

**BAYCREST AT PELICAN LANDING HOMEOWNERS
ASSOCIATION, INC.
BOARD MEETING MINUTES HELD ON NOVEMBER 18, 2015
AT THE PELICAN LANDING COMMUNITY ASSOCIATION**

Directors Present: Don Coulson, Swann Fredrickson, Marilyn Hara, Toni Paoello, Creighton Phillips, Ralph Scarce, and Thomas Shambeau

Directors Absent: None

ACSMC Committee: Kelley Kissiah, Cheryl Nye, and Peaches Scarce

Representing Gulf Breeze Management Services LLC: Aharon Weidner

Ralph Scarce called the meeting to order at 7:00 P.M. and quorum was established.

Approval of Unapproved Meeting Minutes

On a motion by Don Coulson, seconded by Marilyn Hara, and carried unanimously the October 21, 2015 Board of Directors meeting minutes were approved as presented.

Property Manager Report

Aharon Weidner provided a report of recent work orders. He also noted that he had been working with the Finance Committee on the 2016 budget and with Ralph Scarce and Greenscapes on an acceptable landscaping contract.

Finance Committee

Ralph Scarce reported that immediately following the October 21, 2015 meeting, Herman Kissiah called and volunteered to serve on the finance committee.

On a motion by Ralph Scarce, seconded by Tom Shambeau, and carried unanimously the Board approved Herman Kissiah as a new member of the finance committee.

After noting that Mr. Kissiah would not participate in the 2016 budget preparation because it was already finished, Ralph Scarce asked the Board to consider having a cap on the number of members on the finance committee.

Toni Paoello noted that in the past, most committees were comprised of residents with a Board member as liaison. Marilyn Hara noted that the ACMSC was the only committee mentioned in Baycrest documents and the finance committee for Baycrest had consisted of only the President and Treasurer for many years. Creighton Phillips added that he would prefer to see the most qualified individuals with a professional financial background be considered for the committee. Swann Fredrickson, noting that committees other than ACMSC are created and tasked by the Board to advise the Board on various matters, suggested that the current finance committee should continue with seven members and, following the annual meeting, the committee makeup could be evaluated.

On a motion by Ralph Searce, seconded by Creighton Phillips, and carried unanimously the Board set the maximum number of finance committee members at seven.

Don Coulson reported that Baycrest was currently running about \$10,000 under budget. Income was over budget primarily because the Association only budgets for association dues and not for miscellaneous fees. Irrigation repairs and tree trimming are over budget for the year.

Don Coulson added that the finance committee would like a motion from the Board to transfer \$2,276.10 from capital contributions to the reserve account to cover the cost of a new master rain sensor installed this year. He mentioned having reservations about this but agreed that this qualified as new capital equipment. In response to a resident's question about the purpose of the transfer, Mr. Coulson explained that the transfer would reduce the amount required for the 2016 required reserves contribution resulting in a lower owner fee increase for 2016.

On a motion by Don Coulson, seconded by Swann Fredrickson, and carried unanimously the Board approved the transfer from the Capital Contribution account to the Reserves of \$2276.10.

Don Coulson thanked the finance committee for their hard work on the budget.

He reported the finance committee had made a number of budget cuts for 2016 and come to the conclusion that quarterly maintenance fees would need to be increased. He said there was not a consensus on the amount of increase and two options would be presented for the Board to consider.

John Knoche reported on the recommendation of the three residents who served on the finance committee (John Knoche, Jan Sagett and Bob Paoello). They propose a budget with a \$10 quarterly increase resulting in fees of \$620 per quarter for 2016. Mr. Knoche provided a summary of this budget option noting that there were only two differences between the two budgets being proposed: the budget with fees of \$620 would require \$19,387 of income from prior year surplus and would reduce the current \$17,000 mulch budget to \$14,819. The alternative budget requires \$17,968 from prior year surplus and retains the current \$17,000 line item for mulch.

