

*Approved BOD 04.20.21 Meeting Minutes*

**Called to order** at 11:00am

**Present:** James (Terry) Hennessey, March Goldberg, Anthony Bartholomew, Tim Haas, Maureen Dore

**Minute Approval:**

**Motion: Terry- to approve the 03.16.21 BOD meeting minutes. Seconded- Tim, carried.**

**Financials:** The March Financials are out, and they show a YTD deficit of \$7,978.00. The amount is not accurate due to a pending audit adjustment that will credit the 2021 budget in the amount of approximately \$10,500.00 for the December 2020 Water bill that was posted to the January 2021 financials. So, for the first 3 months we are over revenue by \$2,522.00 with 3 months in the bank.

The collections are stabilized for the most part after the Seacoast lockbox closing.

**Roof Repairs/Reserves:** We approved a motion at the last meeting or the meeting before based on guidance from the Auditor and CPA, they both agreed that certain (what they refer to as permanent) roof repairs could be charged to reserves. We moved forward with that by approving a motion. The person who does the Reserve study picked up on that and said that is not the case, you cannot use reserves for repairs. I mentioned that to the attorney and she agreed with him 100%. Unfortunately, any repairs on roofs are going to have to go on operating going forward. Because we made a motion at a previous meeting, I will make a motion at this meeting:

The current budgeted amount is \$17,600.00 which included drywall. YTD we have spent \$5,600.00 with a couple more repairs coming in. Last year we spent around \$34,000.00. This is an item that keeps Terry up at night because the community is aging, the repairs are going up each year. It is an issue; we manage the best we can, but the repairs and drywall must be done. It has historically been a problem on the valley areas. This could have a material effect on the fees going forward. As a reminder, the roofs are not scheduled for replacement for another 15 years.

**Motion: Terry-** Any future repairs related to the roofing (not replacements) will be charged to the operating budget and not the reserves. **Seconded- Marc,** carried.

**Leasing amendment:** We spoke about the attorney's response with respect to extending the time that an owner can rent their unit from 1 year to 3 years. As a reminder, this is an attempt to stem the investor interest. There is quite a bit of investor interest. We sent a casual email survey to the owners, which doesn't carry any weight asking to increase it to 3 years. The response was overwhelmingly positive, 111 were positive, 8 were negative. We had a session with the attorney because of the survey responses. She had 4 suggestions:

1. Reduce the moratorium to 2 years due to case law in Florida where 3 is not enforceable.
2. Place a low percentage cap on overall leasing in the community for example; 5% to 10%. So, when the percentage of units are leased, no more units may be leased.
3. Place the limit on the number units any one person may own directly or indirectly. This would prohibit one investor or investor group from setting up subsidiary corporations or other LLC as investment vehicles for the purpose of acquiring additional units to lease out.
4. Require that units may only be owned by natural persons (that's the legal term) this means that individuals are not corporate or business entities. You might want to make an exception for trusts for purposes of estate and tax planning.

The Attorney suggested to put all 4 options in the leasing amendment.

Board discussion ensued on the pros and cons of each option.

Tim asked what happens when a person votes against the amendment, would they be held to the amendment if it passed. The attorney's foot note said that it is important to remember that due to chapter 718.00 of the Florida Statutes, certain changes to leasing restrictions will only apply to owners who vote yes and new owners who take title after the amendment is recorded. This would be an amendment to the Declaration. As we move forward I will confirm the amendatory threshold needed to pass the amendment.

Marc suggested asking the attorney what her experience has been with corporations willing to wait 2 years before renting. If she finds that that is protocol. If so, maybe move to the 3 years.

**Terry Recapped:** If all are in agreement, I will go back to the attorney, ask Marc's question and reconvene at a later date.

**Insurance:** We were notified by the state of Florida that our liability insurer American Capital is liquidating. The firm is out of business.

We have insurance until May 14<sup>th</sup>. The Association's insurance broker is pursuing quotes from other insurance companies. 2 companies have stated their interested in quoting, A third quoted a premium of \$160k a year with a 5-6% adjustment via email, which is not an official quote. The current policy is at \$116k. One more company said they would consider a quoting a policy at \$196k, which puts us at \$80k in excess of what were currently paying.

We are probably looking at a special assessment, but the amount is unknown at this time.

If it turns out that were looking at \$196k (worst case) were looking at a \$303.00 assessment. The best case if the \$160k turns out to be valid, that would be an assessment of \$175.00 (of a onetime payment).

If everyone is ok with that, Maureen will send out an email notification.

Tim asked if there is a chance of a rebate from the premiums already paid? Terry said Florida Guaranty Association which is a State department is working with American Capital Association on the refunds.

If we assess the owners and a refund is received, the sensible thing to do is refund the owners.

Tony- CDARS funds of \$300k was given to CenterState.

Terry mentioned the approved ARC applications.

Tim reporting on the Comcast agreement progress. Not much to report on, still working on the details.

New business, Terry passed around a draft of a possible guard house replacement. Looking for feedback. He received a turnkey quote \$35-\$40k.

Owner comments: What is stopping these corporations from buying in here now?  
Terry answered: nothing.

Another owner: what is going on with the North lake fountain. Maureen reported that something is causing it to turn off. It is being assessed by the lake doctors.  
Terry commented that it may be a timer or electrical issue.

Next meeting date: 05.18.21 at 5:30pm

Adjourned: 11:55am