

**SOUTHEASTER, INC.
BOARD OF DIRECTORS MEETING
SEPTEMBER 5, 2020**

The Southeaster, Inc. held a Board of Directors meeting on Saturday, September 5, 2020 in the recreation room of the Southeaster Condominium, 4841 Saxon Drive, New Smyrna Beach, Florida. Notice of the meeting was duly posted on the Association property at least 48 hours in advance. A quorum of the board was established and Linda Breum, President called the meeting to order at 9:00 a.m. Directors present were Linda Breum, President; Diane Vinson, Secretary and Frank Melton, Director. Skip Jewett, Vice-President; Tom Smith, Director; Steve Howard, Director; Mark Chase, Director and Gabe Miller, Treasurer were present via conference call. Sean Wulff, Director was absent.

Frank Melton moved to approve the minutes of the May 23, 2020 Board of Directors meeting which motion was seconded and unanimously approved.

Gabe Miller, Treasurer: Treasurers Report attached.

Luann Fanelli, Manager's Report: Ace Enterprises performed some minor concrete repairs in August on the A, B,C and F buildings. Some minor roof repairs have been done on the A building roof. Both tennis courts were resurfaced. I believe we may have the garbage issues under control. We have 3 garbage dumpster with pick up two times a week. We still have issues with owners disposing household items and furniture in the dumpsters. I am in the process of preparing the 2021 preliminary budget to be reviewed and finalized by the budget committee.

Association Owner Unit – Ray Halas, Maintenance employee, has moved out of the Association owned unit. Ray still works at the Southeaster but he no longer lives on site. We are in the process of making some minor repairs and improvements. The Association has the option to rent the unit to supplement the operating budget or sell the unit. All options to be discussed during the budget committee meetings.

Financial Status – As previously discussed by Gabe Miller in the Treasurers Report, we are currently over budget mainly due to several unexpected expenses and increases in building maintenance repairs. For the last several years we have been running over budget by the end of the year and will need to consider increasing our budget and raising the maintenance dues in order to operate where we need to if we want to maintain this property. These issues will be discussed during the budget committee meetings.

Drywall Claim – John and Leslie Fisher, A103, presented the board with two invoices totaling \$7413.68 for drywall damages from Hurricane Irma three years ago. Since it has been three years since the damage occurred, it is too late for the Association to file a claim. Had the Association been given the opportunity to make the repairs after the damage occurred, the Associations total out of pocket cost would not have exceeded \$5000, the cost of the Associations insurance deductible. Frank Melton moved to reimburse John and Leslie Fisher, A103, \$5000 for drywall repairs the maximum cost to the Association for the Associations insurance deductible which motion was seconded and unanimously approved.

Roof Maintenance - We are in the process of obtaining bids for roof replacement. We are also obtaining bids on roof replacement to be done in stages. We continue to maintain the roof and there have been only minor roof repairs but due to the age of the roof our insurance agent said they may have trouble finding a carrier who will insure our roof. Roof repair and/or replacement will be discussed during the budget committee meetings.

The following will serve on the Budget Committee: Gabe Miller, Chairman; Diane Vinson, Linda Breum, Mark Chase, Mark Carpenter and Eric Miller.

The next Board of Director's meeting is scheduled for Saturday, November 7, 2020 at 9:00 a.m. The Annual Meeting is scheduled for Saturday, November 7, 2020 at 9:30 a.m. The Organizational Meeting of the new board will be immediately following the Annual Meeting.

Frank Melton moved to adjourn which motion was seconded and unanimously approved. The meeting was adjourned at 9:55 a.m.

Diane Vinson
Secretary, Southeaster, Inc.

Southeaster Board Meeting
September 5, 2020
Treasurer Report

2020 Financial Performance:

Year-to-date (YTD) association income through June 2020 was \$234,027.58; on budget. YTD expenses totaled \$268,154.65; \$33,687.65 over budget. The primary expense variances were in Building (pool heating & repairs), Insurance, Administration, and Recreation facilities; detailed below.

The resulting YTD net income is -\$34,127.07 (includes -\$14,168 sewer damage) Including \$46,200 of sewer pipe assessment, NI is 12,072.93.

Key Variances:

Building:	+\$2,835.00	Cable TV, Maintenance, Pool heating
Trash Removal	+\$2,622.00	Overage charges for additional pick up days
Insurance:	+\$7,172.00	Hurricane/Windstorm higher than expected
Office & Admin:	+\$2,419.00	Fees/Permits/Licenses, Admin expenses
Recreation:	+\$6,675.00	Rec Room AC

Cash position: (as of 06/30/2020)

Total: \$398,009.24

2020 Operating account activity:

January 1 balance:	\$ 55,307.16
Total contributions:	\$274,551.72
Total withdrawals:	<u>\$298,713.43</u>
June 30 balance:	\$ 31,145.45

2020 Reserve account activity:

January 1 balance:	\$380,323.96
Total contributions:	\$ 98,108.42
Total withdrawals:	<u>\$111,568.59</u>
June 30 balance*:	\$366,863.79

*\$64,449.81 due from Operating account for insurance premiums paid in advance

Notable Reserve spending:

Insurance	\$108,232
Concrete (July)	\$ 9,000
Tennis courts (July)	\$ 9,245

Accounts Receivable: \$0.00

Prepaid Maintenance Fees: \$27,395.00

Anticipated Spending:

Roof replacement / repairs

<u>Reserve Funds</u>	<u>01/01/20</u>	<u>06/30/20</u>	<u>Variance</u>
Balconies/Corridors Resurfacing	3,952.04	4,957.63	1,005.59
Railings Restorations Allowance	9,001.43	9,169.25	167.82
Common Area Interiors Allowance	4,141.60	4,380.76	239.16
Ice Machine Replacement	1,222.52	1,227.38	4.86
Paint/Waterproof Buildings	63,333.27	68,094.48	4,761.21
Asphalt Overlay	4,256.38	4,836.47	580.09
Brick Paved Decking/Walks	927.54	1,350.98	423.44
Pool Heater Repair/Replacement	1,353.42	1,691.52	338.10
Pools Interior Resurfacing	18,808.12	19,785.55	977.43
Roof Replacement, Mansard	15,285.56	16,529.97	1,244.41
Roof Replacement, Tar & Gravel	181,640.02	200,014.15	18,374.13
Seawall Restoration	63,613.02	62,975.11	(637.91)
Shuffleboard Courts Resurfacing	488.80	488.98	0.18
Solar Panels Replacement	3,481.03	3,972.63	491.60
Tennis Courts Fencing & Gate	482.88	584.73	101.85
Tennis Courts Light Fixtures	205.28	205.28	0.00
Tennis Court Resurfacing	6,197.92	6,997.33	799.41
Storm Damage Fund (Non-Recur)	8,401.32	10,355.81	1,954.49
Funds Borrowed from Reserve-Ins	-12,680.69	-64,449.81	(51,769.12)
Asphalt Sealcoating/Rejuvenatio	2,386.45	2,741.64	355.19
Concrete Restoration Allowance	3,826.05	10,376.75	6,550.70
Total Reserve Funds	380,323.96	366,286.59	(14,037.37)