**Casa Blanca Resort Condominium Association, Inc.**
**3rd Quarter Board of Directors Meeting Minutes
August 7, 2020**

The 3rd Quarter Board of Directors Meeting was called to order by Richard Carnley, President at 11:09 AM. Board members present by phone were Richard Carnley, President; Bobby Craven, Vice President; Gene Phillips, Treasurer; Lynn Miller, Secretary; Tommy Stoutamire, Director. Present were Richard McDonald, GM and Tommy Risalvato, Association Manager. There were no owners present.

Proof of Notice of the meeting was given by Richard M.

Richard C. requested all present to review the minutes. Motion to accept the minutes as written was made by Lynn M., with the 2nd by Bobby C.

**OLD BUSINESS:**

A.  Hurricane Michael Update:

Fred Bonner from R & R Restoration gave an update by phone. So far, the insurance company has paid 1.2 million, less the deductible, which Fred said RR Restoration would absorb the cost of the Insurance deductible. In the common area off the pool (Ice Machines and Coin Laundry Area) the doors and windows have been replaced and the entire area has been repainted. The roof on the office building has been paid for, and the exterior walls, stucco and sign are finished. The Conference Room A/C has been replaced. On the main building, the tile roof, the flat roof and the laundry exchange area are completed. They should be finished with the repairs within a week.

Other Repairs:

Thanks to Richard M. due diligence, CBRCA received $35,000.00 for Business Interruption because Unit 301 was shut down due to damages related to Hurricane Michael. It has been available for use since early April. During the down time, owners were moved into units in lock-out status or into Association owned units.

Notable Expenditures for the 2nd & 3rd Quarter not related to the Insurance Claim were: Talent Restoration & Waterproofing; $21,120 for the walkway recoating Board approved proposal. South Swell; $30,100.00 for the Board approved Painting Proposal. MDM Commercial: $3,032.00 for (4) GE PTAC’s. The Glass Center; $11,835.00 for the Board approved Bathroom Mirror Proposal. Total monies spent, $66,087.00 on property improvements.

At the 4th Quarter BOD’s Meeting in 2013, a spending cap of $25,000.00 was approved by the Board for renovating/remodeling the office and conference room. Hardman Construction has presented a proposal to complete the remodel; management is waiting on a confirmation to start project. The basement sump pump is in need of repair or replacement. Coastal Plumbing has been out to evaluate, but they have not given Richard an estimate.

B. Commercial Property Appraisals cost anywhere from 7 to 10 thousand dollars. Advice is to do one around April 2021, so it will be current for the 2021 Owner’s Meeting.

**NEW BUSINESS:**

A. 2021 Proposed Budget:

There was significant discussion on ways to lower the maintenance fees. Line items discussed were:

* 1. Insurance line item increase - we need to offer health insurance to attract and retain employees.
	2. The Management Fee goes up contractually based off of the Budget. It is a percentage of the Budget less the Reserve Contribution.
	3. Reserve Contribution – the question was whether we needed to fund this considering the completed repairs.
	4. Allowance for Bad Debt – about 614 owners are not paying their maintenance fees. There are 136 Association-owned units. There are no units with a zero balance.
	5. Internet Line Item: Richard was asked to try to find lower rates for wireless and TV.

Bobby C. asked why the Bad Debt Allowance was so different from last year. Richard M. explained that the Board had been choosing to reduce the true Bad Debt line item figure for many years to assist in keeping the Mtn. fees down. Management has strongly advised the Board against arbitrarily reducing the Bad Debt line in order to reduce the cost of the yearly Mtn. Fees. Management also strongly cautioned that reducing the Allowance for Bad Debt only postpones, not solves, the working capital problem at the end of each Budget year.

Also there was a discussion about reducing or not funding the Reserve Contribution for 2021 to help offset the cost of the 2021 Mtn. Fees. T. Risalvato, CAM informed the BOD’s they would have to obtain a vote from the owners to waive fully funding the Reserves. After some dialog amongst the Board members on this matter the BOD’s collectively did not want to waive fully funding the Reserves.

Most board members were in favor of no more than a 5% to 7% increase in the HOA Fees. Going against the advice of Management, after much discussion, the Board directed that the Allowance for Bad Debt be artificially reduced to ensure the Mtn. Fee increase was maintained in the 5-7% range. Lynn M. made the motion that Maintenance Fees for 2021 be set at $720.00, not including the taxes. The second was by Bobby C. and the motion carried.

No other business for discussion was presented.

The 4th Quarter BOD meeting was set for October 9, 2020 at 5:00 PM; Annual Owners' Meeting for 6:00 PM; the BOD Organizational Meeting for 7:00 PM. A motion to adjourn was made by Bobby C. and seconded by Gene P. The meeting was adjourned at 12:57 PM.

Respectfully Submitted,

**APPROVED**

Lynn Miller, Secretary