

SANDESTIN OWNERS ASSOCIATION, INC.
BOARD OF DIRECTORS MEETING
January 20, 2011

MINUTES

Board Members Present: Dave Stowe, President
 Kent Lillie, Vice-President
 Hollis Risley, Secretary
 Rusty Decker, Treasurer
 Andy Salmon, Director
 Ken Lloyd, Director
 Don McQuade, Commercial Representative
 Joe Bracciale, Commercial Representative
 John Russell, Declarant Representative

SOA Staff Present: Sandy Matteson, Executive Director
 Jami Williams, Executive Assistant/ HR Admin
 Robin Sedor, Director of Finance
 Tom Cooper, Director of Security
 Victoria Klamerus, Director of Communications
 Kyle Ray, Director of Property Services
 Victor Malabet, Interim ARB Administrator

The Sandestin Owners Association, Inc. Board of Directors held a meeting January 20, 2011, in the Sandestin Owners Association Main Conference Room, Sandestin, FL.

CALL TO ORDER

Dave Stowe, President, called the meeting to order at 8:34 a.m.

ESTABLISH QUORUM

Sandy Matteson, Executive Director, acknowledged that a quorum was established with 9 Board members present.

DISPOSITION OF PREVIOUS MINUTES

Ken Lloyd made a motion to approve the minutes dated December 9, 2010 as proposed. Rusty Decker seconded the motion and it carried unanimously.

ELECTION OF THE 2011 SOA BOARD OFFICERS

Nominations for 2011 Board Officer Positions were taken and ballots were dispersed amongst Board members. With no other nominations for Board President, Ken Lloyd made a motion to approve Dave Stowe as President. Rusty Decker seconded the motion and it carried unanimously. Ballots were cast for Vice-President and it was determined that Kent Lillie received the majority vote. With no other nominations for Secretary, Ken Lloyd made a motion to approve Hollis Risley Secretary of the Board. Rusty Decker seconded the motion and it carried unanimously. With no other nominations for Treasurer, Ken Lloyd made a motion to approve Rusty Decker Treasurer of the Board. Joe Bracciale seconded the motion and it carried unanimously.

2010 COMMITTEE ACHIEVEMENTS

The Board Members briefly reviewed the 2010 Committee Achievements that were provided in the January Board Booklet.

COMMITTEE REPORTS

Finance Committee

The Board reviewed the November financials in complete form as they were incomplete at the December meeting due to the meeting date being earlier than usual in the month. A detailed report of the November Financials is available on file at the SOA office.

Ken Lloyd made a motion to approve the November Financials as presented. Andy Salmon seconded the motion and it carried unanimously.

The December financials were also reviewed in draft form as the Finance Department was working on closing out the 2010 year. A detailed report of the draft December Financials is available on file at the SOA office.

With a recommendation from the Finance Committee, Ken Lloyd made a motion to assign \$250,000.00 of 2010 excess funds to SOA Roadway Reserves. Don McQuade seconded the motion and it carried unanimously.

Mr. Lloyd brought an update to the Board from the Finance Committee concerning receivables and delinquencies. The first option discussed was to request that the court compel the bank to move forward with their foreclosure process. This would allow the SOA to proceed with collection actions on selected aged accounts and allow the property to change ownership. The second option discussed was for the SOA to foreclose on those properties that are not in foreclosure or bankruptcy. It was noted that if this process were to occur, the SOA would be responsible for maintaining the property. Because this could be a costly and time consuming process it was suggested that these accounts be reviewed case by case to determine whether foreclosure by the SOA would be a viable option. Pursuing a foreclosure would require Board approval. The third option discussed was looking at possibly selling the high dollar aged accounts to a third party to attain assistance with settling the account. Discussion ensued regarding all three options.

Ken Lloyd made a motion to compel the bank/mortgage company by court order to move forward with their foreclosure on the top 28 delinquent properties where possible. If the SOA initiates foreclosure the Finance Committee will be charged to bring that recommendation forward to the Board for final consideration and approval. Joe Bracciale seconded the motion and it carried unanimously.

ARB Committee

Kent Lillie, Board Delegate for the ARB, brought forth an update from the committee. He advised that the committee was currently working on evaluating the ARB Guidelines. He noted that all associations would receive a letter with information to assist them with updating their own neighborhood guidelines. It is the

goal of the ARB Committee to establish clear operating guidelines throughout the community and enforce them. The committee will also strive to maintain communication with all neighborhood associations by posting agendas for all meetings.

