

**RIVIERA DUNES MARINA CONDOMINIUM ASSOCIATION  
ANNUAL OWNERS MEETING  
DECEMBER 10, 2022  
MEETING MINUTES**

Location of Meeting: Manatee Room of the Bradenton Convention Center at 1 Haben Blvd., Palmetto, FL 34221 (Meeting Also Available via Zoom)

Board Members Present: Michael Harris, Gary Schuster, Jamie Switzer, Anthony Shoaf and Steve Immerman

Marina Staff Present: Bill Chamberlain, Lucas Knuttel, Peggy Trotter, Shana Arredondo

- 1) Meeting called to order by Michael Harris at 10:05 AM on December 10, 2022
- 2) Opening Comments by Board President Michael Harris regarding the current board and slip owner participation; boat lifts; an update on the marina's insurance renewal; the status of the lawsuit against the Master Association; proposed changes to the RDMCA governing documents; and the 70-604 ruling
- 3) Review of 2022 Financials to date and the 2023 Proposed and Alternate Budgets by Jamie Switzer
- 4) Roll Call and Certification of Proxies/Not enough voter participation to vote on 70-604 ruling
- 5) Restaurant Update by Anthony Shoaf
- 6) Approval of the 12/11/21 annual meeting minutes – motion to approve made by Harris and seconded by Schuster and approved by members present with no opposition
- 6) Board of Directors' Election – Top voted two candidates – Michael Harris and Anthony Shoaf remain on the Board for another term.
- 8) General questions/comments by members
- 9) Adjournment – Motion to adjourn made by Harris and seconded by Schuster, and the annual meeting adjourned by members, with no opposition, at about 12:30 PM.

**RIVIERA DUNES MARINA CONDOMINIUM ASSOCIATION  
GENERAL NARRATIVE OF ANNUAL OWNERS MEETING  
DECEMBER 10, 2022**

The Annual Meeting of the Riviera Dunes Marina Condominium Association was called to order at approximately 10:05 AM on Saturday, December 10, 2022, by President Michael Harris. All five Board members were present for this meeting – including Gary Schuster, Jamie Switzer, Anthony Shoaf and Steve Immerman. Also present by invitation were Bill Chamberlain – RDMCA General Manager, Luke Knuttel – Dockmaster/Assistant Manager, Peggy Trotter - the Office Manager, and Shana Arredondo – the Office Assistant. The attached list (exhibit 1) and the proxies for the 70-604 election ruling vote to take place represent the voting interests present at the meeting. The meeting had been properly noticed and the agenda and voting materials were mailed to all members as required.

Harris introduced the other members of the Board in case some owners were not familiar with each of them. He then let the room know that he had some opening comments that he wanted to make. First, he said that his predecessor, Bob Crowley, handpicked him to be the next RDMCA Board President. Greg Allard, a slip owner, said that was because Mr. Crowley saw what was needed for this Board in Mr. Harris. Harris then went on to say that each member of the current Board has a unique set of talents to bring to the table. He reminded the members that the entire current Board works very hard for the Association without receiving any compensation and will be the Board that will protect the Members' interests. He said that only four questions were submitted by slip owners after the Board offered for questions to be submitted to be answered at this meeting. He said that some members have complained about his lack of communication yet couldn't give a specific example. Harris reiterated that any questions can always be submitted by email and will be answered. He said that we will be better off as an organization if we use collective minds instead of just a few. He then asked how many people have volunteered to be on a committee, and he said that the Board really needs members to participate on committees for things coming up.

Harris then addressed the issue regarding lifts being allowed or not being allowed to be constructed. He said he did what he could do to get lifts banned from being built that are bigger than 35-feet. He said a vote was taken where 145 owners said they didn't want any more lifts being installed for slips bigger than 35-feet. There were indeed enough voting interests to get the lifts banned, but there was a legal technicality with not recording the vote properly. He hoped that once the governing documents were amended, they would include the ban of lifts for slips over 35-feet and it would be a non-issue. Unfortunately, a member who has a slip bigger than 35-feet contested this vote based on the legal technicality and sued the Association, so the Board responded by agreeing to let the slip owner build his lift. Harris said he should have just made sure the vote was recorded properly, and he takes responsibility for that, but reminded that members that we still avoided having several lifts installed in bigger slips simply by saying no.

