

Sunset Harbor Resort Condominium Association, Inc.

Board of Directors Meeting

April 9, 2024

A regular meeting of Sunset Harbor Resort Condominium Association, Inc. Board of Directors was held on April 9, 2024, via Microsoft Teams hosted at Pier House Resort & Spa, 1 Duval Street, Key West, Florida 33040.

Present from the Board of Directors were: George Detsis, President; Marilyn Gordon, Vice President and Treasurer; Don Heisler, Vice President; Jim Drum, Vice President and Secretary and Rick Lohr, Vice President

Present from the Management Company, were: Adam Baraniewicz, General Manager; Bill Whelihan, Vice President, Resort Operations; Rey Martinez, Area General Manager; Fabian Garcia, General Manager; Brandon Weilenmann, Assistant Vice President of Finance; Holly Snyder, Regional Director, Finance; Jonathan Doepke, Director of Corporate Operations; Florence Khoo, Assistant Vice President of Architecture and Construction; Steven Conrad, Director of Sales, Sales Management; Lisa Trosset, Director, Association and Board Relations; Zafera Aaron, Manager, Association Management; and Colleen Keane, Board Relations Specialist, Association Management

Owners Present were: Jim Fox, Robert Genovese, Steve Gordon, Mark Hume, Phyllis & Chris Koszewski, Dwijen Misra, Dick & Brenda Young

CALL TO ORDER

George Detsis, President, called the meeting to order at 9:00 a.m., Eastern time.

ESTABLISHMENT OF QUORUM

Mr. Detsis announced with all Board Members present, quorum was met.

APPOINTMENT OF RECORDING SECRETARY

Mr. Detsis appointed Colleen Keane to serve as Recording Secretary.

PROOF OF NOTICE OF BOARD OF DIRECTORS MEETING

Notice of Board of Directors Meeting was provided via email to Board Members on November 30, 2023 and posted onsite as required by the Association documents.

Notice was provided in the Lobby and included in the welcoming package to all owners checking in.

APPROVAL OF AGENDA

Rick Lohr requested that the Board go into Executive Session which was rejected by the Board President.

A motion was made by Don Heisler to approve the agenda as presented. The motion was seconded by Jim Drum and unanimously carried.

APPROVAL OF PREVIOUS BOARD OF DIRECTORS MEETING MINUTES

A motion was made by George Detsis to approve the February 15, 2023 Board of Directors Meeting Minutes with the following change: add bedroom flooring as a focus item to the Design Review portion of the minutes. The motion was seconded by Jim Drum and unanimously carried.

RESORT OPERATIONS UPDATE

Mr. Garcia presented the resort operations update. Highlights included:

- Forecasted 2024 occupancy is 95.75%
- Guest satisfaction results were reviewed
- Overall guest satisfaction year to date was 77.2%
- Condition of Furnishings/Décor was 52%
- Problems Experienced was 27.7%

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- Problem Resolution Satisfaction was 42.3%
- Scented, cooling hand towels available to guests at the pool between 12:00 p.m. and 1:00 p.m.
- All ocean view railings are now almost complete
- Landscaping update which included savings from previous years cost
- Parking garage contract update
- Owner Comment Cards/Survey status was briefly discussed, Mr, Garcia explained he hasn't received any comment cards/surveys therefore there haven't been any to provide to the Board
- Jonathan Doepke indicated he would inquire about the status of the comment cards/surveys

FINANCIAL UPDATE

Holly Snyder provided a financial update. Highlights included:

- February 2024 year to date Operating fund surplus of \$50,512
 - Mr. Martinez noted the surplus is due to Club Rental Revenue being over and is expected to come in line meaning the actual operating surplus is \$4,233.
- Key Operating variances:

○ Club Rental Revenue	\$46,279
○ Housekeeping	\$32,017
○ Credit Card Expense	(\$21,408)

 - Mr. Weilenmann provided three options to the Board to aide in lowering this expense
 - Option 1: do not accept credit cards for Maintenance Fee payments
 - Option 2: offer a cash discount for those paying Maintenance Fees in cash
 - Option 3: instill a credit card surcharge, the Board will need to engage Association Counsel if this option is to be explored
 - Jim Drum & Don Heisler will meet to explore options prior to the August board meeting
 - Operating investment interest (\$10,688)
 - Mr. Detsis mentioned that Mr. Craig Hunter will be invited for the August meeting to provide a financial update as a requirement in the Management Contract for an annual update

Accounts Receivable/Delinquency Report Review

- Percentage of unpaid maintenance fees for March 2024 was 4.37%
- There were 6 foreclosures and deeds in lieu completed year to date in 2024
- Marilyn Gordon recommended that the delinquency report format be returned to the original format which shows the status and also requested more timely action on liens and foreclosures.

A motion was made by Don Heisler to cap the Operating fund surplus at \$50,000 and any additional funds will be moved into the Reserve account by the end of the calendar year. The motion was seconded by Rick Lohr and unanimously carried.

