

# BOCAR CONDOMINIUM ASSOCIATION

## DETAILED BOARD ACTION PLAN — 90-DAY TRANSITION

Prepared by Ivan Bou | March 2026 | CONFIDENTIAL — For Board Use Only

This action plan provides a structured, phased approach to restoring financial health, professional governance, and owner trust at Bocar Condominium Association. Each phase includes specific tasks, responsible parties, and success criteria. The current interim board has already begun important stabilization work — securing bank accounts, beginning to organize records, and maintaining operations during a difficult transition. This plan builds on that foundation and is designed to accelerate the recovery with the benefit of institutional knowledge and experience.

### PHASE 1: IMMEDIATE PRIORITIES (Days 1-7)

*Priority: Build on the current board's stabilization efforts and complete the transition to full operational control. The interim board has already secured bank accounts and begun organizing records — these steps continue that momentum.*

Task	Detail	Responsible	Deadline
<b>Hold organizational meeting</b>	Elect officers (President, VP, Secretary, Treasurer). Adopt resolution confirming board authority. Establish quorum procedures and meeting schedule.	Full Board	<b>Day 1</b>
<b>Complete financial account transition</b>	Confirm all bank signatories are updated (building on interim board's work). Verify online banking credentials. Implement dual-signature requirement for expenses over \$500.	Treasurer + President	<b>Day 1-2</b>
<b>Pause non-essential spending</b>	Temporarily hold discretionary expenditures pending financial review. Continue all essential services (insurance, utilities, security, debt service).	President	<b>Day 1</b>
<b>Request complete records</b>	Formally request all outstanding records: financial statements (Jan-present), bank statements/reconciliations, all vendor contracts, employee list with compensation, insurance policies, board minutes, election records.	Legal Counsel	<b>Day 2</b>
<b>Evaluate legal counsel</b>	Review whether current legal counsel has any conflicts of interest. If so, transition to independent firm. Consider return to SSC or equivalent.	Board Vote	<b>Day 2-3</b>
<b>Confirm physical &amp; digital access</b>	Verify access to office/storage, management portal, accounting software, email domain admin, insurance portals, vendor contact lists. Update credentials where needed.	President + Secretary	<b>Day 3-5</b>
<b>Issue owner communication</b>	Send brief, factual 'State of the Association' notice. Acknowledge the interim board's efforts, outline review process, commit to transparency. Do NOT make promises about assessments yet.	President	<b>Day 5-7</b>

## PHASE 2: ASSESS & AUDIT (Days 7-30)

*Priority: Understand the true financial position. Identify all obligations, deficiencies, and exposure.*

Task	Detail	Responsible	Deadline
<b>Financial reality check</b>	Verify all cash balances. Confirm reserve fund status. Identify ALL unpaid invoices and obligations. Reconcile bank statements to GL. Quantify the \$234K undocumented expense gap.	Treasurer + Accountant	<b>Day 7-14</b>
<b>Restore property management</b>	Evaluate current management arrangement. Issue RFP for licensed (LCAM) property management. Consider interim return of Berri Parkoff or equivalent. Ensure no conflicts of interest.	Board Committee	<b>Day 10-20</b>
<b>Insurance audit</b>	Obtain complete vendor detail for GL 7350. Separate genuine property insurance from services Johnson billed through his company. Quantify true insurance cost vs. hidden operating expenses.	Treasurer + Legal	<b>Day 10-21</b>
<b>Contract review</b>	Review ALL vendor contracts for scope, pricing, and market competitiveness. Identify any contracts with related parties or Johnson affiliates. Flag contracts without competitive bids.	Board Committee	<b>Day 14-21</b>
<b>Resume monthly financial reporting</b>	Produce financial statements for all months without reporting (Sep 2025-present). Distribute to all owners. Establish monthly reporting cadence going forward.	Treasurer + Mgmt	<b>Day 14-30</b>
<b>Legal triage &amp; state compliance</b>	URGENT: DBPR Case No. 2025004495 has been referred to the Office of General Counsel for legal review (Jan 27, 2026). The board must immediately engage independent counsel to respond to this state action and demonstrate corrective measures. Additional exposures include: prior board expansion in violation of bylaws (since corrected by current board), unresolved records requests, licensing violations, and potential Johnson liability. Coordinate with counsel on a compliance remediation plan.	Legal Counsel	<b>Day 7-30</b>
<b>Reserve study</b>	Commission or update reserve study per Florida statute requirements. Determine adequate reserve funding levels. Identify deferred maintenance requiring near-term capital.	Board + Engineer	<b>Day 21-30</b>