Harris then moved on to giving an update on our marina insurance. He said that currently we have \$5,000,000 in dock assets, but only \$3,000,000 in coverage. He said that just to get the

\$3,000,000 in coverage, it looks like we will probably have to pay \$300,000 in insurance premiums. He asked the members if they want to underinsure or get full coverage and pay the full coverage amount whatever it may be. He explained that with the \$2,000,000 underage, slip owners will have to pay approximately \$10,000 for each slip they own to make up the difference. Allard said he feels the available reserves should be factored in before taking the vote. Switzer told him that our current deductible is \$250,000 and we have a specific reserve account for the deductible at just over \$150,000. He said we also have a Debt Service account of over \$100,000, and over \$300,000 in the Pooled Reserves accounts. Harris said it is unlikely that we will even be able to get the \$5 million in coverage. He also said there are only about 20 days until our current policy expires. Peter Korrie, a slip owner, asked if there are improvements that can be made to the marina docks (extra pilings, etc.) that will reduce the amount of premium asked to pay? Switzer told Korrie that they have set aside \$20,000 for a dock survey to be completed on all the floating structures in the marina, hopefully in 2023, to help us set a case for why our premiums should be lower. Allard said that even if we have all the funds in place, should a catastrophic event happen, it could take a couple of years to get contractors, labor, materials, etc. to make the marina whole again. In addition, some owners may not pay their dues if there is no marina, and the loss of income would hinder reconstruction even more. Harris said that he is pursuing different avenues to try to get the insurance premiums reduced. Kevin White, a slip owner, suggested selling the Association's 8 slips and then building up a special self-insurance fund. Harris reminded the members that Hurricane Ian has really changed the insurance world for SW Florida. Phil Rosenbaum, a new slip owner, said his vessel insurer told him that if there is a catastrophic event, such as a hurricane, that destroys his vessel then he will have to pay a special deductible that will cost \$10,000. He said this situation with our marina insurance sounds similar to that. Harris reiterated that each slip would have to pay approximately \$10,000 and we also still wouldn't have operations for at least a couple of years. Allard said that selling RDMCA's slips could give us about \$1.6 million to put in a CD as a reserve fund to save for such an event. These assets will be gone in a catastrophic effect, and he wondered how many owners would pay their assessments if there were no marina. Harris thought that selling the slips was a great suggestion, and he only wondered what the tax consequences would be. Harris said this insurance issue is going to affect the 2023 budget as he just got the \$300,000 number yesterday, and the proposed budget only shows about \$137,000 expected to be paid in 2023. Switzer explained that we are already on a 30-day extension as the original policy expired on 12.1.22.

Harris then gave a legal update regarding the lawsuit with the Master Association. He said we spent \$23,000 on the issue last year and \$10,000 in 2022 so far. He also said that they have asked for a summary judgement, which is supposed to happen in January 2023. He said we have a strong case, but he is not betting on us winning. He concluded this update by saying that if we don't win, we will not have enough votes to even have one board member on the Master Association Board.

Harris then moved on to discussion regarding updating RDMCA's governing documents (including addressing the lift issue) and rules and regulations. He said he has prepared a summary of the proposed changes for the slip owners to take at the end of this meeting so they

can review them and give feedback. Harris said that there was a post on Facebook where a slip owner stated that the Board let a slip owner with a 45-foot slip get a lift installed. His point was that although she was upset over the lift being installed, she made it more public that if a slip owner really wants a lift installed before we get governing documents updated, then they can go through the legal process to make us let them. He said we need to protect the whole of the Association, and if someone is going to post something, please post the facts. Harris was reminded by some members that we don't have control over someone else's actions, and sometimes we just have to let those kinds of things go. Korrie asked Harris how the individual that sued us to get his lift installed found grounds for the suit against us. Harris explained that the vote was just a canvas vote, and the procedure was not followed correctly since he had hoped that they were going to make the official change during the process of amending/updating the RDMCA governing documents.

Harris then moved on to discussion of the 70-604 ruling. He asked Korrie to explain his issue with the proxy sent to the members regarding voting to rollover excess funds from 2022 to 2023 to avoid taxation. Korrie said that the vote didn't include the option to return the funds to the slip owners and felt it should have. Harris explained that the option wasn't a good one because the Association is going to need that money either for marina's increased insurance premium or dock maintenance. Korrie also expressed concern that a rollover that isn't fully spent during the next year's budget may be taxed by the IRS. Mike Genovese, a slip owner, stated that the point of transparency is so that slip owners can decide based on having all the information. Switzer stated that his intent after the budge mailing went out to the members was to send a follow-up message to the slip owners to explain the 70-604 ruling options and what his opinion as a slip owner (not a Board member) is regarding whether to roll over the funds or return the funds. He explained that the membership has a loss carryforward that stems from when the parking lot was built, that the entire deduction from that can be applied to our tax return and based on that, we still have over \$200K in loss carryforward to use toward 2022's excess funds. Switzer thinks it makes sense to carry the money forward as he is expecting that we are going to take a big hit on the docks after we have an inspection for them this upcoming year. Korrie stated that he didn't believe it's the Board's right to decide not to give the option to refund the monies to slip owners, and Switzer let him know that the Board has a legal opinion that says they can.

