

**CASA YBEL BEACH & RACQUET CLUB, PHASES F, G, H**  
**CONDOMINIUM ASSOCIATION, INC.**  
**ANNUAL OWNERS MEETING**  
**April 25, 2017**

The meeting was called to order at 1:30 p.m. by President Patricia Sweeney in the Thistle Lodge at Casa Ybel Resort, Sanibel, Florida. Board members in attendance were: Patricia Sweeney – President, John Demos – Vice President, Brenda A. Pommerenke – Secretary/Treasurer, and Directors Dick Jackson, Vic Van Drake and Susan Walter. Attending from Hilton Grand Vacations (HGV) were: Chris Cain – Interval Manager, E. J. Nees – Director of Resort Operations, Sanibel/Captiva and Cindy Glasenapp – Executive Assistant and acting Recording Secretary for this meeting. Also in attendance was Ron Miller – President of Casa Ybel IJK Board of Directors.

A sign-in sheet was circulated for all owners present to sign in lieu of a roll call. A quorum was established. Ms. Sweeney welcomed the owners to the meeting. Board members introduced themselves and gave a short biographical sketch.

**APPROVAL – PREVIOUS MINUTES** – A copy of the minutes of the 2016 Annual Owners Meeting and 2016 Special Owners Meeting as sent to the owners in the newsletter during 2016 and posted on the websites [www.casaybelresort.com](http://www.casaybelresort.com) and <http://casaybel.hgvc.com>, was included in the agenda packet. ***MOTION was made and seconded to approve the minutes of the 2016 Annual Owners Meeting and 2016 Special Owners Meeting as presented.*** All voted in favor. **Motion carried.**

**MANAGER’S REPORT – Chris Cain**

Chris reported that last year we had one major project, painting the exteriors and interiors of all three buildings. Not much more could be accomplished while doing a project of this magnitude. Chris advised that the City of Sanibel’s Dark Skies Ordinance which goes into effect on January 1, 2018, requires all exterior lighting to point downward. Last year all of our Gulf-side stair lighting was replaced; this year we’ll be replacing the lighting on the parking lot-side of the buildings. All our lighting will be compliant by the end of the maintenance weeks. All the pathway lighting throughout the resort has also

been replaced and is compliant. The resort is removing all exotic vegetation and will be replacing it with low-growing vegetation when it starts raining again.

Chris encouraged owners to visit the [Casaybelresort.com](http://Casaybelresort.com) website (password is “paradise”) for information on the resort and the association, including board contact information, newsletters, board and annual meeting minutes, and an on-line pre-arrival form. The website is updated periodically throughout the year.

Chris thanked the Board for their support over the past year, and also thanked his staff, Lisa, Geidy and Constacio and the HGV regional staff.

**BOARD OF DIRECTORS REPORT – Patricia Sweeney**

Pat was happy to advise that the resort approved a new contract last fall that will provide high definition television and more TV channels. Even though it was approved last fall, they’ve run into a problem physically getting the equipment in the resort, but hopefully it will be installed within a month’s time. The bandwidth on the Internet will be doubled from 50 mbps to 100 mbps. In addition to that, the Board will be looking at increasing Internet access in the upper units. The Board has also agreed to replace the bedspreads with a light, washable top cover sheet.

**FINANCIAL REPORT – E. J. Nees**

An audit of the 2016 financial statements was conducted in accordance with Florida statutes. The Board of Directors engaged the firm of Myers, Brettholtz & Company, P.A., an independent certified public accounting firm in Fort Myers, to prepare the audit. The Board met with Jennifer Coleman, a Principal of Myers Brettholtz this morning to review the audit. A clean opinion was issued. An audit is not mailed to each owner due to mailing costs, but will be available upon request to the Interval Manager.

In 2016 total Operating revenues were \$1,823,770; total Operating expenses were \$1,919,739 resulting in a deficiency of revenues over expenses of \$(95,969). The beginning Operating Fund balance on January 1, 2016 was \$76,256, and at December 31, 2016 was \$(19,713). At the end of the year, there were no owner delinquencies. The Association owns two unit weeks that are up for sale. Reserve balances by fund were: \$633,713 - Interior; \$32,803 - Roof; \$8,076 - Painting; \$24,602 - Paving; and \$119,154 - Capital Improvements for a total reserve balance of \$818,348 at December 31, 2016.

### **INSURANCE REPORT – E. J. Nees**

The Hilton Resorts Corporation property insurance program was renewed June 1, 2016 on behalf of the Association and in accordance with the management agreement. Property insurance is provided through a large blanket program made up of multiple insurance policies and layered according to each insurer's risk appetite. The total program limit is \$300,000,000 on a per occurrence basis for any one covered loss with the exception of \$125,000,000 for Named Windstorms, \$100,000,000 for Earthquakes and \$50,000,000 for Flood. This limit adequately covers the full replacement value of the property as required by the State of Florida. Each year Hilton Resort Corporation completes an insurance industry accepted third party modeling analysis to evaluate the property program sub-limits for windstorm and earthquake. Purchasing decisions are based on the probable maximum loss generated from the modeling analysis. The program limits are evaluated each year to maintain sufficient blanket coverage.

