

**PARTIAL MINUTES AND
VERBATIM TRANSCRIPT
OF THE
MEETING OF THE BOARD OF DIRECTORS**

Date: Thursday, February 16, 2023

Time: 7:00pm

Place: Clubhouse

I. ROLL CALL – Present was Bob Burke, President; Al Bishop, Vice President; Sandra Reed, Secretary; Suzy Mossucco, Treasurer; and Shirley Ross Director. Also present was Annmarie Coniglio, Property Manager.

II. CALL TO ORDER – Bob called the meeting to order at 7:00pm.

Al Bishop and the rest of the Board thanked Karen Erickson and David Hershberger for their service on the Board of Directors in the past and presented them with a card and a token thank you gift. Jim Grubb was out of town but will pick up his thank you card from Al.

III. APPROVAL OF AGENDA - Shirley motioned approval; Sandra seconded and the motion carried unanimously.

IV. APPROVAL OF MINUTES – **October 20, 2022 – Sandra motioned approval of the minutes; Shirley seconded and the motion carried unanimously.**

APPROVAL OF MINUTES – **Organizational Meeting Minutes – January 19, 2023 –**
Al motioned approval; Shirley seconded and the motion carried unanimously.

V. REPORT OF PRESIDENT – Bob gave his report stating that traffic hawk procedures will be revised so that owners will no longer receive non-owner or non-resident speeder fines and loss of privileges; there will be discussions on: purchasing process for cost reductions; having a current reserve study done; establishing new committees and the bookkeeping contract the association has with Carr, Riggs & Ingram. A written copy of the President’s Report was made available to the Membership.

VI. MANAGER’S REPORT – Annmarie gave the Manager’s Report. A written copy of the committee reports was made available to the Membership.

VII. REPORT OF COMMITTEES – A written copy of the committee reports was made available to the Membership.

VIII. APPROVAL OF REPORTS – Al motioned approval; Suzy seconded and the motion carried unanimously.

IX. UNFINISHED BUSINESS – None

X. NEW BUSINESS

a. **Traffic Hawk Speeding – Notice revision & new operation for citing non-owners/residents** – Bob explained that Allied Universal can provide an ID reader, for a cost of approximately \$250.00, which would associate the driver's name with the vehicle tag, which would then result in a letter being generated to the driver and not the resident.

Verbatim Transcript Begins:

Bob: I wonder if we can have a motion from the board to install the ID reader to grab all the non residents from the guard gate that records the names of the drivers associated with their license plates.

Sandy: I make a motion to implement that.

Suzy: I second.

Bob: Now, Karen you are first.

Karen Erickson: What is the point of going through all those steps when you have their driver's license with an address on it Traffic Hawk says they are speeding, send them a letter.

Bob: Let me give you the security company's answer to that. For legal reasons, they only can write the name of the person from the driver's license and the driver's license number on it into the database. The rest of the information is protected by the State of Florida.

Karen Erickson: Then why not just use the Traffic Hawk information that has that information?

Bob: Traffic Hawk doesn't have it, that's the problem.

Mike Luton: I will tell you that Traffic Hawk does have that information and I can tell you that as chairman of the Appeal Committee we have never had an owner come to the Appeals Committee for this. It's only been around this year and relevant to them. You can spend money on this if you want and go through all those procedures, but we've never had violations.

Karen Erickson: It duplicates services so it just costs us more money.

Bob: Mike, how does Traffic Hawk have the driver's license information.

Mike Luton: It takes a picture of the license.

Bob: Yeah, that's the problem, it's associated with the resident, not the speeder. And I'm not just talking about delivery people. I am talking about guests and people who come in here to work and anybody else.

Anita Bardsley: Ok, you want to copy people's license and use all these things and spend money that you don't have to.

Bob: No. I don't want to spend money I don't have to.

Anita Bardsley: Let me finish. You want to buy these things and based on that send a letter out and it comes down to the point that you're going to be spending money all along and you are going to make our HOA fees go up.

Bob: Ok, Anita, it is clear by what you said that you weren't paying attention when I explained the process. The process is that if we buy the driver license ID reader, the guards pass the ID through the reader that records only their name and their driver license number. Not anything else. Not their address. We won't send any mail to them. We will have the guards pass them a speeding event letter when they come through the very next time that says this is a warning on subsequent entries if you speed, you'll be getting a speeding violation and you'll be subject to loss of entry.

Anita Bardsley So you want to stop entry to people delivering packages to homes in this development?

David Hershberger.: Bob, let me see if I understand you. My grandson likes to drive too fast. He comes through the gate and to my house. Traffic Hawk logs him in at 45mph, which is probably what he'd be doing and he leaves 45mph. What's going to happen, if I understand you properly, is that the guards will capture his driver's license and so on. I'm not responsible anymore. Where with our rules right now, I am. But, under this proposal, I am no longer responsible. Now, he's caught speeding and comes back in again, the guards are going to say I have to give you a warning here. You better not speed again. You really think our guards are going to keep on top of that?

Bob: Does your grandson come through the guard lane every time or does he have a sticker?

David Hershberger.: He goes through the guards.

Phil Moran: This all sounds very good but there are times where that line is backed all the up. I imagine if they have to do anymore (unintelligible).

Bob: You are aware they have to collect the driver's license of the driver anyway? They go and call the people that driver says they are coming to see and they associate the name of the person coming in. This is literally no extra work.

Janelle Hertz: So, if I understand you. If the computer is taking a picture of the license plate and a computer is taking a picture of the driver's license, the computer is associating it and cutting down on human error. If the computer is capturing it.

Bob: It is not actually recording the license plate. We have a camera that shows the license plate. I just wanted to explain that.

Janelle Hertz: So, Amazon, UPS none of them go through the guard gate?

Bob: That is a situation that we have to deal with. We know there are certain guards that allow all the delivery service to go through the resident gate. I called up there once to tell them I was expecting a delivery and was told yea, the POA has a contract with all the delivery services and we let them go through.

