

**WATERSIDE III AT BAY BEACH CONDOMINIUM
ASSOCIATION, INC.
MINUTES OF THE BOARD OF DIRECTORS MEETING
FEBRUARY 14, 2023 FOLLOWING ORGANIZATIONAL MEETING**

1. **Call to Order:** The meeting was called to order by Pete Yeatman.
2. **Proof of Notice:** Pete Yeatman posted the agenda on Friday, February 12th.
3. **Establish a Quorum:** Present was Pete Yeatman, Scott Kitkowski, and Jeff Lievens. Bob Carran was dialed in remotely.
4. **Read and Approve Minutes of Board Meetings:**
Pete asked to waive the reading of the minutes from the January 13th, 16th and 20th, 2023 BOD meetings and requested a motion to approve them. The motion was made by Scott and seconded by Bob.
5. **President's Report:** Pete read the President's report.
A copy of the president's report is attached.
6. **Treasurer's Report:** Jeff read the report which had been sent out before the meeting so that the information and numbers could be reviewed prior to the presentation here. Topics included:
 - The impact of hurricane Ian hitting FMB in September, 2022 to Waterside 3 expenses. Comparing expenses through September, W3 was on budget. For the full year, expenses exceeded revenue by > \$159K;
 - A summary of operating and reserve fund balances through the third quarter and at year end which illustrated a 40% depletion of cash in the 4th quarter due to storm costs;
 - The total storm-related damage to the building and grounds, as of January 2023, are estimated to be between \$1.5M and \$2M;
 - Looking ahead, our insurance broker said to expect very large increases in insurance premiums for property/wind and flood. Our next insurance payment will be due in May, 2023 when a lump-sum payment for those enhanced premiums will be due;
 - An explanation on why the assessment levied earlier will be re-stated to reflect insurance costs rather than storm repairs;
 - Elaboration of expected cost changes for the reserve fund; and,
 - A clarification that quarterly assessment impacts for 2023 are expected to be 2% higher than 2022, but for 2024 and beyond, it is anticipated quarterly assessments will be double the amount of the 2022 and 2023 amounts.A copy of the treasurer's report is attached.

Several questions were raised:

- Dick Smith asked about building insurance deductibles. Jeff clarified the property/wind policy has a 5% deductible on a property value slightly less than \$20M; this amounts to a \$925K deductible. The flood policy deductible was \$1250 but the list of exclusions was extensive. The anticipated total of

insurance receipts is \$250K - \$300; the remaining burden of repairs falls to the owners.

- Dick asked whether the possibility of self-insurance has been considered. Charlie Eck explained the team reviewed the possibility of self-insurance both as a stand-alone option (W3 only) and in combination with buildings 1 & 2. Given current legislation and limitations, the team determined it was not viable.
- Finally, Dick asked how the change in assessment purpose would affect individuals trying to obtain a reimbursement from their insurance company. Sue Walker asked what kind of documentation will be provided to explain the change and whether an attorney was included in discussions on making the change and wording of the modified billing.
Response: Each owner will have to discuss the claim with their own company. A new notice explaining the (revised) purpose of the assessment will be sent by the CPA firm to owners. Yes, our attorney was involved when making the changes.
- A question was asked whether alternative insurance carriers were being considered. Jeff explained several options for insurance are being researched. Tim Lehman offered his help since he has been involved in the insurance industry for many years.
- Chuck Pestow asked whether, in the future, insurance information among buildings 1, 2 and 3 might be shared with owners to keep interested individuals aware of changes and increases. Pete agreed to pursue with Sylvie if some information could be communicated.

7. **Property Manager's Report:** Sylvie provided many updates including:

- She has the name of a company who can provide screen repair; interested owners should check with her

A copy of the report is attached.

8. **Standing Committees Requesting to submit reports:**

a. Hounshell Social

- Laraine Yeatman capsulated activities that have taken place, those coming up soon, and explained the committee is researching a dinner outing at C-Level on Bonita Beach Road.

