

MADISON GREEN MASTER ASSOCIATION
BOARD OF DIRECTOR'S MEETING
October 29, 2014

Eileen Feiertag, President, called the meeting to order at 6:30 pm.

Officers and Directors present were: Eileen Feiertag, President; Bernie Holmstock, Vice President; David Schenkelberg, Treasurer; Maxine Yoss, Secretary; and Charles Larsen, Director. Dianne Gasc, Assistant Property Manager, and Lynn Linfante, Property Manager, also in attendance. Max Mollohan not in attendance, excused.

Eileen Feiertag stated the meeting was properly noticed in accordance with the By-Laws and a quorum was present.

Motion made by Dave Schenkelberg to waive the reading of the minutes from the Board of Directors Meeting held on September 17, 2014 and approve them as written.

Seconded by Maxine Yoss.

Motion carries: 5-0.

Motion made by David Schenkelberg to waive the reading of the minutes from the Board of Directors Meeting (to approve the Proposed 2015 MGMA Budget for mailing) held on October 22, 2014 and approve them as written.

Seconded by Maxine Yoss.

Motion carries: 4 - 0. Charlie Larsen abstained.

REPORTS:

Treasurer's Report: David Schenkelberg reported on the Financials as of September 30, 2014. At that time, the Operating Cash was \$595,383 and Reserve Cash was \$756,082.

David Schenkelberg reported on the delinquencies as of September 30, 2014, 281 units were delinquent. Out of the 281 delinquent units, 115 units owed 2 or more quarterly payments and 94 units owed less than \$100. Of the 94 units, 58 units owed less than \$25. David reported he receives four to five emails per day from Rosenbaum Mollengarden regarding collection issues.

Dave Schenkelberg reported that the monthly Treasurer's Report will now have a liquidity ratio and will have information regarding the amount that Rosenbaum Mollengarden collected. As of September 30, 2014 the liquidity ratio was 4.3. This ratio was derived by dividing the Operating Cash minus short term accounts payable, by the budgeted monthly expenses (\$133,989.06 in 2014). Nicole Johnson, of Hafer Company, indicated a strong liquid ratio is 3.5 and higher. She recommends we cover 3 to 4 months of expenses.

Motion made by David Schenkelberg to suspend the voting rights and clubhouse privileges for the 33 units listed in the report reviewed by the Board effective October 31, 2014.

Seconded by Charlie Larsen.

Motion carries: 5 - 0.

Eileen Feiertag reported that the letter informing these homeowners of the suspension will indicate that if they do not pay in full within 10 days, they will be turned over to our collection attorney and incur attorney fees as a result.

Property Manager's Report: See attached report. No questions from the Board or the floor.

COMMITTEE AND WORKSHOP GROUP REPORTS:

Government Liaison Report: Jeff Hmara reported the Minto West development is still ongoing. He gave an update on the former Crestwood Boulevard water treatment plant, and encouraged the homeowners to get involved now. He distributed a concept site plan. A total of 385 homes are projected at this time. The revised site layout would have 10% large lots, 40% medium lots, and 50 small lots. The Town Hall meeting was held at Royal Palm Beach High School with the main

topic being school accountability. The purpose of the meeting was to get community's input on school testing. Jeff reported that St. Mary's plans to build a stand-alone Emergency Room on State Route 441 just north of Wellington Regional Hospital was withdrawn by St. Mary's. Jeff reminded everyone to vote next Tuesday. Mr. Hmara reminded everyone that the Village of Royal Palm Beach will be holding an event on November 11, 2014 for Veteran's Day starting at 6:00 pm at Veteran's Park.

Maxine Yoss asked if Minto West could be compared to Weston, Florida, and if the State Road 7 extension would be completed as planned? Charlie Larsen asked if the open space on the concept site plan is owned by the County? Donna Broder, an Oakmont resident, asked if the preserve area on the concept site plan will be left as a barrier between the new homes and Saratoga?

