

November 9, 2022 Parasol HOA Board of Directors Meeting

MEETING MINUTES

The meeting was held at 1225 Parasol Place, Pensacola, Florida, 32507.

Peter Andronaco, President of the Parasol Homeowners' Association (HOA) Board of Directors (Board or BOD), called the meeting to order at 10:00 AM on Wednesday, November 9, 2022. Peter mentioned a third quarter, 2022 Board meeting was not held due to the uncertainty of Hurricane Ian's path.

Peter noted that on November 2, the Board Secretary sent by e-mail a notice of the BOD meeting and a meeting agenda containing teleconference dial-in instructions to all Parasol homeowners. Additionally, hard copies of the meeting notice and agenda were posted in two locations in the Parasol common areas on November 2, 2022.

Peter stated that 3 of the 4 Parasol board members were in attendance at the meeting (himself, Mary Santina, Board Secretary, and Andy Tofe, Board Treasurer) and that Ned Cox, Board Vice-President, was in attendance by telephone dial-in. As all Board members were present, Peter established a quorum.

Non-board members present at the meeting were Patti Tofe, John Bridges, David Landry, Doug Buelow, and Charles Vick. Bobbie Buckelew dialed in to the meeting.

Approval of the May 12, 2022 Board Meeting Minutes:

Peter reviewed the meeting minutes from the May 12, 2022 Board meeting noting those minutes were posted to the Parasol website a few days after that Board meeting. There being no further comments regarding the minutes, Mary Santina motioned to approve them. The motion to approve was seconded by Andy Tofe and the minutes were approved unanimously.

Treasurer's Update / 2022 Budget Status:

Andy Tofe handed out Parasol's Balance Sheet and Income Statement through the first 9 months of 2022, noting these have been posted to the Parasol website. Additionally, he provided a 9 months' summary comparison of significant budget over- and under-expenditures. The projection for year-end is that the 2022 budget will be sufficient to cover 2022 expenditures without having to draw down the HOA savings account. This will be possible due to a \$6,000 payment from Land's End Condominium for repairing the shared perimeter fence on the east side of Parasol. Absent this payment, Parasol would run a 2022 budget deficit.

Maintenance Committee Update:

John Bridges updated the meeting on the following points:

Curb Painting – The Days’ home at 1237 Parasol is almost complete; their curbs will be painted within the next week or two.

Fall Planting – Jubilee completed the fall plantings this week. That will be the last large landscaping expense for 2022.

Curb Repair – Brandenn Janssen will repair the curb damage at the entrance gate and the Days’ contractor will pay the repair cost. There was discussion regarding the addition of a security camera at the front entrance gate to monitor incoming traffic. John noted there is currently a camera pointed at the front entrance gate from the pool cabana. He estimated an additional camera would cost \$700 and wasn’t sure how or if another camera could be connected to the existing ones.

Pool Furniture – Patio Freedom has provided a \$3,200 proposal to re-sling and repair as necessary with stainless steel hardware the 12 pool loungers and 8 chairs. A deposit will be paid in January after which the pool furniture will be picked up, repaired, and delivered to Parasol by early March.

Parasol Ring Road Update:

Brien Blakeney’s contact, Ralph Barnes, owns Adcamp Asphalt Co. in Mississippi. Peter provided photos of the Parasol ring road to Ralph who, based on the photos, recommended localized milling and patching of the road asphalt followed by application of a top seal coat to the entire road. Ralph estimated this would add 3 to 5 years of useful life to the road. He noted his Orange Beach condominium (Romar House) just completed similar work in its parking lot.

Bob Thomas and Doug Buelow with the Parasol Maintenance Committee (Roads and Curbs) are reaching out to 3 local asphalt companies to inspect the road and provide the following:

- An estimate of remaining useful life in the “do nothing” case
- Cost estimate for localized milling and patching, and top sealing the entire road
- Cost estimate for milling, repaving, and top sealing the entire road

A decision as to the best option and timing will be a 2023 activity.

Management Company Review:

Peter noted Parasol’s current HOA manager isn’t meeting expectations and the Board believes a change is necessary. Considerations in looking for a new HOA manager included (1) closer proximity to Perdido

Key, and (2) the ability to shift maintenance responsibilities on to the HOA manager from the Parasol Maintenance and other Committees. Based on these criteria, 5 HOA management company candidates were identified:

- Key Concepts
- First Service
- Sandcastle Enterprises
- MyHomeSpot
- Perdido Sand

Key Concepts – Key Concepts was Parasol’s HOA manager prior to Etheridge Property Management and has an office on Perdido Key close to Parasol. The previous owner passed away and the new owner / manager reportedly has little or no experience in HOA management. Therefore, Key Concepts was not contacted.