### PHASE 3: REBUILD & REFORM (Days 30-60)

Task	Detail	Responsible	Deadline
<b>Competitive insurance bidding</b>	Obtain 3+ quotes from independent brokers. Separate property, liability, D&O, and fidelity coverage. Target minimum 15-20% savings from current inflated GL 7350 costs. Terminate Access Point arrangement.	Board + New Broker	<b>Day 30-45</b>
<b>Labor &amp; security contract audit</b>	Benchmark all labor and security costs against market rates. Review scope of services vs. actual delivery. Renegotiate or rebid contracts showing above-market pricing.	Board Committee	<b>Day 30-45</b>
<b>Budget reconstruction</b>	Build transparent, line-item budget based on actual costs (not Johnson-era allocations). Include proper reserve funding. Present to owners with full explanation.	Treasurer + Board	<b>Day 45-60</b>
<b>Resume reserve contributions</b>	Restart monthly reserve deposits per Florida law. Calculate catch-up contributions needed for months missed (approx. Sep 2025-present).	Treasurer	<b>Day 30-40</b>
<b>Landscaping &amp; maintenance restoration</b>	Assess property condition after period of reduced maintenance. Prioritize visible improvements (landscaping, common areas). Obtain competitive bids.	Property Manager	<b>Day 30-60</b>
<b>Assessment evaluation</b>	Based on Phase 2 financial findings, determine if special assessment is needed. Model scenarios: minimum (close deficit only) vs. recommended (deficit + reserve rebuild). Present options to owners with full transparency.	Board + Legal	<b>Day 45-60</b>

**PHASE 4: PROTECT & SUSTAIN (Days 60-90)**

<b>Task</b>	<b>Detail</b>	<b>Responsible</b>	<b>Deadline</b>
<b>Adopt financial controls</b>	Implement written financial policies: dual signatures, spending limits, competitive bidding thresholds, monthly reporting requirements. No board member may hold vendor contracts.	Board Vote	<b>Day 60-70</b>
<b>Code of conduct</b>	Adopt board code of conduct addressing conflicts of interest, self-dealing, and related-party transactions. Require annual disclosure statements from all directors.	Board Vote	<b>Day 60-65</b>
<b>Meeting procedures</b>	Establish regular meeting calendar with proper statutory notice. Publish agendas in advance. Include owner comment period. Record and distribute minutes within 14 days.	Secretary	<b>Day 60-70</b>
<b>Owner communication program</b>	Monthly newsletter/update to all owners. Quarterly financial summary. Annual meeting with full financial presentation. Establish owner portal for records access.	President + Mgmt	<b>Day 60-90</b>
<b>Governance documentation</b>	Document all policies, procedures, and financial controls in a Board Governance Manual. Ensure compliance with Florida Statutes Ch. 718. File any required state corrections.	Legal + Secretary	<b>Day 75-90</b>
<b>Loan refinancing evaluation</b>	Review BB&T loan terms and maturity schedule. Evaluate refinancing options to reduce debt service burden. Close BOA account if it violates loan covenants.	Treasurer + Board	<b>Day 60-90</b>

## APPENDIX: KEY FINANCIAL CONTEXT

The following figures provide context for board decision-making. All data from BCA budget workbooks, financial statements, and 8-month budget-vs-actual run rates.

Metric	Value	Note
Total expenses (2025 projected)	\$2,064,970	Based on 8-month BvA run rate
Assessment income (2025)	\$1,897,345	Includes \$58,800 cable revenue
Projected deficit	(\$167,625)	Expenses exceed income
Approved budget (2025)	\$1,863,079	Budget already exceeded by \$202K
Insurance (projected actual)	\$486,742	Up from \$142K in 2018 (+243%)
Insurance share of increases	55%	\$345K of \$627K total increase since 2018
Undocumented expenses	\$234,225	Sep 2025 - Feb 2026, no financials produced
Reserve balance (est. Feb 2026)	~\$98,574	Depleted from \$275K+ levels
Accounts payable (Sep 2025)	\$116,181	Up \$40K from January 2025
Per unit cost (monthly)	\$878	Up from \$612/mo in 2018 (+43%)
Historical reserve range	15-30 days	Operating reserves, not 3-month standard
DBPR Case No.	2025004495	Investigation complete; referred to General Counsel (Jan 27, 2026)
Board size	Corrected to bylaws	Current board reduced board to proper size per bylaws
Units	196	For per-unit calculations

### IMPORTANT NOTES

**Johnson Insurance Billing:** Kevin Johnson billed association services through his insurance company, inflating GL 7350 costs. A forensic review of vendor detail is needed to separate genuine insurance premiums from hidden operating expenses. If even 20% was misclassified, that represents ~\$97K/year in hidden costs.

**Reserve History:** The association historically maintained 15-30 days of operating reserves, not the 3-month standard sometimes referenced. Any reserve rebuilding plan should acknowledge this baseline.

**DBPR State Action:** The Florida Division of Condominiums completed its investigation (Case No. 2025004495) and referred the matter to the Office of General Counsel for legal review as of January 27, 2026. This means the state may pursue enforcement action against the association for statutory violations under the prior administration. Responding to this proactively — by demonstrating corrective governance and full cooperation — should be a top legal priority. The current board has already taken a positive step by correcting the board size back to what the bylaws require.

**Assessment Sensitivity:** A minimum special assessment to close the deficit alone would be approximately \$856/unit. Adding reserve rebuild increases this significantly. The board should present multiple scenarios with full transparency.