

Saratoga at Lely Resort
Annual Meeting
January 28, 2016 Members' Meeting

Call to Order and Certifying of Proxies: President John Jensen called the 12th Annual Meeting to order at 5:35 PM. Fellow Board Members Hal Bardon, David Guilliams, Bill Penny and Jan Scott were present. Bonita Vandall, Manager with Resort Management was present and certified there were over 50% of the members' present or with proxies with a total of 50. A quorum was established.

Proof of Notice of Meeting or Waiver of Notice: John Jensen reported that notices were mailed to all owners and posted on the Community Bulletin Board in accordance with Florida Statutes. Mr. Jensen made a motion to amend the agenda adding Owners' Questions and Comments as an item and seconded by Mr. Bardon. All were in favor.

Reading and Disposal of Last Year's Minutes: Bonita Vandall, Manager, read the minutes from the 2015 Annual Meeting. Mr. Kelly made a motion to approve the minutes as presented, Mr. Bardon seconded it. Motion carried unanimously.

Report of Officers:

President: There being a quorum present of 50 unit owners, either in person or by proxy, Mr. Jensen stated it was the members' meeting and asked if anyone wished to chair and hearing none asked permission of the members to serve as chair. Mr. Jensen thanked everyone for allowing him to serve and thanked all the directors.

Mr. Jensen continued by thanking everyone on the Committees this year. The holiday decorations, volunteers for the lighting, the emails to everyone, and many other things. The Landscaping Committee and for keeping an eye on it. He asked that everyone would applaud those that had worked on these committees and asked the volunteers to stand and be recognized. He acknowledged Hal Bardon and that he had been on the board longer than anyone else and had put in tireless hours handling the accounts as if it were his own money. He has kept the budgets to 2% every year and that is quite a feat. We hope he continues.

Mr. Jensen added that Bill Penny had joined the Board last year and has been fairly busy by taking on the role of finishing up the clubhouse and we appreciate what he has done. He spearheaded the completion of the pool deck due to concrete breaking off and also had the furniture re-strapped and coated. Over the summer he attempted to keep the landscaper in line.

Mr. Jensen continued by stating Jan Scott works hard to keep us all in line and reminds us of things that need to be on the agenda and she had been serving as Secretary for a long time, although she has only been on the board for one year.

Mr. Jensen thanked Dave Guilliams and stated how much everyone appreciated the many things he had brought to their attention, thanking him very much for his time the past year.

Reports of Officers: Hal Bardon reported on the status of the year-end financial statements, stating the preliminary financials are in the hands of the Resort Management firm. We are running a little behind this year with outstanding items and adjustments that need to be finalized. By the middle of next week

the preliminary financial statements will be provided to the board members. There were some billing issues with the landscaper and invoices that were not turned in timely have held us up. The first quarter of 2016 we waived any late fees for anyone that got their payment in by the 31 of January. Normally they are mailed out two weeks earlier but there were delays in billing due to computer glitches. For the most part people have paid their fees. We have 4 outstanding units that have not paid yet. One unit that is over 90 days and a lien will be filed. Our financial condition is excellent and in December we opened up a new CD with another bank because of the FDIC \$250k insurance limit requirements. We now have CD s in 4 different banks and are in good shape.

Mr. Shaffer asked if there is a report that is published reporting the actual year end numbers.

Hal Bardon stated yes and it is available to anyone that requests it. We set it up that once it is issued by the CPA it is available to the owners by request at no charge. A letter will be sent out providing the financial by request.

Bill Penny reported that three ladies helped with the clubhouse renovations including an interior designer. Together with these ladies instruction the clubhouse came together, however, it was a little more difficult than originally anticipated. Rich, his neighbor put locks on doors, fixed closets, cleaned out the storage area and took over 200 pounds of things to the recyclable place. This provided a big savings for the community. We were happy with the \$30k spent and the pool was another ordeal and is now finished. The furniture was between \$7 – 8K and we found a company, Fix it Patio and they re-straped and cleaned at a considerable savings. The Landscaping issue was another thing. There was a recent article in the paper talking about a development exactly like ours where the developer left a million dollar landscaping nightmare to the community after turnover. This is what we are dealing with now, over a million in landscaping that needs to be addressed. We have a Landscaping Committee of 6 folks that take 4 buildings a piece and they police the areas in the way of dead plants, pavers to be repaired, water runoff, etc. Florida landscape just wears out in a 12 -15 year period. The more you cut it the faster it dies. It is a catch 22 but we are going to try to make the place look like it should.

