

The Privateer of Ft. Myers Beach, Inc.

Board of Directors Meeting #62

Date: April 8, 2024

Time: 9:00am EST

Place: Google Meet: <https://meet.google.com/jue-wfcg-ruu>

- Call to Order at 9:01 am
- Roll Call completed.
- Proof of Notice of Meeting was validated.
- Established a Quorum

- Motion by Dave to waive reading of March 4, 2024, and March 6, 2024, minutes. Patricia seconded the motion to waive the reading.

- Approval of the Minutes of March 4, 2024, and March 6th, 2024

Board Governance and Regulations • Educational Requirements for HOA Directors

Lisa Wallis discussed the new association website requirements and noted that additional information will be available via the website as required by new laws and regulations. It was mentioned that all new board members need to take a 4-hour class to comply with new requirements. This class will be forthcoming and will be shared with all board members.

Lisa also touched on FL Statute 720.3065-Fraudulent Voting Activity During an Election and indicated that Becker Law-Board Member Code of Conduct is available and may be incorporated if desired.

FEMA Flood Payout Cost Calculations Explained Addressing Member Emails/Concerns

Board Communication to Members

Legal Next Steps

Working to establish a timeline for when reconstruction will happen and when payments will be due to determine if a special assessment will be required.

Discussion regarding white box / common elements / and additional items beyond white box – (flooring, cabinets, counters, lighting, electrical outlets, bathroom tile, etc. vs mechanicals and other specific building related items (plumbing, electrical, stairways, etc.)

Initially contacted Chris Pope (original attorney) for his understanding of payout of FEMA / Insurance monies.

The board decided to get a second opinion and engaged Becker Law Firm. Becker Law deals exclusively with condominiums and their response was different from findings from Chris Pope.

The board unanimously decided to make Becker the associates law firm. Beckers understanding is that FEMA trumps state codes and payouts should be made to what FEMA allocated the money for, regardless of bylaws.

Significant discussion from board and from owners as to the process to follow and how to utilize money received from FEMA. There were arguments both for and against each opinion.

Mike reviewed four published opinions that were provided to him in favor of building mechanicals first, then unit repair.

It was noted several times that we must stay within 50% rule and the money FEMA paid for damages to first floor units could not be spent or it would jeopardize us going over the 50% threshold.

It was noted that the FEMA payout to the association included money to get units back to habitable (baseboards, door casing, flooring, lighting, outlets, cabinets, counters, tile walls in the baths, etc.)

It was noted the "white box" does not include enough to make units habitable. There would not be flooring, tile in the bathrooms, countertops, cabinets, electrical outlets, lighting, and more.

It was discussed that we need to use this money for mechanicals associated with the building first, to get the building up and running for specific building related infrastructure first (plumbing, electricity, etc.) and that money left over would be used to help first floor owners get their units to a habitable condition.

It was noted that FEMA paid out monies to first floor units that covered things that do not affect / fall under the 50% rule such as appliances, blinds, shelving, mirrors, hurricane shutters, etc. and that money should go toward replacement of those items.

It was noted that no checks will be written to first floor owners for anything until this subject is resolved.

\$32K is the maximum any first-floor unit can spend on the RE individual contract (or any other contractor of choice) to complete units and stay within the 50% rule.

It was asked that the board provide a list of what the limited common building elements are that will be repaired with the FEMA money and that the use of that money be limited to just those things.

Finance

Cash Operating	\$ 73,474.68
Cash Reserves	181,828.50
Cash Hurricane	<u>2,225,856.99</u>
Total:	\$2,481,159.17
Acct Rec: FL Grant	<u>\$65,000.00</u>
Total	\$2,546,159.17

Hurricane bills paid to date: \$4,056,164.17

Expenses:

Pool Fencing:	\$15,150.00
Capital Expenses Inspections	25,000.00*
Fuel and generator costs	35,000.00
Balance of SM Contract	1,000,000.00
Balance of Recon contract	2,307,715.00
Laundry Eqpt	8,000.00
FEMA Payouts/owners	800,000.00 (this looks dubious after today)
Parking Lot Repairs	56,500.00
Landscaping	60,000.00
Seawall Repairs	50,000.00
Lanai Repairs	40,000.00
Pool Repairs	48,000.00
Pool Deck Repair	13,000.00
Pool Furniture	25,000.00

Total: **\$4,482,366.00**

Current Income sources:

Hurricane Funds on hand: \$2,290,857.00 (incl FL grant proceeds)
FEMA Final Payment: 900,000.00
SBA or SA Funds: 1,200,000.00
Total: \$4,390.857.00

Shortfall: \$91,509.00

SBA Loan

The information from last year's loan submittal has been successfully ported to the new SBA portal and all information has been retained. Mike has been told that the process is underway, and all is in order. There is NO timeline as to when we might be approved and receive funds.

Special Assessment

There may be a need for a special assessment, but no decision has been made at this time. Listed below is a list (may be partial) of items we do not yet have costs or final costs for

Inspect/Repair fire escape stairs.
Inspect/Repair building stair rails.
Inspect/Repair balcony rails.
Repair steps/walkways.
Sandfill under buildings/erosion
Replace CMU blocks/bldgs.
Repair Seawall
Repair common building planting area.
Repair pool deck and add fencing around pool area.

Building Committee Update

FPL – We are still waiting and hoping to have electricity to the property shortly. We have been told that the electricians are waiting on certain parts before they can complete the job.

The building committee will discuss with Recon and George the need for climate control (A/C) for first floor units since drywall will need to be climate controlled.

It has been brought to our attention that fire resistant drywall needs to be added to the attic in some units in buildings C, F, and G. This was not initially factored into the repair costs because this is a new requirement. We have been told the cost will be in the \$50,000 range. There may also need to be changes to the way dryer venting is currently installed.

Additional Business

Continue to work with ServiceMaster to reach a reasonable agreement on payment. They initially billed us \$1.7 million, which we have disputed, due to lack of inaccurate documentation. We have paid \$300K to date and we are negotiating the remaining balance. They have responded with a \$96K reduction on our first counteroffer. We are scheduling another meeting with them to reject all claims until they can provide accurate documentation, or we can reach a reasonable settlement.

Next Board Meeting Date

Tentatively scheduled for either the 18th or 19th of April.

The meeting was adjourned at 11:50 am.