

Paradise Shores Apartments.Inc.
Board of Directors Meeting - Zoom
December 14, 2021 - 7:30PM
MINUTES

Call to Order: President Bill Schaffer

Roll call: Secretary Cathy Sweeney

Directors/Alternate Directors: Laura Loomis, Bill Schaffer, Cathy Sweeney, Dan Connolly, Bob Raposa, Peter Lopez, Gene Zombory, Gail Brock.

Directors at Large: Ed Brown, Mike DeBrito, Scott Rasbach, Wallace Maire

Consideration of Agenda:

Appointment of Barbara Ward of Building 14 Apartment 14 to be the Alternate Building Director of Building 14. Moved to new business. *

President Bill Schaffer's Letter to the board. Moved to Correspondence*

Mildred Collini Letter of 2020-10-09 to the board. Moved to Correspondence*

Jim Mraz Letter to the board – Unknown Date. Moved to Correspondence*

Affidavit for distribution of agenda for budget adoption. President Schaffer asked the Secretary if the affidavit is duly recorded and filed. *

President Bill Schaffer asked for a motion to clarify how the board desired to handle official and unofficial communications. Moved to new business.

Reading of the previous minutes*:

Minutes: November 16th Board Minutes*

A motion to approve the November 16, 2021 minutes as read was made by Gene Zombory 2nd by Ed Brown

Motion carried

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Treasurers Report*:

Nov 30, 2021 Treasurers Report

Operating Bank account Total	\$	20,173.71
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Reserves Bank Account	\$	72,902.92
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CDARS	\$	400,000.00
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Total	\$	472,902.92
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Contingency Bank Account	\$	299,718.53
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CDARS	\$	230,000.00
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Total	\$	529,718.53
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Sub Total All Bank Accounts	\$	392,795.16
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Sub Total All CDARS	\$	630,000.00
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Total Assets	\$	1,022,795.16
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A motion to approve the Treasures Report as read made by Gene Zombory 2nd by Bobby Raposa

Motion carried.

Correspondence:

Max Stierwalt Resignation* Accepted

Warren Angell Letter read.* President Bill Schaffer stated that he disagreed with our attorney's position on dropping Flood insurance and would be contacting the Department of Business and Professional Regulation, Division of Florida Condominiums, Timeshares and Mobile Homes for further guidance on the issue. President Bill Schaffer advised that this wouldn't be the first time our attorneys initial opinion was wrong and even our official minutes reflect that the attorney said that the issue needed further exploration before coming to a final decision. President Bill Schaffer reminded the board of the changing opinions as to the legality of patios as various sections of law were pointed out to the attorney. President Bill Schaffer stated that as a President and an owner, he would vigorously oppose any attempt to drop our flood insurance.

Petitions for an owner's budget* President Bill Schaffer stated that representatives of the petitioners stated that they had no desire to change the actual amount raised by the board approved budget, just the method of collection of the reserve portion of the monthly assessment payment thus there is no change in the 2022 budgeted amount raised or spent. He further stated that he came to an agreement with Dan Connolly & Maria Dominguez to place their proposal for quarterly collection of only the reserves portion of the monthly assessment before the board as an agenda item for discussion and a vote up or down.

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Dan Connolly Letter* Addressed as an agenda item under new business

Robert Griffiths Letter* Addressed as an agenda item under new business

Mildred Collini Letter of 2020-10-09* Security

Jim Mraz Letter to the board – Bicycle rack Unknown Date*

President Bill Schaffer asked the secretary to look into these letters and report, if possible, why they were not brought to the board until now and where we dropped the ball. He suggested that due to covid and the board not all here that the process may have simply just broken down.

President Bill Schaffer letter to the board. *

Janet Naylor asked for permission to remove bushes and do various landscaping.* letter sent to specifications committee.

Committee Reports:

Blue Book: No Report

Budget: 2022 Budget formally adopted at the November 2021 Board Meeting.

Election: Gail asked owners to sign a statement of candidacy for the upcoming election in Feb. You have until Dec31 to file.

Grounds: Owners are reminded to get specifications committee approval before ALL landscaping activities outside of their unit.

Contract-Insurance: Flood insurance premium for \$159,717 paid for 2022*. A state mandated 3-year appraisal will give us a final total of around the budgeted amount of \$240,000.

Bill mentioned no new news on the non-renewal of our current Commercial policy in March and we are still awaiting further information on if we will be offered a new policy from our current carrier. Bill further reported that we asked our insurance company if we can break up our commercial policy into individual policies per building as we do with our flood insurance so as to obtain cheaper insurance on the 4 buildings that are all copper wiring.

