**MOLOKAI VILLAS CONDOMINIUM ASSOCIATION**

 **ANNUAL MEETING**

 **OCTOBER 26, 2019**

Call In Information: 712-775-7031 Meeting ID#132-971-835

Held At: Key Concepts Realty, Inc.

 13880 Perdido Key Drive

 Pensacola, FL 32507

CALLING OF THE ROLL:

PRESENT: Kim Mulholland, Mollie McLeod, Ron & Kathy Boaz, Kathy Justice, Kellie Miceli and David Hubble.

PROXIES: Gennusa 2A, Jewell Champange 2B, Horton 3A, Casey Person 4 A&B, Royston A3, Brad Cook B7.

CALL IN: Gary & Caroline Wyatt, Mike Schultz, Brad Cook

**AGENDA:**

Calling of the roll & certifying of Proxies to establish a quorum

Proof of Notice of meeting or waiver of notice

Reading or waiver of reading previous annual meeting minutes

Report from officers

Election of new directors

Old business

New business

Adjournment

10:08 AM Kim Mulholland called the meeting to order, a quorum, proxies and proof of meeting was established by David Hubble. Reading of last year’s annual meeting minutes was waived with Mike Schultz making a motion and Ron Boaz second, all in favor, motion carried. Kim Mulholland asked for the reports from the officers.

**REPORTS:**

Mike Schultz stated that he still is working on quotes from other insurance agents, for the board to compare with the insurance Molokai has as of to date. Mike Schultz stated that his contact has 3 insurance vendors working up quotes for Molokai. David Hubble stated that State Farm has referred Molokai with 2 contractors. These contractors would come out to give us an estimate to replace the buildings but, could not be able to give us a price that they would charge for the bid. Kathy Justice stated that she that she contacted Flinn Builders who has several sister companies under their umbrella one is called Lacoste Builders. Kathy Justice met with Jesse who is with the Lacoste Division to look at what is would cost to totally replace the 4 different buildings that make up Molokai to code, along with an engineer report. He told Kathy Justice that it would be $1,675.00 per building. So in total it would be at $6,700.00 bid for them to just give us an estimate. If we stay with Fisher Brown Insurance we could use this estimate to argue with the carriers on increasing our coverage. Rob Romig with Fisher Brown stated that this would be our only option with Fisher Brown, is to go back to them with construction bids, on why we want our insurance coverage increased. Our other option is to shop other insurance companies and that is what Mike Schultz is doing, shopping insurance with other agents. Kathy Justice stated that she assumed the board has shopped other insurances in the past. Kim Mulholland stated that Fisher Brown is always who we have used. Every year Fisher Brown looks at different options for Molokai. Kathy Justice asked if insurance has been shopped around outside of Fisher Brown, Kim Mulholland stated not to her knowledge. Mike Schultz stated that it is not just getting a quote, there is so much leg work and information gathered and that’s why it’s taking so long to receive quotes. Ron Boaz asked if Mike had a time table on quotes that he would be receiving? Mike Schultz stated that he doesn’t but, the agent has all of the information that is needed. Discussion lead to an agreement to shop for insurance with several companies. David Hubble stated that we can get quotes from other insurance companies however, they will not receive quotes from insurance companies that Fisher Brown has received quotes from.

**TREASURER’S REPORT:**

Kim Mulholland proceeded to go over the Reserve Analysis, The general reserve has been funded with $29,132.55 YTD and will be funded in December with an additional $19,169.50 for a total of $38,339. There was a carry over from last year on what Shelly had been funding and it wasn’t exactly the right amount. She has gone back and added around $10,000.00 each quarter. So by the end we should come in around $40,000.00 which end up on budget with the general reserves. The paint reserve has been funded, usually in July with $10,000.00. The current bank accounts are;

General Reserve $97,313.40

Operating 49,279.39

Paint Reserve 56,641.03

Insurance 26,974.67

Total Balances $230,208.49

The insurance balance will change because as of this date, the money has not been transferred into the account. Kim Mulholland stated she was told that this will be done next month.