Jan Scott stated that she is the person at 6:30 am walking her little dog. She has been on the board for the past year, been recording Secretary for longer than that. It is a pleasure working with everyone, she appreciated everyone for expressing their views and tries to make everyone opinions into account. All committees do a great job. The Social Committee sets up different activities and all should be aware and try to participate. We are very busy and have a vested interest in the community. All should feel proud of this Association and this community. We really are something special and I feel that I would like to serve and do what I can do to make it stay that way. If there is just one small thing you can do it helps to maintain the community and love it.

John Jensen extended the Board's thanks to Bonita Vandall stating she is fantastic and is the best manager we have ever had. She takes care of your issues as soon as possible even when dealing with vendors. We spoke with a vendor the other day and he told us that when she calls, he gets it done.

Reports of Committees: Diane Jensen reported that she sends the emails out during the season and it used to be we just posted the Minutes and Social events. Now we put out various things, such as people that recommend cleaning ladies, rentals, etc. Answering questions as to when the dryer vents are to be cleaned or roofs will be washed. 8,000+ have visited the website in the past three years. She handed out

blank information forms for the owners to fill out and send back and to feel free to take one. It is her pleasure to let everyone know what is going on and never hesitate to contact her.

Social Committee – They had a great start with the Christmas dinner. In January we had morning coffee and cocktail parties. In February there was a Potluck and another morning coffee. The itinerary will be posted on the bulletin board and we have a great time. The game night was so fun with a choice of games and you get to really know people there.

There was no Lake Committee Report provided.

Mr. Jensen opened the floor to Open Forum.

Bob Kelly stated he had a lot to say but will wait for a board meeting for most of them. There were many questions concerning the landscaping. He reiterated that the grounds this year never looked worse. Those that live here year round are embarrassed. It should have never happened and should never happen again. Bill Penny in his estimation was given no instruction and that is a real shame. During the summer the landscapers will back off on what they are supposed to do. They need to be called attention to things they need to do or things they are doing wrong. We are here all year round and that is what I could tell. Why don't we have a Landscape Chair, if you assign 4 buildings each to 4 people weekly and report back to who, who do they report back to? There is no chair. What about the other 10 buildings?

John Jensen stated that all buildings are covered with 6 people, 4 buildings per person. We have our first walk around this week. We meet with the landscaper tomorrow. I called Colleges and different areas that deal with horticultural – they do have someone that could be a house sitter willing to earn some part time money and provide a report to us concerning the community, etc. One had an excellent background, he comes to us very interested and has no skin in the game. We are going to get a new landscaper. We feel that with the combination of our volunteers and the person we hire to inspect and advise this should work out very well.

Mr. Kelly wanted to know what this person will cost the association.

Mr. Jensen stated there are no specific figures as negotiations are still in process and this is a board decision. Mr. Jensen continued by stating it is becoming argumentative and he could not give out numbers when we haven't interviewed anyone yet.

Bobby Kelly mentioned that Bill made true comments about the landscaping. That one of the things you should be doing is to pyramid all our hedges. They need to trim them and the lawn company knows this and hasn't done it. There are little things like that, that should be called to their attention when they don't do it.

Jan stated that Bobby has good ideas and these are things the Board will work on. She recommended he fill out an action report and we can address it if you feel strongly about this. The Action Report will go to the appropriate people so they can look at his ideas and advice.

John state that Bobby was involved on the board for years and the work pyramiding never came up. It is a good idea and we will look into it.

Mary Jo Bickley wanted to know who is the head of the Landscaping Committee now. It was stated that John Jensen and Bill Penny are standing in. The volunteers do not have that responsibility to know what

is needed. How can someone that doesn't know landscaping see that the landscaper is making a mistake?

Bill Penny announced three companies are bidding, Prestigious Properties, Stahlman Landscaping and Greenscapes Landscaping. Artistically this landscaping needs help and it is \$30k or \$40k more a year to do so. This is not in the budget.

Dave Guilliams stated we don't have the Ruscitos and others that had the knowledge. Now we are in uncharted areas with no body coming forward. There is nobody here that is an expert.

There was discussion held as to what other communities do.