Maintenance*: November report attached. Bldg. # 3 stucco repairs, shoring of posts, structural issues, water intrusion, condensate lines, etc. Bill stated that owners must have their units checked in their absence. This is their responsibility. Association will seek reimbursement from owners found to be negligent.

We have a very large crack in the floor of Apartment 19 in building 5 that must be investigated.

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Sales & Rentals*: Sales 2-3, 5-19, 8-23 12-2, rentals 2-2, 4-19

Neighborhood Watch: Bill discussed keeping items secured. Cathy had her helmet stolen.

Specifications: Wally reported new windows approve in 8-21.

Compliance: No actions reported to committee

Legal Affairs: Sonja is working with the attorney on the Guard Shack and the damaged Palm Tree at Clubhouse. Bill suggested to the attorney that we have a Process Server serve the contractor a demand letter to speed up the process.

Old Business

Patios: Letters are in the process of being sent to owners to start the removal process. They are being sent out in batches. One owner has hired an attorney and our attorney is handling this. Remain on agenda.

Patios: New removal quote will be needed once the process has played out. Remain on agenda.

Building 14 2nd floor ceiling repairs. Repairs have been started in order of importance and we will continue to work on them. Some units completed. Remain on agenda.

Replacement of staircases for buildings #10 and #11 by Mobile Metal-A-1. Inspected the work with the contractor and the rust issues are areas we did in-house. Remove from the agenda

FPAT conducted a professional reserve study. Completed, now we must address the findings. Implementation of pooled reserves discussed. President Bill Schaffer said that we could simply spend down our component reserves first and save the association the hassle of a vote to move reserve funds we already have over to pooled reserves. Remain on the agenda

Mansard Roof Building 2 – Work started 12-13-2021. Remain on agenda.

Building #9 plumbing. Bill advised that we have a company that will camera the pipe to see if it is a candidate for pipe lining. Pooled reserves will allow us to move forward. Remain on Agenda

Ways & Means Committee – Bill again asked for volunteers and stressed the need as structural repair scope cannot be prolonged much longer. None two months in a row.

Window Specifications - President Bill Schaffer had directed the specifications committee to hold committee hearings to discuss any potential changes in our window and door specifications. Wally reports that his research is ongoing. Remain on Agenda.

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Flood insurance - President Bill Schaffer explained that he made an error in the figure at last month's meeting. The budgeted amount for the 2022 Flood insurance payment was \$240k and as noted above, we paid approx. \$159,717 and expect the actual total to be approximately the budgeted \$240k once our state mandated 3-year appraisal is completed. We are currently under insured by 15 to 20 million dollars for flood insurance until the appraisal is completed. This will save us some money short term but we must get the proper level of coverage in place before the next hurricane season. Remain on Agenda for a final total premium

Parking - Building Director Dan Connolly made a motion to return ALL guest parking to the way it was before the 2019 switch. The motion was made by Dan Connolly 2nd by Laura Loomis. Motion was tabled at last month meeting but a vote was taken.

Motion carried

Naylor Landscaping letter - Forwarded to specifications committee for follow up. *
Bill said if this was a safety issue caution tape would be put up.

New Business:

A motion to appointment Barbara Ward of Bldg. 14, Apt. 14 to be the Alternate Building Director of Building 14 was made by Gail Brock 2nd by Mike DeBrito.

Motion Carried

A motion to collect the reserves in 4 quarterly payments in advance rather than to collect them monthly was made by Dan Connolly 2nd by Bill Schaffer *

President Bill Schaffer made a motion to suspend the normal order of business so that owners may address the board.

Motion Failed

A motion to accept our state mandated audit conducted by Master & Company was made by President Bill Schaffer and 2nd by Wally Maire. *

President Bill Schaffer summarized the audit and its recommendations and stated that he will start implementing the auditor's recommendations. President Bill Schaffer reminded the owners that the purpose of this audit is to determine if the financial reporting's to the owners were a fair and accurate representation of the association's financial condition and not as to if the financial condition is adequate. Basically, is the board telling the truth? The auditors determined that the board adequately met that obligation to the owners.

The Audit recommended the following:

1. Reserve Study - Recommended that the Association engage a reserve study specialist and to update the study annually in order for proper budgeting to occur. We have already started that process and President Schaffer recommended that an updated study be done as needed.