Janelle Hertz: I followed a UPS driver in the other day and he was zooming away from me and I should have just chased him, but I didn't.

Sandy: I called Amazon down on Kings Highway, just FYI, and mentioned to them when this first came up because I wanted to do my own due diligence on this process. The warehouse, the driver supervisor, laughed at me when I asked if they hold their driver's accountable. They said with the hundreds of drivers they send out seven days a week and the thousands of deliveries that each driver makes, there is absolutely no way that they would uphold that.

Bob: They don't make thousands of deliveries each day.

Sandy: I am just telling you that they would not uphold it. So, what's the point? You can cut me off if you want to, but –

Mike Luton: Don't vote on it until you ask us.

Bob: We didn't vote, Mike. This is the beginning of the deliberation. This time we are engaging you first and we are going last after we hear what you have to say.

Shirley: We have not voted. We are confused because we said that you will not be responsible for visitor and delivery and you did not want to be held responsible for that fine. Now, he's trying to do something about it and you're all saying oh no...so now which way do you want it? Do you want to be responsible for the fine of your visitor or guest?

Bob: Or your contractor and your delivery person.

Shirley: We are going to do what you guys want, but you have to tell us one way or the other. Do you want to be responsible? Or do you not want to be responsible? The old board made you responsible.

Bob: When Traffic Hawk detects somebody speeding, we will get a read out of the license plate of the vehicle that they entered with. Both will be given, either the vehicle or the driver, will be given a notice when they come in the next time. And when they come in the time after that they won't be permitted if we choose to not admit them.

Unknown: But that letter will issued automatically by the system or is that part of the actual –

Bob: They'll have a stack of blanks and they will just pass them out.

Anita Bardsley: Who will have a stack of blanks?

Bob: The guards will have a stack of blanks.

Anita Bardsley. You are not answering his question. He is asking you who will prepare this letter? In order to give it to the guards so they can give it to these people.

Bob: The guards will pass the letters out and -

Unintelligible

Bob: It will be already written. This letter right here. They'll just write their name on the front of it.

Sandy: Have we asked Allied if they are willing to let their people do that?

Bob: Yes.

Sandy: Because right now we get the driver's name and their information before they come through the guardhouse. It's definitely going to take more time.

Bob: I can't see it.

Sandy: And, if the guard is going to be sitting there writing a letter, I just don't think Allied is going to pay for the extra support.

Terrell Selph: My name is Terrell Selph and I think we need some kind of order or process of what's going to happen before you do anything because earlier you were saying if vendors came in and got a fine like that, you would turn them away. Then everybody that has Amazon come in you might as well give everybody a ticket or just don't let them in because they stop at 40 or 50 houses. So there's no way for them to call. I'm not sure how the Traffic Hawk works or the camera, but when its a certain direction, you'll never see a tag. People speed down my street all the time. Traffic Hawk is good to a certain extent and nothing's perfect. It still misses stuff. How are you going to give air conditioning companies, electrical companies, everybody, if you're going to give them a fine, nobody's going to come in here and work. I think we need to have the process of whatever it is laid out so it isn't us in here beating a dead horse so that we know what the order is and that way you can have all the bases covered. Because everybody has opinions.

Shirley: I would like to motion that we table this.

Sandy: I second that.

Bob: Discussion?

Shirley: I think there are some questions and we need to fine tune it. Possibly after Sandy called Amazon and they said no way and like Terrell said you know stop Amazon, I think we should vote to not hold the owner's responsible for delivery people. I think that this was put into effect last year and the owners are unhappy about being held responsible. I don't think they should be held responsible. I think we should vote to overturn that portion, but I don't think we should try to go after Amazon, Fed Ex or anybody. I don't think we'll be able to do it. We just can't do it, Bob.

Sandy: Let me just add that the covenants do say that each owner is responsible for their guests and invitees. Now I don't know if that would be Amazon, but I'm just thinking that the covenants just say that the owners are responsible.

Bob: But if we just don't write tickets to the delivery, the contractors and visitors, then there is no responsibility due from the owners.

Shirley: But they won't know we're not sending tickets.

Sandy: I do believe we need to table this.

Suzy: Ok, this comes from experience in living in a large HOA like this. So from speaking from experience I don't think we're doing the right thing by holding the owner not responsible. We need to have HOA staff write the letter. I really think that the owners should not be held responsible. We all need to take - and as an owner here take some responsibility who I know who is coming in here and talk to them. We are in a gated community, that is why we live here, we want to uphold our area and be safe.

Bob: We have board discussion going on right here.

Annmarie: I just want the board to know an example. An owner down the block was having a pool installed. Traffic Hawk captured the pool installer speeding. I sent a letter to the pool company but I did cc the homeowner so he was aware. So, the homeowner was not held responsible, but he was made aware.

Bob: This was before or after Traffic Hawk?

Annmarie: During. I pull the USBs from the Traffic Hawks and I pull all the information, not the guards. So I would be the one preparing the letters, not the guards.

Bob: The guards would be handing them out.

Sandy: I thought you said they were going to be blank letters and the guards would put the name?

Bob: Here's what I said. Not that they would create the letters, but we would have a blank letter in there that they can write the name on the top, the license plate on the bottom and that's all. The driver's name and driver's license number.

Unintelligible

Bob: You know, if they are here for eight hours, there is a lot of off time. They have lots of time. It ebbs and flows. We are not going to hire another guard just to pass out letters. The other method we could use is to have a little accordion file box and let them hand it to the driver.

Sandy: We have a motion and a second, can we vote?

Bob: Do you want to restate the motion?

Shirley: I want to table this until we fine tune it.

Sandy: And I have seconded that.

Bob: All in favor?

All: Aye

Bob: What I'm talking about is I've rewritten the letter that you will get for the speeding incident. It is kinder, more respectful and nothing is called a violation and nothing is intended to be anymore than hey this happened. And the 21-24mph loss of privileges put way down and no fine. We can keep the letter form, we can keep the letter and use the draft fine structure or a modification of it that we can make right now and we can eliminate what I feel what people have told me they feel they are insulted when they receive these things whether it be this or home maintenance. I think we can split this into two motions the contractors and deliveries.

