

# PELICAN LANDING CONDOMINIUM ASSOCIATION, INC.

(A not-for-profit corporation)

## BOARD OF DIRECTORS MEETING

Thursday, January 17, 2019

At the Pelican Landing Clubhouse

**CALL TO ORDER:** Richard Decker called the meeting to order at 9:01.

**NOTICE:** Proof of Notice was affirmed by Sunstate Management exceeding notice requirement of 48 hours.

**QUORUM:** A quorum was established with Richard Decker, President, Frank Saracino, Vice President, Nancy Roknich, Secretary, and Paul Chase, Director, present. Dave Henderson, Treasurer, was present on the conference call line. Bill Kissner was absent. Also, in attendance, Ed Olson from Sunstate Management.

**MINUTES:** A MOTION was made by Frank Saricino to approve the minutes from the Budget Meeting on December 6<sup>th</sup>, 2018. Seconded by Nancy Rocknich. The Motion passed unanimously.

**Minutes:** A Motion was made by Frank Saracino to approve the minutes from the Board Meeting on December 6<sup>th</sup>, 2018. Seconded by Nancy Rocknich. The Motion passed unanimously.

**Treasurer's Report:** Subsequent to the December 6, 2018 Board of Directors meeting, the following actions of major importance from a financial perspective included the following:

- Distributed November financial reports to the Board of Directors for review.
- Worked with Sunstate to ensure completion of 2019 quarterly assessment increase implementation, including mailing of coupon books.
- Worked with Sunstate Management to complete December financial transactions prior to completing December financial reports and forwarding financial records to our CPA for preparation of his official 2018 year-end compiled financial report. Sunstate prepared December financial reports will be distributed to Board members shortly, to be followed by transfer of records to the CPA for compilation.
- Updated the transfer amount needed from Operations to the Buildings Reserve to \$3,850 for the Miscellaneous Income received as a part of the door replacement program (previously the Board approved a transfer amount of \$3,450). The updated transfer amount was made effective December 21, 2018 and was necessary to reimburse the Buildings Reserves account, which was charged for the cost of the doors. A motion will be made at the conclusion of this report to officially ratify the revised transfer amount.
- Am working with Sunstate and banks on completing new signature cards based on our list of new officers.
- Have received information on new CD rates from Centennial Bank, Wells Fargo, BB & T, and Cadence Bank. Upon review of this information and doing additional research, some transfers of funds to new CD's are being proposed in this Treasurer's report.
- We had a Certificate of Deposit (CD) that matured on January 14, 2019 at Centennial Bank. This CD was for \$40,484.66 at maturity, and I told Centennial Bank not to allow it to self-renew, as I would like to move ahead and use these funds to purchase a new CD at a higher rate of return. While Centennial had an attractive 27-month CD providing 2.75% APY, Cadence Bank has a 16-month CD with a 2.70% APY that, in a rising-rate environment, appears to be more attractive. In other words, it provides a relatively comparable APY while allowing us to potentially obtain a higher rate sooner. Also, Cadence Bank has an unusually appealing policy of waving penalties for condominium associations for early CD partial or total withdrawals if the money is needed for a reserves project. Cadence has an active Association Services Department in our area with offices in Sarasota, and the financial expertise and strength we seek in a banking relationship. Cadence has a total of \$11.8 billion in assets, 98 branch locations in six states, and \$5.4 Billion in assets under management. This is a highly advantageous CD rate, and I recommend acting upon it immediately following this Board Meeting to begin earning this higher rate of interest as soon as possible. Accordingly, I will be making a motion at the conclusion of this report to officially authorize making this CD purchase. (Note: By moving this \$40,484.66 from Centennial to Cadence, we also help reduce risk of overrunning the \$250,000 FDIC insurance maximum at Centennial.)

- In reviewing other available CD rates, I also learned of an 11-month 2.55% APY CD at Wells Fargo. This CD rate is very attractive for an 11-month term, once again potentially giving us the ability to lock into even a higher rate CD at maturity. We could purchase a \$45,000 CD at Wells Fargo with new money and stay under the \$250,000 FDIC maximum coverage amount at that bank. The new money could be transferred from our account at BB & T. This rate is currently valid through this Friday, January 18, 2019. Accordingly, I will be making a motion to purchase this \$45,000 CD by this Friday, if feasible, to begin earning a higher return on these funds as soon as possible.
- In addition to the above two CD purchase recommendations, I am also seeking authority to purchase up to an additional \$115,000 in CD's at equal or better terms to those specified in the last motion that is a part of this report -- with a goal to accomplish those CD purchases between now and the February Board of Directors meeting.

As mentioned earlier in this report, I am proposing that the Board approve the following motions:

- **MOTION: A Motion was made by Dave Henderson for the Board to ratify the transfer of December 21, 2018 of \$3,850 (instead of \$3,450 previously approved) from Miscellaneous Income in Operations to the Buildings Reserve as partial reimbursement for storm door purchases made from the Buildings Reserve. Seconded by Nancy Rocknich. The Motion passed unanimously.**
- **MOTION: A Motion was made by Dave Henderson to authorize use of the matured Centennial Bank CD value of \$40,484.66 to purchase a new 16-month Cadence Bank 2.70% APY CD. Seconded by Frank Saracino. Motion passed unanimously.**
- **MOTION: A Motion was made by Dave Henderson to authorize the transfer of \$45,000 from the Association's account at BB & T to Wells Fargo to purchase an 11-month 2.55% APY CD. Seconded by Frank Saracino. Motion passed unanimously.**
- **MOTION: A Motion was made by Dave Henderson to authorize the Treasurer to purchase up to an additional \$115,000 in CD's at 16-month terms yielding at least 2.70% APY or CD's at more favorable terms. Seconded by Frank Saracino. Motion passed unanimously.**

#### **Committee Reports:**

**Social Committee:** Irene Ferguson gave the report.

**Landscape Committee:** No report was given. A unit owner commented on how well things were looking.

**Building Committee:** Eric Michalak gave the report. Bob's Electric needs to finish the lighting in the club house. The replacing of waterlines under B building will take place after season.

**The Deck and Dock Committee:** No report was given. Irene Ferguson asked if someone would take over the registration of the kayaks. The committee will be meeting after the board meeting to discuss options. The committee will also be further vetting Adams and Nichols and trying to narrow the scope of their contract to a feasibility study only. There was an in-depth conversation about the difference between the Boating Committee and the Deck and Dock Committee. It was suggested it would be better named the Seawall and Dock Construction Committee.

**Insurance Recovery Committee:** Frank Saracino spoke about the progress and where we stand with Atlas Insurance.

**Unfinished Business:** Grills; There was a long discussion about responsibilities for cleaning and maintenance on the community grills. Richard Decker will work on getting volunteers to maintain the grills.

**New Business:** Signage on the South East entrance only has one compact car sign. We need to get signage on all four spots instead of one.

#### **NEXT WORK SHOP/MEETING:**

**Tuesday** February 19, 2019 9:00 AM **Thursday** February 21<sup>th</sup>, 2019

**ADJOURNMENT:** There being no further business to come before the association, a **MOTION was made by Frank Saracino and duly seconded by Nancy Roknich that the meeting be adjourned. The Motion passed unanimously.**

The meeting adjourned at 10:24 A.M.

Respectfully submitted,

Edward L. Olson/LCAM

for The Board of Directors at Pelican Landing Condominium Association, Inc.

Pelican Landing Condominium, Charlotte County, Inc.

The Secretary; \_\_\_\_\_