

**HIDEAWAY BAY BEACH CLUB CONDOMINIUM ASSOCIATION, INC.**

**Board of Directors Meeting**

Wednesday, March 29, 2023, at 3:00 pm

**Call Meeting to Order:** The meeting was called to order by Alex Fals at 3:00 pm.

**Proof of Notice:** The meeting notice was posted in accordance with the Bylaws and Florida Statute 718.

**A quorum was established with the following members present** Alex Fals, President, Gena Huebner, Vice President, Erika Johnson, Secretary, George Pettengill and Scott Almand, Treasurer were present by Zoom. Also in attendance were Barbara Vitolo and Kathy Dressel from Grande Property Services; and approximately forty homeowners.

**Approval of Minutes**

A **motion** by George Pettengill, seconded by Gena Huebner to approve the minutes from March 2, 2023. All were in favor; **Motion Carried.**

**Owner Comments:**

Several residents requested the Facebook page not be taken down. Would like to see updates sent every 7 – 10 days. A question was asked about delinquencies.

**Reports:**

**Presidents Report – See Attached Report**

**Treasurers Report – See Attached Report**

**New Business:**

1. Auditor Engagement: Gena Huebner made a Motion to engage Cavanaugh to do the annual audit, seconded by Erika Johnson. George Pettengill and Scott Almand expressed that the Grande Property Bookkeeper expressed difficulty working with Cavanaugh. Motion did not pass. A **Motion** by George Pettengill, seconded by Scott Almand to engage Web Lorah for the audit. All were in favor, **Motion Carried.**
  
2. Discontinue HBBC Board of Directors Facebook Page: The page was envisioned in 2022 to provide quick and easy answers for owners with simple questions. 2022 turned out to be a challenging year with complex issues. The Facebook group reaches many owners, but not all. The board felt that it was more important to distribute the information in ways that reached as many owners as possible. The e-Blast list reaches at least one owner in all units but one. It is a far superior way to distribute information. Keep in mind that all e-Blasts are archived on the HBBC website and are there to allow owners to revisit all e-Blasts anytime from any device that can access the internet. The people who serve on the board are volunteers who donate a great deal of time and effort to provide as much information as we can in addition to all of our other duties. The burdens of daily operation, hurricane restoration, and information outreach is tremendous. The board really needs to focus on all these things without the need to repeatedly put out the same answer numerous times and in numerous ways. Your understanding of our decision is appreciated. A **Motion** by Gena Huebner, seconded by George Pettengill to discontinue the Facebook Page. All were in favor, **Motion Carried.**

3. Reauthorize Committees: The following committees will continue in the upcoming year, Access Committee ( Carlos Estrada, Chair), Public/Owned Sewer Plant Advisory Committee (Rick Thompson, Chair), LGPOA (Barb Dwyer, Chair), Rental Committee (Peter Leerdam, Chair), Grounds Committee (Maria De La Nuez, Chair), HR Committee ( Don Gagon, Chair), and 2024 Budget Committee (Scott Almand, Chair).
4. Fire Sprinkler Repair – Table until next meeting
5. Permission to have ADU replace CPVC with Pex, replace insulation with sound proof insulation for owners hiring ADU to complete this work. This is not Association related work, this work is paid by the owners. A **motion** by Gena Huebner, seconded by George Pettengill, to approve this work by ADU. All approved, **Motion Carried**.
6. Ratify I2, I7, and I10 authorizing to modify fire sprinkler pipes: A **Motion** by Erika Johnson, seconded by George Pettengill to approve the fire sprinkler pipe modifications. All approved, **Motion Carried**.

Next Board Meeting: April 26, 2023, at 3 PM

A **Motion** to adjourn was made by George Pettengill and seconded by Erika Johnson at 4:09 PM. All were in favor.

Respectfully Submitted  
Barb Vitolo, CAM  
Grande Property Services.

Presidents Report—March 29, 2023

#### ADU

- Plans for trusses have been submitted to county for permit – ADU is estimating trusses to be installed 1<sup>st</sup>/2<sup>nd</sup> week of April and completion of all roofs by mid-April.
- ADU in the process of identifying the plumbing subcontractor that will do all plumbing work.
- The county is currently reviewing the roof permit for the caretaker complex.
- Drywall installation cannot start until we have approval from Citizens on supplemental claim – Citizens has the right to reinspect prior to issuing supplemental payment – the premature installation of drywall could jeopardize the supplemental claim. Also note that the drywall can't be put up until the proper fire wall and insulation has been installed.
- ADU will place a bulk order for drywall resulting in a lower cost – ordering drywall for a small number of unit owners would result in association missing out on savings that could benefit association's project in other areas
- ADU is recommending association attorney draft letter to accompany the submission the proof of loss to Citizens to communicate that the association is willing to litigate for adequate funds for needed repairs.
- ADU anticipates association project will be in full reconstruction mode within the next 30 days

## **Wi Fi**

- Wi-Fi contractor to begin repairs of the Wi-Fi infrastructure on the six (6) buildings that have completed roofs – the repairs on the parking lot gazebo are complete.

