

**WATERSIDE III AT BAY BEACH CONDOMINIUM
ASSOCIATION, INC.
MINUTES OF THE BOARD OF DIRECTOR'S MEETING
November 6, 2024 10:00AM**

1. **Call to Order:** The meeting was called to order by Scott Kitkowski.
2. **Proof of Notice:** On Monday, November 4th, the meeting agenda was posted by Scott on the elevators and on the bulletin board. Sylvie Gauthier sent an electronic notice to the members.
3. **Establish a Quorum.** Scott Kitkowski and Joel Wilmoth were present in the meeting room while Sue Walker, Jeff Lievense and Donna Kaiser participated on the Zoom call. A quorum was present.
4. **Approval of Minutes.**

Scott asked for a motion to waive the reading and approve the minutes of the meeting from October 21, 2024. Joel made a motion, Jeff seconded, and the motion carried.
5. **Reports of Officers and Property Manager.**
 - a. **President's Report**

Scott provided his presidents report. He gave special thanks to the people who worked to provide the budget in this complicated timeframe that needed to consider the special assessment from a couple years ago, the SBA loan, and the SIRS reserves work.

A copy of the report is attached.
6. **Committee Reports.**
 - a. **Finance committee review of proposed budget prior to owner mailing.**

Jeff explained there is not yet a budget to be presented to the board, but after a lot of time and attention, indicated the accountants should have a version for his review within a day or so. Meanwhile he wanted to set expectations.

 - As of this meeting, it is anticipated the quarterly assessments will increase by approximately 80%, primarily driven by insurance increases (85% of increase). This year's insurance cost is \$341K vs a pre-lan cost of \$104K. The special assessment of \$400K levied in 2022 was used to cover insurance costs in 2023 and a portion of 2024. Next year's assessments will carry the full cost of the insurance increases. A full year of SBA repayment will be included in the assessment. The anticipated reserve increase is 2%.
 - 2 factors have necessitated more work and discussion: we have a new representative from the accounting firm Myers, Brettholtz and Company; and, Waterside III is the only condo client of the firm with an SBA loan.

Scott provided additional points to the summary:

 - The increase in assessments amounts to approximately \$6900 per unit;
 - The other elements of the operating budget have been fairly flat;
 - This past year's assessment had been artificially lowered due to the special assessment from a couple years ago. With that expired, we will see all costs going forward;

- The insurance renewal came with a 5% deductible which we want to maintain and the building is assessed as worth more;
- Our insurance costs are comparable to the other similar buildings; and
- Scott had a question that related to the budget
Where is the SBA interest represented on the budget? Response: in the pooling flat which documents reserves. This year shows \$40K interest from which taxes must be paid.

Scott discussed a couple items that will influence the budget:

- Florida law necessitates an HOA of our size requires a website and lists many requirements for the site. Our site will need to be enhanced to meet those requirements. The website committee is looking into it;
- He raised a question to the other board members about the flower planters on the deck and whether they should be replaced at this time. Joel asked the cost of replacing the planters. Sylvie mentioned the \$5K-\$6K cost is similar to that of raising the fountain pump. Sue commented that same \$5-\$6K amount was considered for the plantings and other landscaping that may be needed after this year's hurricanes. After the discussion, it seemed the planters will be left for a later time. When Sue asked about the quote for the fountain pump, Sylvie responded we did not yet have a formal quote.

Board questions:

Jeff raised the question whether anything was being considered to protect the lobby against future storms?

Scott cited items discussed with groups from the other buildings: hurricane panels; installation of channels on either side of door, slats are dropped in, and the door becomes waterproof; improvements to protect the elevator shafts; and how to better plug the vents to prevent water coming into the building from the garages. He also mentioned the work being done in the lobby: the PVC or composite baseboards; the fiberglass wall board; and, the receptacles being raised.

Jeff commented we applied to SBA for addition funds for the loan bringing it to the maximum of \$2M and that application is under review. We may be able to use these additional funds to the help pay for some of these improvements.

Owners' questions:

Janet Markelz asked whether we are using the same insurance companies as before. Response: Our broker is the same, but the companies have changed.

Is it possible to move up, the vents that lead to the lobby? Response: This is still being looked at. They appear to be blow out type vents which prevent the walls from collapsing under pressure. Our building is supported by columns so they are on non-load bearing walls.

Another question was raised, are there vents in every storage area? Response: Every garage storage area has 2 and each carport storage has 1.

Sue Walker questioned whether an insurance review meeting could be arranged at the beginning of the year to help people better understand the insurance coverages. Scott responded he has already asked our agent for this.

7. Old Business.

a. Lobby Update.

Scott provided a brief recap of the progress to date on the lobby:

- baseboard and drywall have been removed; the drywall has been replaced;
- walls have been smoothed;
- the elevator vestibule ceiling has been reworked;
- LED lighting is in progress;
- the tile install is targeted for this coming Monday, November 11;
- the target for completion has been moved up to the end of November;
- bulletin boards have been temporarily moved to the first floor;
- the outgoing mailbox has been temporarily removed; and,
- as the floor tile is being installed, there may be times when the lobby will again, need to be closed off.

Questions:

Jeff Lievense asked whether the new tile will be storm-surge proof? Response: As much as any tile can be; the tile has a PEI5 porcelain rating - the highest you can get.

Sue Walker asked whether there was any consideration to replace the mailboxes?

Response: No, it was not given in the original scope of the lobby project, but it could be considered for the future.

8. New Business.

a. Time and date for next meeting.

Scott explained we will need a budget approval meeting. After some date checks, it was agreed the next meeting date will be Wednesday, November 27 at 10:00.

b. Approval of leases and purchases.

1 Lease: Unit 351, Robert and Christina Cirelli, Jan 4 through March 8, 2025.

1 Sale: Unit 356 to Douglas and Aribel Beck

Scott made a motion to approve them, Jeff seconded the motion and the board approved unanimously.

c. Other.

No other board comments.

9. Owner Comments.

Janet Markelz suggested we may wish to look at using pool grout on the lobby tile as it is more water resistant.

Judy Stewart reminded the owners to sign up for the Thanksgiving celebration, and that the social committee is still looking for volunteers or new members.

A question was raised about when the pool would be opened. As of the meeting, there were still some issues with the mechanics.

Jim Stewart asked whether we are looking ahead for individuals to prepare for and cleanup after storms. Response: At this time, Paul has done a lot of work in other buildings where there were no volunteers available. Jim suggested looking at landscaping labor, as they would not be performing normal activities at that time.

It was asked whether, despite the pool not being open, could some pool furniture be put out? Response: Scott will follow-up with Dan Squire, our WMA representative, to see if that can be done.

10. Adjournment:

A motion was made by Sue Walker to adjourn, Jeff Lievense seconded, and the board agreed to end the meeting.

Presidents Report November 6, 2024

This is basically a one item BOD meeting.

I want to thank all of the people who have been diligently working on the budget. It is a challenging year, as the benefits from prior years special assessments run out, full impact of insurance costs hit, SBA loan repayment factors in, SIRS reserves incorporated.... Many factors and moving parts.

Due to the impact the items above are having on our assessments and our budget I wanted to have the board discuss any of the line items and insure we have fully vetted the budget. This also allows the owners a preliminary view of the budget, which will give an opportunity to understand the factors that influenced its development before they get the budget sheets mailed to them.