Mr. Bisol stated things did not happen overnight. We would identify plants dying of a specific disease and give it to Ricks for replacement. We got him for a very good price because John, Bob Kelly and I walked every week and looked at everything inside and out. We had days where we sweated for 6 – 8 hours putting down fertilizers. To say that bushes are dying because they were not sprayed correctly is wrong. Great idea going to the University – I did not understand a single palm tree. I went to the Extension Service and took classes. If you don't oversee a contractor they will not do things right. All contractors should bid by a common set of goals and the extension service would know what is expected of them. He stated he would not volunteer again but expects the Board to follow contractual obligations and provide a common set of goals. Do this now with all contractors.

Ms. Bickley stated the issue is transparency and things are going to pot. It doesn't look as good as it used to. This is my gift to my child. The more we know the less we will worry. Just keep us informed and let us know we will be happier. It helps the community if we all work together.

Blane Hicks discussed Reserves – I have received a business plan that was mailed out and I have a question. The reserve estimate for roof replacement is 1.4m but the amount shown on the budget is \$645k and there is an *of each year funded by 2043. Each building is \$28k per unit and seems like a reasonable cost to replace roofs. That is the cost today. Now with 2% inflation it is \$28k per year. Why \$645 shown as replacement cost when the actual is 1.4m and how come only 2% for inflation and not worry about the principal?

Hal Bardon reported the 1.4 mil is based on the reserve study estimate at that time in 2014. We agreed every 3 -4 years we would get a revised estimate using contractors bidding. The cost of going up could be less or more than inflation. The software takes the total amount in the reserve at that time and extrapolates that amount out – if we don't do any more it will only go to \$645. By increasing our reserves as we are doing now it will be 1.4m. It has to be increased a little more each year to increase overall.

We should be contributing \$84 a year on a straight line method to give us the 1.4K. We are contributing on an accelerated basis. Why let it sit there earning no interest, when it gets closer to the time we need the money.

Mr. Hicks felt it was poor financial management.

Mr. Bardon stated this is total incredulous. This is your opinion.

Mr. Hicks stated the reserve should be funded as stated according to the Florida Statute. Mr. Bardon stated it is.

Jan stated that she had a discussion with Hal concerning the reserves. We could increase the fees now and have the Association gain little or no interest. Or what you can do is set up a fund now and you can save your money instead of the Association and you can gain that interest if any – It is one or the other. Increase the fees now and go forward or start an account for yourself and do your own possible assessment of the roof reserve.

Mr. Hicks stated that he agreed with Jan. The Board should advise the members of the estimated cost of 1.4 m and that each of us should have our own funds and the members should be advised and they should vote on it. We should have the facts.

Mrs. Kelly requested that on the Agenda for the beginning of the year the Board should discuss what will be done about the front gates. Also, when everyone goes back up north the clubhouse was closed for 3 months, during Christmas break the pool deck was in-excessable and the timing was off. We at least need to know so we can use the facilities when our families and guests are here. Please let's not repeat this.

Bill Penny stated the plan was to get it done as soon as possible. The portapotty was here because the landscaper were tracking dirty mud into the clubhouse. The pool contractors were told the same. The pool heater was out as well during the pool deck renovation so no one would have been able to use the pool.

Ms. Guilliam stated the landscape budget every year has had money they turned back in. There is an interim step there to add to it so that we could be more comfortable.

Hal Bardon announced that we have over \$200k in owner's equity, we have insurance that covers wind and hurricane damage. The reserve covers wear and tear. The roofs are expected to go in 2030 -2033. Do we put more in reserves now and let it sit there until the time we need it? Or we can do what we are doing. Add to the reserve and increase it each year until we get closer to the failure date.

A question from one of the members, how many people here have actually seen a copy of the reserve study we paid for? Maybe 10 people have seen it. I suggest that all of you go to Resort Management and ask for an electronic copy. Get a copy of it so that you can understand it and talk it up between now and next year as to what you feel should be done with the reserves. It might be helpful to get a copy.

It is pretty unlikely that all roofs will fail in 2033. The Florida statute was explained. All we want is to vote as a membership and not by you.

Hal Bardon stated it is not by me, by the Board. Resort accounting staff and submission to the CPA – are we fully funded or not and he said yes you are. Accelerated depreciation or straight line depreciation. We are using Accelerated.

