

RIVIERA DUNES MARINA CONDOMINIUM ASSOCIATION
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ANNUAL OWNERS MEETING
2ND NOTICE OF ELECTION and MEETING AGENDA

Saturday, December 7, 2019

**Bradenton Convention Center
Manatee Room
1 Haben Boulevard
Palmetto, FL 34221**

10:00 AM: Call to Order

- **Collection of Ballots**
- **Proof of Meeting Notice**
- **Approval of the 12/1/18 Annual Meeting Minutes**
- **Review of Financial and Budget Report**
- **Report on Dock Deferred Replacement Project**
- **Report on Dock Resurface Project**
- **Slip Sales and Leasing Update**
- **Dockside at Riviera Dunes Restaurant Update**
- **Board of Directors' Election**

Adjournment

- **Budget Approval and Organizational Meeting of the New Board of Directors to immediately follow the Annual Meeting**

Approved
12.12.20

**RIVIERA DUNES MARINA CONDOMINIUM ASSOCIATION
ANNUAL OWNERS MEETING
DECEMBER 7, 2019**

The Annual Meeting of the Riviera Dunes Marina Condominium Association was called to order at approximately 10:00 AM on Saturday, December 7, 2019 by President Robert Crowley. The other Board members were also present - Barry Allen, Jan Larsen, Mike Bodin and Gary Schuster. Also present by invitation were Bill Chamberlain - RDMCA General Manager, Peggy Trotter - the Office Manager, and Shana Arredondo - the Office Assistant. The attached list (exhibit 1) represents the 44 voting interests present at the meeting. Crowley said he hoped that all the election ballots had been turned into Trotter. Brian Smith, a slip owner, stated that he had not yet turned in his as he was wanting to hear from the candidates first. Crowley explained that the candidates all provided candidate information sheets that were sent out with the ballots, and that it is not standard procedure to have the candidates answer questions at the beginning of the annual meeting just before votes are counted. At the suggestion of one of the owners, Crowley asked if there was a motion from the floor for the candidates to all speak, but no one put forth the motion. Crowley also asked Trotter whether the meeting notice had been properly posted and mailed, as required, and she confirmed that it had been. A quorum of the members was not required as there were no matters of business to be voted on other than the Election of Officers.

Crowley said that the annual meeting minutes from December 1, 2018 needed to be approved by the members. Schuster made a motion to approve them and several slip owners seconded the motion. There were no questions and the previous year's annual meeting minutes, which had been previously e-mailed to the members, were approved with no opposition.

Crowley moved onto the next agenda item which was a review of the financials and budget report, and he introduced Treasurer Barry Allen to present the report. Before Allen gave his report, Trotter offered one last chance to turn in any ballots before the voting count began by herself, Arredondo, and slip owner - Scott Slater. Allen first referenced Crowley's letter that accompanied the proposed 2020 budget that had been mailed out. He said he wanted to make sure everyone understands the last two paragraphs. One paragraph talks about slip S35 and the fact that the Board has been working for over a year on getting the slip approved for use. It is currently designated as a conservation easement per the DEP and there is an aerator in that slip's water space. The aerator will need to be moved so that slip can be freed up, and we could then get rental income of about \$22,000 per year since it is a 110-foot slip, or sell the slip for \$225,000. This is not reflected in the budget because getting the slip available for use is still being worked on. The other paragraph from the letter that Allen referenced was about the renovation for the marina fuel dock. He explained that they are working on getting a grant of up to \$300-400 thousand, which would be wonderful. This is also not reflected in the budget, but both of these ongoing projects are important. He then moved on to the budget. He stated that quarterly assessments for 2020 will be going down from \$880 to \$866, while still beefing up a lot of services. Labor will be going up as there will be additional employees on staff, and they plan on combining a dockmaster position as also an assistant to Chamberlain. There will be security and increased hours for the dock staff to be available. He noted that the income is going up from \$1.465 million to \$1.508 million with less member assessments being charged to the slip

