DBR EVALUATION

"A problem well stated is half solved" – Ben Franklin

I have interviewed 16 owners to make this assessment, based on gaining various perspectives. I have met with all current Board Members, some former Board Members, some candidates for the Board, some owners with unpaid assessments, an owner that has their unit up for sale and owners that have different types of units and situations. This evaluation is merely an overview and not an in-depth study. – Dick Burke, DBR Owners' Advocate

COMMON INTERESTS

There is a shared common desire among owners, to get DBR up, running and open again for owners. All owners want to be able to better enjoy their personal use of their units and the resort and/or to be able to gain more rentals and higher rental rates and/or to be able to sell at a higher price. In short, all owners to get a good or better return on their investments.

And some owners as well as other outsiders (Developer, investors) may have unknown motives for being involved with any one or a combination of the above positions to better benefit themselves personally.

DIVISIONS

There are very deep and wide divisions among owners, on a wide variety of subjects. This has caused much confusion, stress and anxiety among owners, and it has caused many owners to not engage or be involved.

There are many differing opinions on what the root causes of our problems are, and how our problems should be prioritized, as well as disagreements on solutions.

While a legal war is being waged between COA and the Developer, a kind of civil war is being fought among owners. DBR has become dysfunctional in how it works and conducts business.

COMMUNICATIONS

The means used to communicate proactively by the board to the owners, is limited to Facebook postings, a virtual monthly board meeting and virtual financial meetings, twice a month. Email is used by the property management company (Tomoka) to provide notices (which are required by law) and their portal site is only used to conduct personal financial business or provide past board meeting minutes and reports. Virtual board meetings are used to vote and carry out policy, with no in-person meetings conducted.

The method for owners to knowingly communicate with the Board is Facebook and the meetings named above, and with the Property Management Company is through the portal. Some owners are aware of the presence of an on-site representative of Tomoka and some have her contact information.

Good, positive interactive communications are almost non-existent.

STRATEGIES AND PLANS

Owners are unaware that any long-term strategies or plans are being carried out and are considered when accomplishing short term goals. Although some of the board members may have long term strategies to improve DBR, they are not made known to the membership at large.

BOARD OF DIRECTORS

The board seems to think and work independently from most of the owners. The effective use of committees or group workshops is negligible, with poor participation by the owners. The Legal Committee, when formed, was comprised exclusively of board members.

Property management roles and responsibilities are very limited, leaving the Board having to be responsible for a wide variety of issues. Only 1 of 4 current board members can be on-site regularly to deal with problems and coordinate work and activity.

Statutes dictate that only two board members are allowed to meet at the same time to discuss COA issues, problems, solutions. This makes it difficult for all board members to be included in these types of conversations. With 2 of the 4 board members being married, they are able discuss these issues with each other, but they are not able to include any other board members in their joint discussions.

One board position remains vacant, thereby not allowing a 5th opinion to be provided on board issues.

Considering that board members are not paid for their services, this places undue burdens on the board, unless they are able to delegate the work needed to be done or have property management do it.

FINANCIAL MANAGEMENT

Questionable practices have been used in the past to manage the finances. A lack of accountability and transparency also exists. A 3rd party CPA audit required by statute is past due. If this being done, owners do not know who is doing it, thereby providing a lack of accountability to owners. Supposedly in-house audits have been and are being performed by Tomoka staff and by the Treasurer, but not having audits done by 3rd disinterested parties, also provides a lack of accountability.

Furthermore, all bills are electronically authorized to be paid by Tomoka, which requires two board member's signatures. It is unknown at this time, if just the President and Treasurer (both of whom are married to each other) are signing the authorizations, or if another board member is signing the authorizations.

PROPERTY MANAGEMENT

The company used to “manage” the property (Tomoka) is responsible for a limited number of responsibilities, most of which have to do with the collections of fees and assessments and the accounting of same. There is an onsite manager that is reportedly paid by the COA (to Tomoka) to oversee the actual property management.

There are continuing reports of security problems, homeless people and undesirable tenants and guests visiting the property.

PROPERTY IN DISTRESS

DBR has many big problems, which places the property to be in physical and financial distress, which makes owners to be negatively impacted financially and emotionally. Many owners have lost hope for DBR improving and one out of every five owners have their unit up for sale, at greatly reduced list prices from what units sold for two years ago.

The major problems with the seawall, pool deck, tiki bar, parking garage and elevators place the property at risk of being shut down.

OUTLOOK

Any major changes in the governing documents, easement agreement or the ownership of the property, must be agreed to by the developer and a majority of the board and a majority of owners.

Unless a change in the governing documents, easement agreement or ownership of the property is made, DBR owners should continue to see increases in expenses and costs (except for property taxes), while also experiencing declines in rental occupancy and rates.

Any “fixes” to problems will only provide temporary relief, unless included as part of a long-range strategy to make the major changes needed in the governing documents, easement agreement and/or ownership.