Sandy Matteson advised the Board that 2 candidates were being reviewed by management to fill the ARB Administrator position. Final interviews will be done within the week.

Joe Bracciale excused himself from the meeting at 9:45am.

Traffic and Safety Committee

Hollis Risley updated the Board on the latest business of the Traffic and Safety Committee. He noted that the Walton County Sheriff will no longer issue citations for traffic crashes on property, but will continue to write reports.

Tom Cooper, Director of Security, announced proposed changes to the Gate Access Matrix which had been proposed at the December meeting. Tom noted that all RDU's will still be issued 2 RFID's as approved in December; this includes all owners and commercial entities alike. Any additional RFID tags past the 2 per RDU will cost \$10.00 each. Mr. Cooper advised the Board that issuing RFID's to employees would actually create a higher level of accountability with access because security would be able to regulate the hours that the RFID allows for entry and shut the RFID off when employment is terminated.

After discussion ensued and concerns were addressed Hollis Risley made a motion to accept the proposal stating that each RDU is to receive 2 free RFID's and employees are allowed to be issued 1 RFID with approval. Ken Lloyd seconded the motion and all voted in favor except Don McQuade who was opposed.

Tram Update

Rusty Decker, Chair of the Traffic & Safety Tram Subcommittee, gave a recap on the transportation issue currently under discussion in the Sandestin Community. He reminded the Board that Sandestin Investments came to the Board in late 2010 stating that they could no longer fully fund transportation at Sandestin starting January 1, 2011. Sandestin Investments tasked the SOA to research transportation alternatives that would benefit the community as a whole; possibly hiring a third party vendor. Rusty advised that the subcommittee has worked with the community to define transportation needs as a whole. It was estimated by the resort that a transportation system fully funded by the SOA would cost \$600 per RDU per year. Many SOA members feel that this is not a viable option. Rusty advised that a survey is set to be sent out to take a census on the opinion of the community and recommends that the Traffic and Safety Committee take the information collected to make a final decision. The Tram Subcommittee feels the 2 options at this point would be to have no transportation system or consider contracting the system to a third party to offer services.

Parking Update

The issue of parking and Parcel 121C was also addressed. As it stands, Sandestin Investments and the SOA have agreed to disagree concerning ownership of spaces after seeking legal counsel. John Russell suggested meeting with Tom Becnel to discuss the options. It was suggested that a gate be placed at Parcel 121C to control access for parking.

Landscape Committee

Arbor Contract

Sandy Matteson presented the Board with 3 bids for the 2011 Arbor Contract. She noted that the Landscape Committee recommended using Downey Trees to fulfill the needs of the community in 2011.

Ken Lloyd made a motion to accept the contract from Downey Trees for 2011. Hollis Risley seconded the motion and it carried unanimously.

Irrigation Contract

Sandy Matteson presented the Board with a contract from Irrigation Management Systems, noting that the alternative contractor, Brickman, stated that they were unable to provide the services requested concerning irrigation management at this point in time. Sandy noted that IMS was able to decrease the amount of water usage in the community by 5 million gallons in the past year. Sandy recommended using IMS to the Board which would include 2 new pump stations to maintain and an extra staff person on site. She advised that the contract with IMS would be good for 3 years with annual negotiations and no automatic increases.

Andy Salmon made a motion to accept the IMS Contract for its term. Rusty Decker seconded the motion and it carried unanimously.

Maintenance Committee

Pool Maintenance Contract

Sandy presented 4 bids for the 2011 Pool Maintenance Contract and explained one contractor withdrew their bid leaving 3 to review. The Maintenance Committee recommended using Micky's Pools, Inc. as they provided good service over the past year, decreased their price for 2011 and presented the lowest bid.

Rusty Decker made a motion to accept the contract for pool maintenance with Micky's Pools Inc. for 2011. Kent Lillie seconded the motion and it carried unanimously.

Club Drive Drainage

Kyle Ray, Director of Property Services, presented the Board with photos to illustrate the drainage issues on Club Drive. He presented bids to correct the drainage issue which would include installing a catch basin and approximately 500 ft of pipe.

Rusty Decker made a motion to accept the lower bid with Redfish Marine to make these necessary repairs on Club Drive at the cost of \$11,637.00 to be paid out of Capital Reserves. Andy Salmon seconded the motion and it carried unanimously.