Blane Hicks stated he looked over the audited financial statements and the CPA reviewed all except the reserve study. They did not review them. I was sitting on the board when you were told you are fully funded and you are not. We need to be told the truth and you need to see the mathematics and the curve.

Hal stated that Blane had a catastrophe and now he wants to push it on other people

Diane Jensen We just had an Association that came to review what we are doing because the word is out that we do it right. We are actually reserving more money because we are doing it gradually. I like Jan's idea of putting aside our own money as a cushion. Our finances are handles very well and instead of brow beating Hal we should thank him. He treats it as if it were his own. I talked to other Board members of another assoc. built in the mid 90s and at that time they build a few number of units and then built an few more and turned it over to the association. It is not a financial calamity and we have money in equity and in reserves. We are blessed to have someone like Hal to watch the money and feel bad that we are beating him up

MaryAnn- We had Sand Castle and we were 10 years older and we brought it to the community.

Transparency explain it to the community – I would like to see a presentation to the community of what the reserve will bring to us and not be told that we are fully reserved.

Bobby Kelly stated the following. There is so much apathy in the community that no one attends the meetings. The board sends out an agreed upon budget each year and there are very few people that show up for that meeting. There are 96 units here at the Annual Meeting and before you start talking about things you don't understand attend the meetings and find out. Ask Resort Mgmt for these documents so that you know what you are talking about. I am totally upset about the apathy in this community. Apologized for being emotional. There is a lack of owner's participation in this community. Blane is right, but so is Diane we are not in any kind of financial crisis. Let's talk to our friends and neighbors and do what you can to help. The people responsible for causing these things need to think again. We have a great community, come together and support these board members.

A lady felt what he said was too harsh.

Diane said you need to be and are informed – I put the minutes out I try to communicate and I work hard at that.

Jan- The minutes that we take are as explicit as possible and I try to put all in.

John I agree with Bobby the Board is always looking for volunteers. We are looking for depth and if you can lend anything to any particular subject attend the meeting or join committees. We are here to do the best for the community.

Bill Penny - We compared budgets with other communities and there is not enough fluff here.

There was a question concerning the pool. Have we looked into free standing umbrellas? The answer was no.

Old Business – None

New Business –

Vote to rollover the surplus – By proper motion by Diane Jensen, seconded by Bobby Kelly it was approved to rollover the surplus 2015 funds into next years' budget. The motion passed by a vote of 48 yes to 2 no.

Adjournment: By proper motion by Bobby Kelly, seconded by Bill Penny it was unanimously approved to adjourn the meeting at 7:35 PM.

Organizational Meeting

Call to Order: Bonita Vandall, property manager of Resort Management called the meeting to order. Board members John Jensen, Hal Bardon, Bill Penny and Jan Scott were present.

New Business:

Elections of Officers:

Jan Scott moved and Hal Bardon seconded the nomination of John Jensen as President. All were in favor. Motion carried.

John Jensen moved that Bill Penny be nominated as Vice President. All were in favor. Motion carried.

John Jensen moved that Hal Bardon be nominated as Treasurer. Bill Penny seconded the motion. All were in favor. Motion carried.

John Jensen moved that Jan Scott be Secretary. Hal Bardon seconded the motion. All were in favor. Motion carried.

It was reported a Director will be appointed to serve on the Board at a later time as Mr. Frith had resigned his position.

Designation of Authorized Check Signers and Signing of Bank Resolution Forms:

Jan Scott made a motion and Bill Penny seconded that Treasurer Hal Bardon and President John Jensen are authorized to sign checks.

Determination of Year End Financial Distribution:

It was agreed that in order to save money, this document would be sent to the association members upon written request. They will be notified in a separate communication to be included in the next quarterly statement. Resort Management made a recommendation that the assignment of the registered agent be the Association's attorney. Any legal conflicts will be given to the attorney, Jamie Greusel.

Assignment of the Association's attorney:

It was recommended that the Association retain the same attorney, Jamie Greusel.

Distribution of Board of Directors Responsibility Form:

Bonita Vandall, Property Manager distributed the forms to the appropriate members.

John Jensen made a motion and Hal Bardon seconded to approve the shredding of the Associations records from 2008 and prior years. All were in favor. Motion carried.

Adjournment:

John Jensen made a motion and Hal Bardon seconded to adjourn the meeting. Motion carried.

Submitted by Bonita Vandall, Community Association Manager