PROJECT UPDATES

Florence Khoo provided an update on current projects. Highlights included:

Railings Update

- Building 5 railings installation complete
- Buildings 1, 2, 3 and 4 still in process

Elevator Modernization

- TKE is scheduled to install elevator August 2024 through 1st week of November 2024
- Fire Alarm panel is not fully compatible with Elevator Modernization
- Temporary back fire alarm panel will be utilized until a new permanent, panel is installed and connected

Pool Lighting Update

- Mr. Garcia stated he is working with a vendor to pass inspection
- Will need to run high voltage, hard wire with spotlights, low voltage lighting will not suffice in this area
- Price will likely be increased from original plan, will need 2 poles concreted in to run lighting rather than running between trees

- Board will look further into this once new pricing is provided from vendor and evaluate new liabilities that could arise from the pool being open later

Status of Canvas Awnings

- Mr. Garcia stated he is working with a new company as the initial company backed out
- Waiting on a Certificate of Insurance to move forward with the project

Roof Update

Ms. Khoo provided the roof update. Highlights included:

- Began the process with five bidders, Management Company recommends Sustainable Roofing where two bids were reviewed
- Total cost for roof replacement for scenario 1 (canopy option) was \$2,125,781.23
- Total cost for roof replacement for scenario 2 (not doing canopy option) was \$2,008,166.85
- Keys Roofing Inc. out of Key Largo was approached for a bid, no response was received
- Central Mark out of Fort Lauderdale walked the property on April 9, 2024

Design Refurbishment

Ms. Khoo provided a design refurbishment update. Highlights included:

- Additional fabrics and revised options available for board consideration
- Specifics such as a large rug, dining table were discussed
- The board shared items they did not like such as the white tabletop in dining and laminate coffee tabletop and blue paint color for back wall in studio
- Pricing and final design specs will be presented to the Hyatt Brand Executive Committee once the Board finalizes a design plan so that vendors can be shopped and pricing can be presented to the board

A motion was made by George Detsis for board consideration that the proposed design concept(s) be moved forward so that the board can obtain pricing and potential future consideration for a model unit. The motion was seconded by Marilyn Gordon and unanimously carried.

ACTION ITEMS

The Management Company provided updates on the Action Items, as attached to the minutes of record.

A motion was made by Don Heisler for approval of the pool and jacuzzi resurfacing project for \$44,950, MSS emergency communication responder design for \$11,000, MSS design for Fire Life Safety for \$10,000. The motion was seconded by Jim Drum and unanimously carried.

NEW BUSINESS

Financial Audit Update

Mr. Weilenmann provided an update on the Financial Audit and will update the Board by May 10, 2024 when the draft version becomes available.

Record Date

A motion was made by Don Heisler to set the record date for 2024 on behalf of Sunset Harbor Resort Condominium Association, Inc. to August 23, 2024. The motion was seconded by Jim Drum and unanimously carried.

Announcement of Next Meeting Dates

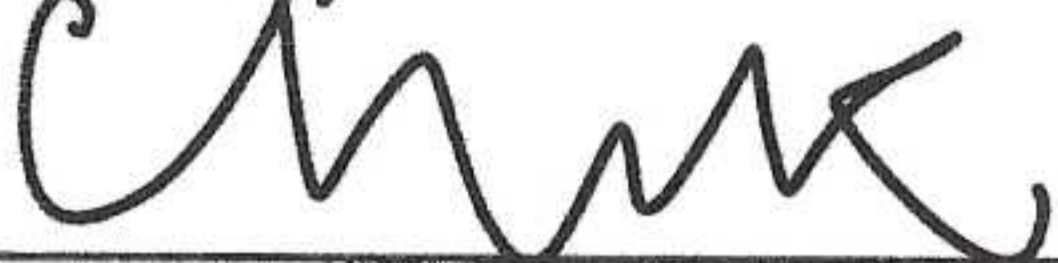
August 20, 2024 at 9:00 a.m. – Board (Budget) Meeting – 3 Board members will be attending in person
October 22, 2024 at 9:00 a.m. – Board Meeting
October 22, 2024 at 1:00 p.m. – Annual Meeting
October 22, 2024 at 2:00 p.m. – Organizational Meeting

Mr. Martinez discussed recent board communications regarding Sales & Marketing and asked that the Board utilize the Management Company as a partner for communicating information going forward.

ADJOURNMENT

There being no further business to come before the Board, a motion was made by Rick Lohr to adjourn the meeting at 12:45 p.m. The motion was seconded by Don Heisler and unanimously carried.

Submitted by:

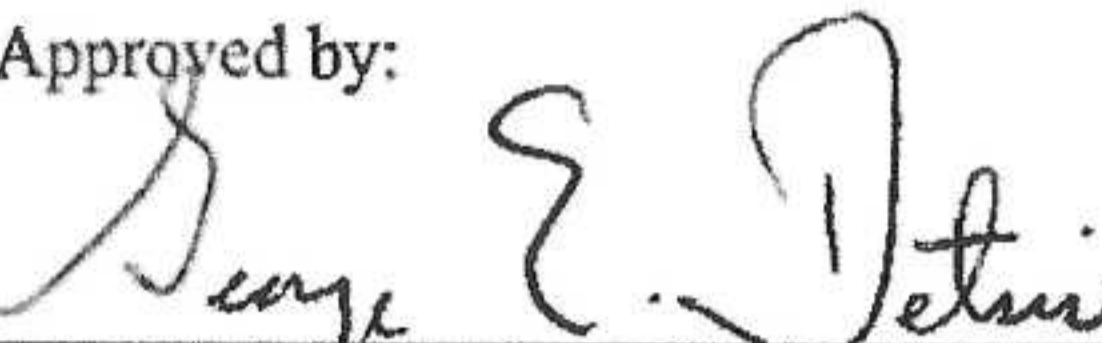


Colleen Keane
Recording Secretary

8/20/24

Date

Approved by:



George Detsis
President

8/20/24

Date