MGMA ARC Committee Report: The following are the MGMA ARC activities since the Board meeting held on September 17, 2014: The MGMA ARC Committee meetings were held September 30, October 14 and October 28, 2014. A total of ten (10) ARC's were reviewed and approved by the Committee: five (5) exterior painting; two (2) landscaping; one (1) awning installation; one (1) shutters installation; one (1) pool installation; and two (2) modifications of previously approved ARC's. The MGMA Property Manager has completed the final inspections and approved the return of eight (8) ARC deposits: five (5) exterior paint; one (1) pool installation; one (1) window installation; one (1) mailboxes installation.

A total of \$2,500 of ARC deposits was forfeited from ARC's that were approved over one year ago. These homeowners never submitted a final inspection for the return of their deposits.

Golf Course Liaison Report: Eileen Feiertag and Lynn Linfante spoke with Mike Brady (Madison Green Golf Course) about the possible advertising for free in the 2015 Proposed Budget mailing, and he told us he decided to pass this time. Due to confidential information Mr. Brady shared with Eileen and Lynn, Eileen recommended not going forward with the discussion at this time of the MGMA landscaping the center median (owned by the Golf Course) between the two driveways.

Lakes Report: Charlie Larsen reported that the lakes are in good shape. Lynn Linfante mentioned that she spoke with Chris York from Superior Waterways and he suggested the proposed additional bubbler should go into the lake by Wyndham Village. Carolyn Hmara, a Walden resident, asked if this action would "kill" the possible installation of a fountain in that Lake. Charlie responded that he didn't think so.

Landscaping Report: Donna Broder reported High Standards attended the last Landscape Workshop Meeting and the company will be installing 540 6" New Guinea Impatiens flowers before Thanksgiving. High Standards will till the area in front of the Clubhouse prior to planting the fall flowers. It was reported that on some of the future landscaping projects, Carolyn Hmara will purchase the plants for the MGMA and High Standards will plant them. The Group recommended that surge protectors be installed at the Okeechobee Monuments. Eileen Feiertag recommended that Jim Bass be appointed as new member of the Landscaping Workshop Group. Carolyn Hmara said that the Board did not have that authority to do so. Carolyn asked the Board to make sure the Clubhouse gutters get cleaned regularly.

Activities Report: Dianne Gasc reported the Halloween Party was successful, everyone had fun. The photos of the event are posted on our website. Thank you to all of the volunteers who helped with this event. Dianne will be checking for a date for Santa's visit at the Clubhouse.

UNFINISHED BUSINESS:

Gym Expansion: Contract signed. The contractor will be getting the Village of Royal Palm Beach Building permit.

Lighting at Front Monuments: Completed.

IRS Letters - Eileen Feiertag reported on her telephone conversation with the IRS : regarding the 2004 Civil Penalty - In May 2014 our case was assigned (again) to a person to resolve. The IRS is not actively attempting to collect this money.

The IRS will reach out at least once per year to collect. Our case is currently under review by the "Combined Annual Wage Reporting Area" in Memphis. This review can take up to a year. The IRS employee's recommendation was to "sit tight". For the 2005 Form 940: On August 25, 2014, the State of Florida reduced the MGMA wage reporting by \$161,937.42, but for some reason did not reduce the FUTA tax owed. FUTA Department is still working on this. The IRS also confirmed that on January 2014, the MGMA State Certification was reassigned. I confirmed that the IRS has received all 941's (quarterly reporting) and Form 940 for tax year 2005. The balance due of \$21,828.18 is currently on hold. On October 1, 2014, the MGMA was granted a 9 week extension for collection. (Note: the separate notice for the \$9,193.36 unemployment tax is included as part of the \$21,828.18.) The IRS employee's recommendation was if we don't hear anything from the IRS by the 9 week extension, to call the Taxpayer Advocate. Eileen reported that she called the Taxpayer Advocate line and has an appointment to speak with someone in authority on October 31, 2014.

Moving of Fire Alarm Modules: Completed.

