

**BLUEWATER BAY MSBU
BOARD of DIRECTORS
Public Meeting
March 3, 2015**

I. Call to Order

Chairman Debbie Stretch called the meeting to order at 4:00 p.m. Present were Directors Judy Griffin, Felix Beukenkamp, Jonathan Tallman and Steve Hall. The presence of a quorum was confirmed. Also attending were Chris Olsen, Marcia Sanders with the Bay Beacon, Danny Wilcox with Valleycrest Landscaping, Karl Welhart and Bill Readdy. Representing Bluewater Management Services were Darlane Landsberger and Meredith Collins.

A. Budget and Financial Discussion

Ms. Griffin reported the following:

- Ms. Griffin reported that she and Ms. Landsberger met several individuals at the County in Crestview on February 24, 2015. In attendance were Mr. Dave Skarzynski, Mr. Stamford, Public Works was also in attendance and we discussed where we were with the MSBU Budget.
- Vine removal was completed by the prior Management Company at an estimated \$30,000
- A lot of irrigation repairs were completed in 2014
- It was reported by the County that we could use reserves if we need to for expenses in the next fiscal year, however, the Winged Foot sidewalks cannot begin until the Southwind invoice has been paid in full
- Asked the question if we can raise the annual assessment more than five percent per the ordinance. The county recommended going through Legal and the Property Appraiser's site
- Asked about the properties that are not paying dues within Bluewater Bay and were told to speak with the property appraiser's office
- Discussed doing an Adopt a Tree Day within the community and the County discouraged it
- Ms. Landsberger reported that the County recommended perhaps having the Garden Club sponsor and also contact the MSBU's in Texas. Also received information on Arbor Day activities

Mr. Beukenkamp reported the following:

- Recap of what happened:
 - 1) The beginning balance of MSBU for October 1 was projected to be \$79,532 and was actually \$36,742, a difference of \$42,790.
 - 2) Mr. Dave Skarzynski, Budget Manager at the Clerk of Circuit Court office, accounted for the \$42,790 adjustment by reducing our \$22,671 reserve account (revenues above expenses) to \$0, and assigning a charge of \$20,119 to lawn services.
- Mr. Beukenkamp reported that his concern is accountability and he is very concerned on moving forward
- Mr. Beukenkamp reported that the reports from last year did not show we would have the deficit we have today
- Need to allow a buffer in the budget moving forward
 - 1) Currently have a \$20,119 negative beginning cash balance
 - 2) The Southwind sidewalk invoice is approximately \$29,440.23

3) \$22,671 is the amount of our 2014 reserves that were allocated for 2014 spending over and above revenue

- If you add items 1-3 together, the numbers above there is a total of \$72,230.23 change in the MSBU financial position from the 2014 year end report
- If you add items 2 and 3 together, for a total of \$49,559.23, which is a liability that we need to pay off

Mr. Beukenkamp thanked Ms. Griffin for meeting with the County, however, it would have been appropriate to have a report or a notice of the meeting, as he would have liked to attend. Ms. Griffin reported that the Sunshine Laws would have prohibited him attending the meeting.

Mr. Beukenkamp reported that he and Mr. Karl Welhart have met three (3) times to go over the MSBU budget and he thanked Mr. Welhart publicly for his time and help. Mr. Beukenkamp reported that there are two (2) issues:

- 1) Spending
- 2) Revenue – does not believe that crowd funding is the way to go until a solid accounting system is in place

Mr. Beukenkamp reported that the Board will need to look at the number of people paying assessments and he asked Mr. Welhart to review the listing. Mr. Welhart reported that there are a lot of parcels involved and he found many errors on the county rolls in the past, i.e., White Wilson was incorrect years ago when it was built. Identified 12 or 15 parcels that were classified incorrectly as common property. It is important that it is reviewed with a spreadsheet by subdivision. Mr. Beukenkamp reported that he would like for Mr. Welhart to concentrate on the current County roll. Mr. Welhart reported that when the Magnolia Golf Course develops it will be interesting and that we cannot rely on the property appraiser information.

Mr. Beukenkamp reported that we need to decide how much of the liability do we wish to pay or make up and do we wish to draw from the reserves? Recommends that the Board start here.