owners. He noted that in 2019 there was only 11 months' income for the new Restaurant lease, but there will be 12 months in 2020. The pump out revenue will be increasing from \$10 per pump out to \$15 per pump out. The rental revenue from the Association's 9 slips is projected to increase by over \$9,000 because some of those slips were used in 2019 to move people into during the dock re-surfacing project. He explained there wasn't much of a change in Condominium Association Expenses overall. Legal fees are going up from \$16,000 to \$24,000 as there are more legal issues that require an attorney. Fuel revenue is projected to increase slightly, and we are hoping to keep fuel costs down, thereby keeping the gross profit at about 20%. Marina operating expenses is where the increased payroll expense will be shown. Allen then explained that they are working to re-finance the current mortgage that currently has a balance of approximately \$1.975 million under a 7-year balloon. They have negotiated a reduction in the interest rate from 4.6% to a projected 3.95%, which is quite a savings of 65 basis points. There will be a 20-year amortization and a 10-year balloon on the new loan, if it goes through. This reduces the monthly payment from \$14,434 to \$11,916. They are also hopeful that the bank will release the lien on our 9 slips which will mean that if we decide to sell the slips, the Association will get the money and not the bank. He concluded his report on the proposed budget and asked if anyone had any questions. Lowie Bock, a slip owner, said that she wanted to compliment the Board and she said she thinks they do a great job for the Association. Many members clapped at this. JoAnn Meilner, a slip owner, asked why the pump outs were going up to \$15. Allen explained that they feel this is a fair price as there is a high cost in taking care of the pump out boat and system. Celeste Fenno, a slip owner, asked if pump outs were free at the fuel dock. She was told they are free at the fuel dock to owners and long-term tenants. Another slip owner questioned the increased payroll expense for dock staff. Allen explained that there will be different duties for the dock staff going forward. Part of the job will be to take out trash, part of it will be to help with safety/security if any issues come up, and part of it would be to work on dock maintenance projects. Allen summarized that the membership and the number of boaters has increased so the demand for better service has increased. Gary Ondrey, a slip owner, disagreed that there was a need for nighttime staff. Larsen explained that although the new security cameras are excellent, they are only a deterrent and something that can be reviewed after the fact, in the event of a problem. He said that man power is needed to observe and report in real time. Allen stated that the Association has liability if an incident happens on the property, and the more the Association does to prevent negative incidents from occurring, the less liability they will face. Another slip owner asked if these new employees will be trained in life saving techniques. Allen said that first their duty will be to monitor and report, and we will see what else may be needed as we go on. There being no more questions about the proposed budget, Allen let Crowley take back the podium. Crowley commented that two years ago RDMCA was involved in a project with the surrounding Associations that included doing an exhaustive study of security services. RDMCA's portion of the cost to have an actual part-time security guard that went around the property in a golf cart would be about \$90,000 per year. They decided that was not cost effective, so instead, they decided to upgrade and increase our security cameras. The reason for having dock staff at the marina during later hours is to represent the Association as a whole instead of just a tenant or owner or the Restaurant. He mentioned that they also plan to staff the office for about 4 hours on Sunday since this is a marina and many boaters come on the weekends.

Crowley then introduced Chamberlain to report on the Dock Deferred Replacement Project. Chamberlain explained that this is the replacement of 4 by 4 fender boards, changing out of all dock floatation fastener bolts, vinyl edging (if needed), removing/descaling dock frames of any rust or corrosion, and neutralizing them by applying a heavy zinc coating and rust inhibitor on top of that. We have been working on that for the last year and are about 75% complete on the project. There are two employees who are dedicated to this specific job – one is full-time and one is part-time. They hope to have the project completed by the end of the first quarter of 2020. So far, they have been able to do all the slips while boats have been out cruising or away from the slip on their own. It is to the point now, that they may have to ask a few boaters to re-locate to one of our slips for a day or two to get their slip completed.