Light Bulbs Unlimited: Carolyn Hmara stated that the purchase of light bulbs from Light Bulbs Unlimited was a conflict of interest and was an "improper personal benefit" according to Becker & Poliakoff. Eileen Feiertag responded that Lynn's husband has no ownership interest in Light Bulbs Unlimited. It is not his company. He is an employee of Light Bulbs Unlimited. Dianne Gasc read section 720.303 (12) of the Florida Statutes: Compensation Prohibited. - A director, officer, or committee member of the association may not directly receive any salary or compensation from the association for the performance of duties as a director, officer, or committee member and may not in any other way benefit financially from service to the association. Eileen went on to say that the Florida Statutes apply to directors, officers, and committee members. While apparently they do not apply to our staff, in my opinion I believe our staff and their spouses should be held to the same strict Florida Statutes as Board members. As Lynn's husband did not financially benefit from the MGMA purchasing light fixtures, this action did not violate the Florida Statutes. This can be equated to a spouse of a Board member working for Comcast or AT&T. She asked if this would stop the Board from engaging in a contract with those companies? Donald Ross, a Saybrook resident, asked if the price of the bulbs were in line with other companies. Bernie Holmstock had checked on line and the pricing was similar. Donna Broder wants to make sure that in the future, if listed person would be compensated by commission, they should not bid on a project. Steve Feiertag, a Fairfax resident, said that in his opinion, the light bulb purchases were not in violation of the Florida Statutes and that as long as a person discloses a relationship, and receives no financial benefit, that would be in compliance. He gave the example that several months ago, the MGMA bought a vacuum from a Board member at cost. No Board motion was made to restrict future purchases from Bulbs Unlimited.

Window Treatments (shades in the Liana): Deferred to 2015. Carolyn Hmara recommended contacting the seamstress that made the covers for the lanai chairs, as the fabric is still available.

Pool Diamond Brite: Deferred, more information needed.

NEW BUSINESS:

Correspondence from Wyndham Village and Royal Palm Beach: The MGMA received a notice from Code Enforcement of the Village of RPB and from Wyndham Village that the unit the MGMA has title to in Wyndham needs pressure cleaning and painting. The MGMA also received two (2) additional letters from Wyndham asking for other repairs. Lynn Linfante was in touch with Code Enforcement at the Village of Royal Palm Beach and the MGMA was given an extension until December. In the meantime, we will check with Rosenbaum Mollengarden as to what action the MGMA should take regarding this issue.

Lighting Strike and Insurance/ Surge Protectors: The Clubhouse suffered damage from a lighting strike in the neighborhood of \$12,000. Most of the damage was to electronic pieces of equipment. Everything has been repaired and the MGMA has made an insurance claim. Our deductible is \$2,500. We will look into surge protectors. Maxine Yoss asked if we could use a "lightning rod"? Charlie Larsen stated that he has not had good experiences with surge protectors, as they do not always work.

Xerox Service Agreement Renewal:

Motion made by David Schenkelberg to approve the renewal of the Xerox Service Agreement for one year.
Seconded by Charlie Larsen.
Motion carries: 5 - 0.

Gym Equipment Maintenance Contract:

Motion made by Dave Schenkelberg to approve the ProFitness Gym Equipment Maintenance Contract for one year as described in their proposal as recommended by Lynn Linfante.
Seconded by Maxine Yoss.
Motion carries: 5 - 0.

Staffing for Thanksgiving Day, Christmas Day & New Year's Day: Eileen Feiertag reported that we are unable to get adequate staffing for these holidays. Dianne Gasc reported that the attendance numbers from last year for these holidays were very low. The opening on these days in 2013 was a test to see the numbers. Steve Marionakis, a Fairfax resident, recommended the MGMA pay "double time". Donna Broder, an Oakmont resident, stated that Sunday's attendance was weak, should the Clubhouse be closed? A Lexington Village resident stated that we should make the staff work.

Motion made by David Schenkelberg to close the Clubhouse on Thanksgiving Day, Christmas Day and New Year's Day for 2014 and revisit this issue next year.
Seconded by Maxine Yoss.
Motion carries: 3 - 1. Bernie Holmstock voted against the motion and Charlie Larsen abstained.

Clubhouse A/C:

Motion made by Bernie Holmstock to approve the proposal from RoMark A/C and Plumbing to install a Rheem 10 ton A/C split system with a 1.0 horse power motor and 12.2 Seer in the Clubhouse as per the recommendation of the Property Manager.
Seconded by David Schenkelberg.
Motion carries: 4 - 1. Maxine Yoss voted against the motion.
The Board asked Lynn Linfante to find out the difference in price of a 1.5 hps and 1.0 hps; also to check with him on the installation of a surge protector and the cost of a preventive maintenance program.