Budget for 2020, Kim Mulholland stated that it is not complete for today but has been working on it and will be ready for the budget meeting. There is no increase for the paint assessment for next year. By the end of the year we are projected to have $106,515.00 in the general reserve account, which is on target.

Kim Mulholland stated that we are still having issues with collections from a couple of owners who are seriously delinquent. Kim Mulholland stated, David it is my understanding that this has been taking care of? David Hubble stated that he has contacted the owners and they are complying and payments should be in by Tuesday, October 29, 2019 or Wednesday October 30, 2019. Kim Mulholland asked is that to, David Hubble stated that is to bring the accounts forward. Kim Mulholland stated that with the accounts that are delinquent is about $6,000.00. David Hubble stated it is the insurance, paint assessment and 1 month of delinquent dues.

Kim Mulholland continued with her report. Insurance Income has been mostly collected, has been slow but may have gotten some owners mixed up with the 2 payments. Paint assessment was collected in July with 1 payment still due. Kathy Justice asked if Kim or David could explain how the flood insurance has tripled? Kim Mulholland stated that she can explain why the flood insurance has gone up. Kim Mulholland that the situation with the flood insurance, Becky & I last year looked over the budget and we had $8,222.00 in rebates. Even thought our insurance was over $10,000.00 we had a net of $2,200 - 2,500. That what we based the budget on. We had extra money in the insurance account because the previous year we collected more that we needed. Anyway there is a little bit of a buffer. The bottom line is we don’t have to go out and collect, we have enough to cover. Kathy Justice stated that the flood insurance hasn’t necessarily increased, we just under budgeted? Kim Mulholland stated that we severely under budgeted, with all the rebates. Kathy Justice asked if we anticipate the insurance coverage to increase? David Hubble stated yes because of the damage to Mexico City, FL during the hurricane. Kim Mulholland stated that she said that she has information from Rob Romig for next year and it looks like our total flood insurance will be estimated at, $11,449.00. A while back we had budgeted $13,000.00. We were way up and then down. David Hubble stated that the flood insurance may go down again, if we don’t have any major storms again. Flood insurance normally drifts back down. Liability insurance is through the roof. Kim Mulholland stated that we will budget for that. Ron Boaz asked what do you think about $10,000.00? Kim Mulholland stated around $11,500.00 for next year. Kim continued with her report, stating that the assessment for the dock rebuild and pool pavers, over all came in a little bit over. The budget was $31,500.00 and it came in at $34,336.00. It is about a 9% overage. We discussed if it was 10% or more it would come out of the reserves but we paid it out of the operating account which we will discuss later. Ron Boaz asked if we have insurance on the dock? David Hubble and Kim Mulholland both stated that we do have insurance on the dock. The sprinklers for buildings 1 & 2 from last time, the numbers where skew because it was a misunderstanding for Shelly (who does the books for Molokai) as to what was supposed to be charged on that line item. That has been clarified and everything is in budget. The building repairs are way over budget, mainly from the roof damage of 4A, A1 & 3. Kathy Justice asked what was the cost for the repairs done on 4A? Kim Mulholland stated around $7,000.00. Ron Boaz asked if we should get another bid to have the roofs replaced? The guy that came out to do the repairs on A1 gave us a bid on replacing the roofs on buildings A1, 2, 3 & 4. The estimate given was, $6,075.00 per roof. David Hubble stated it was Guy Brothers and he has been the cheapest in the area. Kathy Justice stated that she would like to get bids from other roofing companies. Kathy stated that she had a similar structure being built for a client and received quotes from Guy Brothers, Florida Roofing and Precision Roofing, with Precision coming in cheaper than Guy Brothers. David Hubble stated that he had an appointment with Precision Roofing to get a bid and they did not show up. Kathy Justice stated that the difference between the bids was $9,800.00 to $14,000.00 and Florida Roofing came in at $11,000.00. Guy Brothers came in as the most expensive. David Hubble stated that Guy Brothers actually put the roofs on the buildings after the hurricane, so we got a warranty credit on Casey’s roof. He also stated that Florida Roofing’s bid was $6,000.00 more than Guy Brothers. Kathy Justice stated that she feels we should get another quote to compare the work each company will perform.