Sandy: I want to ask about the letters. When are we going to start sending the letters back out, which makes me wonder when did we ever stop sending the letters? What board meeting did we have where we voted? I don't recall that as I was at the last board meeting.

Bob: It was on my own authority.

Sandy: On your own authority? That requires the whole board at a board meeting.

Bob: I don't think so.

Sandy: I think so. Why don't you read -

Bob: Let me just explain. Sandy there's no change that letters went out.

Unintelligible.

Bob: Why not?

Sandy: Because you're the president doesn't mean you're exempt from the regulations.

Bob: What regulations?

Sandy: The regulations, the by laws. We are supposed to vote as a board about things like that. You had no right to stop those letters.

Bob: No, we are not.

Al: The previous board authorized the speeding policy. So you have to have a properly set up board meeting to change that. To vote on that. You cannot do that automatically.

Bob: Nothing has changed. This is just a ruse.

Sandy: This is not a ruse, Bob. You have gone against the last board without telling board members.

Anita Bardsley: Transparency, Bob.

Mike Luton: The Appeals Committee hasn't seen anything because you stopped everything from going out.

Shirley: Bob, wasn't this just for the traffic hawk that you stopped?

Bob: Only the traffic hawk is what I stopped.

Shirley: You only stopped the letters on the traffic hawk?

Bob: Wait a minute. I made a mistake. I didn't want to have any of the insulting letters sent out until we had this meeting.

Sandy: You didn't have that right, Bob. You didn't have that right.

Bob: Well, you can't find anything written -

Sandy: It was from the last meeting. Yes I can find and show documentation it is in the HOA's minutes. The honest truth is, it's in the minutes. You overstepped your power.

Bob: I don't think so.

Sandy: I bet you don't, but the rest of us do. Al, did you? Shirley, did you? Did anybody?

Unintelligible

Shirley: Bob, this meeting needs to be in order. It's not.

Bob: True enough.

Kelly Foy: You guys need to figure out how to work as a board. You are all here and you are all bickering and fighting and getting nowhere.

Sandy: When the board doesn't hear about things that are changed, there is an issue.

Bob: Well, do you want to table the whole thing.

Shirley: I think first, Bob, you need to clear up what was said. Sandy said that she has documentation to say that you are not allowed to do that. Then she needs to produce that. You say you have documentation that shows you are allowed to do that, then you need to produce it.

Bob: I'm saying I can find it.

Sandy: Mine are the minutes.

Al: Yes, it's the board minutes.

Shirley: Bob, Al has a great idea. Al?

Al: A properly constituted board meeting is the first step. Then what you can do, notwithstanding what the previous board has done and put in place, you can bring it up again and suggest a change to it or whatever. But a majority of the board votes to set up the new procedure.

Karen Erickson: That's the law, Bob. That's the law.

Bob: We are going to take a three minute recess right now.

[At restart of meeting]

Bob: Can we get back to one meeting?

Shirley: We are going to have a working session so that you can all come and listen to it so we can fine tune this like Terrell said. Right now I think we need to reimplement sending the current violation letters that we have and then we will discuss at the working session we will discuss what changes we want to make.

Shirley: I will motion to take my old motion back.

Al: I second.

Suzy: This is the last time I'm going to say this and then we can move on. The last association I was in would send letters to the owner and to UPS and FedEx. The first warning, the second letter, I don't remember all the details, but you eventually can't have that driver driving in here anymore. So, I don't think we should hold the owner responsible for someone else's driving.

Shirley: My motion is to table the rules to discuss it at a working session and have her go back to sending out all the held letters.

Bob: All in favor?

All: Aye.

Shirley: Ok. Bob, can I get this passed around? When we sent that email out to get everyone's phone number and email address it was to make a roster for everybody. It wasn't because we wanted to be big brother or anything. So, this is the book that we are going to attempt to put together for the residents of Portofino Shores. You can opt out of the telephone number, but we need names and addresses. It is paid for by all the advertisers. It's a nice book.

b. Roster Update

Bob: Ok. So the next topic is the roster update. Just for information, a copy of the law on the roster is the next slide you will be looking at. You can read it if you like and while you are reading it, I'll be talking. This is information only as there is no motion to pass. This slide shows an updated roster is on its way. The intent is to build a database which is required by the statutes. Reminders will be given until we've heard from everyone and we'll use One Call to announce when it's far enough along to publish the first copy. If you haven't received a One Call or if you've opted out of getting the POA's One Calls, please contact the office to update your information. We hope you'll opt in as we'll be using One Call to poll your opinion on topics. It uses both phone and email. So, now's the time for owners to ask questions. Please raise your hands.

Karen Erickson: According to state law a roster includes members, their mailing address and parcel identification. That's it.

Bob: Read on.

Karen Erickson: It says the association shall maintain - that is a separate record. All I'm asking is that you do not call this little booklet a roster. A directory will have emails and phone numbers. A directory is a more accurate description of that booklet.

Bob: Somebody else have their hand up?

Sheryl Eddy: I have a question to ask about the meeting you are going to have about the roads, the Traffic Hawk. Will you please give us statistics? How many citations have been given out to owners, guests or - .. If you could do that for us to see how that's weighted?

Bob: Can we do that?

Annmarie: Yes.

Bob: Anyone else?

Bob: Just for reference, according to the financial report of 2022 the amount of fines paid for non-lawn violations was \$1200. Does that sound right to you, Mike?

Mike Luton: Yes. Most of the violations that came through the Appeals Committee was non-lawn violations.

Bob: Ok, moving down to the year-end 2022 financial review. Suzy Mossucco is going to present that to you now.

c. Year End 2022 financial review

Suzy: Alright. This is the period 1.1.2022 to 12.31.22. So, you can see the bulk of our income is maintenance fees aka dues from Owners, the actual is around \$900,000 and it goes down the list. Management fee is next for \$153,000 to Watson Realty and then basically there are expenses. Maintenance is around \$46,000. There are some committees, repairs and the gate. Allied is our security. We will be in the process to try to reduce our costs.