## **Mainland Dock & Island Dock**

- Discussions with Abbotts Construction in regard to the repair/replacement of the mainland dock continues. Contractor to provide estimate to shore up mainland dock and get it operational and an estimate to repair island ferry dock for damages sustained as a result of hurricane Ian.

## **Ferry**

- Electrical diagram submitted to the coast guard has been approved.
- The ferry is currently at the repair facility. The work is expected to take about two months to complete.

## **Insurance**

- April Insurance Renewals:
  - Flood policies for caretaker complex renews on April 14th. Board has changed agency representation from Atlas Insurance from Time Insurance. Time has helped the board to determine whether or not the policy was issued correctly. All coverage terms will remain the same, except that the limit of insurance is being increased to the maximum \$250,000 limit available from FEMA. The current limit was \$223,000. The premium based on the higher limit has not been determined yet, but the 2023 price on the lower limit is \$1,189. It was \$1,056 in 2022.
  - The \$250,000 maximum building limit is inadequate to replace the caretaker complex if the building foundation should become compromised. The 2021 real estate appraisal for non-flood peril set the replacement cost at \$562,383. The flood valuation should be higher since it includes foundations elements and underground elements. There is no short-term solution to the gap in coverage.
  - It should also be noted that there is no coverage for contents on the flood policy on the caretaker complex. Most of the value in association contents is for goods on the ground level. The association will have to consider installing proper vents to allow water surge to pass through the fixed wall without causing damage before we can get fair pricing to add contents coverage. We will need to get estimates for that work before considering this renovation.
  - The association places great importance in getting alternate renew property insurance quotes at the renewal cycle. That will not be an option this year due to the damage we sustained during Hurricane Ian. The board will consider shopping the insurance mid-policy term once all the repairs are made.
  - Citizens Property Insurance has offered a renewal on our windstorm insurance policy that comes up for renewal on April 13<sup>th</sup>. The board is in the process of changing agency representation from Atlas Insurance to Time Insurance. We have questions about the renewal terms and are awaiting answers. The board also asked for ordinance or law coverage and increase debris removal coverage, but the agent communicated that

Citizens will not offer either of those coverage enhancements to HBBC. Citizens has invoiced the association \$405,390 for the annual premium. The budget included \$353,471. The 2022 premium was \$328,217. We have no alternative other than to finance the premium again this year. The finance charge has already been built into the 2023 budget. Terms are pending for the interest rate.

- The policies renewing in May are currently being discussed with the insurance agent. Trisura Insurance is offering a renewal. Again, the board will not be seeking alternate quotes due to the existing building damage from Hurricane Ian.

### **Sewer Plant**

- Preliminary discussions took place with Novak Environmental Service (NES) in regards to their interest in taking ownership over the HBBC sewer plant. More information is needed and further conversations with board members, unit owners and NES are planned.

### **Mainland Parking Lot**

- We have received three (3) estimates to replace the fence around the parking lot. The board has elected to put this repair off until next year since costs are more than we can afford this year.
- We continue to look for solutions to replace the small fence around the above ground storage tank in the parking lot to secure our gas.

### **Committees 2023**

- Access Committee – Carlos Estrada, Chair – Goals: secure access to the ice machine, pool, and parking lot
- Public/Owned Sewer Plant Advisory Committee – Rick Thompson, Chair – Goals:
  - Serve as conduit between the board and the any attorney engaged by the association to give advice on all matters regarding the sewer utility being proposed by Environmental Utilities LLC or any outside entity that offers a centralized public sewer utility.
  - To monitor the Public Service Commission for any information the proposed a centralized public sewer utility.
  - To keep informed on the sewer plant that is owned and operated by the association in any way that has bearing on the topic of the proposed centralized public sewer utility.
  - To reach out directly to NES, our plant contractor, and to any engineer engaged by NES on the behalf of HBBC to secure advice and information relevant to the duties and responsibilities of the committee.
  - To look forward and suggest any action or position that the association should consider for the future betterment of the community.
  - To submit written reports to the board with information that can be shared with the members, but to keep protected information safe by scheduling executive sessions with board members as needed.
  - To ensure that all action and communication from the board does not jeopardize the options of the association to utilize litigation, if necessary.

- To work hand and hand with the board to inform and advise the membership when the time comes for action on the association's part on any propose centralized public sewer utility.
- To keep an eye on expenses and ensure that board approval is received on those expenses.
- To discuss options with NES for turning over complete over site for all sewer plant related activities and expenses in exchange for a monthly contract fee
- LGPOA Committee - Barb Dwyer, Chair – Goals: Open communication between HBBC & LGI - letting the owners at HBBC know about events & activities & concerns happening on the island and in the surrounding area & vice versa.
- Rental Committee – Peter Leerdam, Chair – Goals: Create a section in the HOA website to host information for those who rent and renters.
- Grounds Committee – Maria De La Nuez, Chair – Goals: To get our community looking beautiful again. The garbage bins will be spruced up. We are trying to use materials on hand to minimize cost. Sprucing up the landscaping and putting new rope lights by the ferry, replacing the signs that were damaged by Ian, looking at the grill area and see if any lights need to be replaced. I believe as ADU continues the work, we will see what else needs attention. We lost one of the big signs over the dock on the island side, but I would like to see if it is possible to try to restore the one on the mainland side. Pool area furniture needs to be re-strapped.
- HR Committee – Don Gagnon, Chair – Goals: Complete revisions and finalize updated employee manual.
- 2024 Budget Committee – Scott Almand, Chair – Goals: Update the capital reserve schedule with timing changes, post hurricane repairs and produce the 2024 annual budget.