Kim Mulholland stated that the total repairs to date is, $68,000.00 and the budget was set for $67,000.00. Kim stated that we paid for the roof repair on 4A out of the operating account because we had the money. She would like to see that repair to be funded from the general reserves. Kim would like to transfer the money from the general reserves to the general reserves if everyone agrees. Kim stated that at the time, we had a lot of money in the operating account because, the insurance money was trickling in and to this day has yet to transferred to the insurance account and it should have been. When everything is said and done at the end of the year, our operating account will be low but, that’s ok it will come back up. Kim stated that for the amount we didn’t budget for, should come from the reserve account. David Hubble stated that permission is not needed from the board and the money can be transferred.

Kim Mulholland stated there was nothing to report on the Termite Contract but, stated that Kathy Justice was going to get inspections on the buildings at the last meeting. Kathy Justice stated we have a current termite contract with Terminix, do they inspect the buildings? David Hubble stated that Terminix can inspect the buildings for a fee. Kathy Justice asked if David had any idea on what the fee would be. David Hubble stated no he does not. Molokai is so unique, it’s not like getting a standard bid. Every building is different and would have to be done building by building. Kathy Justice stated that we should wait to get bids until some of the deck replacements are done. It would also make sense to have wood rot repaired, on the siding the buildings, when we have workers on the property. David Hubble stated that he agrees but, he has had trouble finding people to work on the property at Molokai. Kathy Justice stated that to have a WDO Inspection done on each building is $75.00. At that price it would make sense to go ahead and at least have just buildings done. Kathy Justice stated that she will ask Extreme Pest Control to come out to do the WDO’s for Molokai. At that price is makes sense to have them done. Kathy Justice asked how is an owner to address wood rot? Does the owner approach the board or go to David for the repairs? David Hubble stated that he tried to get someone a while back to check for wood rot, pulling siding off of buildings etc., and the maintenance person said it was too much work. Kim Mulholland stated that prior to her purchasing her unit, we had someone at Molokai fixing and repairing things all the time but, it’s hard to find someone to do the work. David Hubble stated that the one he has doing work from time to time is not who we need to use. Kim Mulholland asked Kathy Justice it take care of the WDO. Kathy Justice stated that she would and also that she has people that she uses that does isolated repairs on homes but, not sure if they would take on a project that is on a larger scale.

Kim Mulholland continued with her report, Utilities are over by $1,000.00 for water and waste removal. David Hubble stated that we have another water bill coming in that is going to be high but, we know what it was for, watering the lawn so we’ll have to adjust for that. Ron Boaz asked if some of the water bill was due to the pier damage? David Hubble stated it was but we did get some of that back. Kim Mulholland continued and the YTD expenses were 10% over budget.

FUTURE PROJECT:

Kim Mulholland stated that the future projects for this year are the rebuild of the A decks, gulf front. Painting will be done next year and we plan to do new roofs on the gulf side, A buildings next year. Ron Boaz stated that Fair Price Construction, Mitch quoted $7,500.00 total. That will start 12/16/19 and everyone has blocked their unit for the repairs. Kathy Justice asked what the time frame on that project. Ron Boaz stated that it won’t take long, it’ll be a week easy. Ron Boaz stated that he will contact Mitch and give him the go ahead. Kathy Justice asked what is the scope of that work? Ron Boaz stated that it is for the decking, railings, stairs and the small observation deck on the top. Ron stated that A4 is a little different from the others, the decking will have to be cut, because the boards run from the gate to A3. Mike Schultz asked if there was a time frame to have the new decks painted? Ron stated that the wood would have to cure before they can be painted. Ron asked Kim what was the time from last time. Kim Mulholland stated on the B buildings and it was only 6 weeks which was not long enough. This could be why we are having the problems we are having with the B steps and decking. Kellie Miceli stated that the wait on the river side decks and railing was 3 months. Ron Boaz stated that is usually the time frame. Mike Schultz stated that would put us at March-April. Kim Mulholland stated that the season will start in April. Mike stated that we should probably get some dates with a company to paint as soon as possible so that was can anticipate the upcoming season. Kim Mulholland stated that she has spoken with Siler Brother’s Painting about doing the painting. Ron Boaz asked what was the wait time to walk on the deck. David Hubble stated a day. Kim Mulholland stated she doesn’t think we waited that long. Ron asked how did that work for the river side when they were painted? Mollie McLeod stated she blocked off the dates to not have renters. Mike Schultz stated that someone would need to coordinate with the owners and Siler Brothers so that the owners would know when to block their unit to rent. Kim Mulholland stated that we discussed having the B decks repainted on the gulf side, they are in bad shape. Kim stated that she has contacted Siler Brother’s and set a tentative date for 11/2/or 11/3/19 to paint. Mike asked if we need to get something out to the owners to let them know that painting will we done at that time? Kim stated that she has already informed the owners in B 6 & 7. Kim Mulholland stated to have the B buildings repainted will be around $3,000.00. Kathy Justice asked if the B decks need to be painted so soon after being repair, is it from not waiting long enough to cure? Kim stated she doesn’t know exactly why, maybe it’s because it was a paint and not a stain. Mike Schultz asked if we can use the clear stain like the river side? Kim stated no because they are painted a color. Kim stated that they are going with a different color, none of the owners like the paint color that is on the decks now.

Kim Mulholland continued with her report, discussing graph that she printed out for the meeting. Kim stated that the association cash flow as of September 31, it is pretty self explanatory, I put in there, insurance even though we have not funded the insurance account yet. The next graph looking at the general reserves, for replacing the A decks it drops off and the drops off even further about 65-70 thousand in the reserves after we replace the roofs on the A buildings. We still have a very healthy reserve going forward to do the railings on the buildings we need to do, and will talk about that later. All the other projects we need to do the association will have to do, we will start off with a good amount of money next year. Ron Boaz asked if there are any special assessments for the future. Kim Mulholland stated no. Kim Mulholland stated that is all she has to report.

NEW BUSINESS:

Kim Mulholland stated that we have talked about replacing the roofs on the A buildings, gulf front and shooting for the 1st qu of next year. Ron Boaz stated we need to get the additional bids and then decide when. Kim stated that the bid we have now is approximately $24,000.00 for all the A buildings roof. At the last meeting we discussed that if it came under $28,000.00 it was a go. David Hubble asked Kathy Justice to contact Florida Roofing to give us a quote to replace the A roofs, gulf side. Kathy also said she would contact Precision Roofing as well for a bid. Ron stated that the Guy Brothers has an extra wood replacement cost is $65.00 per sheet. Kim Mulholland stated that it should be noted in this annual meeting that the board has discussed before a metal roof to asphalt roof. Metal cost double than asphalt, since it is in kind the same roof we are replacing, do we need to have an annual membership vote? David Hubble stated no only if we change the look of the roof.