A copy of the report is attached.

9. **WMA Affairs:** Before Ross Miller presented, Pete explained a volunteer is needed to replace Ross on the WMA committee as Ross will be moving from Waterside3 in March.

Ross provided WMA updates including:

- The 3-4 pool has power this week which should be turned on soon. They are still waiting on parts for the geo-thermal heaters to enable heating of the pool.
- The lift-station part is supposed to arrive soon; once repaired, the generator can be removed.
- We are waiting on information from the contractor regarding repairs to secure the gatehouse so the readers, gates and equipment can be installed.

- The fishing pier is available for fishing. There is minor fence work to be done. Much of that repair was done by volunteers.
 - Pelican Landscaping is still working on irrigation system repairs.
- A copy of the report is attached.

John Russo raised a question about the lag in the pool repair process. In addition to the responses about parts challenges, Joe Romanelli explained the geo-thermal heater operation is reliant on town permit approval. The permit has been submitted but there has been no approval to date. Once repaired, this is needed before the heaters can be run.

10. EBIA Affairs:

- Pete read the report including:
 - Charles Pestow was selected as president to replace Jim Domres, Charlie Eck and Dan Tis are VPs, Don Meidinger is Treasurer and Ed Keegan is Secretary.
- A copy of the report is attached.

Chuck Pestow will provide to Pete, an update of EBIA's latest activities.

11. Old Business:

a. Confirming or Assigning Chairs for Standing Committees

Pete reminded everyone that committees are advisory to the BOD only. Only the Hounshell Social Committee can expend money within their budget without either Property Manager or BOD approval.

Crisci Finance: Jeff Lievens (chair), Bob Carran, Charlie Eck, Chuck Pestow, Connie Shepard

Risk: Bob Carran (chair), John Frey, Richard McKissock

Building: Scott Kitkowski (chair), Doug Chyna, Walt Estep

Pool: Joe Romanelli (chair), Scott Kitkowski, John Russo

Web: Janet Markelz (chair), Tina Estep. Donna Kaiser. Linda McKissock
George Zabrecky

Landscape: Sue Walker (chair). Jim Stewart

Front Entry Plants: Bridget Searby, Russ Searby

Hounshell Social: Judy Stewart & Laraine Yeatman (co-chairs), Sue Walker, Patti VanGorder

Pete asked for a motion to accept the committees as read. Jeff motioned to accept and Scott seconded. The motion passed.

Pete motioned to change the name of the Building Committee to the Facilities Committee. Jeff seconded the motion and the motion passed.

b. Ian Recovery

- Building and Grounds.
Sylvie recapped the bigger repairs.

The list is attached - part of the PM report.

Scott provided details on the larger repairs.

- Post hurricane, electric was restored on October 22nd.
- Water was restored on October 26th
- The freight elevator was up and running October 27th
- The other elevator was available on November 2nd, but it was ride at your own risk
- The pump house was restored on December 5th
- The fire alarm protection system is still a work in process; still waiting on the boards
- In January, a 45-item punch list was created. Scott elaborated on several of the top items on that list.
- With respects to a new roof, he explained they have 3 quotes in progress, but there is disparity between them that needs to be worked out. Among those gaps is whether we will need to replace the lightweight layer of the roof.

There were several questions:

- . Lance Johnson asked about replacing with a new membrane roof, but Scott responded after discussion with contractors, it did not make sense.
- . A question was asked about how the (raised) A/C units will be connected to the roof. Response: That is not clear yet.

ii. Financial

Jeff clarified the team is working in a dynamic environment, including the circumstances that changed from the point the special assessment was first levied. The change in those circumstances, ie: the line-of-credit approval and insurance reimbursement, enabled repairs to be made but could not address the outstanding insurance payment due May 11th. That was the driver in changing the purpose of the assessment.

