

HIDEAWAY BAY BEACH CLUB CONDOMINIUM ASSOCIATION, INC.

Board of Directors Meeting

Tuesday, May 2, 2023, at 4:30 pm

Call Meeting to Order: The meeting was called to order by Alex Fals at 4:34 pm after an update from ADU.

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 from Grande Property Services; and approximately forty homeowners.

Approval of Minutes from March 29, 2023.

A **Motion** by George Pettengill, seconded by Erika Johnson to approve the minutes from the March 29, 2023, Board Meeting. All approved, **Motion Carried**

Financial Report

Scott Almand presented the financial report (attached) for the month ending 3/31/2023 at the special assessment meeting held earlier.

Presidents Report

Alex Fals presented the Presidents Report (see attached)

Next Meeting: Wednesday May 31, 2023, at 3 PM

A **Motion** by Gena Huebner, seconded by George Pettengill to adjourn the meeting. All approved, **Motion Carried** at 4:44 PM.

Treasurers Report – April 21, 2023

3/31/23 Financial Statements –

As of the end of the first quarter, there is \$456,738 of cash in the operating account. Included in this cash balance was \$317,577 of Hurricane Ian Unspent Assessment Proceeds, so excluding the unspent special assessment proceeds, HBBC ended the first quarter with \$139,161 of operating cash. It is important to point out that there is \$149,400 of prepaid 2nd quarter assessments deposited into the cash account in March. Without the prepayments, the first quarter ending operating balance would have been a negative \$10,239. In addition, note the following:

- There are \$23,701 of assessment accounts receivable due from owners as of March 31st.
 - \$8,845 of that balance is over 60 days, from unpaid first quarter assessments.
 - \$14,756 is over 90 days, mostly from unpaid special assessments. These have been turned over to collections.
- There are \$14,206 of accounts payable (bills) due at the end of March.

Page 3 of the financial statements is the Income Statement, showing there was a \$41,667 DEFICIT for the first quarter. This deficit was \$39,000 less of a deficit than budgeted. About half of the positive variance (savings) is in payroll due to reduced ferry hours with the balance of the savings spread between the other maintenance expense areas. The deficit was budgeted and was mainly due to the lower assessments in the first quarter due to the delay in approving the budget.

There was \$10,100 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 \$41,667 deficit. Again, the balance of unspent funds is \$317,577 and sits on the balance sheet until it is spent.

In the first quarter, there were \$122,728 of disbursements out of the capital reserve account, mainly for the ferry and Novak sewer repairs. Deposits into the account included \$76,500 of insurance funds for the ferry and \$39,315 of owner contributions. The balance at the end of the quarter in the capital reserve fund was \$280,573.

Respectfully,
Scott Almand

Presidents Report—April 28, 2023

Citizens

- Negotiations with Citizens are ongoing and at this point there is no clear indication when we will receive the next payment. The board has discussed various scenarios that may play out and we have considered options on an appropriate response/handling depending on what Citizens decides to do next. We are hopeful for an outcome that is in HBBC's favor.

ADU

- ADU has confirmed that truss installation and roofs for those corresponding buildings will move forward as soon as permits are available.
- Next phase of reconstruction will not proceed until additional monies are received from the insurance company.
- There are eleven (11) separate permits that have been applied for. One for each building. As of right now five (5) are in review and six (6) are waiting to be reviewed. On the five (5) that are being reviewed (BLDGS A, E, J, D, & C), ADU has answered all of the objections and are now waiting for a response to those submissions.

Mainland Dock & Island Dock

- We have given Abbott's Construction the go ahead to make repairs to the header & ramp on the mainland dock and header & ramp to the island side ferry dock. Abbott's has indicated that they can begin repairs within a week or so. They have also indicated the repairs to both docks should take about two weeks. That being said – I do not place a lot of stock on the timelines contractors are providing overall. We are hoping the completion of the repairs to the docks coincide with completion of the repairs to the ferry.

Ferry

- The old engines have been removed. Engine brackets will come off next and they will be sandblasted and painted with antifouling paint. 90% of the railing has been straightened out. Inside pontoons are being cleaned. The staff is searching for the best available electronics that suit our needs. The lower units on the old outboards will be removed and taken to the island to be rebuilt and used as spares.

Insurance Renewals

Citizens Insurance wind only policy 4/13/2023

- The agent of record letter has been completed and Time Insurance is our agent on this policy.
- Renewal premium is \$405,390. Last year it was \$328,217. Citizens did apply and automatic inflation increase to the building limits, so we have more coverage than last year. Refer to the end of this report for a comparison of the 2022 and 2023 limits of insurance.
- Atlas Insurance had advised prior to the agency reassignment that Citizens will not offer coverage for building code changes or added mold coverage to HBBC.
- The premium to be financed.

Trisura-Property excluding wind expires 5/27/2023.

- Agent is working on providing an updated renewal proposal that would increased mold coverage limits and updated building limits in order to match the building limits we have with the Citizens (wind only) policy.
- Agent is also working on putting a package policy together that would combine this policy with our crime, D&O, GL and umbrella together in an effort to take advantage of a package discount.

Traveler's Crime expires 5/17/2023.

- Atlas is the current agent, but Time Insurance has submitted this to the wholesaler (Coastal Insurance) to package with the other lines of insurance. The limit will remain the same at \$1,000,000. Terms will be reviewed.