Chamberlain then moved onto the next agenda item which was a report on the dock resurfacing project. He explained that about 75% of South Dock is re-surfaced. There have been some challenges, as most know, and the rainy weather this summer prevented the product from being put on the docks as the surface must be dry for application. Fortunately, prep work was able to be continued. After South Dock's grinding was completed, they moved onto Center and North Docks to do the grinding on those docks. Unfortunately, in October, the contractor for the project unexpectedly passed away, so now the project is on hold. They have been talking to a couple of other contractors on putting together proposals to complete the project and hope that by the end of December they will have a plan in place. Chamberlain completed his report and Crowley then spoke and said that he guessed people are wondering where we stand on the original contract financially, and he said they think they are in pretty good shape as they had been monitoring expenditures closely since there had been issues with excessive heat/rain during the summer and they had gotten so much prep work (sanding, grinding, filling) done. One of the things that they did was meet with the contractor almost weekly and monitored his work to see how much product they were actually putting down and how much labor was spent and how many square feet of dock surface was completed. They calculated how much materials and labor had been used to date, and compared it to the contract. The contract was for about \$250,000 and was supposed to start in February but didn't start until April. Once the project was started on the South Dock it was quickly determined that one coat of the product was not going to do the job on the docks as our surface had deteriorated to the point that it would have been a waste of money and time to do just one coat. So, they added \$72,000 to the contract cost for the second coating. They expect a 15-year life extension to the docks by doing this. They are getting additional quotes for outside contractors, but they are also looking into making it an in-house project by using the two guys who are completing the dock deferred replacement project to also complete this project. Crowley believes they will need a 4-person crew, and already know who one of those can be as it is one of the workers who worked for the contractor for 3.5 months. He believes they could save money by going this option. They are evaluating all their options, and expect it will be another 3 or 4 months before the project is completed either way. He asked for any questions. Kevin White, a slip owner, mentioned that there is damage to the newly completed dock surface on the South dock. Crowley said they are aware of and dealing with that – an insurance claim was filed against the vendor and the owner of the boat whose vendor caused the damage. The battery acid damage is estimated to be about \$20-30 thousand. The slip owner's question was what can be done to prevent that kind of thing from happening and Crowley explained that the owners of the slip, the boat owners and their vendors are responsible for any damage that may be caused in the marina and he said they have sent out emails to that

effect and will be monitoring for damage. Crowley also mentioned that the surface can be scratched and if so, any damage like that will also have to be paid for. He said the new and improved cameras allow us to see who causes any damage so we can get compensated. White said he is a new owner, but has been at the marina for four years, and that he didn't get an email regarding this and he feels more communication is needed. He said that contractors who do work in the marina should be given a set of rules to abide by that they have to sign off on. Crowley told him that we do require proof of insurance with Riviera Dunes Marina listed as certificate holder for any vendor who does work in the marina. John Tysseland, a slip owner, asked if the finger piers that had been coated and then sanded down again will be coated again because they are slippery. He also asked if another company takes over, will they warranty the work that was already completed. Crowley said that they are working with Florida Paint and another contractor and will get a warranty on the product regardless of if the work is contracted or completed in house. Crowley said that the reserve study that was completed last year includes a re-sealing of the docks every eight years at \$60,000 (amount subject to change). Another owner stated that he thinks it sounds like it would be best to do the project in house. Crowley agreed that it looks that way so far, but said that they have to look at all the alternatives. Someone else asked if the project can still be completed within budget, and Crowley said it looks like it so far.

Crowley then moved onto the next agenda item which was the Slip Sales and Leasing Update. He said that Twin Dolphin has just about completed their renovation project on their slips. It was a \$5.2 million project and added 129 new slips (86 for vessels up to 50 feet, and 15 for vessels up to 105 feet) for a total of 225 slips. They received a \$1.3 million grant toward the project. They spent \$1.6 million on the new docks, and rest went to dredging and sea walls for the marina. The rates for the new slips are \$18/foot per month on an annual contract, \$22 for seasonal, \$24/foot MTM, and weekly is \$12.50/foot. The liveaboard fee is \$125/month per person, + \$75/month per additional person. Regatta Pointe was sold to Safe Harbor, which is the largest marina owner in the world. Regatta has 300 slips, 99 of which they have liveaboard permits for. The new pricing for Regatta is \$16/foot on an annual contract, \$17/foot for 6 months, \$18/foot for 3 months, and \$19 MTM. In addition, they charge \$180/ per person + \$75 for each additional person for the liveaboard fee. Crowley said that our rental revenue is expected to be about the same this year as last year, and we project a small increase for next year. The sales commissions were \$11,000 in 2017, \$65,000 in 2018 and \$43,000 so far through September of 2019. We split commissions with our licensed broker. We sold 16 boat slips in 2018 thru our sales and leasing LLC for between \$1,300-2,000 per foot, depending on the size of the slip. We are at about 70% of market if you compare us to Gulf Harbor in Fort Myers, Naples, and Long Boat Key - all comparable marinas. We have had more slip sale activity than any of those other three marinas these last couple of years. Crowley also mentioned that 35-foot slips sell under market because they are quite narrow. He asked if there were any questions, but there were none.

