

ST AUGUSTINE SHORES SERVICE CORPORATION BOARD MEETING

SEPTEMBER 8, 2016

The St. Augustine Shores Service Corporation's Board of Directors meeting was called to order by Vice President James O'Such at 7:00 P.M. Present: Treasurer Claire Lorbeer, Director Winston Burrell and Secretary Sue Chitwood. Director Philip Van Tiem via telephone. Absent President Jim Priester and Director Janet Cassford. Quorum Established.

The Invocation was given by General Manager Smith followed by the Pledge of Allegiance.

Approval of the Minutes – August 11, 2016.

Motion:

Director Burrell made a motion to accept the minutes as presented. Seconded By Treasurer Lorbeer. Unanimous. The motion carried.

Treasurers Report – Read by Treasurer Lorbeer accepted for audit.

General Manager Smith explained the increase in the operating fund and the decrease in the reserve fund.

General Manager Smith presented 2 collection issues.

Case #1

The homeowner is deceased. Legal Counsel located the son of the owner who agreed to a payment plan approved by the Board. He defaulted on the payment plan.

Motion:

Director Burrell made a motion to proceed with collections up to and including foreclosure. Seconded by Secretary Chitwood. Unanimous. The motion carried.

Case #2

The homeowner agreed to a payment plan approved by the Board. They made 3 payments then defaulted on the payment plan.

Motion:

Secretary Chitwood made a motion to proceed with collections up to and including foreclosure. Seconded by Treasurer Lorbeer. Unanimous. The motion carried.

Managers' Report - Joseph H. Smith III

Vice President O'Such explained that the Board had requested an audit of the payments made to Professional Services for the past 2 years based on Secretary Chitwoods interpretation of the Janitorial Services contract and her and President Priester's statement that it looked like Professional Services was being double paid. He informed the Board that Todd Neville, Neville Wainio CPA's, was in attendance to present his findings and needed to be moved to the front of the agenda.

Neville and Wainio CPA's

Todd Neville presented the Board with the Independent Accountants Report on Applying Agreed-Upon Procedures.

He explained that they performed 4 procedures on payments to Professional Services for fiscal periods 2014 – 2015 and 2015 - 2016 to give the Board comfort as to whether or not Professional Services was paid according to their contract.

The first procedure was to find out how much was paid out to Professional Services each fiscal period which involved a complete search of the General Ledger and the Check Register.

The Second and Third procedures were to find out if the first procedure was complete.

This involved a complete analysis of the statement of account for Professional Services and an analysis of the vendor files for each fiscal period.

The final step was to abstract all the data on each invoice based on the descriptions that were given and trace it back to the contract.

The results presented on 4 different schedules showed 12 monthly payments for each fiscal period and no other payments. There are eight different types of services that Professional Services provides.

Neville stated that there was nothing out of the ordinary on the payments to Professional Services.

He explained that everything tied out.

He explained that there are two monthly fees that are in the contract that cover several different services that they are supposed to provide. One is called the Janitorial Base Fee and one is called the Party Set-Up/ Clean-Up. Base Fee. Those amounts are \$2375 and \$1045 per month.

There are also specific items that are not covered under the contract that are paid for on an hourly or per item basis. Those include trash pick-up, pest control, additional party set-up, weed control, painting, ant control, light bulb maintenance, clean pool bathrooms, remove pool tarps and other specific duties.

Todd stated that when they went through there testing they saw no examples of where something that was in the base contract was also charged as an item within the other descriptions.

Secretary Chitwood inquired if any of the specific items were part of the contract.

Neville explained that none of the specific items overlapped the contract.

Secretary Chitwood was concerned about the pool bath house cleaning and stated that the contract was changed.

Neville explained that if that was a concern of hers the monetary amount involved is immaterial.

Vice President O'Such inquired if there was anything showing that there were double payments of any sort.

Neville stated that, "No there is not and that looking for double payments was the entire focus of these procedures", and that he doesn't see any.

He stated that at this point based on what they looked at the Board has a good amount of comfort.

Vice President O'Such asked how much this testing cost the Shores. Neville stated that this testing cost \$1500.00.

Director Van Tiem thanked the auditor for the thoroughness of their report.

Janitorial Services Contract

Vice President O'Such asked for a vote to initiate the monthly contract with DRJ Professional Services for Janitorial Services drafted by Jeremiah Mulligan at the request of the Board.

Motion:

Director Burrell made a motion to initiate this contract for Janitorial Services which is the agreement between St. Augustine Shores Service Corporations and DRJ Professional Services. Seconded by Director Van Tiem.

A member asked if Professional Services has improved their services.

General Manager Smith explained the history behind going out for bids.

There was a question about accountability.

Secretary Chitwood inquired about why we have our attorney draw up our contracts.

She requested we add exterior doors to section E of the contract.

She inquired about who will be paying for cleaning supplies.

General Manager Smith explained that cleaning the pool bath houses and purchasing the cleaning supplies were added back in to the Specifications prior to RFP's at the request of the Board.

She commented on the accountability issue. She wants to know when they have been here and what they have done.

She stated that there were some lights out when she came on site in the evening and asked who replaced the lights.

Smith explained that the hostess reports lights that are out and that he hires Professional Services to replace the bulbs or Douglas Ferrell Electric to repair them when needed.

She would like a maintenance service to come out and replace lights when needed.

Secretary Chitwood would like General Smith's name removed from the contract because the By-laws state that the President is supposed to be signing all contracts and a reference manual in her possession states the same.

She is curious as to why our attorney would be going against our bylaws.

Unanimous. The motion carried.

Vice President O'Such stated that President Priester asked him to discuss bidding out all the handyman services currently provided by Professional Services to see if we could get a better rate for the Corporation.