Shirley: Which line shows Jose's fees.

Bob: There's a line in there for his contract. There are also invoices that are presented for one-off jobs. I'm not sure what the totals are.

Suzy: I think that is basically all we have for last year. And obviously anything we start, we start from January and we are going to go through this list of vendors and get three bids trying to reduce costs. I think we can do much better Thank you.

Bob: Ok. Thank you, Suzy.

d. Purchasing process cost reduction strategy & targets

Bob: Ok, the next topic is the purchasing process for cost reduction and the targets that we are aiming at. So just read the next two slides while I explain it. After the second slide is shown, we'll have questions and discussions. There are time tested actions that always deliver cost reductions. Finding good suppliers takes a lot of energy and time and specifying what we want,

finding the vendors, vetting them, including checking references, issuing and awarding bids and managing them, especially initially, to achieve the value we need to have, after awarding contracts. This is why so many outfits just stay with the same vendors they have. However, after time, inflation and costs rise, complacency sets in to do what we've always done and new technology process productivities aren't introduced that would just drop the pricing ceiling. We need to avail ourselves to these cost improvements. Unless we revisit our high cost areas on a regular basis we'll never know what we didn't find in the market place without submitting a request for proposals for our expensive services nor would we have any idea what our current suppliers compete with. Once chosen, it's easy to award no bid contracts to current vendors. I mentioned a couple of no bid invoices that I've seen a few months ago. These are examples why we need to rebid large contracts, for many road, curb, sidewalk repairs, sewer repairs, lifting trees. We now know why we need to do them and we're doing them for larger costs than if we did them on a planned basis with a larger group where the vendors would give us much reduced unit costs as the order is so much larger. Work crews don't prefer to work small jobs and if they do, the unit costs are much higher. We can take advantage of, for example, pulling out batches of the largest, old live oaks that were planted near sewer connections to save owner's the cost of sewer repairs they pay for in the CDD's non-ad valorem tax. Last week we rescheduled a \$20,000 live oak tree trim job because research shows them to be outstandingly sturdy and none showed they needed to be trimmed this year. Then when past invoices were examined, it turned out to be an every other year job anyway. So, it turns out that live oak is also prized for boat building so we might even find a buyer for our used trees. And along those lines I've seen live oak planks that are maybe six or seven feet tall and two inches deep and twelve to fifteen inches wide, sell for anywhere from \$600 to \$800. So the wood is valuable. Next is the Pareto List.

Anita Bardsley: Bob, you are talking about taking out the trees. Have you checked with the county?

Bob: Oh, I know we have to get permits for everything, but I haven't checked with the county yet.

Unintelligible.

Bob: So, this being a list of our largest expense categories, four of the top five categories are each billed by a single company. I suspect that by the next meeting we'll be working on bid documents for a few of the top five and maybe electricity which came up high last year in costs. I believe most of that is going to turn out to be landscape, but I won't know until we get through looking at the invoices and the accounting transactions that paid for them. For electricity here are some items I found. Nighttime electrically operated thermal pool cover can save up to 80% of the heating costs when covered. There's something called power factor corrector for motors. And how it works is kind of a geometric thing. The current flows after the voltage the power company bills you on the current flow. The power you use is the current times the voltage and it's always less than what they bill by. So you put in power factor correction which is basically a bank of capacitors and you reduce the electric consumption. I've been using them myself for about twenty years and it's about a 10-15% savings and the savings is particularly pronounced in motors. We have a bunch of motors for irrigation, pool, fountain, the air conditioning and

especially the irrigation motors are huge ones like 25 horsepower electric motors and they each consume something in the neighborhood of 12-15 (unintelligible).

Bob: Annmarie, do we have an electric bill for the clubhouse that is separate from the pool?

Annmarie: It is all in one.

Bob: Now, I make a motion to start cost reduction by RFP'ing the landscape work.

Unintelligible.

Bob: Is there a second?

Suzy: I second.

Bob: Do I hear discussion?

Mike Luton: Who are you trying to replace?

Bob: We aren't trying to replace anyone. It depends on what comes back from the RFP.

Ingrid Grubb: Would you do blind bids?

Bob: What's the nature of a blind bid?

Ingrid Grubb: A blind bid where –

Bob: Where they don't know who we are?

Ingrid Grubb: So you are looking at apples to apples.

Bob: No. If I were choosing, I wouldn't do blind bids because I want to know who I'm asking to do the work, vet them, speak with references, assess their management and ability to manage to success.

Unintelligible.

Mike Luton: I don't mind, have a problem with you getting proposals. But it sounds to me like you got your sights set on who you are going to pick.

Bob: Well, you are making an accusation that is unfounded in truth. So cut it out, Mike.

Unintelligible.

Shirley: Bring it back to order.

Bob: So, I made a motion and it was seconded. So, anybody else out there have a question or comment? Moving on.

Karen Erickson: You are aware that the State of Florida does not require three bids unless the contract price is, in our case, over \$200,000 and so you are sort of wasting time really because you seem to be (unintelligible).

Janelle Hertz: It's not a waste of time to get other bids, but it's not wasting our time. It's wasting their time.

Karen Erickson: But, they are saying we are required to get three bids and we are not.

Bob: Let's not have a conversation out there. I'll let you speak when she's done.

Bob: Now, Karen, I want to give you a reply. You said a lot of things there that aren't true. I will let you talk, Karen, when I'm finished. I'm not trying to get rid of anyone and I don't care that the State of Florida doesn't require three bids until the cost is over a certain amount, it's good purchasing practice that gains the lowest cost for us if we have five or ten.

Karen Erickson: We've rebid everything about 5 years ago and our current vendors came in under everyone else.

Bob: That's quite alright if they do. And if they don't, it's quite alright, too.

Karen Erickson: Please don't accuse me of (unintelligible).

Christy Noonan: Are you going to consider bring maintenance back to do some sidewalk smoothing and landscaping (unintelligible).