Swann Fredrickson reported on behalf of the three Board members on the finance committee (Treasurer Don Coulson, Ralph Searce and Swann Fredrickson) who recommended a budget with a \$20 quarterly increase resulting in fees of \$630 per quarter. She noted that the difference in the two budgets was relatively small, about \$3.33 per month for each owner. The 2016 budget, she continued, has less cushion for unexpected expenses than in previous years and the amount of prior year surplus required to balance the budget is a concern. This is because recent budgets have relied on the use of prior year surpluses to fund 6-10 percent of budgeted income and aggressive budget cutting may result in less surplus being available to finance the budget and provide working capital to pay the bills.

The Board members on the finance committee, she explained, believe it would be smart to explore ways to cut the cost of mulching, but without any options on the table at this time, think it would be unwise to arbitrarily cut the mulch budget since decisions about mulching should be made by the Board rather than the finance committee. If less is spent on mulching, the funds can be used for other purposes. The budget is also being impacted by sharply increasing required contributions to reserves. For 2016, the required amount is \$8,000 more than in 2015 and will rise again sharply for 2017. Ms. Fredrickson added that from 2010 through 2013 Baycrest fees were unchanged at \$600 and then went up in 2014 to \$610, a 1.7% increase during a time period when inflation was more than 9.5%. The proposed 2016 increase to \$630 per quarter translates to a 5% total increase over the past five years.

The Board and residents discussed the motion in italics below. Toni Paollelo and John Knoche asked if there was room for a compromise between \$620 and \$630. Don Coulson noted that with inflation and increasing labor costs, it is likely another \$20 quarterly increase will be needed in 2017 if the \$630 per quarter budget is approved. And if the \$620 per quarter budget is adopted, he continued, fees would probably need to increase by an additional \$10 per quarter in 2017 (a \$30 quarterly increase).

Ralph Scarce added that he would prefer to have higher fees in order to have a nicer place to live rather than trying to cut costs with a risk of poor services. He also noted that Baycrest was not exempt from inflation. He noted that in 2001 fees were \$548 per quarter and are currently \$610 which is well below the overall inflation rate. Marilyn Hara noted that Baycrest fees are low relative to other communities of similar size and amenities. Robert Paoello reported that he wanted to set a tone for the community that expenses should be constantly monitored and that the Board should strive to eliminate unnecessary expenses.

Peaches Scarce added that the best way to reduce the amount of mulch would be to install more plants in plant beds which would reduce the need for mulch. This alternative, however, would be very difficult to implement because the individual homeowners are responsible for installing plants and the cost of installing plants would be significantly higher than mulching.

On a motion by Swann Fredrickson, seconded by Creighton Phillips, and carried with six in favor and one opposed (Toni Paollelo opposed) the Board approved sending the proposed budget with fees of \$630 per quarter to the homeowners prior to the December 8, 2015, Board meeting when the Directors will vote on approving the budget.

Social Committee

Sheila Phillips reported that the next event is being put together by Miki Knoche and will have a 50/50 raffle which helps fund social events since Association funds may not be used for that purpose. The event, a wine tasting social at the pool, will be held on Thursday, November 19th at 5 p.m.

Pool Committee

Creighton Phillips reported that the pool entrance and lanai deck was painted an off white color which blends in better than the previous white color and looks good. Caps were purchased for the lanai tables. He added that new plastic chairs were purchased to replace the old metal stacking chairs. The new chairs shouldn't cause as much damage to the lanai floor.

Lease and Sales Review Board

John Oblak reported that one home was sold (25450) and one is pending sale. There are three additional homes for sale. He added that he had only received four lease agreements for the year to date.

Aharon Weidner agreed to send a notice to all owners regarding the requirements for leasing units.

There was a discussion on the fees for rental units and the capital contribution paid by new buyers. Ralph Scarce noted that the finance committee should look at the issue since any change could require a change in documents.

ACMSC

Ralph Scarce proposed that Greenscapes add three visits during the month of December during weeks when no mowing is scheduled to do leaf and other cleanup for a cost of \$600 per visit.

On a motion by Ralph Scarce, seconded by Swann Fredrickson, and carried unanimously the Board approved the three additional visits.

