

SURFSIDE COLONY BOARD OF DIRECTORS
MONTHLY MEETING MINUTES FOR
TUESDAY, NOVEMBER 10, 2009

Board Members Present: Mr. Dave Evans - President, Mrs. Sandy Redding - Secretary, Ms. Darlene Cahoon, and Mr. Steve Wiles (Absent: KC Coultrup)

Guests Present: Ms. Chressa James and Mr. Rich Pearson

Meeting Opened: Mr. Dave Evans called the meeting to order at 6:29 pm and recognized a quorum.

Open Forum for Shareholder Concerns: Ms. Cahoon announced that Paul Funk of C15 passed away on November 5th. The Board extended its condolences to Darla Funk and her son.

Colony Finances report by Mrs. Sandy Redding: P&L Budget vs. Actual Report – most items are on track. Discussion ensued concerning Repairs and Maintenance at 91.7%, which includes the recent pest control costs. Overall income is 37.1% and expenses are 33.4%. The balance sheet reports \$480,917.67 for assets (cash). Mr. Wiles confirmed that all liquid assets are FDIC insured.

Colony issues report by Mr. Dave Evans

Sand Replenishment – Final Report: forthcoming.

Front Gate Plan – Phase II of the Jones, Cahl, and Associates, Inc. quote emailed last week addresses the front gate. The Board discussed how Phase II related to the front gate and Colony drainage.

Colony Drainage – The Board has agreed to go ahead with the Colony drainage project. Mr. Cahl will be engineering the drainage system. The Board has decided to use a system of underground storage containers that will ultimately connect with the existing B Row drainage system. The estimate from Mr. Cahl for the engineering of the drainage around the front gate, the parking lot and A Row by the playground and A 70 is approximately \$35,000. Mrs. Redding mentioned that \$30,000 was approved by the Storm Water Tax district Budget to use for A Row drainage. The estimated total for the Colony drainage project is \$350,000. A request will be submitted for future Storm Water Tax District budgets. The containment system of storm chambers allows water to be held and build up if the “Red Valve” closes and the B Row system is full. The underground containment system also allows for some water to perk down into the earth. Once the “Red Valve” opens, the underground holding system will completely drain. The system will be set up in such a way that the holding tanks will only come into play if the “Red Valve” is closed.

French Drains – The French drain by A 107 at the easement, will be replaced and tested in the next few weeks. If it functions well, the remaining A row French drains, excluding two, will be replaced. The French drain in front of the playground and by A 70 may be incorporated into the B Row drainage system. Mrs. Redding mentioned that \$24,000 was approved from Storm Water budget. Mrs. Redding will update the two districts as to this progress.

Insurance Review by Steve Wiles: Mr. Wiles met with Bud, the Colony’s insurance broker, to review the insurance policies. He found two issues which need to be addressed:

1. The colony directors and officer's liability insurance coverage is for only \$2M. The "Slip and Fall" limit is currently \$5M. The Board agreed the directors and officer's coverage should be at least \$5M. The current premium is approximately \$2500 per year. Mr. Wiles will get a quote for \$5M and \$10M.

2. The policy is missing "Employee Dishonesty" coverage, but the Board did not see that as a problem at this time.

A less standard item missing is "Electronic Data", but Ms. James reported about her back-up system which includes a fire-proof safe. The Board agreed this coverage was not necessary at this time. The wall is covered already, but being looked at. Mr. Wiles will have the Broker review the State Fund Worker's Comp portion because we know it can be improved. The Sand Cleaner is covered adequately and the maintenance building is block, therefore, "Property and Equipment" coverage is fine. The Colony liability insurance premium of \$6900 includes Storm Water and Comm Services exposure. (Mrs. Redding to request 2/3 reimbursement for next year's budget to the tax districts.)

Plaque Report: Mrs. Redding reported that the plaque is being ordered. Todd Healy will be mounting it on a rock in front of the playground.

Security Bids: Ms. James reported the summary of the top three best presented quotations. Today the Colony pays approximately \$144,000 per year. The three quotes came from Wackenhut Security, Boyd & Associates Security, and Universal Protection Service. Mr. Wiles, Mr. Coultrup, and Ms. Cahoon will interview the three companies to evaluate for source selection, and report to the entire board. Ms. Cahoon also volunteered to work with the new Guard company as the Board liaison (with Ms. James) to assure the new contract maintains its compliance.

Playground Equipment Review: Ms. James reported that Todd Healy is concerned with the equipment, specifically the fire pole. Mr. Evans asked her to talk with Mr. Healy about buffing out the rust and repainting all of the equipment on a regular basis. Mr. Evans also indicated he wanted the same done to the back gate. As soon as the slightest rust is seen, then it has to be corrected. Ms. James indicated the fire pole was removed. The Board then approved the purchase of a new pole. Mr. Evans asked Ms. James to contact Kristy Stockwell for a status of the amount available in the account for the plaque and playground equipment.

Parking: The Board agreed that increased monitoring of parking in the Colony needs to be done. Mr. Wiles brought up his concern regarding the lack of a stop sign at A69. The Board agreed a speed bump would be effective there.

Berm: The Board agreed a 3 foot berm all the way onto the Navy land would protect the beach and minimize the trash coming up onto the beach. The berm will go up this month. Mr. Evans will arrange for the berm.

Adjournment at 7:54 pm.

Next Board Meeting December 8, 2009

Respectfully submitted,

Sandy Redding, Board Secretary