Bob: Just so you know we had two or three conversations about that very same subject because right now for example nobody's cleaning the leaves out of the grates.

Karen Erickson: I clean mine.

Bob: The POA is responsible for it, Karen. Do you want a job?

Karen Erickson: Sure. If you pay me enough.

David Hershberger.: When we did have bids come up when I was on the board, we always presented the bids comparisons, for anyone who showed up at the meeting, could see. So, my question to you is are you going to continue that practice? Are you going to allow the owners to see how you are picking them?

Bob: We intend to be as transparent as we can be.

Cathy Lewis.: How many of the vendor's contracts are up?

Bob: There's one that is presently expired that we haven't signed a re-up with, there are two or three of them that we have 30 or 90 day contract termination clauses and I can't remember the others.

Cathy Lewis: Are you going to be asking bids from every one of those?

Bob: Well, the ones that make up the bulk of the Pareto List is what we'll do first. We don't have to have a contract up to issue an RFP. We should have a early termination clause in the event that we get a much better deal from a reputable and well-vetted and references checked –

Cathy Lewis: And that will be available for anyone to see?

Bob: Yes.

Sandy: Bob, you had mentioned about small costs, and I'm a strong believer in three bids also, but when you said the small costs, is the three bids typically a price if it's under, if it's a plumbing issue and it's going to cost a couple of hundred bucks, what's your ceiling? Anything above this, you need to get bids on? Are we going to establish anything like that?

Bob: I only have my own opinion and I would say something like \$2500-\$5,000 would be something you get three bids on. In that regard, I'm building, and I haven't revealed this to the rest of the board, but I'm building a database of vendors in the areas that we are most interested in for the small jobs, which I want to do as few as those as possible because we get the biggest break on the jobs that we do as a program. It's the same for sidewalks, curb lifts, weak pavement. That's about all I can think of at the moment. Let's do program work and save for ourselves.

Suzy: And when we get these bids from vendors we always want to analyze the duration of the contract and see if we can somehow get this much less if we go further. But we have to analyze the contract and I'm all for getting three bids because as a realtor I always do that. I always...I'm all about three bids or more. We are the ones paying for it.

Bob: Thank you. Ok

Shirley: We were questioning the service that we are getting from Jose because he is using the licenses for his insurance from the person he works for outside of Portofino and so we were questioning whether or not that's really going to cover anything that's going to happen in here. So, I was asking, Bob if he found out if it would indeed cover? Did you?

Bob: I have not before this meeting.

Shirley: So that's what we have to make sure. The insurance he's been using all this time is his bosses and it seems a little doubtful that it would cover things in here.

Bob: Annmarie, do we have all the records?

Annmarie: Yes. I have his license. He doesn't have a boss. He is the owner of his company.

Shirley: He is the owner now?

Annmarie: Always.

Shirley: Well, he didn't have a license several years ago. He was using -

Bob: So, I still have an outstanding motion and it's been seconded to RFP landscape services first. I'll call for the vote. All in favor?

All: Aye.

Bob: Ok, it's unanimous. So, the next topic.

e. Reserve Study – last done in 2016

Bob: The next three slides or so are the reasons why we need cost reductions. So, our last replacement cost study was done in 2016. Replacement studies go and study everything we've got and a specialist looks at everything and understand when this stuff was bought. They know the lives of the equipment, pumps, concrete, asphalt and drainage pipes. Everything that we've got and when it will have to be replaced or refurbished. They use purchasing guidelines to ultimately decide what the annual contribution to the reserve needs to be. Now, I've lived through one of these projects. I lived in a place where there was a road that needed to be paved and in the middle of our making the decision, the cost escalated tremendously and the cost went from, let's say \$3,000 per home to \$7,000 per home, in a matter of a month or two and the cost of oil is the driving... was the driving force there because this was paving and the major cost component in asphalt is oil. It's where the heavy tar comes from. So we need the cost study and since the last one we've seen 37% in cost inflation. The next one that says snapshot reserve forecast is from the 2016 reserve study and the conclusion was that these six categories...uh seven categories which we should be contributing annually which I can tell you I've checked the paving numbers against a couple of quotes I got as part of the CDD a year and a half or so ago and his numbers for 2016 were in perfect alignment with them. So, what it says is we should be contributing \$128,000 a year towards the reserve and although I don't plan to make any decisions soon, what this does show is that we have been contributing \$60,000 less than what was recommended in 2016 and I did the numbers and that amounts to between \$9.00 and \$10.00 per month is all it takes to catch up. If we'd done it all along. So, the next one says reserve action. So the action is to go ahead and develop a plan. So over the next couple of months we need to inventory and survey what we got and everything including the POA owns and needs to be maintained through 2033 which is when the CDD pays off the loan and we can terminate the CDD and all the administrative costs and run it all out of the POA. And, Mike, I see you laughing and it's something that gets done throughout the state.

Mike Luton: Were you just saying that we need to raise the monthly dues? Did I hear you just say that you want to raise the homeowner dues by \$10 or \$15?

Bob: No. I didn't say anything like that. I said I do not.

Mike Luton: So what was the \$10 or \$15 you talked about with the reserves?

Bob: We've been paying \$10 a month less since 2016 than the reserve requirement was in 2016 since then. We've under-collected by \$60,000 a year for I guess it's been six years now.

Mike Luton: Under collected from who?

Bob: It's been under-collected from the homeowners by the POA.

Mike Luton: So are you saying you're going to raise -

Bob: No. I just said I'm not.

Mike Luton: Well, if you're saying it's under-collected, what are you going to do?

Bob: Well, there's a number of ways to do it. Cost reduction is one I've described thus far. Other ways we can do it involve what you and I know about through the CDD and that is grants. We are eligible as a property owners association for recreation and water management grants. Just like the CDD has grant categories that they are eligible for. And I would much rather spend grant money than dues money. So, the reserve action now should be a motionable item and I move that we develop a new reserve plan and hire an expert to perform the calculations and accompany the experts with a new committee that I will describe shortly so that we can be sure that we have the numbers identified that we'll need to meet our target. Is there a second?