Ms. Landsberger reported that prior to the budget cycle she sent an electronic copy of the tax rolls to the Board of Directors. Mr. Welhart reported that what needs to be reviewed is the classification on what is paid. Ms. Griffin reported that it should not change from year to year unless there is new construction. Mr. Beukenkamp reported that the MSBU must review.

Ms. Griffin reported that landscaping being the largest budget item, she came up with the following recommendations:

- The annual landscape contract is budgeted for \$214,000.00, however, in reality is only \$203,000, that's a total of \$11,000.00 savings
- Ms. Griffin spoke at the last meeting on a recommendation to cut back on seasonal color to save money and just apply pine straw at the moments. We can then add some perennials to keep some color in those areas. This will save an estimated \$5,000.00.
- Ms. Griffin reported that she spoke with Danny Wilcox with Valleycrest Landscaping on possibly reducing the amount of pine straw to save money. Mr. Wilcox reported that they generally 2,800 bales of pine straw is used annually, however, can reduce to 800 bales only servicing the crucial areas. This will save an estimated \$12,000.00.
- We did not over seed with winter rye this year which saved some money, however, have increased the amount of herbicide that is applied. We will reduce the pine straw application at

the monuments and the Highway 20 medians, just to curb. This will save an estimated \$10,000.00

- Ms. Griffin reported that she would rather sacrifice this year and do some improvements in the next budget cycle

Ms. Griffin reported that with the above reductions it will save approximately \$38,000.00 in this year's budget to help fund the deficit.

Mr. Wilcox from Valleycrest reported that cutting out these services for six (6) months will not dramatically hurt, can pick back up during the next budget cycle.

Ms. Griffin reported that the Board can possibly discuss eliminating the Landscape Plan and that she sent Mr. Brad Davis an email, however, did not yet get a response. We have currently spent \$1,250 and will spend an additional \$3,600 on the map for a total of \$4,850.00, but reducing the remainder will save an additional \$9,800.00.

The total saved with Ms. Griffin's recommendations is \$47,800.00.

Mr. Beukenkamp reported on several additional adjustments/savings within the budget:

- 1) Consulting \$2,000.00
- 2) Website \$300.00
- 3) Storage Savings \$180.00
- 4) Common Area Expenses \$3,000.00
- 5) Office Supplies \$576.00

All of the above cost savings within the 2015 fiscal budget is \$53,856.00

Mr. Beukenkamp asked if the Board was in agreement of all of the above figures, unanimous approval for the savings.

Mr. Beukenkamp reported that the Southwind sidewalk invoice needed to be discussed. He is leaning towards paying the invoice. Ms. Griffin recommended paying a partial payment now and then the remainder of the invoice during the next fiscal year. The Board agreed to pay half of the \$29,440 for a total of \$14,720.00. Mr. Tallman recommended paying the half now and then possibly make monthly payments until the invoice is paid in full. Ms. Griffin recommended waiting until around August 2015 and write a check for the remainder, depending on the finances at that time.

Mr. Welhart asked if the Board intends to fund the reserves this year. Mr. Beukenkamp reported that it appears we will have \$4,000.00 left over and could possibly put it into reserves. Mr. Welhart reported that the ordinance requires that reserves be funded. Ms. Griffin reported that its' a reserve fund, however, the County reported that the Board can utilize the funds as needed. Mr. Welhart reported that based on the County reserve percentage, \$29,941 should be the funded.

B. Planning Meeting

Ms. Stretch reported that Mr. Hall submitted his resignation, however, it's not going into effect until April, hope that we will have someone in place at that time. Ms. Griffin asked Ms. Sanders to put something in the Beacon and Management was asked to list something on the website advising of the future vacancy on the Board. Ms. Griffin recommended that a form for potential candidates be

drafted listing future Board candidate's vision for the community. Mr. Hall reported that he will draft something for the Board's review.

Mr. Welhart asked the Board if they are seeking Legal counsel per prior meetings, and if so, this will also increase the budget. Mr. Hall reported that he believes the best option for the MSBU is to use County Legal, at least for the remainder of this year and does not believe that the Board will need to have separate counsel.

Ms. Griffin reported that County Commissioner Meetings are held on the third Tuesday of each month and recommends that the MSBU go back to meeting on the second Tuesday of each month. Ms. Griffin made a motion to have the MSBU monthly meeting on the second Tuesday of each month beginning in April 2015, this was seconded by Mr. Beukenkamp, none opposed.