He explained what is known at this time about the elements of the SBA loan. The team anticipates between \$1.9 and \$2.4M in extra costs compared to before the storm. We expect \$300K from flood insurance. A one-time special assessment to address the gap would be between \$25 to \$40K per unit, or the plan opted for which includes a combination of special assessments, increased quarterly assessments, insurance payments, the line-of-credit and the SBA loan.

Sylvie explained the year-end financials were received from the CPA firm.

A question was raised whether we know of anyone else that has gone through the SBA loan process, where we might find out next steps prior to hearing from SBA administrators. Response: Jeff posed the question to the accounting firm. They explained we are further along than any others. Jeff will continue to pursue.

iii. Return to normalcy.

Pete outlined the plan and limitations:

Once the Emergency Panel is installed, tested, and released by Johnson Controls, a Fire Department inspection and release approval will need to be obtained. Once secured,

- the Trash Room and chutes can be opened
- the sign in table can be removed
- the building can be taken off emergency operation “at your own risk”, and
- be returned to normal BOD operation.

Owners can then lease their units, allow guests, use guest suites, etc.

This does not mean everything will be back to where it was. There are still many things to do but these may be accomplished without emergency status.

A reminder was given that WMA may still be under emergency status and “at your own risk”. If so, this is something to be shared with renters or guests.

To date, there is no answer nor commitment from JCI to complete work on the Emergency Panel. Our own estimate is 2-4 weeks.

There is no timeline when mail delivery will restart.

11. New Business:

a. Lobby Remediation

Pete explained the selected decorator lost her home, resigned her position and is moving out of the area. She provided the name and connection to a decorator that she highly recommended: Coral Topolski. Coral agreed to work on the lobby redecoration and continue with the scheme started – The Beach of Fort Myers Beach.

Pete explained the need to agree on a budget for lobby remediation. The SBA report appeared to have \$20K allotted. It is understood that use of SBA funds are tightly controlled and to date, there is no definite understanding of how much, if any, of the loan amount can be used for the lobby refurbishment.

Sue Walked asked if the SBA loan allows funding for landscaping.

Response: Yes.

Tim Lehman asked whether individuals from the building could work as a committee with the new designer. Response: Historical attempts to do that did not go well.

A question was raised whether the remediation could be delayed for a period of time. Response: It should be done sooner than later.

Pete emphasized the importance of volunteering for Fire Watch and satisfying the commitment, so all slots are covered.

12. Sales and Leases - Ratify Approved Sales and Leases:

- No leases.
- Unit 374 sold to James and Denise Carlisle on December 12. Pete asked for a motion to ratify and approve the sale. Scott made the motion and Jeff seconded. The motion passed.

13. Comment and discussion by unit owners:

- Chuck Pestow mentioned there have been multiple instances of front doors being left unsecured.
- Rainey Kitkowski mentioned the doors leading to the package drop point are still open.

14. Adjournment: Pete asked for a motion to adjourn the meeting. Jeff made the motion and Scott seconded. Adjournment was approved.

President's Report

14 February 2023

Most of what had to be said was said at the Annual Meeting. I only wish to make one more statement. Some of the people who have brought our home back from this catastrophe are highly visible, like our energizer bunny Scott and family, others are not so visible. I can't overstate how much time and hard work Sylvie and Paul have put in since Ian. The same thing goes for Jeff and Bob. Each has been working seven days a week and all hours of the day. I can't express the gratitude I have for being able to work with these people as well as Donna, Charlie, Rainy, Nicolle, Laraine and the dozens of other people who stepped in when there was something needing to be done and just did it.

