

ANNUAL MEMBERSHIP MEETING MINUTES
Leisure Towers Association, Inc.
February 4, 2014
Tuesday
8:00 PM

- 1.) **Certifying Quorum – Call to order**
According to the Registration Form, there are 12 members present in person and 52 represented by proxy for a total of 64 members present. A quorum has been established. Ramo Salerno stated that this is a Membership meeting, therefore any owner can preside by nomination from the floor. On motion by Deena Palmer and second by Allen Smith to have Attorney Grace Manne preside – Unanimous Approval
Meeting is called to order by Attorney Grace Manne at 8:05 pm
- 2.) **Proof of Notice of Meeting – As required by Florida Statutes – On motion by Allen Smith and second by Ramo Salerno to waive the reading of the notice – Unanimous Approval**
- 3.) **Reading and disposal of unapproved minutes – On motion by Deena Palmer and second by Mike Leininger to waive the reading of the minutes of the February 5, 2013 Annual Members Meeting – Unanimous Approval**

- 4.) **Reports of Officers**
Vice-President, Allen Smith, stated that Bob Herbert, president has resigned and was unable to attend this meeting as he is in Pebble Beach at the ATT/ProAm tournament. The cooling tower project was a major project and it was hard to understand how much time and effort he put into this project. Allen extends his thanks for all the hard work he did even in his absence.

Treasurer, Ramo Salerno gave the floor to Deena Palmer to give a summation of the cooling tower expenditures. A spreadsheet has been prepared of all the charges against both special assessments. The first special assessment was in the amount of \$500,000.00 and the second special assessment was in the amount of \$1,020,000.00. There was also the income and expense for the individual purchase of a new air conditioner and or hot water tank. The following is a preliminary accounting of income and expenses to date that will be verified by the financial auditor;

| INCOME | EXPENSES TO DATE | FUNDS AVAILABLE |
|-----------------------|-----------------------------------|---------------------|
| \$500,000.00 | includes Fire Alarm System | - |
| \$1,020,000.00 | includes Cooling Tower System | - |
| <u>+ \$124,645.27</u> | includes Individual A/C-W/H Units | - |
| \$1,644,645.27 | LESS \$1,529,058.77 | EQUALS \$115,586.50 |

The amount remaining is allocated to the lobby/ground floor common area renovation. This amount is likely to change because there is interest income and expense that has not been included. The financial auditor will provide the final accounting. These preliminary numbers reflect that there is slightly less money available for the lobby project. The Board will be meeting this Thursday to discuss this further.

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Attorney Grace Manne inquired about the draw down on the line of credit with First Southern. Each special assessment had a line of credit. The line of credit for the first special assessment has been converted to a loan which is already in the pay back phase with a balance of approximately \$40,000 due in equal payments over the next five months. The second line of credit will convert to a loan as of the end of February 2014. To date the draws equal \$350,000.00. It is expected that a final draw for \$125,000.00 will be needed to have the amount available for the lobby renovation project. It was suggested by Attorney Grace Manne that maybe First Southern will extend the draw date for another 6 months for a minimal charge since we have good credit with them. This will be investigated prior to the next scheduled Board of Directors meeting.

5.) Reports of Committees

Social Committee by Ramo Salerno –There will be an “International Party” on March 15th or 16th to celebrate both St. Patrick’s Day and St. Josephs Day. A notice will be posted for all those interested to sign up. The cost will be \$10.00 per person. The entrees will be provided by the social committee. Those attending will be asked to bring an appetizer or desert to share.

6.) Unfinished Business – Nothing outstanding.

7.) Vote on Straight Line Reserves to be Transferred into Cash Flow (Pooled) Reserves

There are not enough unit owners present to have a vote. A brief explanation and discussion of the differences between the two was given by Attorney Grace Manne using the upcoming re-roofing project.

*Leisure Towers is currently using straight line reserves. Since the roof is a reserve item, only the funds in the roof reserve account may be used. If that amount is not enough, in order to allocate funds from another reserve account to the roof reserve, the membership would need to vote, via limited proxy, to use money from another reserve account as specified in the limited proxy. If the limited proxy fails, there would likely be a special assessment for the balance owed on the re-roofing project.

*If Leisure Towers were to transfer to Cash Flow (Pooled) Reserves, the Board of Directors would be able to first use the funds from the roof reserve then, if additional funds were needed, use funds from another reserve account without going to the membership for a vote to do so. This could potentially eliminate the need for a special assessment at this time but may lead to a larger assessment for a future reserve item project.

OPEN Q & A

*Additional discussion regarding the expected costs related to the upcoming re-roofing project. The contractors’ bids are firm for the roofing materials but not for the potential cost of concrete restoration that may be needed. There is no way to see the amount of spalling under the roof material. Reference was made to the amount of concrete work needed when PHB roof was done seven years ago. This item will be discussed further at the meeting Thursday.

*Attorney Grace Manne brought up another issue plaguing Leisure Towers and that is the shortage of Board members. Leisure Towers has a 7 person board but has been unable to fill all the positions. She recognizes that they are many qualified persons in

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attendance that should consider filling the vacant seats even if they do so via tele-conference. If we are still unable to fill those positions, she recommended that we amend the documents from a 7 person board down to a 5 person board. As it stands now, in order to take care of Association business, 4 of the 5 current board members must be in attendance just to call the meeting to order. If you can't get a Board together, the court will appoint a receiver and the expense to the owners can be very costly. Activities from the past must stay in the past and the Association must move forward to fill the Board seats. Understand that by shrinking the numbers to 5 or even 3 means that those 5 or 3 Board members are the ones that will be in charge of the actions taken by the Association.

*A question about possibility changing the rental policy since it seems that Leisure Towers now has so many rentals. The Association documents are outdated and have had some changes to update them however there are still more issues that should be addressed. Attorney Grace Manne has stated that their law firm can review and write the proposed amendment changes once the Association has put together what they would like the rental policy to be.

*Introductions were made around the room.

8.) New Business

There is no election because the number of letters of intent to run is less than the number of vacant positions. The new Board members are; Allen Smith, Ramo Salerno, Gary Condra, Mike Leininger and Gary Paley. There are still two empty positions that will need to be filled by appointment of the newly installed Board of Directors. Interested persons need to contact the current Board. Leisure Towers Association documents require a seven person board but Florida statutes allow a smaller number. Revising the Leisure Towers seven person board requirements would require a membership vote and should be considered if it continues to be difficult to fill all the board positions

9.) Adjournment

On motion by Gary Condra and second by Mike Leininger to adjourn – No further discussion – Unanimous Approval – Meeting adjourned at 9:48 PM.
