

LAKESIDE OF CHARLOTTE COUNTY CONDO ASSOC. INC.
EMERGENCY BOARD OF DIRECTORS MEETING
October 07, 2022

CALL TO ORDER AND ROLL CALL: The Lakeside of Charlotte County Board of Directors Emergency Meeting was called to order at 10:00 a.m. by Brenda Binder. A quorum of the Board was established by the following Board Members present in person, conference call or via zoom: Pat Salley, Carolyn Hummel, Rick Willis, Mary Liz MacNeil, and Richard Bielawiec. Also present was Brenda Binder and Rich Cain from 1st Choice Condo Management.

READING OR WAIVER OF READING AND APPROVAL OF JULY 14, 2022 BOARD OF DIRECTORS MEETING: A motion to table the minutes from the July 14, 2022 meeting was made by Pat and seconded by Rich B. All in favor, motion carried.

Mary Liz stated that before we begin she would like to thank everyone for their patience and understanding. She then gave the good news that the sewer pumps were up and running. She said that Rich Cain had called our Electrician after hours and the owner of the company had come out after hours and got the pumps running. She asked that people do one load of wash a day over the week end so the system would not be strained.

She then acknowledged some people felt they didn't know what was going on after Ian, but she said she was trying to make sure the accurate information was spread which took time.

Mary Liz explained she was working with the Board, the Management Company, the disaster recovery vendor and the owners.

She then thanked Dee Powell for all her great help communicating to the owners any updated information we knew.

NEW BUSINESS:

- A. Hurricane Update/Special Assessment** – Brenda stated that we need to call a Special Assessment to cover the Hurricane Deductible. Once the Board approves the Special Assessment, we need to send out a letter to the owners and schedule a meeting 14 days later for the Board to formally adopt the Special Assessment. Brenda will send out a letter to the owner to provide to their insurance companies and a cover letter explaining what to do.

Brenda explained that the hurricane deductible is based on the insured value of Lakeside which is \$11,440,200. We have a 3% deductible which amounts to \$342,477. That amount is divided by 116 units owners for a Loss Assessment amount of \$2952.39 per unit.

Brenda stated that we are pretty much at a standstill right now while we are waiting for the Associations adjuster. They are enroute and we are hearing next week but they are overwhelmed right now. Once the adjuster has walked the property with the contractor, we can begin removing damaged drywall and debris inside the units. Owners will need to call their insurance companies if they have damage because their adjuster will want to see their damages before anything can be removed. Owners without damage will still need to call their insurance company and file a claim for the "Loss Assessment" coverage in their personal policy. Brenda stated that for those of you who were here for Hurricane Irma, it is the same process as before.

Brenda stated that she should have first thanked Mary Liz for being the eyes and ears and everything for Lakeside during this trying time. Also, thank you to Dee and Barb for being back up and feeding her

and her staff while they had the office set up in the Clubhouse. Brenda stated that we are blessed with the damage that we did receive compared to other places and we are blessed with the weather that we have had since the hurricane.

A comment came from the audience that they have their policy with them, and they can't find the Loss Assessment. Brenda stated that she would be glad to help them after the meeting.

Brenda stated that the insured value is based on an appraisal that is required every three years. Lakeside just had one done so we are up to date on costs. Brenda stated that she had talked to Rich B about building something into the Reserves in the future for the hurricane deductible to help offset some of the out-of-pocket expense for the owners.

A question came from the audience as to whether the insurance would charge their deductible on the loss assessment claim? Carolyn replied that after Hurricane Irma some owners got the full amount and some owners were charged their deductible, it all depends on the insurance company.

Carolyn asked how we came up with the deductible amount after Irma and why was it so much lower? Brenda replied that the insured value was less back then, and we used some of the Reserve funds to offset the out-of-pocket expenses for the owners. Brenda stated that she doesn't recommend using Reserve funds at this time. She explained that the Board might want to consider doing some upgrades while they are putting the roofs back. Another association that she manages is in a similar position financially and instead of blowing insulation back in, they are using spray foam. For those of you who are here or those of you who had damage and have seen pictures, that is a huge part of the debris. That will be a decision to make once the adjuster has come and he agrees to replace the roofs.

Rich B. stated that we are lucky to have the 3% and that it very well could go up as high as 5% in the future. Brenda agreed and stated that we are safe from being cancelled while there is an open claim, but she suspects that insurance companies will leave the state after this like they did after Charley in 2004. Most associations ended up going with Citizens after Charley and the increases were incredible. That's another reason why we should not use your reserves. If we do end up with huge increases in insurance, the owners would have the right to vote to not fund reserves on an annual basis to offset some of the costs, if your reserves are in good shape.

Brenda stated that she knows this is a large Assessment and there may be some owners who have a hard time coming up with it, that is something else that the Board will have to consider, allowing for a payment plan.

A comment came from the audience that they have \$5,000 loss assessment coverage.