Thank you for this privilege,
Pete
President

Waterside III at Bay Beach Treasure's Report

February 14, 2023

Ian Recovery - Financial

Please refer to the Finance Events Timeline which summarizes our efforts to fund repairs and to deal with the expected increase in insurance costs when our policies renew on May 11, 2023. The combined effects of Ian and 2023 insurance cost increases total \$1.9 – 2.4 million. At this point, we estimate \$300,000 will be recovered through our flood insurance, so the net is \$1.6 – 2.1 million in extra costs that we the owners must pay in 2023 compared with 2022. Here are the options to pay:

- 1) a one-time special assessment of \$1.6 – 2.1 million; that amounts to about \$24,500 to \$40,000 per unit, depending on the total amount and unit type;
- 2) a combination of special assessments, increases in quarterly assessments, insurance claim payments, and loans totaling \$1.6 – 2.1 million.

We've opted for Option 2, with loans being key to minimizing the amount of special and quarterly assessments imposed on owners in 2023. You can see in the timeline how we have progressed in developing that option. It includes:

- a \$400,000 special assessment that you've already paid;
- a \$300,000 line of credit from American Momentum Bank;
- \$300,000 in insurance claim payments (mainly flood);
- a \$1.55-1.65 million loan from the Small Business Administration (SBA); this is net the insurance claim payments; it's at a fixed rate of 1.875%, payable over 30 years with no payments and no accrual of interest in the first year.

Financial Events Timeline Following Hurricane Ian

| | |
|----------------|--|
| Sept 28 | Hurricane Ian |
| Sept 30 | Operating fund cash = \$122,349.49, reserve fund cash = \$149,161.62 |
| Sept 29 | President Biden, Florida Disaster Declaration (incl low interest rate loans) |
| | SBA news release (incl low interest rate loans) |
| Oct 5 | Applied for \$300,000 line of credit with First Century Bank Operating fund cash = \$198,326.49, reserve fund cash = \$149,165.75 |
| Oct 20 | SBA Disaster loan webinar |
| Oct 29 | WS3 SBA disaster loan application submitted |
| Dec 14 | Bank line of credit denied by First Century Bank (not making such loans in Florida) |
| | Applied for \$300,000 line of credit with American Momentum Bank (AMB) |
| Dec 31 | Operating fund cash = \$33,582.25, reserve fund cash = \$175,370.30 |
| | Operating cash depleted due to 2022 storm related expenditures of \$193,248.24 |
| Jan 4 | Operating fund cash = \$117,191.24, reserve fund cash = \$175,370.30 |
| Jan 5 | Requested \$50,000 FEMA flood insurance advance |
| Jan 6 | SBA disaster loan approval letter received |
| Jan 9 | Storm repair projects paused due to operating cash depletion Operating fund cash = \$46,846.51, reserve fund cash = \$175,370.30 |
| Jan 12 | Advance information sent by email to WS3 owners on a \$400,000 special assessment Operating fund cash = \$37,953.28, reserve fund cash = |

\$175,370.30

- Jan 13 WS3 board meeting and approval of the \$400,000 special assessment “to fund repairs needed due to damage sustained by Hurricane Ian including, but not limited to, the condominium roof”
- Special assessment invoices sent to WS3 owners
- Jan 20 Operating fund cash = \$34,663.13, reserve fund cash = \$175,370.30**
- Jan 23 Line of credit issued by AMB, \$300,000 for one year at 7.5% annual interest rate, on the condition that WS3 has an approved budget by Feb 22
- Jan 30 FEMA flood insurance proof-of-loss, \$231,125.62; estimated payment date +4-6 weeks
- Feb 1 Crisci Finance Committee aligned on a recommended 2023 WS3 budget, including the new special assessment; this was reached after a series of committee meetings on Jan 17, Jan 24, Jan 29, and Feb 1
- Feb 3 Special assessment payments due
- Feb 6 Notice to owners to rescind the Jan 6 special assessment and replace it with another in the same amount (\$400,000) “to fund the operating deficit due to the unanticipated increase in the Association’s 2023 insurance premium”
- Feb 12 Operating fund cash = \$383,158.12, reserve fund cash = \$175,368.04**
- Feb 20 Board meetings on the special assessment and 2023 budget