Secretary Chitwood stated that it was a great idea as long as it's somebody that isn't related to Baker.

Director Burrell discussed his frustration with these types of comments.

Treasurer Lorbeer stated that if something isn't broken don't fix it. She thinks they do a good job and that there are no problems and if there were then we would have cause.

Director Van Tiem stated that he was satisfied with Professional Services and thought this was nit-picking. He stated that they were on 24 hour call and were quick to respond.

Vice President O'Such commented on getting companies or handyman services to respond 24-7. He stated that we have that now and that is nice to have. Professional Services are Shores homeowners and when we call them they will come.

Vice President O'Such called for a motion to look outside and find a handyman service.

Motion:

Secretary Chitwood made a motion to look outside and find a handyman service to handle these projects.

Motion failed.

Vice President O'Such stated that we are continuing to use Professional Services for these projects.

Resolution Deed Violation Fining

Vice President O'Such stated that we needed to adopt a Resolution for Deed Violation Fining as presented by Jeremiah Mulligan.

Secretary Chitwood made a motion we accept it. Seconded by Treasurer Lorbeer. Unanimous. The motion carried.

Ratify Home Office Application 671 Nieves Lane

Board was polled to approve home office application after inspection of property.

Motion:

Secretary Chitwood made a motion to ratify the approval of the home office application for 671 Nieves Lane. Seconded by Director Burrell. Unanimous. The motion carried.

Progress on Board Goals

Curb Appeal – We will be installing mums at the entrances and the Riverview Facility the week of September 12.

We will be applying fertilizer to the medians next week.

Safety/Security – There has been a request to clear the path to the tennis courts for safety concerns.

We are working with the St. Johns County Sheriff's Department to provide access reports for the compound and we are meeting with our camera service to try to burn a thumb drive of the cameras to assist with a theft issue on a boat in storage.

Operations – General Manager Smith provided an architectural rendering of a porch addition off the East side of the ballroom. The goal is to provide a covered outdoor venue that will house a 100 person event.

The membership inquired as to who is paying for this addition.

The Dreux Isaac Reserve Study was discussed.

Treasurer Lorbeer stated that we are supposed to be conducting our meetings as laid out in Roberts Rules of Order. She read our policy on Member Conduct at Board Meetings.

Action Status List Update

Secretary Chitwood discussed committees and asked for volunteers for the Fining Committee.

She discussed other avenues for collections on delinquent accounts.

She inquired about the soccer nets and the tennis nets.

She inquired about Deed Restriction Violation reporting and what type of numbers are being reported.

She suggested the date and time of postings be placed on the web site.

She inquired about title search on Tract T Unit 1.

She inquired about a form for buyers to sign off that they have read the governing documents. Our attorney has recommended we do not add additional documents to estoppel letter requests.

Committee Reports

ACC Committee – General Manager Smith

Board Variance: John Thompson 673 Cira Court. Denied by the ACC.

Homeowner would like to come 6 feet forward of the front of the house to gain more side yard for their small children since the house is set so far back.

Board Discussion

Motion:

Secretary Chitwood made a motion that we deny this request and that we make a counter offer to allow a fence to the front of the forward most window to protect the children of the house and that Vice President O'Such go by the property to look at the situation and report back to the Board. Seconded by Vice President O'Such. Unanimous. The motion carried.

There were two meetings in the month of August. 8/8/16 and 8/29/16.

The ACC approved 14 applications

4 fences

4 new homes

1 pool enclosure

1 pool repair

3 screen rooms

1 shed

Total approved YTD 261

Riverview Building and Grounds Committee – Secretary Chitwood

We have booked 2 more weddings since the non- resident main hall rate was decreased.

All set for Premier Bride Expo on September 18.

Family Fun Day Saturday October 8.

Shores yard sale October 3, 2016 and the rain date is November 12, 2016.

Craft Show Sunday November 13, 2016 from 1 to 4 is the craft fair.

Activities Club has 192 members.

Zumba Gold very well attended.

Yoga and exercise very well attended.

Dance class will resume Thursday September 15, 2016 at 2:00 p.m.

Effective Discipline for children 2 to 12 Robert Groleau \$25 per non-resident and free for residents.

Boat/RV Storage Committee – Ray Story

He discussed a short list of infractions that were all taken care of since the last meeting.

They have a suggestion to put up two signs. One to identify the 911 address and one to give an emergency contact number to report any non 911 issues.

Still talking about laying rock in path in the center of RV yard.

He inquired about adding email addresses to storage lot list.

Had a suggestion on non- payment notification.

Suggest we raise the fee by \$2.

Director Burrell commented on distributing email addresses

New Business

Home Office Applications

Deanna Pizzoferrato 730 Saco Court for the purpose of a home office for a local residential contractor. She will have no equipment or traffic at house and agrees to abide by County Ordinance 95-9.

Motion:

Treasurer Lorbeer made a motion that we approve the home office application for 730 Saco Court. Seconded by Secretary Chitwood. Unanimous. The motion carried.

Deed Violation Report

The report was presented to the Board.

Directors Comments:

Treasurer Lorbeer commented on Roberts Rule of Order.

President O'Such stated that the Board will inquire.

Members Comments:

There was comment on members speaking at Board meetings.

There was comment on the lack of contact with members who signed up to volunteer.

There was comment on getting a streetlight at the South end of San Savino on Shores Blvd.

There was inquiry on a dog park.

There was comment on a restaurant or bar at the Riverview Facility.

There was a request for some barriers at the tennis court parking lot.

There was an inquiry about contact with DOT for a blinking yellow light at US1 and Shores Blvd.

There was a request for a contact on the County Drainage Pipe Project.

Meeting Adjourned.

President

Secretary