Ralph Scarce reported that he had sent the Board a copy of the proposed 2016 Greenscapes contract which was the result of a meeting that he, Marilyn Hara and Swann Fredrickson had with Greenscapes. The proposed contract has 51 weekly visits and a three year option with an annual 5% cap on increases for 2017 and 2018. It can be cancelled any time on 30 days notice. Mr. Scarce advised adding one more weekly visit at an additional cost of \$600 and mentioned a letter from a resident requesting weekly service. The 52 week contract would have an annual cost of \$77,160. Ralph Scarce will have Greenscapes modify the contract to reflect the change in price and weeks of service. The final version, which must be signed by December 1st, will be emailed to the Board members prior to that date.

On a motion by Swann Fredrickson, seconded by Creighton Phillips, and carried unanimously the board approved the 52 week, three year Greenscapes contract for \$77,160 subject to Ralph Scarce's review of the required revisions in the contract language.

Peaches Scarce reported that the landscape committee meeting minutes were distributed to the Board. Several modification requests have been received recently and approved by Baycrest and have been submitted to Pelican Landing for DRC approval. She added that the

recent shrub pruning was performed in smaller areas at a time with a crew of two. They are hoping to add a third member to the crew to help speed up the process. Mrs. Searce asked for Volunteers to maintain the bromeliad garden by the pool and thanked Fe Tavis and Peggy Whalen for taking care of them. The committee has reviewed correspondence from Pelican Landing regarding having a master landscaping plan before any further tree removal can be approved. The committee is going to attempt to get information from a landscape architect regarding establishing a master plan. Mrs. Searce reported that the last landscaping walk was open to residents and thought that the walk was informative and helpful for the community as a whole. She also noted that there are a lot of aging plants in the community which have limited lives and will need to be replaced over time. A summary of scheduled landscaping services is attached to these minutes.

It was also noted that Pelican Landing now requires approval for any landscaping replacement even if the replacement is the same plant. A resident noted that this conflicts with language in the Baycrest documents.

There was a discussion on installing a new filter for Baycrest. A cost estimate for a replacement would be about \$2500-\$3000 however Ralph Searce added that he would be meeting with a representative from Greenscapes to discuss the possible options for irrigation water filtration. Snails continue to clog the irrigation nozzles and are the cause of a majority of service requests.

UOC

The beach nature series will be returning beginning November 28. The butterfly garden will be having a party. There is to be a hotdog cart at the beach within a few months.

SURVEY

Swann Fredrickson reported that Baycrest had discussed trying a resident survey for a number of years. The purpose would be to obtain some basic data about the community, owners and their concerns since Board members want to represent the interests of all Baycrest owners and not just those who attend meetings. If an email type survey is well received, it could be a good way for the Board to get future detailed feedback from owners on topics of concern.

On a motion by Swann Fredrickson, seconded by Marilyn Hara, and carried unanimously the Board authorized Ralph Searce to appoint several residents to work with Swann Fredrickson to develop a list of potential survey topics and questions to be reviewed by the Board at the December meeting.

OTHER BUSINESS

On a motion by Swann Fredrickson, seconded by Creighton Phillips, and carried unanimously Ralph Searce was authorized to appoint a small ad-hoc committee to look into opportunities for efficiencies and savings in vendor contracts, other than landscaping.

A resident asked for a board member to contact the CDD regarding a safety hazard. He noted that the tall shrubs on Pelican's Nest Drive obscure the view of traffic approaching from the left

as drivers exit Baycrest. Swann Fredrickson agreed to draft a letter to the CDD regarding the issue.

It was noted that the monument signs were in need of cleaning. Peaches Searce noted that the issue was already reported and that Gulf Breeze would have them cleaned. Bob Paollelo added that there were some cracks on the backs of the monuments and that they may need to be repaired.

A resident reported several homes had pavers which were in need of cleaning. Gulf Breeze will follow up.

Next Meeting

The next meeting is scheduled for December 8, 2015.

The annual meeting is scheduled for February 15, 2015.

With no further business, and on a motion by Marilyn Hara, seconded by Tom Shambeau, and carried unanimously the meeting was adjourned at 8:54 P.M.

Aharon S. Weidner, CAM, Property Manager
Baycrest Homeowners' Assoc., Inc.