

# 401 Watermark

401 North Atlantic Avenue  
New Smyrna Beach, FL 32619

## Minutes of Oct. 15, 2023 Annual Owners Meeting

**Board members present:** Ron Laramy (404), Jim Greene (303), Paul Bryan (506), Harold Anness (604), Tom Wall (603) (on phone with proxy)

**Others present (or by Proxy)** 101, 102, 104, 105, 201, 202, 203, 301, 304, 401, 402, 406, 501, 502, 503, 505, 601, 602, 604, 605, 606.

-Paul Bryan called the meeting to order at 10:05 a.m. and was properly elected to preside.

- Paul thanked everyone for coming and stated that we had a fairly short agenda.
- Nikki and one member went to count the ballots while the meeting started.
- The secretary confirmed a quorum, 26 units represented by being present or by proxy.
- Proof of notice of meeting confirmed.

\*Motion to approve unread minutes of last year's meeting made by Harold Anness seconded and Approved by voice vote.

### Reports

**Treasurer's Report:** Jim Greene

Financial report 2023 YTD: (see attachment "Watermark Projected Cash Flow 2023")

- As of the end of September we are \$26,000 under budget for the year.
  - We did pay \$10,000 for an additional insurance policy which will cut in that a little bit.
  - We normally budget to carry over about \$50,000 at the end of the year to be able to pay bills in January.
    - Unless there is a storm or some unforeseen expense, we should be able to hit that carry over number or even surpass it.

\*Motion to carry over excess operating funds made by Sherri Daniel, seconded by John Allison. Approved by voice vote unanimously (including all proxy votes)

This year because our total revenues will exceed \$300,000, Florida Statutes put us in a "Review" category vs. "Compilation" regarding the headline of our financial statements for tax purposes.

- Ownership can vote to continue with the "Compilation" method that we have used in the past which would save us a couple thousand dollars.

\*Motion to waive "Review" requirement and continue using the "Compilation" method of financial reporting made by Beth Corso, seconded by Steve Oyster. Motion carried with just one dissenting proxy vote.

Proposed Budget for CY2024: (see attachment “2024 Proposed Budget”)

- The proposed budget for 2024 was provided and is pending approval by the board at its next meeting.
  - CY2024 Budget shows an increase due primarily to rising insurance costs along with our maintenance fees for this year not covering costs, raising proposed HOA monthly fee by \$50.00 to \$700.
    - We have been told to expect another 30% to 40% increase for next year.
  - Proposed \$700 per month or if paid up front \$8200 which would be a discount of \$200 over paying monthly.
- Reserve discussion will follow during meeting.

**Rental Group Report:** Dustin shared what was discussed during the renting owners meeting held on Saturday. (ten units were represented at the meeting)

Renting owners can reference the meeting notes sent by Nikki on 10-20 and also attached to the email with this mailing.

- Renting owners discussed the rental rates and voted to raise: (All rates will be effective for all new bookings moving forward.)
  - the winter months by 3%
  - Summer by 6%
  - Off season monthly by 7%
  - Off season weekly by 9%
  - Also increased the last week of May (Memorial Day) to be between the off-season rate and the summer rate due to it being a Holiday week.
- We discussed the plan to honor 2023 rates for any tenants affected by the potential building maintenance work to be done in the fall of 2024.
- Occupancy YTD is 96%
- Nikki proposed a linen closet organization system that she plans to implement to help keep better track of linens and towels in all renting units.
- At the time of the meeting no owner volunteered to be the chairperson for the rental committee.
  - Managers will continue to coordinate and will solicit participation from renting owners.

- Next years meeting will be held on October 12<sup>th</sup>, 2024

**Manager's Report:** Dustin and Nikki Gunter

- Overall, it has been a good year and Dustin has worked to tackle any minor issues himself to try and save money for the association and the owners.
- Reminder that there are some hot water heaters that are nearing end of life.
  - Letters will be sent to owners reminding them of age-related requirements.
- A couple of units have recently had new sliding glass doors installed.
  - Indian River Glass was used for both of these installations and they both passed inspection with flying colors.
- There have been three new AC units installed recently
  - Dustin is planning on taking a hose on the roof and rinsing off and cleaning AC units regularly to try and extend their lifespan.
- Last year our pool maintenance company disappeared on us, but our new pool vendor has been doing a good job.
- Dustin is particular about doing regular maintenance and cleaning of the building and grounds to keep everything looking as clean as possible.
  - Regular pressure washing of the stairwells
    - Ron mentioned that he believes the stairwells have not looked better in a long time.
  - Fixing the sprinkler system issues
    - Found thirteen breaks in the system.
  - Cleaning and painting all light fixtures.
    - All now have LED bulbs and look uniform throughout the building.
  - New parking passes are now being used
    - If any owners haven't picked their hard plastic passes up yet, please see the office.
    - John Allison asked about ongoing plans to help the parking issues
      - We have switched to bright orange guest/tenant passes that should be hung on mirrors.
        - We can easily tell who has a pass and who doesn't.
      - Managers have taken an active role in monitoring the parking lot during busy times.
      - We will be testing blocking off the North exit to our lot during busy times (summer weekends and holidays)
- Paul commented on how happy we are with Nikki and Dustin's performance in now their first full year and acknowledged how Dustin's abilities as a handyman has saved us a ton of money fixing things that in the past had to have service calls.

