**Blue Water Condominium and Marina Board Meeting**

**March 2, 2016**

Present: BOARD OF DIRECTORS:

 Chris Burba, Director

 John Hatfield, Treasurer

 Dan Rozko, President and Secretary

 John Shuleva, Director

 Mike Troncin, Director

Tom Wylie, Director

Dave Zielinski, Vice President

**Call To Order:**

The Teleconference Board Meeting was called to order at 7:00 PM by President Rozko. This meeting was called to discuss two (2) specific issues: Accounting firms and Rozko’s procedural changes.

**Financial**

The Board discussed Blue Water’s need to find another accounting firm and how to vet prospective firms. Discussion about forms (1120 vs 1120H) and costs were a part of that discussion as well. Talking with other associations in the area was suggested. About $3,000 in accounting fees were spent for condo and the marina last year.

Six (6) firms have been forwarded for Board review:

Suggested By John Hatfield:

 Jeff Couressel – Ex tax accountant in Archbold, Ohio area (?)

Suggested BY Julie Jaram (Schwartz and Associates)

 Hobe and Lucas in Independence, Ohio area

Suggested By Jennifer Meinke

 Soderberg and Brenner in Port Clinton

Suggested By Steve Ott

Donald W. James, CPA Ronald Cross, CPA

Kiplinger & Co 6140 Parkland Boulevard, Fax: 440-238-5294

don@kiplingerco.com Cleveland, OH 44124

15300 Pearl Road, #200 (440) 995-5656

Strongsville, Ohio 44136

Ph: 440-238-0222

Laskey Costello, LLC

Timothy P. Laskey, CPA

15514 Detroit Avenue,

Lakewood, OH 44107

tim@laskeycostello.com

(216) 521-2100

Based on discussion about what should be asked of the prospective firms, Hatfield said he would develop a list of questions so the same list could be used for all prospective candidates. Discussion followed about the 1120 vs 1120H forms. Which form to use, providing our background with those forms, and asking their opinion about that was also discussed .

Shuleva and Rozko will contact the firms.

**Procedural Changes**

Rozko began by saying if he erred, he should have given the Board the background for the procedural changes he wanted to implement. The beginning for those changes goes back to the November-December time frame when many financial questions were asked and he began to investigate why the questions were being asked, then trying to find answers to those questions. Those questions led to multiple discussions with people at Northcoast Property Management (NCP), Marblehead Band (MB), Schwartz Accounting, and Continental Management (CM). For this meeting, Rozko sent the attached Memo to the Board. The memo explains the basis for the procedural changes and the changes to be implemented. Rozko also had Karen Gresh at NCP provide the current December 2015 Condo Association financials, the Balance Sheet and Income Expense Statement, in the proposed accounting format to the Board as an illustration. They showed the Year-To-Date Expenditures of ($27,711.81) and illustrate why the procedural changes were presented.

He confirmed that all of the questions that were asked in the November December time frame are why the procedural changes were developed. Discussion followed about the December illustration presented here and what the numbers represent. The Board wanted time to review the illustration and discuss them at the next teleconference. It was stated that any suggested changes such as these cannot be properly implemented without a motion; that motion being seconded; and then a passing vote by the board.

Discussion followed clarifying each of the procedural changes. Following brief discussion, numbers 1 and 2 were acceptable to the Board as presented. Re # 3, Hatfield said he preferred going straight to the Board when he and NCP differ in opinion. Wylie added that when the Board discusses an expense, how it should be paid for needs to be a part of that discussion. Rozko agreed that the Board has ultimate authority, adding that when several projects are tried at a cost of $500 - $1,500 each for example, for a total of several thousand dollars that haven’t been tied to a budget line item, we can easily go over budget.

The Board then discussed point 4. Both financials and property management reports are to be sent to the Board. The Board was in agreement on this point.

Re: # 5, Hatfield said he would like # 5 deleted because obtaining double signatures is a concern, and the reserve accounts have no checks. Funds are transferred electronically. Hatfield explained he can only transfer money electronically from reserve accounts to operating accounts and visa versa. According to Patty Pepa, VP at the Marblehead Bank, to go to a check system would mean we lose the electronic transfer ability. Rozko asked Hatfield for clarification about how the transfer of funds actually worked, and how it would work if NCP became signatory under the electronic transfer system in place now. He explained the existing checks and balances in the system now. Discussion continued about viewer access of the account for the Board members and the need for point # 5.

**Next Meeting**

March 10, 2016

**Adjournment**

**Burba made a motion to adjourn. Hatfield seconded. The motion passed unanimously.**

The meeting was adjourned at 8:12 PM.

Submitted By \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

File: BW Board Mtg. Minutes 3-2-2016 (Final)