductible per unit of insurance. The Property in The Open value for Charter Club was appraised at $1,981,800. 5% of the value is $99,090.”

We will engage both insurance programs, as ultimately it is the insurers who will adjudicate the loss.

The Board reviewed The Charter Club of Marco Beach and Association Management Services organizational charts.

Mrs. Paquette to check to see that lighting rod protection is grounded.

The Board agreed to leave the audio meter on the project list, review the noise level on future calls and call the police as needed.

**Add to Project List**

* Evaluate entry locks companies
* Flat removable canvas roof for reflecting pump equipment area
* Visa program for maintenance employees
* Management to provide a recommendation for painting balcony railings
* Request workman comp claims report for the past 3 years
* Check shower heads in both bathrooms and clean or replace as needed
* Quote on replacing the carpet in the nine guest bedrooms that had been replaced after Hurricane Irma, that was not now acceptable to management and the Board
* Upgrade flower planters on the property estimated cost $2,000 - $3,000
* Flex Resale policy
* Need specifications for dimensions of front entry sign and letter height. Check with the City of Marco for permitting. If dimensions are four foot or more and is ok’d by the city, move forward with quoted price, plus electric and permitting
* Mulching in high visibility areas at a cost of $2,300

**Research List**

* Heavier shower curtain/floor strip in ADA units
* Water aerobics (what time of year, who would teach, how would we charge)
* Charging station for electric cars
* Cone at hot tub, why is it there?
* Landscape to cover up fence around pool equipment
* Lighter colored screen with emblems applied to improve view
* What was payment of $3,273 to Hydrotech?
* Washer/dryer closet to be removed from project list and added to research list
* Visa program for maintenance worker
* Mrs. Luneke to provide Michael Belle with sales listing agreement.
* Negotiate separate listing agreement for association owned weeks

**HGV SCORES & COMMENT CARDS/RCI SCORES**

The Board reviewed the HGV scores, comment cards, RCI scores.

The Board requested that a top member of management inspect four random units for cleanliness each week.

**OWNER’S CORRESPONDENCE**

The Board reviewed the owner’s correspondence.

**OLD BUSINESS**

1. **Hydrotech Inc.**

The Board reviewed the proposal from Hydrotech and asked Mrs. Paquette to clarify the amounts prior to paying Hydrotech.

**MOTION was made by Mr. MacArthur and seconded by Mr. Terry the Board authorized management to offer a maximum of $4,500 assuming the changes are correct. If $3273 is not valid, the offer is $3,000.** Mr. Briggs voted aye, Mr. MacArthur voted aye, Mr. Terry voted aye and Mr. Wood voted aye. **Motion carried unanimously.**

**FUTURE MEETING DATES**

May 24, 2018 Teleconference meeting @ 9:00 a.m.

November 5 & 6, 2018 Budget meeting @ 9:00 a.m.

March 12 & 13, 2019 Board meetings @ 9:00 a.m.

March 13, 2019 Annual meeting @ 10:30 a.m.

**EXECUTIVE SESSION**

No Executive session was held.

**MOTION was made by Mr. MacArthur and seconded by Mr. Briggs to recess the meeting.** Mr. Briggs voted aye, Mr. MacArthur voted aye, Mr. Terry voted aye and Mr. Wood voted aye. **Motion carried unanimously.**

Meeting recessed on March 20 at 6:00 p.m. and reconvened on March 21 at 9:00 a.m.

**NEW BUSINESS**

The Board discussed the sale of association owned weeks. Mrs. Luneke will contact Neil Hutchinson, Jan Anderson and Stephanie Jenkins to discuss a Flex Resale Policy. Hilton Grand Vacations to create a policy for how to handle sales of owner’s weeks and association owned weeks. Charter Club currently has fifty association owned weeks to sell without disrupting normal sales.

Michael Belle joined the meeting at 9:30 a.m.

The Board reviewed the litigation report. Mr. Belle explained the foreclosure process.

**FINANCIAL REPORT – Jennifer Coleman**

In the opinion of Myers, Brettholtz and Company, the financial statements present fairly in all material respects the financial position of The Charter Club of Marco Beach Condominium Association, Inc. as of

December 31, 2017, and the results of its operations and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The following is a recap of the year’s activities:

Operating Cash $1,479,494

Reserve Cash $ 267,392

16 certificates of deposit totaling $3,784,800, earning an average of 1.28% and maturing in 2018-2019.

Total operating revenue $3,828,576

Total operating expenses $3,382,115

Excess $ 446,461

Beginning operating fund balance January 1, 2017 $1,440,737

Ending operating fund balance December 31, 2017 $1,887,198

Reserve balances December 31, 2017

Interior $1,192,567

Roof $ 180,690

Painting $ 392,989

Paving $ 196,793

Recreation $ 54,774

Capital Improvements $ 235,303

Special Assessment $ 6,639

Ms. Coleman discussed the expenses related to Hurricane Irma.

Based on the recommendations from the FICPA, expenses related to Hurricane Irma will be recognized in conjunction with the insurance proceeds. For 2017, there will be no impact to the P&L related to the hurricane, as expenses will be deferred until 2018 when the insurance claim is finalized.

**MOTION was made by Mr. MacArthur and seconded by Mr. Briggs to move the special assessment revenue into capital improvements.** Mr. Briggs voted aye, **Mr**. MacArthur voted aye, Mr. Terry voted aye and Mr. Wood voted aye.  **Motion carried unanimously.**

**MOTION was made by Mr. MacArthur and seconded by Mr. Briggs to approve the audit as presented and authorize the President to sign the management representation letter.** Mr. Briggs voted aye**,** Mr. MacArthur voted aye, Mr. Terry voted aye and Mr. Wood voted aye.  **Motion carried unanimously.**

The meeting recessed for the annual meeting at 10:07 a.m. and reconvened at 12:10 p.m.

**ELECTION OF OFFICERS**

**MOTION was made by Mr. MacArthur and seconded by Mr. Terry to nominate Lyman Wood as President.**  Mr. MacArthur voted aye, Mr. Terry voted aye and Mr. Wood voted aye. **Motion carried unanimously.**

**MOTION was made by Mr. Terry and seconded by Mr. Wood to nominate Jim MacArthur as Vice President.** Mr. MacArthur voted aye, Mr. Terry voted aye and Mr. Wood voted aye. **Motion carried unanimously.**

**MOTION was made by Mr. Wood and seconded by Mr. MacArthur to nominate Marty Terry as Secretary/Treasurer.** Mr. MacArthur voted aye, Mr. Terry voted aye and Mr. Wood voted aye. **Motion carried unanimously.**

***Lyman Wood – President***

***Jim MacArthur – Vice President***

***Marty Terry – Secretary/Treasurer***

Mr. Belle will prepare an article for the May newsletter that the Board of Directors is looking for a structural, electrical or mechanical engineer to appoint to the Board of Directors to fill the vacant seat left by the death of Lee Huston.

**ADJOURNMENT**

**MOTION was made by Mr. MacArthur and seconded by Mr. Terry to adjourn the meeting.**  Mr. MacArthur voted aye, Mr. Terry voted aye and Mr. Wood voted aye. **Motion Carried Unanimously.**

**Meeting adjourned at 12:30 p.m.**