Harris then introduced Switzer to give a review of the most recent financials, which are the 3<sup>rd</sup> quarter financials. Switzer said he would give a summary and then ask if anyone has questions when he is done. Korrie asked him to explain the various bank accounts and Switzer let him know he would get to that and there is a page in the financials that explains them. Switzer said the total funds we have are just under \$1.2 million, and the current assets total \$1.292 million. The total fixed assets of the Association are \$2.68 million. Total assets total \$3.972 million. Short-term liabilities total about \$130,000. Long-term liabilities are just the mortgage, which is \$1.797 million. The equity is at about \$2.045 million. He then moved onto the 3<sup>rd</sup> quarter P&L report. He stated the slip rental revenue amount and stated that the fuel sales revenue has been through the roof. He also pointed out the other smaller revenue incomes and the marina building rental income for both the restaurant and the yacht broker's office. Our total income year to date is \$1,863,530. He went through the operating expenses, and said the Condominium expenses to date are \$247,554, total fuel dock expenses are \$663,925, the total marina operation expenses are

\$405,972, the total Marina Building expenses are \$183,777 and the total expenses for RDMCA's slips are \$46,168. This brings us a net income of \$316,133 (before the pooled reserves are expensed out and other accounting adjustments are made). The reserve and restricted funds schedule shows the cash balances in the pooled reserve, the debt service, and the insurance deductible accounts. He then summarized the report, Income and Expenses – Actual vs Budget. Someone asked how much of the fuel sales come from our boaters, and how much from the outside. Chamberlain stated that he believes about 60% is from outside customers, and 40% is from our boaters. Switzer said this is partly because the weekend dockhands are so great at customer service. Switzer commended Chamberlain for making good decisions with taking care of the marina and hiring good staff. Lowie Bock, a slip owner, said that she and her husband have lived on boats on four continents, but nobody has a staff like the staff here at RDM. She thanked the staff. Switzer said that Luke Knuttel is in the process of getting his CMM certification, and this sets RDMCA for when Chamberlain retires. Switzer also went through the various pooled reserve expenses that have been made in 2022 so far, including a new ice maker that hasn't arrived yet. Switzer then said that he thinks that Bob Crowley is a genius for coming up with the idea of having a sales and leasing, llc because we make a lot of money, with not a lot of work, through this business.

There being no questions, Switzer concluded his presentation of the financials and moved on to the proposed and alternate budgets for 2023. The only major difference between the two budgets is the funding of the reserves. He said we have to have a reserve study done on all our assets on a regular basis and the last one we had was completed in January of this year. We are legally required to fund our reserves by the amount given from the reserve study. The last study showed we are supposed to fund our reserves by \$262,000 per year. So, the question is do we use our rollover to pay the required 2023 reserves, or do we use the rollover to fund our reserves while also continuing to collect the \$262,000 from our quarterly contributions in 2023. Switzer noted that our operating assessments are less for 2023 than they were in 2022. He then asked if the members had any questions. Mrs. Bock asked how to proceed with the idea of selling the 8 slips that RDMCA owns. Switzer said his personal opinion was that the membership should vote to approve the sale of the slips, but that has to be done by properly noticing a membership meeting at which the slip owners will vote on it. He believes that 75% of the membership would have to agree to sell the slips according to our current governing documents. Getting this many votes will certainly be a challenge. Harris mentioned that he hopes they will be able to change that percentage to 66% of the votes cast instead of the percentage of all slip owners. In answer to someone who asked if voting can be done electronically, Kevin White explained that the Florida statutes have provisions for voting electronically, but our documents must also state those provisions, and to change the governing documents we must get the current required amount of owners to agree to the changes. He also stated that there will still not be a guarantee that owners will even vote electronically. Switzer then stated that he believes that the Association is going to take a hit once we get the results of a dock structure engineering report back. He said they haven't been able to get an engineering group out to look at the docks yet, but he expects that some of the docks will need major maintenance/repair. Lorraine Creek, a slip owner, said that she had previously lived in a floating home community and that they would continually vote to roll over their access income funds into their 20-year plan reserves. She stated that she believed that rolling the excess funds into the reserves is better for the community than giving a refund to

owners and the Association will most likely appreciate it later. Phil Rosenbaum, a slip owner, asked if potential buyers look at RDMCA's reserve funds. Switzer stated that is part of any due diligence for a buyer who is making a purchase. This concluded Switzer's presentation.

Harris stated that it was time to have a roll call and certification of the proxies. Trotter stated that unfortunately there wasn't a quorum for this meeting and therefore the vote regarding the 70-604 ruling cannot take place. She explained that 51% of owners or 106 represented units out of 210 needed to participate in the vote for it to take place, but there were less than 80 votes either in person or by proxy. Trotter also said that the proxies could have been mailed or emailed, in addition to being turned in at the meeting and this is the first of 12 annual meetings for RDMCA that she has attended where there wasn't the needed quorum for a vote to take place when needed.