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2. Storage of Association Records – We should attempt to locate a permanent storage location for all important Association records to avoid future problems with missing records or documents. Per management, CDAR maturity notices are not kept and the Association was unable to provide 2020 statements for the CDARS balances. Bill agreed as our records are scattered all over the clubhouse office, the old saunas, and even in the maintenance area and we have no real organizational method of record retention and storage. An electronic PDF based system should be created and physical records placed in long term secure storage.

3. Checks to Unit Owners - Multiple checks payable to unit owners were noted. Amounts overpaid by unit owners to the Association are considered a prepayment of future maintenance assessments. A unit's prepaid balance remaining upon transfer of title will be addressed by the Title company. It is recommended the practice of refunding unit owners overpaid amounts ceases. President Schaffer said that this has been a long ongoing discussion he has had with office staff and Bill has insisted that refunds should end in most cases and be well documented in the limited cases that it is permitted.

4. Debit Cards - Section 718.111(15) of the Florida Condominium Act prohibits a condominium association and its officers, directors, employees, and agents, from using a debit card that is issued in the name of the association or that is billed directly to the association for the payment of any association expense. Bill said we do not have "Debit Cards" and thus we should be in compliance.

5. Board Review of Bank Reconciliations, Bank Statements and Bank Transfers
The Association should review the bank reconciliations for any outstanding checks or deposits regularly to determine if there are any stale dated checks that need to be voided or reissued or deposits outstanding. Additionally, bank transfer approval should be documented in meeting minutes and review of corresponding bank statements should be completed to ensure all transfers were initiated and executed properly. President Schaffer said he agreed and that we should also establish an in-house audit committee to review our monthly financial reporting's The next Treasurer should work towards establishing these checks and balances.

Motion Carried

A motion to order an external audit of our finances & operations was made by President Bill Schaffer and 2nd by Mike DeBrito.

President Bill Schaffer read into the record a 5-page unofficial internal audit (*) conducted by himself and Sonja Lopez that matched some of the findings that the independent auditor found. He stated that it is his belief that no money is missing but that there is a need to put the questions of how we handle our finances and bookkeeping to rest so that we will never be in this position again. He stated that sometimes healing comes with pain but we will be a better and stronger community going forward.

Tabled pending cost estimates to the board.

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President Bill Schaffer 2nd by Mike DeBrito made a motion that the association handle certified communications to the board in accordance with Florida Statute 718.112(2)(a)2 which requires a written response and that the association officers be given the discretion to handle non certified communications as a business judgement and decide to respond or record them as deemed necessary. President Bill Schaffer stated that some members are of the belief that every letter or note to the board shall be recorded and that it would only serve to bog the board down and force it to deal with trivial or frivolous communications. He further advised that he believes that the board needs this discretion and that if an owner feels that the board is being non-responsive they can still send a certified letter and force the board to reply.

Withdrawn by President Bill Schaffer after much discussion

President's Comments:

President Bill Schaffer yielded the floor to VP Mike DeBrito who stated that we all need to come together for the good of the community.

President Bill Schaffer addressed the board about his frustrations with dealing with the petty bickering, the ultimatums, and the power struggles, that make running the association an undesirable position. He further stated that everyone needs to come together for the good of the association or Paradise Shores will become Paradise Lost. He announced he does not seek to continue as President in 2022. Lastly, he thanked everyone for the calls, emails, and comments of support and stated that it meant more to him than they can ever know.

Coffee Clutch – Going great

Website Update – Still in the process of having it updated. Soft launch coming soon.

Specifications - We have a process we must follow. Please follow it

Complaints – We have a process to follow. Please follow it.

Bike night/Christmas Party – Thank you for all who worked so hard to make this happen and that made our property look so good and well managed.

Bingo – Resumed

Bowling – Resumed

Poker – Thursdays at 6pm

Movies and Games outside – Speak to Dennis Moore of 4-19 if you have a request.

Pool – Approached by another community about starting up a league and Bill put them in touch with Dennis Moore of Building 4, Apt 19

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Personally thanked Dennis, Tina, Janet, Cathy, Gino, and the rest of the residents for all of the effort he has put into getting activities back up and going.

Food Bank is there for anyone who would care to make use of it.

Question & Answer Period

No Questions submitted by the owners.

A motion to adjourn meeting was made by Mike DeBrito 2nd by Peter Lopez.

Motion carried

Meeting adjourned at 9:55pm

Cathy Sweeney Secretary