Kim Mulholland stated that Building 6 breaker box has been fixed and has a lock on it. The code for the lock is 2019. We have had a lot of lighting on the river side. David Hubble stated that the lights are up and running. The wiring for the lights were just buried under ground, causing the wires to disintegrate. The wires had to be replaced. The lights that we could change have been replaced with LED lights. Kim asked Mike Schultz about the lift stations, anything to add to this? David Hubble stated that there is only 1 lift station with a speaker, the others have been disconnected. To add the speakers would be costly. Kim asked if the alarm on the gulf side working? Mike stated that Down’s Plumbing came in August and checked all the stations and gave them all a green light. Mike stated that there are 2 alarms on the lift stations, one on the side and one underneath. Mike stated that he asked Down’s to rewire the stations on the river side. Down’s also checked the gulf side lift stations and they are working properly. Kim Mulholland asked about the status of the beach gate? Ron Boaz stated that he looked at another lock at La Riva and it’s very expensive. The gate is heavy and wheels are making marks on the walk over. David Hubble stated that the lock was kicked and broken. The locking system is still there but, a heavy duty lock would help to keep the gate locked. Kim Mulholland stated that we leave the gate as is and hope it is a deterrent. Ron Boaz stated that the sign on the gulf side, the driveway sign has bent over and needs to be replaced. David Hubble stated that he will replace the metal stand, of the sign. Kim Mulholland stated that we talked about re-doing the gazebo. The estimate we received from Cobia was $7,000.00. Ron Boaz stated that he will ask Mitch from Fair Price Construction to give us a bid to repair the gazebo. Mike Schultz stated that he has his bid to replace his rear deck. Kim Mulholland stated that the sprinklers cost us this summer. David Hubble stated that the well pump didn’t buy a new one we got it rebuild it. Everything is back up and we now have a back flow, where in if the well goes down we can turn the valve to the well off and the valve to the city water on. The problem with that is we would be paying for the water. Kim Mulholland asked if we need a motion to install a water meter, David Hubble said no that a maintenance item. Kim Mulholland stated that we should go ahead and have the meter installed. Kim Mulholland stated that the other item we have been talking about is the railings, spindles and stairs. It would depend on the unit as to the HOA’s responsibility and the owner’s responsibility. On the gulf side A’s is the owners responsibility to replace the beach side decks, B buildings the tiny deck off the master bedroom is the owners and on the river side the back deck area. Kellie Miceli asked that the HOA is responsible for the railing and spindles? Kim Mulholland stated yes and if the support underneath the porch if that’s rotting that’s the HOA’s responsibility. Once the A decks are done, the railings can be done. Mike Shcultz stated that they are getting their deck replaced this winter. Mike stated that from what he understood the support under the deck is the owners responsibility. David Hubble stated that is correct. If the stringers come out of the building would be the HOA. The rear deck is attached to the building, it is not part of the building. Mike Schultz stated that the A rear decks are built like the rear decks on the river side, with hurricane strapping. The stringers are mounted to the building. Kim Mulholland that we should have a contractor view the decks and get an opinion on the structure of the rear decks, to see if the joist are part of the structure of the building. Kim Mulholland asked that if Mike Schultz is planning to replace the rear deck, to keep the pricing for the railing, steps, spindles and deck separate. Mike Schultz stated that the documents also say that the rear deck will be painted by the HOA. When the deck is complete he will inform the HOA of the cost to the railings, stairs and spindles. Further discussion on the decks, on replacing all the railings, stairs. A protocol needs to be setup as to replacing the railings/stairs as needed. Kathy Justice stated that we need to have a special meeting to discuss a protocol to replace decks, rails etc. Mike Schultz stated that the new deck is going to be the same as the old deck except spindles will be like the ones on the front deck. All agreed that a special board meeting will be conducted in a couple of weeks to further discuss the owner’s/HOA’s responsibility.

Kim Mulholland stated that we have discussed having maintenance person. No one knows of any and this will be discussed at another meeting. Kim asked Mike about a reserve analysis that was done years ago by John Sullivan and put in the documents. Have you had a chance to locate that, maybe in the box of papers you received? Mike Schultz stated that he does not. Kim Mulholland stated that we discussed previously on purchasing Quick Books and we need it. Everyone approves for Kim to purchase Quick Books.

ELECTION OF OFFICERS:

Mike Schultz is the only member that is required to step down. David Hubble asked if Mike is still interested in running for the board. Mike Schultz stated yes. Kathy Justice made a motion to appoint Mike Schultz to the vacancy on the board, Kim Mulholland second the motion, any conversation to this nomination, no discussion, all in favor, motion carried.

**ADJOURMENT:**

Kathy Justice made a motion to adjourn, Mollie McLeod second, all in favor, motion carried.