Shirley: did you say you need a second?

Bob: Yes.

Shirley: And this is strictly for you to start developing a plan?

Bob: This is for doing a new reserve requirement plan. We need to know if we are behind.

Shirley: I'll second.

Al: I'll second.

Bob: Ok. I'll call for a vote.

Barbara Bishop: How much is the cost for that reserve study?

Bob: At the present time, I do not know. It's not a big cost.

Barbara Bishop: It is a big cost.

Anita Bardsley: How could you do it, if you don't know the cost.

Shirley: If we vote on this right now, it gives you the ability to hire this guy regardless of what the cost is. So they don't want us to do that. They want us to show them the cost first before we say ok go ahead and hire somebody.

Bob: I understand. I do know that it's not as big a cost as she thinks.

Shirley: So what is the cost we are talking about?

Bob: Probably 10k is what we're looking at. It might be more, it might be less.

Shirley: So how would we pay for that?

Bob: from the operating budget.

Shirley: So nothing but the operating.

Unintelligible.

Shirley: So what do you think?

Sandy: I say no.

Shirley: So this will help us save in the end is what you are saying?

Bob: We need to get the evidence on the table. We already know we are behind by \$360,000.

Shirley: Can't we motion to get three bids first?

Bob: Do you want to delay this?

Shirley: I don't know how long it will take to get bids, but I think everyone is asking to see the cost first.

Bob: But is a \$10,000 limit unacceptable?

Sandy: I think we need a realistic price.

Shirley: I know what you are saying, Bob, about the 10K, but they are saying they want bids.

Bob: It delays it by another month.

Terrell Selph – Waiting to get bids until next month and bringing it back up isn't unreasonable. Then you can present it and do it. I would feel better if some things were presented with more facts or the cost is there is going to be a cost. Having some information on the cost before deciding on the answer.

Bob: Ok. Thank you. Any other comments?

Greg Armstrong: \$10,000 in a million dollar budget is like pulling a \$10 bill out of your wallet.

Bob: Thank you, Greg.

David Hershberger: We want to look at hiring an engineering company to tell us what we need to do to spend more money to bring this line straight?

Bob: No. We are going to find out if our line needs to be straightened is the first thing we're going to find out. We know we have an old study, there's been a lot of inflation since then and there's been a price change in a lot of things.

David Hershberger: I understand that, but you are going to take that out of operating, you are going to prevent something being done with the pool or something else so you can see if things need to be brought up to snuff.

Bob: I want to go back to Greg's point because in financial accounting there's a phrase that says material impact and ten grand out of a million dollar budget is not material. We are talking about pennies when we're thinking like we're thinking it's tens of thousands.

Shirley: If I'm hearing this right. If I'm understanding this, we are short in our reserves.

Bob: According to our study.

Shirley: we are short on our reserves according to the study. So we can choose not to do anything about it again and possibly get into a worse situation or we can act now and find out

exactly where we stand. This could become a serious problem so I as I said we are a million dollar operation here, but what is 10k to find out where we stand.

Ingrid Grubb: Well, you're only doing exploratory right now. So get one or two or three bids, see what comes in. You don't have to put a cap on it. So put it out and see what you get back and then decide who you are going to go with.

Shirley: So, if I'm hearing you correctly you guys want us to get bids and find out the price.

Bob: I'm not sure Ingrid's saying that.

Ingrid Grubb: You're getting the bids.

Shirley: So, we're back to your motion.

Bob: Ok, so I move that we spend up to \$10K for a n updated reserve study.

Ingrid Grubb: Bob, put out an RFP, don't put a cap on it, get information in, from whoever wants to bid and see what you come up with.

Bob: Ok. Alright. I'm going to revise the motion. Let's start to develop a plan by doing our own inventory and issuing an RFP for this small amount where we can find three experts, give us a good reserve study.

Bob: Is there a second?

Suzy: I second.

Bob: All in favor?

Al, Suzy and Shirley: Aye

Sandy: I'm against. Still.

Bob: Ok. Now we are moving on to committee creations.

f. Committee creations

Bob: And, tonight we are creating two new committees. One is called something like Infrastructure Preventative Maintenance and this is the group here that will work our part surveying what we bought, when we bought it, what it's useful life is and give that to our expert and it will also identify the trees that are the big live oak trees that are planted near sewer lines where the sidewalks and driveways are being lifted by tree roots and where the preserve needs to have the tree killing vines cut out and that sort of stuff. And the next one is the Managed Home Maintenance.

Shirley: Do you have a committee nominee?

Bob: Yes, but I'm going to save that for the next slide.

Shirley: Oh, ok.

Bob: And the managed home maintenance is a committee that Shirley proposed. They are going to basically inventory the condition of the homes by street and they'll start on one street and any maintenance items they find will end up coming out in the kinder and gentler letters that will hopefully be available.

Shirley: You are not exactly describing what we're doing. We're doing a maintenance management calendar. There's going to be a difference. The maintenance management calendar is going to go street by street and it's going to break it down by month and people are going to know when their house is going to be looked at for dirty roof, lawn. So we're going to break our map down. We're going to go by the streets we decide and that month the people will get letters of what needs to be fixed. Just like Annmarie goes around, but we're going to do it by street. So, they will get the letters. They will get a month to either get a contract or to have whatever needs to be fixed, fixed. And if they get a contract, we'll give them another month to get whatever done. So, then we'll move on to another street meanwhile and do the same thing, but you're going to have a calendar and you're going to know when we'll be in the area. You'll have some type of schedule and when I presented this before, people seemed to like the fact that they'd get a schedule. They liked to know that people were coming. That gives you a chance to save money to get your house painted or whatever. So that's what the maintenance management calendar is going to do. So if you have any questions?

Barbara Bishop: We pay Watson to do that for us, so why are we creating a committee to do that?

Shirley: Well they are not giving us a calendar. Whether or not they were supposed to give us a calendar, I don't know. That's something I will need to look into. Annmarie, are you supposed to give us a calendar?

