

Minutes from Presidential Condo Meeting on March 22, 2012

Summary: The Presidential Condominium Association held a Board of Directors Meeting on March 22, 2012 to amend the March 13, 2012 Special Assessment to remove the proposed Security Fence from the assessment and reduce the total assessment by \$7263.16.

The meeting was called to order by President Miguel Remon at 8:08 PM.

Roll Call: Board members Miguel Remon, Roberto Gomez, Maria Farmiga, Alex Pretotian and Theodore April were in attendance. Jose Calderon and Jose Rouco were absent.

There was an audience of 25 people in attendance.

Agenda Items

- Maria Farmiga moved and the board voted unanimously to strike the security fence that had been originally included in the proposed Special Assessment of March 13, 2012. The purpose of this fence was to keep vagrants from sleeping under the pool overhang on the East side of the building as well as to secure this property for The Presidential should the City of Miami beach extend the Ocean Drive Beach Path. The board decided to retract this proposal after unit owners protested that the security fence expenditure had not been previously presented to the unit owners. Additionally, several unit owners expressed concern that this action violated the bylaw requiring more than 50% of the unit owners' approval before authorizing any building improvement.
- Maria Farmiga moved and the board voted unanimously to approve the following revised assessment:

Item	Expense (Debit)	Credit
Emergency replacement of two air conditioning units (2 hallway, East and West)		
Purchase of new hardware	191,300.00	
Independent Engineer To Review project	4,460.00	
Legal Fees to review contract	950.00	
"Unforeseen" expenses	3,026.84	
Total Expenses	199,736.84	
Contingency Fund credits		
New parking space revenue		70,000.00
Unused funds from prior assessments		51,565.00
Total Credits		121,565.00

Discussion

- There was considerable discussion at the meeting about whether the board had the right to use excess funds left over from a previous assessment without first returning those monies to the unit owners. Board member Ted April said he consulted with Florida state authorities about the legality of this procedure and they said it was at the board's discretion to either retain those funds in a reserve account or return unspent assessments to the unit owners. Mr. April also cited this section from the Florida Law governing condominiums:

1.718.111(11) ...The funds collected pursuant to a special assessment shall be used only for [that] specific purpose... However, upon completion of such specific purpose... any excess funds will be consider common surplus and may at the discretion of the board either be returned to the unit owners or applied as a credit toward future assessments.

Unit Owner Gerry Menees (Apt 612) argued that because the condo owners consistently voted each year for a maintenance fee "without reserves," it was the intent of the unit owners that all unspent funds should be returned. Ted April acknowledged that unit owners should have been previously notified regarding the unspent funds.

A discussion ensued as to whether or not unit owners who had sold their apartments since the previous Special Assessment were entitled to a refund should be board decide to return these funds.

Ted April suggested this wasn't a good use of time and money to return the excess funds to the unit owners, as the board would need to immediately pass on a larger assessment to collect these monies again to pay for the new air conditioner units.

- Paula Sullivan (Apt 925) spoke about unit owners – not on the board of directors – who have volunteered their time to work on projects at The Presidential. She mentioned that her husband Terry had inspected all of the storage rooms for mold and turned those results over to the board of directors.

Ms. Sullivan questioned the commitment of Board Member Jose Rouco, who rents his apartment and has missed "at least the last seven board meetings," according to another unit owner. Another audience member asked if there was a minimal participation requirement by the state or the

bylaws to remain on the board of directors; the only requirement is vague and open to interpretation (“board members must remain active”).

- Delinquency Analysis: a report created by Ted April and Monica Sosa showed that of the 238 units in the building
 - 118 (50%) are up to date
 - 67 (28%) have paid in advance for the current year.
 - 53 (22%) are delinquent. This group breaks down as follows
 - 27 units owe \$30 or less (totaling \$405)
 - 14 units owe between \$31 and \$500 (amounting to \$3,564)
 - 4 units owe between \$501 and \$1000 (totaling \$2990)
 - 6 units owe more than \$1000 (for a total of \$46,818)
 - The total amount delinquent is \$53,778.
 - The board is pursuing legal action against the six units that owe more than \$1000.

The meeting adjourned at 9:02 pm.