| HURRICANE EXPENSES | 2/13/2023 UPDATE | |
|---|------------------|-----------------|
| | | |
| WIND DAMAGES | | |
| | INVOICED | PROPOSED |
| | | |
| ROOF TEMP | \$ 45,503.00 | |
| ROOF PERMANENT | | \$ 710,250.00 |
| ROOF HVAC RACK SYSTEM | | \$ 143,756.00 |
| VENT COVERS | \$ 8,652.00 | |
| LIGHTNING RODS (NEW ROOF) | | \$ 14,600.00 |
| DRYWALL REPAIRS (UNIT 3H6 | \$ 10,400.00 | |
| STRUCTURAL ENGINEER'S REPORT | \$ 912.50 | |
| WINDOW CLEANING | \$ 3,600.00 | |
| HVAC REPAIRS | \$ 6,885.45 | |
| PLUMBING ROOF REPAIR | \$ 825.00 | |
| AWNING (ONE GARAGE) | | \$ 4,000.00 |
| | | |
| FLOOD | | |
| REMEDATION STORAGE DRYWALL REMOVAL | \$ 2,215.00 | |
| STUCCO REPAIRS | | \$ 1,000.00 |
| LOBBY DRYWALL/PAINTING/CROWN MOLDING | \$ 42,000.00 | |
| STORAGE DRYWALL REMOVAL | \$ 15,000.00 | |
| ELEVATOR REPAIRS | \$ 43,315.00 | \$ 73,655.00 |
| | \$ 1,830.00 | |
| ELECTRICAL | \$ 28,906.53 | |
| ACCESS CONTROL SYSTEM / NVR | | \$ 3,000.00 |
| LOBBY HVAC | \$ 6,750.00 | |
| LOCKS (MAILBOX & DOORS) | \$ 7,874.00 | |
| RAILINGS | \$ 485.00 | \$ 602.00 |
| FRONT DOORS | | \$ 17,437.00 |
| FIRE PANEL | \$ 45,208.60 | \$ 106,252.40 |
| FIRE WATCH | \$ 25,563.00 | \$ 45,369.00 |
| | | |
| GARAGE EXHAUST FANS (INCLUDES 1 PER GARAGE) | | \$ 10,762.00 |
| LANDSCAPE CLEANUP | \$ 3,319.00 | |
| LANDSCAPE IRRIGATION | \$ 2,234.00 | |
| RRT CLEANUP | | \$ 133,400.00 |
| LANDSCAPING | | |
| LOBBY REFURBISHMENT | | |
| | | |
| WAITING FOR PROPOSAL | | |
| GARAGE DOORS/MOTORS | | \$ 5,600.00 |
| STAIRWELL FIRE PRESSURIZE FANS | | |
| STORAGE LOCKS | | |
| | | |
| TOTALS | \$ 295,925.08 | \$ 1,269,683.40 |
| GRAND TOTAL | \$ 1,565,608.48 | |

PROPERTY MANAGERS REPORT

February 14, 2023

Carpet / Tile Floor Cleaning: We have scheduled the cleaning of all the common areas carpet and tile floors Friday, February 17th. Just a reminder to remove your personal belongings from the floor in front of your unit.

Pest Control: next treatment will be sometime in March

Front Lobby Entry Rugs: We ordered rugs for the front entry to minimize the dirt that is carried in.

Stairwell walls: Paul will be cleaning the areas on the walls that have mold in the next couple of weeks.