Landscaping 2014 Projects: Multiple motions were made for High Standards to complete the following projects.

Motion made by David Schenkelberg to approve the High Standards proposal to install landscaping on the Center Island Tip, the Grand Oaks Island tip, and the Pine Road Island tip for \$1,200. (\$400 each).
Seconded by Maxine Yoss.
Motion carries: 5 - 0.

Motion made by David Schenkelberg to approve the High Standards proposal to Roto Till the front entrance of the Clubhouse and around the Christmas Palms by the pool gate for \$700.
Seconded by Bernie Holmstock.
Motion carries: 5 - 0.

Motion made by David Schenkelberg to approve the High Standards proposal to add landscaping to the Okeechobee Berm for \$1,794.
Seconded by Bernie Holmstock.
Motion carries: 4 - 1. Eileen Feiertag voted against the motion.

Motion made by David Schenkelberg to approve the High Standards proposal to install landscaping on the Ashford berm for \$612.

Seconded by Bernie Holmstock.
Motion carries: 5 - 0.

Motion made by David Schenkelberg to approve the High Standards proposal to install landscaping on the Grand Oaks berm for \$1,476.

Seconded by Bernie Holmstock.
Motion carries: 4 - 1. David Schenkelberg voted against the motion.

Motion made by David Schenkelberg to approve the High Standards proposal to install landscaping on the Ashford berm for \$612.

Seconded by Bernie Holmstock.
Motion carries: 5 - 0.

Eileen Feiertag asked if the 2015 proposed palm tree replacements will damage any of the landscaping completed by these motions. Donna Broder stated "No".

Motion made by David Schenkelberg to approve the High Standards proposal to install two triple Roebillinis by the Okeechobee Monuments for \$480.

Seconded by Bernie Holmstock.
Motion carries: 3 - 2. David Schenkelberg and Eileen Feiertag voted against the motion.

Eileen Feiertag asked that the Landscape Workshop Group make the decision on the order of these projects.

OPEN FORUM:

David Schenkelberg asked if the MGMA should be looking for a different Merchant Service provider, as the owner of the company that the MGMA uses is on the Landscape Workshop Group. Donna Broder stated that her company is making pennies on this contract. Lynn Linfante will start looking into other vendors.

Jeff Hmara reported that the County Commission voted 5 to 2 to go forward on the Minto West project. This project will go on for 10 to 20 years to completion. He also thanked the Board for the new format of the Treasurer's Report. He encouraged the Board to get involved on Village and County issues. He also questioned "who on the staff was throwing out the Village of Royal Palm magazine and flyers"? Eileen Feiertag volunteered to try to get him an answer.

Cathy Connolly, an Oakmont resident, informed the Board that a prospective buyer was given wrong information from a staff member. Lynn Linfante told the Board this has been taken care of, and the staff was told not to discuss Village HOA fees with prospective buyers. Cathy recommended that the Village HOA dues be written down and handed to the prospective buyer. Eileen Feiertag will forward the "MGMA New Homeowner" letter to Cathy. Cathy also let the Board know that the Clubhouse staff were friendly and helpful. Cathy requested that the MGMA modify the estoppels, so the MGMA will know if a home closes.

Donna Broder, an Oakmont resident, voiced her concern that renters in homes where the owners are not paying their Master HOA's have not been addressed. She encouraged more communication with the Villages in regard to collection. David Schenkelberg stated this was not legally allowed, and the Board members should not be discussing MGMA Board collection issues at their Village levels. Additionally, collection strategies are discussed in closed meetings.

Carolyn Hmara, a Walden resident, would like the staff to wear their name tags. Lynn Linfante will speak to the staff.

Steve Feiertag, a Fairfax resident, thanked the Landscape Workshop Group for their efforts to try to save the MGMA money.

ADJOURN:

Motion made by Bernie Holmstock to adjourn at 9:17 pm.
Seconded by Dave Schenkelberg.
Motion carries: 5 - 0.

Meeting adjourned at 9:17 pm.

Respectfully submitted by:
Lynn Linfante
MGMA Property Manager

Board Approved on November 19, 2014