Annmarie: Not a calendar.

Ingrid Grubb: You know that's a great idea and when you do that, keep a date. So then like I have my house painted, how many years does it take when your house needs painted again? When it's time, it's automatic.

Shirley: You have to put weather and stuff in it.

Unintelligible.

Shirley: I want you to know that I'm going to be working with a lady that does this. That's her job in St. John's Island and she's going to help me put this program together and before we actually do it, we will present what we're going to do to everybody.

Mike Luton: Is there going to be an appeals process like there is now?

Shirley: Yes. There's only going to be one thing that changes this and that's if somebody calls in a complaint, say I am on Sunberry and I haven't gotten to Sterling Lake, and somebody calls in a complaint about Sterling Lake Drive, then Annmarie is going to check that. But, right now, we are going to try to tell everybody what streets things are going to be looked at on what date.

Unknown: How are you going to know what's been approved by the ACB?.

Shirley: That's what Annmarie does. She said that she will help us with the knowledge she has. I am also asking for volunteers for anyone that wants to be on this committee. Maybe one or two other people. If you want to be on this committee with me. But I need maybe two people from the audience if you want to volunteer to be on this. So, it's open. I don't see any hands going up.

Shirley: Karen, I will reserve until I see how many more people I need.

Karen Erickson: No. I'm not volunteering.

g. Committee appointments

Bob: Now that we know the committee for the Management Home Maintenance. On the very next slide you'll see that Mike Mawhorr has volunteered to chair the Neighborhood Watch Committee and he's already got two new members, Wayne Winston and Josh Leuck. And on the Infrastructure Maintenance Committee is going to be Igor Fridman and myself. Anybody know Igor?

Shirley: I do. Nice gentleman.

Bob: He's a business man who has training as a mechanical engineer and grew up in Ukraine.

Sandy: Bob, can I mention something about the maintenance group. Something that came to my mind, for the residents here, I live on Sunberry and I personally love the idea because if I know you're coming up my street and it's the roofs, for example, I will get better bids if I can get a few of my neighbors to go a few at a time. It will be a cost savings. It's a lot easier and lot more cost effective for a painter to do a few houses on a street.

Shirley: Annmarie is going to take this back over once we get the calendar. We are just getting it for the year.

Unintelligible.

Shirley: That's not the way it works. I'm working with someone that does it professionally. Annmarie hasn't let any house go with four difference violations so I don't think we're going to run into that.

Unintelligible..

Shirley: Annmarie hasn't let any house sit with four or five violations on it. I don't think I'm going to find that. I'm going to find a house that has a dirty roof or cracks in the house.

h. Carr, Riggs & Ingram – 2023 Bookkeeping Services

Bob: Ok can we move on. So, the last category is we have a expired contract with Carr, Riggs & Ingram and the company is taking care of bookkeeping and it's about \$20,000 annual expense and the contract up for renewal has processes a bunch of paper handling by Annmarie, the bookkeeper. We need to use technology and the conversion to electronic transactions and we

need more time to find accounting software the ability to interface with the lockbox at the bank, to take paper checks that arrive as well as the electronic checks that people write. This is something that the infusion of technology really enters and if we can do it with software, that is \$20,000 cost reduction and maybe reduced by a bit because of a modest annual fee.

So I move to delay the Carr, Riggs & Ingram contract signing for now and pay month to month until we find enough information to make a decision.

Sandy: Before we do that, can we get a motion on the committee creations.

Bob: Yes. So, does anybody else want to make a motion?

Sandy: I can motion approval of the creations of the committees mentioned in here.

Bob: Ok. I second it. Call for a vote.

All: Aye

Bob: It's unanimous. So now can we vote on my motion to put off signing the contract.

Karen Erickson: Are you sure they'll accept a month to month?

Bob: I'll ask them. We've already paid this month. I don't see why they would pull out. Do you know what the termination clause is?

Unintelligible.

Annmarie: I can't do the bookkeeping.

Bob: I don't want you to do the bookkeeping. I want you to put the entries into the computer. It does the bookkeeping.

Annmarie: I can't do the reconciliations.

Bob: I understand what you are saying.

Karen Erickson: Bob, will this new software have all the checks and balances with passwords?

Bob: The same person can't enter a purchase order, send it to a supplier, get an invoice and then have the check written. Then you'll just have to have your accounts set up -

Doesn't Carr Riggs Ingram do our audits every year?

Bob: That's a good question. From what I can tell from Carr, Riggs they've never audited us. Do we have an auditor?

Annmarie: Your financial statements get audited every year.

Bob: Who is the auditor is what I'm asking?

Annmarie: This year is Hafer and Company.

Bob: Thank you. There you go.

Annmarie: But they don't audit the month to month.

Karen Erickson: Will they audit the passwords?

Bob: Password protection is not rocket science. Don't worry about it.

Would Annmarie be spending more time doing data entry to any new accounting software?

Bob: She's effectively doing the data entry now. How do you get an invoice paid?

Annmarie: The invoices are coded by me, I send it to Carr, Riggs & Ingram. They issue the checks and then you guys sign them.

Bob: No. They tell the bank to issue the checks.

Annmarie: They print the checks at their offices.

Bob: From the description I got at the bank, I thought they were printing the checks.

Annmarie: No.

Karen Erickson: Does that make a difference?

Bob: Doubtful. Well, it could make a difference.

Annmarie: The audit of the yearly financials has started that the previous board signed an engagement letter with. They don't do the month-to-month. The monthly financials are audited by Carr, Riggs & Ingram.

Bob: Ok. Thank you for that. Call for a vote. All in favor?

Aye: Suzy, Al, Shirley and Bob

Sandy: I am going to abstain. I don't have an opposition, I just don't know enough to vote.

Unintelligible.

Sandy: We still have the membership and I want to ask something. You have Membership Comments.

XI. MEMBERSHIP COMMENTS

Bob: Oh yea. Sandy remembers this is open mic time. Tell us anything you want us to know. Put up a hand if you have something to say.