Screen repairs: If you have damages to your screens, please let me know for a

Fitness equipment: the preventative maintenance for the fitness equipment is scheduled

OLD BUSINESS / IAN RESTORATIONS:

REPAIRS COMPLETED:

stopped all roof leaks with a temporary roof repair

both elevators ran once power was restored

all areas touched by the flood waters mud was removed and disinfected
property was cleaned of all debris

all electrical repairs have been completed except for items that Scott will report

4 roof dryer vent and 5 A/C lines gooseneck vent covers that blew off were replaced

all the common and unit a/c's were repaired except for the lobby which needed replacing

damaged drywall & stucco which included unit 2H6, lobby, storage units, garage ceiling & carport was removed and replaced.

lobby drywall was textured and painted

baseboard and crown molding replaced

all lobby locks cylinder were changed out and rekeyed

exhaust vent that blew off should be received in the next week or so

storage units and mailbox locks were replaced

keys were and continue to be distributed thanks to volunteers

our daily cleanings have been resumed by Fran

FINANCIALS: As Jeff mentioned the year-end financial are completed, once we review owners my request a copy.

New Owner:

Unit 374 Richard & Roberta Cote sold to new owners James & Denise Carlisle on December 12.

Hounshell Social Committee Report

February 14, 2023

Good morning.

We are so thankful to be back in our WSIII homes and able to bring all our neighbors together through our social events.

We feel fortunate to have been able to have a truly thankful Thanksgiving dinner and a wonderful and well attended, Christmas dinner. Already this January and February we've had several large parties and many Friday night gatherings. Thanks to all who participate and lend a helping hand with our events.

Our upcoming MardiGras party is on Feb 21st, so if interested, please sign up asap.

Please continue to check the Social bulletin board for any new updates.

Laraine Yeatman - Judy Stewart
Co chairs

Patty VanGorder
Sue Walker

WMA report to WS 3 BOD

1.26.23

A lot of work is “in process.”

Gatehouse, electric, AC, doors, roof are all in various stages. We hope to get gates and bar code readers back within a few weeks, as well as starting reconstruction.

Trash. London Bay has started pick up 1.26 and we hope that FEMA and London Bay will complete this work soon. Mangrove cleaning behind 7 & 8 – we have a price but are waiting to see if the town barge group will do some of that. If not, they will be cleaned, and the trash put at the curb for pickup. PLEASE note that all contractor trash must be hauled by the contractors, not put at the curb.

Lift Station. We’re waiting for the panel to arrive, hopefully this month, then we can eliminate the generator.

Bar Code Stickers. As soon as a supply arrives, everyone will be notified so that they can be affixed to new or replacement vehicles in anticipation of the bar code reader being installed.

SBA Loan. In process, more information to come.

Tennis Courts. In process, more information to come.

Pools. In process, more information to come.

WMA Amenities. Please remember that all amenities are still closed and using them is “at your own risk”.

Respectfully submitted,

Ross Miller, Bldg 3 WMA rep

EBIA Report for 14 Feb 2023 BOD Meeting

Report provided by Charlie Eck

DATE: January 10, 2023

SUBJECT: Minutes of EBIA Annual Meeting – January 10, 2023

Meeting was called to @10:08 AM by President Jim Domres.

Lee Ann Roush/CAM confirmed proof of notice and that a quorum was present.

The minutes of the 2022 Annual meeting was approved unanimously.

The number of Directors was determined to be 7.

President Domres reviewed his tenure on the Board for the past 7 years culminating with his Presidency. He thanked several for their hard work and reviewed the current status of all projects as well as detailing Hurricane Ian recovery expectations.

The election of Directors was not necessary as the candidate slate matched the open seats.

Charlie Eck, standing in for WS III President Yeatman, thanked Jim Domres for his extraordinary effort in getting EBIA back in good shape.

The 2023 meeting schedule was established and is:

April 11; July 11; October 10; January 9, 2024

The Amenity project was reviewed as well as the current Hurricane situation regarding clean up.

The membership unanimously approved the surplus fund rollover, wavier of audit and use of reserves.

Meeting Adjourned @ 11:02 AM.

The Organizational Meeting was convened at 11:08 however technical difficulties held up the meeting until 11:22 AM.

Charles Pestow was elected President; Don Meidinger Treasurer, Ed Keegan Secretary, Dan Tis & Charlie Eck Vice Presidents.

Meeting adjourned @ 12:11 PM.