Ms. Griffin reported that last year the MSBU Board had several Strategic Planning meetings to discuss objectives and actions and listed the following achievements accomplished:

- Completed the Southwind Drive sidewalk project
- Hired a landscape designer to create a master community landscape plan and digital map
- Pressure washed the curbing within Bluewater Bay
- Implemented better weed control and hired a new landscape company
- Removed a lot of dead and diseased trees within the community
- Repaired a lot of irrigation to due to the aging system

Goals and Objectives for this Year:

- Made some improvements to our aging signs. The master community landscape plan and landscape architect, Mr. Brad Davis also has some ideas for new signage
- The azaleas in the islands have run their course and to replace north and south will be an estimated \$10,000
- Need to make the medians on Highway 20 more attractive
- The stack block walls are a lot of maintenance. Will possible recommend the removal and maybe ask the public to help with the removal as well. Troon Drive block wall, however, looks great
- Was trying to have a Community Work Day this Spring, however, will need to reschedule for the Fall, possibly October timeframe. Will also need volunteers to help and recommended putting it on the website. Mr. Beukenkamp reported that he will contact the Bluewater Resort to see if they will help with the clearing of the tree lines. The last time this was discussed, Mr. Hanks was agreeable to help. Ms. Griffin asked if a community work day is planned, will a release form need to be done prior to any work being facilitated by volunteers.
- The pressure washing of the curbs is fifty (50) percent completed
- The red tips on Bay Drive will need to be removed and replaced with another type of planting
- The new sidewalk at Winged Foot Drive will cost approximately \$29,626.55. Mr. Beukenkamp reported that this can be funded during the next budget cycle
- Ms. Griffin reported that she will be attending the Restore Act Committee Meeting tomorrow at the Emerald Coast Convention Center. Mr. Tallman reported that there is no limit to how many projects you can apply for under the Restore Act. Mr. Beukenkamp reported that maybe each Board member can apply for a project. Mr. Tallman reported that fifteen (15) percent of the projects will be micro-projects, which consist of \$90,000 or less

- Mr. Beukenkamp reported that flooding and drainage are a major concern within Bluewater Bay. Ms. Griffin asked Mr. Tallman if the Board can apply for these grants individually.

Ms. Griffin asked if anyone had any additional items to add. Mr. Hall reported that the Board did a great job in the past with the Landscape RFP and there has been a big difference in the community. Ms. Griffin reported that Valleycrest has done a great job. Ms. Stretch reported that she is very happy with the results accomplished this evening.

Mr. Beukenkamp reported that he would like to see the Winged Foot Drive sidewalk project get completed and if the Board has no objection, he would like to approach Mr. Plunkett at the County to ensure that the Winged Foot sidewalk project stays on the schedule for the fall.

Mr. Beukenkamp recommended re-evaluating the lighting and possibly have homeowners pay the monthly cost of the electricity. For example: if the MSBU does the legwork for installation of new lights, would the homeowners that requested the lighting be willing to pay the Chelco fee. Ms. Griffin reported that the MSBU put in quite a few lights in the past and have been paying the lighting fee monthly.

Mr. Beukenkamp reported that June 1st should be the deadline for submission of the 2016 Budget, all agreed.

Mr. Tallman reported that the posts on Bluewater Bay by the tennis center need to be removed and that this was voted on at a prior meeting to have them removed. The Board volunteered to remove them.

Mr. Beukenkamp reported on the Lake Flooding and that Mr. Lewis with AVCON has been very ill. The state has asked for photos, invoices and also a change in the scope of work. The States has reported that they can only match \$16,500, which totals \$33,000 which will make the grant, if approved only \$132,000 vs. the original \$400,000.00. Mr. Beukenkamp reported that he is not proposing any action this evening, however, the community needs the funding. Ms. Stretch reported that the Board should discuss approving the grant first and then vote on the MSBU pledge.

Mr. Tallman asked Management if they had a sign inventory listing. Ms. Landsberger asked if he was looking for a street sign or traffic sign inventory listing. Mr. Tallman reported, both, as he believe that there are a lot of unnecessary signs within the community.

II. Adjournment

The meeting was adjourned at 5:30 p.m. with a motion from Ms. Stretch.

Submitted by: Meredith Collins

Approved by: Debbie Stretch