**State of the Watermark: Tom Wall sent his thoughts via document which Paul Bryan read.**

2023 has been a rather active yet successful year at Watermark. You will hear or have already heard about the many tasks started and finished throughout the year.

Membership changes during the year resulted in new owners in Unit 605, Rico and Judy Colaluca, long time renters at Watermark, as well as a late 2022 purchase of 304, by Steve and Amy Oyster.

Unfortunately, we lost some long-time owners/family members during 2023.

Sophia Shoemaker, Unit 101, passed early in the year. Sophia, a previous Board member, and her husband Kay were original owners and in fact were involved in preconstruction of the Watermark. Their unit is remaining in the family with daughter Beth and husband John Corso carrying on.

Bill Dunn Unit 203 was a very active member and strong supporter of all things good for Watermark, whether as a Board member, committee chair of grounds, building coloring, rental rate committee, quarterly newsletters to owners, website updating, plus much more. Bill passed away in April.

And, in late September Nancy Greene Unit 303, suddenly passed away. Nancy was a member of the monument sign committee as well as the paint color committee.

In addition, two long time owners sold. Bill and Chris Biedenbach Unit 306, stayed in New Smyrna Beach. Bill was the Board president for 10 plus years. Beth and Vince Corino Unit 605 decided it was time to give up their beach property.

And finally, in August our new management team, Nikki and Dustin celebrated their one-year anniversary with Watermark with many more years to follow.

Now to the future of Watermark.

The Board has been actively gathering information dealing with the new Reserve legislation that the State of Florida has implemented. This is and will be a major time consumer for the Board over the next few years.

Also 2024 will be the beginning of research, planning and deciding on the next building refurbish. Some contractors have already been contacted to visit and assess because in the past we have found they are usually booked a year or more out, so we have decided to get that process started now.

Jim Greene and I take this opportunity of wishing the new Board all the best. We will be watching with interest, from the side lines.

- Paul also thanked Tom and Jim for their many years of membership on the board. They will be missed.

### **Old Business**

- Tennis court final update
  - After many years of discussion and disagreements about what to do with the tennis court, the complete redo has been embraced.
    - The court and subsequent landscaping looks great
    - Tenants and owners alike are using the court regularly
      - We are getting a LOT of compliments on it.
    - We are looking to get a second pickle ball net because there is enough demand.
- Front Monument Watermark Sign
  - The sign has turned out great and kudos to the sign committee who worked on it.

### **New Business:**

- Introduction of Board members for 2023 - 2024
  - There were a total of 25 ballots submitted with one being not valid.
  - The results of the Board of Directors election (which was needed as we had six candidates for the five board positions) were announced:
    - Board members are:  
**Paul Bryan, Harold Anness, Ron Laramy, Steve Oyster and Beth Corso**
    - Congratulations to all who will serve.
- Upcoming HOA/Assessment plan discussion
  - For the year 2024 we are still under the old rules regarding reserves.
  - For 2025 we move into the new rules which include mandatory full funding of structural reserves. (non-structural reserves can be partially waived but not totally)
  - For the year of 2024 the board has recommended partially funding reserves in the amount of \$100 per month to begin building our reserve account.
    - This would be payable either the full \$1200 at the beginning of the year or in \$600 installments in January and July.
    - A vote will be held after the owners meeting to either fully fund reserves or to support the board recommendation.

- This will be voted on via a mailed ballot within the next month or two.
- For the planned building maintenance to take place in 2024 we will continue to use an assessment to fund that.

**Motion made, seconded and carried that next year's Owner's meeting will be held Sunday, October 13<sup>th</sup>, 2024, with the owner's reception the afternoon/evening of Saturday, October 12<sup>th</sup>, 2024**

### **Open discussion**

- Mark Maler asked about who actually polices the collections of reserves.
  - While we aren't completely clear on the enforcement, we do know that you can be fined if you aren't compliant.
- Beth Corso asked about if any of the reserve requirements might change if there is a change in who is in charge in the state government.
  - We don't think there will be any major changes, but things will most likely evolve over the years.
- Jim reiterated that we are all paying the price due to the Surfside disaster that was likely caused by a lack of adequate maintenance of their building.
- John Corso recognized the efforts of Dustin to discourage people from passing through the woods between the park parking lot and our property through the planting of unfriendly plants and the use of police tape.
- Managers recognized for their efforts during the holidays and busy weekends as they are monitoring the grounds constantly in an effort to keep trespassers to a minimum.
- Sherri Daniel asked about hiring security for the very busy beach days/holidays.
  - It has been discussed and will continue to be considered.

**Adjournment** Motion to adjourn moved and seconded. The meeting was adjourned at 10:39 a.m.