Sandy: This is to the board. On the committee creations it does say that I withdrew the newsletter creation and I didn't withdraw it. What we would like the board to consider for the newsletter, we are a separate entity representing...we are not a board creation and we already assembled so there are no nominees. That is why it was not necessary to ask for a creation. What we would like to ask the board, though, is permission to post our newsletter once every

two months on the Portofino Shores website. And, if agreeable, on the board outside the front door so that residents coming to the office could actually see it.

Suzy: So on the website and –

Sandy: The Portofino Shores website.

Suzy: What would your agenda predominately be on your letters?

Sandy: What would be our agenda?

Suzy: What would you be talking about?

Sandy: Predominately all about neighborhood stuff.

Suzy: No political-.

Sandy: No political. And that has been made abundantly clear. Plus, just for confidence on the board because there is some turbulence as everyone well knows, we would send a copy to all board members prior to it being posted.

Shirley: So, if we had questions you would stop -

Sandy: We wouldn't stop the publication, but there should be nothing that comes up. Like, for this month, for March and April, we're talking about the activities. We spotlighted the activities committee because there are committees that happen here that I didn't even know were here. So each publication there will be a spotlight on one of the committees that we have here. We have a staff member that is going to be highlighted each month just to show what that person does, the guards will be introduced. Annmarie, Peggy. Again, I'm not going to put anyone on the board in it. It's basically just general information like that and it's going to be a living document so as some of the things we've nominated are a free or trade section for people before the garage sale can say I've got an exercise gym I'm trying to get rid of or four tires from my Bronco that I'm trying to get rid of. Babysitting services or pet sitting services. Things that are here in the neighborhood. We have a kids page. This month is going to be for St. Patrick's Day for March and Easter. Little activities for our younger...because we have a multi-generational neighborhood. So these are just some of the things and we would like to post it on the Portofino Shores website if possible.

Shirley: But you are not going to...let anyone see it before it's published.

Sandy: Absolutely. I said I would send it out before.

Bob: But you said you wouldn't heed any objections that we had.

Sandy: Oh no, I didn't say that. We will send the publication. The publication is going to happen. If it turns out, I can't imagine...knowing where we are keeping the newsletter very generic, neighborhood frame of mind, there is no political issues so I can't imagine what would stop it. It would be a perfect opportunity for your schedule you are talking about. Again, it would be posted in multiple...so it would be in three difference places.

Suzy: Wouldn't that be similar to what we have now?

Sandy: You don't have anything like that.

Suzy: We don't have anything.

Sandy: No newsletter.

Shirley: She stopped doing it because she was doing it herself.

Sandy: So, that's my request.

Bob: Thank you and I think it would be a perfect agenda item for the next meeting.

Sandy: Ok.

Bob: If there are no further comments from the audience.

Cindy Myers: Are there supposed to be holiday decorations still up?

Shirley: Are there still some up? You should call Annmarie.

Meeting adjourned at 9:45pm.

Portofino Shores
Manager's Report – February 2023

Miscellaneous

- The website continues to be updated with current calendars and approved minutes.
- The Division of Corporations has been updated with current board members.
- Roster update: 99 responses and 32 have opted out of being included in the directory.

Maintenance

- Sidewalks, drainage swales and preserve area sidewalks have been cleaned.
- Four new pool heaters have been installed.
- Perimeter fence has had its semi-annual maintenance (weeds removed, etc.).
- Preserve area has been trimmed so as to not overhang on homeowner's property .
- Shade canopies on the tennis courts have been replaced.

Respectfully submitted,
Annamarie Coniglio, LCAM

**COMMITTEE REPORTS SUMMARY
FOR BOARD MEETING OF FEBRUARY 16, 2023**

Architectural Control Board: The ACB has had 6 meetings since its last report. The ACB reviewed 45 applications. These applications included the following modifications: Exterior Garage Lights: 3; planter box: 1; spa hot tub: 1; concrete border curbing: 2; decorative pots: 1; rooftop solar systems for electricity: 5; rooftop solar for pool heating: 1; tree removals: 6; pool and enclosure: 1; external venting: 1; painting: 3; window replacements: 5; slider door replacements: 2; privacy fence: 1; landscaping: 3; paver/concrete area: 3; roof tile replacement: 2; rain gutters: 3; pergola: 1; flag pole: 1; wooden playhouse: 1 and concrete patio: 1.

Owners are reminded that they must receive prior approval from the ACB for any project affecting the outside of a house or property through our application process. This includes, but not limited to, painting house or entry doors, door inserts, exterior lighting (including low-voltage), patio extensions, screen enclosures, wall hangings, pots, yard décor items, fences, surveillance & doorbell cameras, paver driveway or walkway modifications, changes to plant beds, removal or replacement of plants, hedges or trees, and satellite dish installations.

Regarding house painting:

All surfaces painted in Body color must remain Body color.

All surfaces painted in Trim color must remain Trim color.

Exception: Front entry door(s) - see the approved colors at office.

Note: Vegetation Removal Permits are required for all tree removals within St. Lucie County. The ACB cannot approve tree removals without a county permit. All necessary applications are available at: www.portofinoshores.net then click on Documents.

The ACB normally meets on the second & fourth Tuesdays of the month at 7:00 p.m. Summer and holiday months are less often due to fewer applications and travel. To be considered, an application must be received no later than the Friday before the next meeting. The next ACB meeting is scheduled for Tuesday, February 28, 2023 at 7pm.

Appeals Committee:

The Appeals Committee did not meet and therefore has nothing to report.

Entertainment Committee

Celebrating Valentine's Day on February 14. It will be a covered dish dinner and music by Collins and Company.

The committee is starting to advertise the Garage Sale on March 11th from 8am until 3pm. Last year there were 50 homes that participated, so we hope more will get involved.

Neighborhood Watch Committee ("NWC"):

No report at this time.

Screening Committee:

Since the last meeting of the Board of Directors, there were 4 lease applications; 15 lease renewal applications and 8 purchase applications processed. There was 1 lease application denied (failure to meet required FICO score).