First Service – First Service has an office on Perdido Key. However, the nearest office performing bookkeeping and other work is located east of Destin. First Service is a large HOA / COA management company, operating in 26 states and several Canadian provinces. After initial discussions with the Perdido Key office manager and the regional sales manager, First Service was dropped from consideration.

Sandcastle Enterprises – Sandcastle Enterprises is a one-person company with an office on Perdido Key very near to Parasol. Peter, Andy and Patti Tofe, Mary Santina, and John Bridges (the Group) met with the owner twice. The La Playa COA Board uses Sandcastle and is happy with it, but outsources La Playa’s bookkeeping / accounting requirements to a CPA firm. The Group met with the CPA firm and obtained a proposal for providing Parasol with bookkeeping services. The combined cost of the proposals received from Sandcastle and the CPA firm is about double the cost of the other proposals we received. Sandcastle’s proposal ex-bookkeeping costs is approximately 50% higher than the other proposals we received therefore Sandcastle was dropped from consideration.

MyHomeSpot – MyHomeSpot is located on North Pace Blvd. and is the HOA manager for Heron’s Walk across Johnson Beach Road from Parasol. The Group met with the owner, Glenn Dorsey, and had a favorable impression of the company’s capabilities. Peter contacted the President of Heron’s Walk’s HOA Board, who indicated Heron’s Walk’s Board is happy with the service provided by MyHomeSpot. However, the menu-style pricing in the proposal received from MyHomeSpot is ambiguous, Parasol would have to use MyHomeSpot’s website and online banking service, and the proposal’s transition costs from Etheridge Property Management are high.

Perdido Sand – Perdido Sand is the new COA manager for both Sandy Key and Grand Caribbean, and its office is located on Bauer Road. The Group met with the owner and had a favorable impression of the company’s capabilities. The proposal and draft management agreement received from Perdido Sand are cost competitive with the proposal from MyHomeSpot with less ambiguity and lower transition costs. Additionally, Perdido Sand is willing to administer Parasol’s existing website. The Board expects to receive a final management agreement and engage Perdido Sand as Parasol’s new HOA manager.

2023 Annual Meeting:

The Parasol HOA Annual Meeting will be held Saturday, January 28, 2023 (the fourth Saturday in January, as agreed at the last annual meeting) starting at 10:00 AM. In anticipation of the meeting, the Group has been preparing the 2023 budget with the following considerations in mind:

- The 2022 budget would likely have a deficit if not for the Land’s End contribution
- The Parasol savings account current balance is ~\$46,000
- All HOA manager candidates stressed the need for adequate budget funding

The Board believes increasing the funds available in the savings account is important to provide flexibility in an emergency as demonstrated after Hurricanes Ivan and Sally. Savings account increases in the past were realized through annual budget surpluses. In light of increasing costs, a dues increase will be required to adequately fund the 2023 budget and prevent having to drawdown the savings account to avoid a budget deficit. The Board anticipates having an owners’ vote at the annual meeting to approve a proposed \$100 per quarter per lot dues increase.

The Board will also propose amending a clause of Parasol’s By-Laws that will require a vote of the owners. Currently, the By-Laws require the Treasurer to prepare or have prepared an audit at the end of each fiscal year. Audits are expensive (estimated to be \$3,000 to \$4,000) and not required by Florida Statute for an HOA with Parasol’s annual revenue. HOAs with annual revenue less than \$150,000 are required to provide a “report of cash receipts and expenditures”. Treasurer currently provides this report in end of year financial statements, and the Board believes there are sufficient financial controls in place without an audit each year. The amended language will require Treasurer to prepare or have prepared at the end of each fiscal year a complete set of financial statements in accordance with Florida Statute 720.303(7).

Any Other Business:

Parasol Beach Signs – Peter noted six new Parasol Private Beach signs have been received. The signs will be installed on the east and west borders of Parasol on 4” x 4” x 8’ posts, and are intended to discourage trespassing on Parasol property. During discussion, Dave Landry suggested investigating ways to identify better the Mean High Tide (MHT) line, which is the southern boundary of Parasol’s private property. Dave indicated the MHT line is a 19-year average, and has previously been defined on maps.

Sandy Key Drain – Ted Johnson, owner of Perdido Sand (Sandy Key COA management company), indicated Escambia County had contacted him in regard to the drain currently running under the walkway between Sandy Key and the west side of Parasol. Ted stated he plans to relocate the drain so it will no longer drain towards the dunes on Parasol's property.

There being no other business, Mary Santina motioned to adjourn the meeting. Andy Tofe seconded the motion, and the meeting was adjourned at 10:55 AM.