Beach Access Concrete

Kyle Ray presented the Board with photos of damaged concrete at the area by Southwinds that is used for vehicles to access the beach. He explained that the materials previously used to fill this area weren't durable enough for the weight of heavy vehicles. It was recommended that 6 inches of crushed concrete be placed on bottom with a layer of specially designed concrete for durability on top. The Maintenance Committee recommended using Pettibone for \$57,000.00 to be paid from Paving Reserves to complete this project.

Kent Lillie made a motion to accept the bid from Pettibone to complete the Beach Access Concrete project with money from Paving Reserves. Andy Salmon seconded the motion and it carried unanimously.

Approval of Allocation of Funds for Vehicle Purchase

Sandy Matteson brought to the attention of the Board a need to purchase 2 Sanitation trucks and 1 Maintenance truck. After researching products and costs, the Maintenance Committee recommended purchasing 3 basic Ford pick-up trucks from Gary Smith Ford in Fort Walton Beach. Each truck is estimated to cost 22K and the SOA will trade in the trucks currently in use.

John Russell inquired as to whether or not research was done on utility vehicles specifically designed for maintenance and pick-up purposes using alternative sources of energy. Kyle Ray noted that research was done previously and the cost for specialty vehicles was significantly more. At this point in time the Maintenance Committee believes the regular pick-up trucks will best suite the needs of the department. The Committee is not opposed to looking into non-traditional vehicles next purchase cycle. Rusty Decker suggested the Maintenance Committee ought to look into increasing the bed size on the trucks to carry more waste and make fewer trips back and forth.

Andy Salmon made a motion to approve the cost allocation to purchasing 3 pick-up trucks from Gary Smith Ford out of Fixed Asset Reserves, while agreeing to further research non-traditional vehicles next purchase cycle. Hollis Risley seconded the motion and it carried with majority vote.

Dave Stowe called for a 5 minute recess at 10:45am.

Manager's Report

Sandy Matteson reviewed the highlights of her December Manager's Report. She advised the BP Claim that was filed in Fall 2010 had been denied originally, but was being re-filed for further consideration. She announced that each Board Member was given a SOA BOD Policies & Procedures Binder to refer to throughout the year. The binder also includes the 2011 approved budget. Sandy brought to the attention of the Board the Reserve Study for Sandestin which was included in the January BOD booklet for review. Sandy recommended sending the study to the Finance Committee for review before final approval is reached. Sandy noted 2 inserts in her report illustrating recent outstanding customer service provided by SOA employees. She also shared that goals and objectives for 2011 were established by each employee at the SOA which will be reevaluated at the end of the year for achievement. Sandy explained that the green waste yard on property would be restricted to specific landscapers due to a surplus in green waste. Sandy pointed out a new stop sign that was recently moved near the East Gate to help with safety and traffic flow. She also announced that gate access RFID's were available for pick up at the SOA office starting with a soft opening that week.

Approval of Water Reuse Signage

Sandy brought to the attention of the Board Florida Statute 62.610 which states that the public must be notified about the possible reuse of water by approved signage. Several areas on property have the potential to be affected by this including areas near Beachwalk, Tivoli, Linkside and the Fairways. The anticipated cost to comply with this statute by posting signs in the potentially affected areas on property is \$5-6K with 2 bids currently being reviewed. Rusty Decker recommended further investigating the cost of sign printing with the thought that this price range is on the higher end. Sandy noted that installation would be provided by SOA maintenance staff with follow-up approval from Regional Utilities.

NEW BUSINESS

Approval of SOA Membership & Record Access Policy

The Membership & Record Access Policy proposal was tabled. An updated version was handed out to all Board Members for review and approval to take place at the next Board meeting.

MEETING SCHEDULE FOR 2011

Dave Stowe announced that Board meetings would continue to be held the third Thursday of each month in 2011. All dates for the year were included in the Board Binder provided by SOA staff. He also noted that a copy of meeting procedures was also included in the Board Binder for reference.

NEXT MEETING

The next Board of Directors meeting will be held Thursday, February 17, 2011 at 8:30 a.m.

ADJOURNMENT

With no further business brought before the Board, at 11:35am Hollis Risley made a motion to adjourn the meeting. Ken Lloyd seconded the motion and it carried unanimously.

Respectfully submitted,

Hollis Risley
Secretary

Transcribed by: Jami Williams