Cincinnati Director's & Officer's Liability expires 5/17/2024.

- This is on a three-year policy that doesn't expire until next year.

- Time Insurance will propose replacing this coverage on 5/17/2023 as part of a package offer. The initial feedback indicates that this change could save us some money. Term will be reviewed.

Cincinnati General Liability/Umbrella Liability expires 5/17/2025.

- This is on a three-year policy that doesn't expire until 2025.
- The general liability and umbrella will be considered separately. There is an umbrella risk purchasing group for condominium association's that offers pricing and terms that can't be beat. Time Agency will propose replacing that coverage on 5/17/2023 as part of a package offer. The initial feedback indicates that the change will save us some money. We should have their offer by the end of this week. The terms will be reviewed.

Flood Insurance for Building C expires 5/14/2023- will be assigned to Time Agency

June 2023 Renewals

- Flood renewal D Building-will be assigned to Time Agency
- Flood renewal E Building-will be assigned to Time Agency
- Flood renewal K Building-will be assigned to Time Agency

July 2023 Renewals-None

August 2023 Renewals:

- Watercraft policy
- Excess liability on watercraft
- Pollution liability (sewer plant and fuel storage tank)

Comparing 2022 building limits of insurance to 2023 building limits of insurance

| Building # | 2022 Limit of Insurance | 2023 Limit of Insurance | % of Change |
|------------|-------------------------|-------------------------|-------------|
| A | \$1,654,900 | \$1,830,000 | 10.58% |
| C | \$1,654,900 | \$1,830,000 | 10.58% |
| D | \$1,654,900 | \$1,830,000 | 10.58% |
| E | \$1,977,000 | \$2,187,000 | 10.6% |
| F | \$1,654,900 | \$1,830,000 | 10.58% |
| G | \$1,654,900 | \$1,830,000 | 10.58% |
| H | \$1,654,900 | \$1,830,000 | 10.58% |
| I | \$1,654,900 | \$1,830,000 | 10.58% |
| J | \$1,654,900 | \$1,830,000 | 10.58% |
| K | \$1,654,900 | \$1,830,000 | 10.58% |
| CC | \$562,000 | \$622,000 | 10.67% |
| Pool | \$90,000 | \$90,000 | No Change |

Sewer Plant

- NES has been given the go ahead to bury the power lines underground that supplies power to the blower control panel.

Owner Questions

- Just wondering if ADU has given a bid on plumbing yet? Also is there a reason they cannot start the plumbing and electrical work that is to be paid by owners? Is this also a county permit issue? This is not a county permit issue and this subject has been addressed with ADU.
According to ADU there is a significant amount of plumbing work inside units that should be partially covered by the association's policy. Once the extent of coverage is clarified they will be able to properly break out what is association responsibility and what is unit owner upgrade responsibility and then they will mobilize the plumbing sub-contractor to start on work. Although I have not addressed electrical upgrade work with ADU – I would imagine they face the same situation with electrical as well.
- Please advise us on the overall general status of the plumbing in the HBBC units. We have read on social media and heard talk that the old pipes are brittle and in need of replacement. In searching through the eblasts, the officer reports, and general letters from ADU, we do not find any reference to brittle pipes, except for the note about breaking pipes when the fire sprinkler heads were being replaced. Because the pipes would need to be replaced before the new walls are put up, it would certainly be helpful to have official notice that there is a potential problem that each unit owner should address before the reconstruction continues. Many of us live at a great distance and do not have the opportunity to notice this problem on our own. We recall seeing, on a letter or perhaps the survey from ADU, something about "plumbing upgrades", but no mention of a problem. Can you tell us if there is a recommendation about the pipes and if not, what is your advice? I believe this same concern could be expressed concerning "electrical upgrades"....is there a potential problem that we do not know about? Please explain. **I am not aware of an "official problem" community wide in regards to the plumbing or electrical. The buildings were built at different times – so what one unit owner experiences in one unit in one building may not be the same experience in another unit in a different building. If a unit owner has a question/concern about the plumbing or electrical in their particular unit – this would be the ideal time to address.**
- In an update from ADU (3/2/23) to all of us concerning the mold mitigation, Martin said that ADU would be cleaning the ductwork in all units on behalf of the association. This was not included in the list on the latest eblast. Is that still an item that will be done? **I am not aware of ADU committing to clean every unit's ductwork. I will reach out to ADU for clarification.**
- Thank you for update on the ferry. Is the projected date of completion still in May? **Yes** Will the docks be ready to use the ferry by that time? **See Mainland dock & Island Dock update above** Is the plan to put it back into service at that time? **Yes**

- The proposed special assessment states it is for insurance premium overages in '22 and '23. Does it include the likely premium increase for the ferry insurance renewal in August that was discussed in detail in eblast dated 1/22/23? **Yes it does**
- I see that we are waiting for permits with the county. Will we be able to move forward with trusses, insulation and sheetrock once the permit is issued or are we still waiting for the insurance? **See ADU update above**
- When will we get pricing and more information for the option to upgrade plumbing and soundproofing? **See response to the first question above – insulation/soundproofing also falls into the category of waiting to see how much association insurance is going to pay to replace insulation – in order to break out what portion is association insurance responsibility vs unit owner upgrade responsibility.**

Respectfully Submitted,

Alex Fals, President