Evidence of Property Insurance was included in the agenda packet distributed at this meeting. Program details such as specific limits, sublimits and coverages were provided to the Board previously.

In general, the program insures against perils resulting in the direct physical loss or damage to real and personal property at the resort for "All Risks" including perils from flood, earthquake, and named windstorm. Other important program sublimits include: loss of ingress/egress; interruption by civil/military authority; service interruption; debris removal; demolition and increased cost of construction (ordinance law). In addition, the program includes extensions of coverage for business

interruption (including reimbursement of owner maintenance fees for loss of use), protection and preservation of property, and other such costs and expenses the Association may incur as a result of loss or damages.

Program deductible amounts will vary depending on the peril but generally will be \$25,000 for any one occurrence, except for named windstorms, earthquakes, and flooding. Earthquake and flood deductibles are 2% and 5% of the actual value per unit of insurance respectively, subject to a minimum loss each occurrence. The Named Windstorm deductible is 5% of the actual value per unit of insurance and subject to a minimum loss for each occurrence. Your association also participates in a deductible buy down feature in the event of named windstorm losses. A \$13,223,665 per occurrence and annual aggregate by location and ultimate annual aggregate (most policy will pay per policy period) is purchased to cover the deductible buy down; limit applies to scheduled property locations; Casa Ybel FGH, Casa Ybel IJK and Sanibel Cottages are considered as one resort property due to their proximity. Once the annual aggregate per location is exhausted the standard deductible of 5% of the actual value per unit of insurance subject to a minimum of \$25,000 per occurrence is applicable. In past policy years, storm surge was excluded from the wind buy-down policy. Effective June 1, 2014 the wind buy-down policy now includes coverage for storm surge damage caused by a named windstorm. Flooding caused by a non-named windstorm continues to be excluded.

In addition to the property coverage above, Hilton maintains insurance for General Liability, Automobile Liability, Terrorism and Directors & Officers coverage for each Association (limits for each are stated in the Certificate of Insurance included in the agenda packet distributed at this meeting).

In response to a question, E. J. said that insurance is bid annually. Fortunately premiums decreased over the last several years. HGV is hoping premiums will stay stable this year.

### **RESALES REPORT – Chris Cain**

In 2016, 60 Casa FGH unit weeks were sold through Grand Vacations Realty (GVR) for a total sales volume of \$786,925. So far this year, 12 Casa Ybel FGH unit

weeks have been sold for a volume of \$257,425. Resort-wide, 78 unit weeks were sold in 2016 through GVR for a total sales volume of \$987,175, and 29 unit weeks have been sold year-to-date 2017 at a volume of \$511,025.

If you're interested in buying more weeks or selling your weeks, or are interested in the HGVClub, please see Rita Slaughter.

**2017 BUDGET** – A copy of the 2017 budget was sent to each owner with the maintenance fee statement in the fall and posted on the websites. A copy was also included in the agenda packet distributed at this meeting. ***MOTION was made and seconded to ratify the 2017 Budget as presented by the Board of Directors.*** All voted in favor. **Motion carried unanimously.**

### **GENERAL DISCUSSION**

An owner asked how the management company notices things that need attention in the units, and how to pre-empt having to make calls about some of those things. Chris explained that Housekeeping should be calling in items that need attention, but on Fridays, they only have five hours to turn over the units. An additional person has been hired to allow us to be more proactive about things that need to be done. We're also counting on owners to call things in. Brenda Pommerenke added that technology in the near future will help keep track of items in the units to see if there are patterns.

Another owner who has been coming to Casa Ybel for over 30 years related several problems he encountered this year, such as trash on the grounds that is not picked up, staff who, while friendly, seem to be untrained or unsupervised, some maintenance and telephone problems, beach vegetation that has taken over our beach, and beach erosion. He recommended several internal audits on the quality of the unit per week. Pat Sweeney responded that the Board approved a new hire who came on board just recently and will be addressing most of the issues raised. Regarding the beach vegetation, however, there is a very stringent code on Sanibel. You can't even remove dead fish or algae when it's on the beach.

**TELLER'S REPORT** – There were 880 unit weeks represented, both in person and by proxy, out of a possible 2,856 unit weeks, which represented 31% owner response.

**STATUTORY FUNDING OF RESERVES:** There were 724 votes to waive statutory funding of reserves and 108 votes not to waive statutory funding of reserves; therefore the reserve funding will remain at the level approved in the 2017 budget.

**ELECTION:** There were three candidates seeking election to fill the two seats available on the Board of Directors. The candidates who received the highest votes were Susan Walter and Vic Van Drake. The current Board of Directors is: Nathan Breen, John Demos, Richard Jackson, Brenda Pommerenke, Patricia Sweeney, Vic Van Drake and Susan Walter.

There being no further business, ***MOTION was made and seconded to adjourn.*** All voted in favor. **Motion carried.**

Meeting adjourned at 2:18 p.m.