Crowley then asked if there anyone had any issues they would like to discuss. Mrs. Meilner stated that she received Crowley's letter recommending that the three current Board members up for re-election be voted for again, and she said she felt it was inappropriate and unethical to use his position as President to campaign for three members. She said the 3-page letter was the most detailed information she had received as far as letting the owners know what was going on with the marina. She then said that taking her right as an owner to rent her slip away is also inappropriate and could trigger a legal issue. She said the dock project was a mess, and she also said that the cable was not the HD quality that it was advertised to be. She did appreciate the communication that his letter provided as said she felt communication had been lacking. She said that the Board had been elected to represent the owners, not decide for them. She felt that members also should have been able to ask questions of the candidates that are on the ballot, and not letting them do so was not representing them, but deciding for them. Crowley responded that the purpose of electing a Board in most cases is actually to give them the power to decide the issues, make strategic plans, and manage the affairs of the company or Association - not on a day to day basis, but on a strategic basis for the owners of the Association. As far as the letter, he stated that he sent it out as President because he felt like it was in the best interest of the Association and its owners for this current Board to continue to serve since, they are a good and professional body with a lot of experience. He also reiterated that the results he sent in the letter are facts that have been accomplished by this current Board. Smith asked if the other candidates were given access to the owners' emails. Crowley said mailing addresses were provided if asked for, but not email addresses. Smith said that he requested addresses from both Trotter and Chamberlain and didn't receive them. White said that the governing documents provide the instructions for how an election is to be conducted, and that it designates that each candidate can write a one-page (8x11 inch) information sheet to be included with the election meeting mailing. He said that Crowley extended that by 3 pages for 3 candidates using e-mail addresses that the other candidates didn't have access to. White said he felt the election could be challenged and perhaps the State would overturn it and require a new election. Crowley stated that he did have an attorney's opinion on the matter as he wouldn't have sent his letter out without getting one. White said that a challenge could still occur, which would cost the Association money. Crowley said that White had his opinion, but he himself did what he thought was in the best interest of the Association with keeping the continuity of the current, productive Board.

Crowley then asked if there were any other questions. A slip owner asked for the betterment of the Restaurant and the marina as a whole, that the restrooms that are not being maintained up to standard be maintained better. Crowley said he was unaware of that, but was glad he brought it up as there was an item on the agenda regarding the Restaurant. He said that he had met with the Restaurant owners to go over financials about a month ago as there was a dollar figure in the lease that if surpassed by the Restaurant, would mean a percentage would go to the Association. Currently, they are right under that dollar figure for 2019, but they fully expect to meet the number in 2020 if the economy holds. Debbie Da Rin commented that the situation regarding the fire caused by Restaurant patrons last night was bad and she felt the management should have stepped up and took control, but didn't. Crowley said he was up there and he was with Kit, the restaurant manager, and they were together with the fire department and detectives. She said that her point is that it would be nice to have someone on sight in the evenings that can communicate with the authorities, if needed, when a Board member or manager was not available. Crowley said that he agrees with her, and that is why they are going to hire more experienced dockhands