A question came from the audience as to whether we would have to pay the deductible if we didn't have the \$11 million in damages. Carolyn stated that we won't have \$11 million in damages but we will have to pay the deductible no matter what the damages are. Carolyn stated that she believes that the owners having to come up with \$952 plus a possible \$500 deductible is a lot and the Board needs to take that into consideration. Brenda stated that we also need to take into consideration that not everyone has only \$2000 in loss assessment coverage. Pat stated that she hadn't heard of anyone having \$5000 in loss assessment and questioned whether we could charge the \$2000 first and then the balance at a later date. Brenda stated that there was someone here right now that had the \$5000 and that not calling for the whole amount would be a shortfall of almost \$116,000 which would have to come from the reserves.

A question came from the audience as to whether our damages were over the deductible. Brenda stated that she is guessing that you are already over a million. Rich B stated that the roofs were about \$10,000 when we replaced them. Carolyn questioned whether we would have to replace the roofs. Rich B. explained that every roof had lift and/or damage on it and feels they will all have to be replaced. Brenda stated that you just spent a fortune getting new roofs and once they have lift, debris gets under the shingles, and they never seal back up properly. Instead of tarping the roofs like other associations have, the contractor put up a synthetic type of product so he could do a blow test with the adjuster and show them the lift. Brenda stated that she was over to Sharon Sweeneys condo the other day and Sharon told her she clocked the winds. Sharon stated that she clocked the front end of the storm at 120 mph winds right here. Brenda stated that those roofs have been compromised and need to be replaced if at all possible. Brenda stated that we also need to remember that once wind speeds reach 75 mph, all roof warranties are void.

A question came from the audience that they didn't understand why they had to file a claim for a loss when they didn't have any damage. Mary Liz explained that they own 116th of the property and it did sustain a loss and therefore so did all the owners.

Pat asked if we could assess the \$2000 and then the additional \$952 at a later date. Brenda stated that this is a Board decision, she is just giving the Board advice. But we have to pay the deductible to the contractor before the insurance company will pay a dime. We need to pay the contractor for the work that has been done. Rich B. stated that we do have owners that have more than the \$2000 loss assessment coverage and we are losing out on money.

A question came from the audience asking if they just provided the letter that would be going out to their insurance company. Brenda stated that is what they need to do.

A question came from the audience as to whether they would be going through the attics to look for damage. Brenda stated that they would be going through the attics to check AC drain pans for debris and to make sure that the dryer vents were all hooked up.

Pat stated that she had more damages reported to her than what was on the list. Brenda stated that she had updated the list based on us going through the units with the contractor and asked Pat to send her what she had to make sure it was on the list.

A question came from the audience asking if we know that all owners have insurance. Brenda stated that Florida Statute requires all unit owners to have insurance, but we don't have any proof of that.

A comment came from the audience that the numbers did not add up. Brenda stated that she was going off the paperwork provided by the insurance company, but she would verify the numbers.

A question came from the audience as to what the loss was. Brenda stated that we don't have those figures yet since the adjuster hasn't been out yet.

A question came from the audience as to when the payment would be due. Brenda stated that she would recommend a November, 15th deadline.

A comment came from the audience that they would rather not use the Reserve funds since some owners are on a fixed income, and she does not want the Association come back to her later and do another Special Assessment for something that could have been paid for from the Reserves.

Brenda stated that the financial stability of Lakeside is definitely an asset. A comment came from the audience that was one of the reasons they purchased here.

A question came from the audience as to how much was in the Reserve Account. Brenda replied that there is \$517,195.65 currently in the accounts.

A comment came from the audience that the Reserves were for when we needed them and we needed them now.

A comment came from the audience that the reserves are for things that are not insured and if we use them for things that are insured then we are depleting them and were just going to have to build them back up again.

Carolyn stated that she is getting questions about the lanais and the screens and if they are Association? Brenda stated that is something that we try to get it covered under the Association, the screens may be homeowner expense. The contractor works for what the insurance company pays minus your deductible, they try to get as much covered as they can under insurance. Pat asked if the lanai guard rail on the porches would be covered by the insurance and Brenda stated that she thought they were.

A comment came from an owner that they just did their screens and they found a great company that just did their screens for \$200. Brenda told them to give that information to Mary Liz and if the screens weren't covered then maybe we could get a group discount.

Brenda stated that now it is up to the Board to decide on the Special Assessment. Mary Liz stated that she would like to make a motion to approve the \$2952.39 and come up with a payment plan for those owners who could not come up with the additional. Rich B. seconded the motion. All were in favor except for Rick Willis. Motion carried.

A question came from the audience as to why the owners did not get a vote on this. Mary Liz stated that under Florida law, only the Board of Directors has the authority to vote on these items.

- B. Next Meeting Date** – Brenda stated that we need to schedule a meeting to adopt the Special Assessment and discuss the budget. We already had a meeting set for October 27, 2022 at 5:00 p.m. for the budget so we will do another update and adopt the Special Assessment at that time.

ADJOURNMENT: There being no further business before the Board of Directors, a motion to adjourn was made by Rich B. and seconded by Mary Liz. All in favor, motion carried. The meeting was adjourned 11:13 a.m.

Respectfully Submitted,
Kristianna Mrjenovich, CAM
On behalf of Lakeside at Charlotte County