#### **Owner Questions**

- Have received several inquiries about the likelihood of an additional special assessment this year. It is more than likely that there will be one this year. Proper notification for special assessment discussions will be sent out to address.

#### **Owner Requests**

- Unit owner submitted a request to the board to allow her vehicle to be parked in the loading/unloading area. Request was denied – Board members voiced concern over setting a precedent that would create havoc in the loading and unloading process.
- Unit owner submitted a request to add board meeting agenda item – Owner wants to remove caretaker/captain parking spots next to gazebo and turn those spots into handicapped parking. Request to add to agenda was denied – we currently have adequate handicapped parking spots in parking lot.
- Unit owner submitted a request to add board meeting agenda item – Owner wants to return ferry schedule to normal ferry schedule - Request to add to agenda was denied – Hideaway is still an active construction zone.
- Unit owner submitted a request to add board meeting agenda item – Owner wants to resume household garbage pick-up by captains – Request to add to agenda denied - Hideaway is still an active construction zone.

- Unit owner submitted a request to add board meeting agenda item – Owner wants to open pool for normal use - Request to add to agenda denied – Hideaway is still an active construction zone.

Respectfully Submitted,

Alex Fals, President

## **Treasurers Report – March 27, 2023**

### **December 31, 2022 Financial Statements –**

There is \$338,690 of cash in the operating account. Included in this cash balance was \$327,677 of Hurricane Ian Unspent Assessment Proceeds, so excluding the unspent special assessment proceeds, HBBC ended the year with \$11,013 of operating cash.

- There are \$11,601 of accounts payable (bills) due at the end of the year, paid in January.
- There was \$78,120.27 of prepaid owner assessments (cash received from owners in December for their 1<sup>st</sup> quarter 2023 dues).
- There was \$48,582 of assessments due from owners at year end.
- Placida owed \$25,950 for the shared expenses as of year-end.

Page 3 of the financial statements is the Income Statement, showing there was a \$151,096 DEFICIT for the year, with \$125,986 of the deficit due to greater than budgeted insurance premiums, there are other negative variance within the year, some of the bigger items exceeding budget were – Legal Expense \$16,930, Ferry/Skiff/Dock maintenance \$19,619, Fire system \$14,027. There was some offsetting positive variance to budget, mainly contract expense & landscaping.

Placida was billed in February 2023 for the full year allocated expenses of \$25,950 - \$12,000 more than budget because expenses exceeded budget. This was recorded as income and a receivable in 2022, with the cash payment coming in Feb 2023.

There was \$198,014 of expenses paid out of the Hurricane Ian Assessment funds – This shows on the income statement as both a revenue line item and expense line item, so it nets to zero and doesn't contribute to the \$151,096 annual deficit. Again, the balance of unspent funds is \$327,677 and sits on the balance sheet until it is spent.

### **As a cash flow recap for 2022-**

HBBC ended 2021 with \$251,293 of operating cash, subtract the \$151,097 deficit for 2022 and subtract a \$89,000 increase in prepaid insurance = roughly \$11,000 of remaining cash.

## **February 2023 Financial Statements**

The balance sheet is showing HBBC has \$366,097 in the operating cash account and this includes \$303,399 of funds from the hurricane special assessment and \$62,698 of actual operating cash. Also note that the \$62,698 includes \$44,465 of prepaid owner assessments. As previously pointed out on the year end financials, this is a very low operating fund balance that should lead to further discussion on a special assessment to cover the 2022 deficit that depleted the operating reserves. Also on the balance sheet, HBBC has \$37,659 of assessments receivable, unpaid hurricane lan deductible assessments totaling \$15,461, with the balance due to unpaid regular 1<sup>st</sup> quarter 2023 assessments.

Starting on page 4, the income statement is showing \$170,520 of revenue and excluding the hurricane lan revenue this approximates budget. Hurricane lan revenue is offset equally by the expense – neither are budgeted as it's a wash. Total Expenses to date are \$196,026 and are \$17,050 less than budget. There are savings so far in several areas – but note the \$6,936 of less than budgeted payroll expense due to reduced hours running the ferry. The budget included a full-time ferry run from the start of the year. Again, hurricane lan deductible expense is equal to the income – so it's a wash.

Overall, the net loss of \$25,505 is \$26,131 less of a loss than budgeted – all expense savings so far. Payroll should be a permanent savings – other areas such as pool, maintenance, landscape...etc. might end up just being timing that will catch up to budget as we move through the year.

Respectfully,  
Scott Almand