

KEY WEST GOLF CLUB HOMEOWNER'S ASSOCIATION, INC.
ANNUAL MEETING
Key West Golf Course Clubhouse, Key West, Florida
February 1, 2020

1. CALL TO ORDER

Vice President Robin Mitchell called the meeting to order at 2:05 p.m.

2. DETERMINATION OF QUORUM

There were 50 members present, and 52 represented by proxy for a total of 102. A quorum was not achieved. Operations Director Sterling Christian, Property Manager Randy Niles, and Property Manager Michael Henriquez were present on behalf of Management.

3. PROOF OF NOTICE

Proof of meeting notice was provided by affidavit signed by Associations Operations Director Sterling Christian.

4. CLOSE OF NOMINATIONS

Vice President Robin Mitchell asked if there were any additional nominations from the floor. Bill Buzz nominated Mike Wilbur. Robin asked if there were any additional nominations. Ken Giaccio was nominated. Robin asked if there were any additional nominations. None were submitted. Robin announced that the nominations were closed.

5. APPROVAL OF MINUTES

Vice President Robin Mitchell asked for a motion to approve the prior annual meeting minutes of January 26, 2019. The motion was made and duly seconded. The motion was approved unanimously.

6. PRESIDENT'S REPORT

Vice President Robin Mitchell noted that with no quorum members would not be voting on three items under "New Business." However, the meeting would continue as an informational meeting.

President Bill Buzzi provided his President's Report via speaker phone. Bill thanked the Board of Directors, all the committees, and Management for the excellent job they do throughout the year. Bill reviewed his report via a PowerPoint presentation. Bill reviewed the 2019 capital projects completed, including paving Golf Club Drive from Whistling Duck to Kestral Way for \$72,000, the renovation of the small pool bathrooms for \$14,200, the addition of pool lighting for \$8,600, controlled access at both gates for \$17,500, the installation of pool heater/chillers and club house video surveillance for \$15,600 for a total of \$128,000 in total capital projects for 2019. Bill noted that there were capital projects planned for 2020, including paving of Golf Club Drive from Kestral to the Sanctuary and upgrading the exercise room per plans that were being reviewed. Vice President Robin Mitchell thanked Bill for all he has done for the Association.

7. YEAR 2019 FINANCIAL REPORT

Treasurer Joe Caso presented his financial report via a PowerPoint presentation. Joe reviewed financial highlights including budgeted income for 2019 of \$1,895,400, with actual income at \$1,899,225, with total expenses budgeted at \$1,932,621, and actual

expenditures coming in lower at \$1,892,465. Joe noted variances between 2018 and 2019 including total cash and receivables. Joe noted financial highlights including total cash and receivables being \$56,676 higher than the preceding year, total expenditures being \$96,970 lower, with operating account balances being \$18,623 higher than the previous year. Joe noted that reserve account balances were \$28,576 higher than the preceding year. Joe briefly reviewed reserve spending completed projects in 2019, including the electronic key pads for the large and small pools, small pool bathroom renovation, pool heater and lighting installations, and paving from Merganser to Kestral Way. Joe thanked the members of the Finance Committee, including himself as chair, Dave Hubbert, Russ Vickers, and Joe Marubio. Joe noted that the committee will be meeting during 2020 to discuss project reserve spending, and that Dave will address those projections in a separate report. Joe concluded his report indicating that he has reviewed all 2019 accounts payable reports twice monthly. There were no concerns noted.

8. BOARD OF DIRECTORS ELECTION

Ballots were distributed with the names: William Buzzi, Joe Caso, Dave Hubbert, and Robin Mitchell, with write-in candidates Mike Wilbur and Ken Giaccio. Robin asked for non-related individuals to participate in counting ballots. Amy Kehoe and Michael Spirnak volunteered.

9. UNFINISHED BUSINESS

There was no unfinished business presented.

10. NEW BUSINESS

Vice President Robin Mitchell announced the results of the election with the new Board of Directors for 2020 being Bill Buzzi, Joe Caso, Dave Hubbert, Robin Mitchell, and Mike Wilbur.

Vice President Robin Mitchell introduced Dave Hubbert who presented capital projects reserve spending via a PowerPoint presentation. These included paving of Golf Club Drive from Kestral to the Sanctuary and upgrading the exercise room per plans that were being reviewed. Dave also provided a background and update on the cable lawsuit with the developer Pritam Singh, who designated himself as the cable provider and makes a profit on the association every month. Dave indicated that the Board closely reviewed the situation and determined that it was grossly unfair to the association and that they decided to pursue a declaratory judgment action in the courts to determine if the agreements were valid, and that it was the Board's desire to recoup the legal fees through the existing budget and future savings that would be realized by being able to switch to an alternate provider. It was noted that the current cost to association members was approximately \$68 per month per unit, which is approximately twice as much as other association pay for a bulk contract, with the developer keeping that difference. President Bill Buzzi reviewed how the association had been forced into an unfair arrangement with the developer, so the Board decided to hire an expert in the area, Attorney Christopher Lee, to review the matter and request the court to make a declaratory judgment to determine if the arrangements were valid.

Dave Hubbert introduced legal counsel, Attorney Christopher Lee. Chris indicated that a declaratory judgment action had been filed with the courts in September and the typical motions had only been filed to date. Chris indicated that the current

arrangement with the developer was set to continue for the next 30 years. Chris took questions from the general membership.

Vice President Robin Mitchell presented a real estate update via a PowerPoint presentation. Robin noted that prices had continued to increase both in value and square foot prices from 2014 through 2019, with the average sales price beginning in 2014 at \$342,000, increasing through the years to 2019 at \$484,257, with average price per square foot increasing from \$351 to \$463 during the same time period. Robin noted that the percent of sales to list price continued to be strong, with an average of 97% in 2018, increasing to 99%. Robin noted that there were currently 15 active listings with an average price of \$581,793. There were 4 under contract with an average price of \$537,250 and 2 units sold year-to-date with an average price of \$400,500, with average price per square foot holding at the \$500 range.

Property Manager Randy Niles reviewed the inspection process, indicating that inspections were conducted prior to listing for sale to allow owners to address issues and not be surprised after the contracts had been negotiated and prices had been settled upon between purchasers and sellers. Randy noted that he conducted 60 new inspections this year and that over 100 had been closed out during last year. Randy indicated that inspections were kept on an electronic database going back to the beginning of the inspection process. Randy indicated that he is not an official inspector; however, he focuses more on visual items, not structural. It was noted that the Architectural Review Committee was in need of a chairperson and requested that individuals who were interested approach the Board of directors prior to their next regular meeting.

11. QUESTIONS AND COMMENTS

A discussion ensued in reference to green and yellow mirror hangers and their proper use, indicating that owners who had been issued a yellow mirror hanger were permitted to park in owner parking areas. as the hanger was in place of one of their "two allowed vehicle decals," but the individuals with green visitor hangers were only permitted to park in visitor parking areas.

Andy Monteiro reviewed issues dealing with parking and his efforts as a prior member of the Security and Parking Committee to come up with solutions to address the various issues that exist.

Property Manager Randy Niles reviewed the various parking passes that were available to owners and guests within the community. President Bill Buzzi reviewed that discretion was necessary in reference to security and parking issues.

12. ADJOURNMENT

Motion was made to adjourn the meeting and duly seconded. The motion was approved unanimously, and the meeting was adjourned at 4:00 p.m.

Respectfully submitted,

Sterling Christian

Operations Director