Anthony Shoaf then gave an update on the restaurant. He stated that he has spent a lot of time at Dockside and has listened to customers' comments about customer service, quality and consistency of food, and the proper training of employees and staffing. RDMCA cannot force the restaurant to address any of these concerns. However, he said, not addressing these issues makes him unwilling to help with a capital expenditure such as the awning that the restaurant has requested for the outside seating area. RDMCA has no rights over the management or operation of the restaurant. He said the only thing we can expect is the payment of the rent. Also, Shoaf stated, after Hurricane Ian, he believes we need to prioritize our own expenditures (insurance, dock maintenance, etc.) and not worry about their awning. He said he will tell the owners that if they really believe the awning will help them gain more income, then they may pay to have it built themselves with Board approval of the plans, etc. Harris said there is another option and then Immerman said they could offer to build the awning, but only if the restaurant is willing to sign a different lease that will give the Association more control of the restaurant. Shoaf said that the restaurant owners' other restaurants are a higher priority for them than Dockside. Mrs. Bock asked for confirmation that the Association won't be paying for the awning, and Shoaf said no – not at this time. Allard stated that he is happy that there is a Board member who is trying to work with the Restaurant. He said that he has seen the Restaurant lease and that the owners have a lot of expertise, but do not much pay attention to this restaurant. Allard suggested that we demand to look at their accounting books as is allowable in the terms of the lease to make sure that they are on the up and up and not intentionally not meeting certain revenue levels that would require more payment to the Association so that they can help fund their other establishments. Harris said the owners of the restaurant think the slip owners expect too much preferential treatment from the restaurant. He also said that compared to the previous restaurant that we had, Dockside has done well. He also reminded the members that this Restaurant pays the right amount of rent on time, and previous restaurants have not. Immerman said that he thinks the restaurant might have a more invested interest in improving their service and being more successful if we gave them more outside space that is truly usable. Phil Rosenbaum stated that we are their landlord, not restauraners. Harris agreed, but said it is just frustrating to walk into the restaurant and see all the things that you don't want to see in a restaurant. The restaurant discussion ended with Harris saying that he does eat there often, and he thinks their food is excellent. Shoaf said that he thinks their brunch is great, and they do have positive points. He would just like to see them refine some things.

Harris then explained that the meeting minutes from last year's Annual Meeting that was held on 12/11/21 needed to be approved. He asked if there were any questions and there were none, so he made a motion to approve last year's annual meeting minutes which had been sent to all owners before the meeting. Schuster seconded the motion, and then Harris again asked the members to raise their hand if they approved of the 2021 annual meeting minutes, and after that he asked if there was anyone who didn't want them approved. There were many affirmative votes and no negative notes, so the minutes from the 2021 Annual Meeting that was held on 12/11/21 were approved.

Harris asked if there were any other questions or comments, and someone asked about the budget approval. Harris said that the Board will discuss it at the meeting directly after this and decide if they want to approve a budget today or send out another budget to the members to be approved soon.

The Board then went over some questions that had been written into the Board. Someone had asked what the status was of getting a canopy/shade put up over the pool area. Switzer stated that this will cost \$50,000 and he thinks there currently isn't a structure out there that will support a canopy/shade adequately. Switzer said his long-term vision is to get rid of the current pools and put a nice pool up on the land and build a new building that will have a nice marina office and a captain's club for the boaters to use for get-togethers, etc. Also, if they can get approval for a two-story building, he would have one level hold storage units that can be used by the boaters. Harris said Switzer's plans will require approval from the Master Association and we have no representation there with the way things are now with them. Harris said he would like to have the pool shaded, but they haven't figured out the best way to do it yet. Mrs. Bock said some people don't want shade when they are at the pool. Someone else asked about getting more lighting over the social dock. Switzer said this is something they want to do but are figuring out how to do it. Someone asked about the restrictions on the size of dock boxes, and Rosenbaum mentioned that in addition to finding out the Master Association prohibits fish cleaning in the entire basin, he also learned that they have strict regulations on dock boxes that may be installed in our entire basin.

Finally, Trotter was asked for the results of the Director's Election. There had been four candidates up for this election – Michael Harris, Peter Korrie, Anthony Shoaf and Todd Spiotta. Trotter stated that Michael Harris and Anthony Shoaf received the most votes and will remain on the Board for the next term. Harris said that he is happy to be a part of the current Board.

There being no other questions or concerns, Shoaf made a motion to adjourn the meeting, which was seconded by Schuster, and then agreed to by the members at approximately 12:30 PM.

Respectfully Submitted,

Peggy Trotter  
Assistant Secretary