to work on weekends and after hours so that they can handle these types of situations. Tom Morlock, a slip owner, asked what happened last night. Crowley explained that there was a birthday party at the Restaurant, and that the younger guests went and set off fireworks behind Bel Mare on the peninsula and a fire started and they panicked and threw the firecrackers in a trash can which started a bigger fire, and a palm tree and shrubbery caught on fire. No one was hurt and the fire department put it out easily. Ondrey stated that he told the restaurant manager, Kit, that he was responsible for this incident since it was his patrons, but that Kit told him that he didn't see it that way. Ondrey also said that the Restaurant patrons still park in the no parking zone. Crowley said they try to police it when they are notified. Ondrey asked who he can notify at 10:00 PM. Crowley said that the parking in the no parking zone is a problem. Ondrey said he tried to call the tow company to have a car removed but was told only Chamberlain could request that of them. Ondrey also requested that the dock carts be moved over to the North Parking Lot. Crowley told him that there is 30-minute unloading parking. Crowley stated that these kinds of issues that Ondrey had brought up are dealt with every day and there is a lot that goes on in this marina and there will be problems. Crowley asked if there were any other questions. Smith asked if Crowley would explain about liveaboard tenants and if owners want to rent to liveaboards, what the requirement was for letting the Association manage the slip in order to be able to have the slip be liveaboard approved. Crowley reminded him that the Association only has 55 liveaboard permits and the Association allocates them like a time share so that more people could use the permits since the liveaboard follows the vessel, not the slip. Crowley said that the requirement to have the Association manage any slip that wants to rent to a liveaboard is so that management can keep better track of who wants to be a liveaboard and when so that we can assure that we don't go over the allotted amount of liveaboards at one time, and to avoid any potentially expensive fines the DEP might impose if they thought we were polluting the water. He reiterated that if an owner wants to rent their slip to a non-liveaboard, they can do so to anyone they want at any price they want. Crowley noted that the Association has applied for more liveaboard permits from the DEP, but that it is a lengthy process with testing water over time, etc. and we don't yet know how many, if any, we will be allotted. If we do get more permits, this will ease the problem. Smith said he didn't understand the correlation between renting to liveaboards and having the Association manage the slip. Crowley stated that if the Association doesn't manage the slip, we don't know when that slip will be rented to a liveaboard and for how long. Owners of slips that the Association don't manage often don't provide the marina office with a copy of the lease. In fact, when requested by email of non-managed slip owners back in July, not one slip owner supplied a copy of their lease. Tysseland said he didn't get that email either. Crowley repeated that a couple of emails had been sent out regarding the liveaboard rules, etc., and there is the possibility that either we don't have the correct email address, the recipients don't read the emails, or they go to spam. Someone suggested flagging emails that are important, and Crowley said we could start flagging the emails. Morlock suggested sending the information certified mail to the slip owners who currently have liveaboards that manage their own slips. James Ondrey, a slip owner, asked if the Association charges a management fee. Crowley told him that it is 7%, but the rents will be at the published rate, which is often much higher than the owner is currently getting. Smith mentioned that someone might lose a tenant if the rent is increased. Crowley stated that might happen temporarily, but another tenant would come along since the published rates are well within the market rate. Crowley also mentioned that FL statute does require a 7% sales tax be added to the rent and paid to the state. He said that the marina collects and pays that forward, as required, but

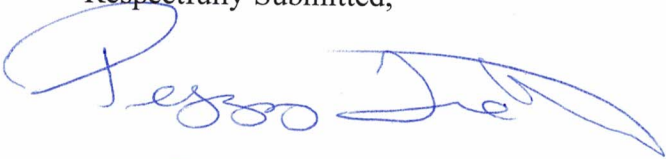
some other slip owners don't. Crowley asked if there were any other questions, but there were none.

Crowley asked Trotter if the vote count for the Board of Director's Election was completed and she stated that it was. When asked, she stated that the 3 candidates with the most votes were Barry Allen, Jan Larsen and Gary Schuster.

Bodin commented that he heard liveaboard fees at other marinas were going up even more, and that some was charging an amenity fee on top of the liveaboard fee. Smith suggested we charge a higher liveaboard fee. Crowley explained that our Governing Documents only allow for a maximum fee of \$100.00. Smith suggested that that be changed. Crowley stated that, in fact, much of our governing documents should be changed as they are inadequate and contradictory in multiple places, but that getting them re-done is quite the task and it would take a member vote to get this done.

There being no further business, Crowley asked for a motion to adjourn, but Morlock said he would like to make a comment. He said that the letter Crowley said had been very informative and he wants to commend the Board for all they have done throughout the year, and also management. He said he personally wanted to thank Crowley as Crowley had faced many personal, including health related issues, and still did all the things he did to run the Association like a tight ship. Those in the room loudly applauded Crowley and his efforts for the Association. Crowley responded that the RDMCA's current Board is a good group and they get a lot of support from the owners. He said they try to do what is in the best interest of the Association. He then made a motion to adjourn, and several people seconded the motion so the meeting adjourned without opposition at approximately 11:40 AM.

Respectfully Submitted,



Peggy Trotter
Assistant Manager