



Sandarac Association, Inc.
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Board Meeting Minutes 04/11/22:

Meeting called to order by Angelo Riccobono at 9:00 am

Roll Call: Chuck Morrison, Carol Barbieri, Angelo Riccobono present at Sandarac, Kelly Hartman present virtually; Quorum established

Prior Meeting Minutes February 26, 2022: Motion made, second and passed to waive reading of the minutes; motion made, second and passed to approve the minutes.

Officer Reports:

- Presidents Report: Angelo shared that he will not have a Presidents Report per se ongoing - but will preside over the meeting and share information as necessary to facilitate Sandarac operations, Board business and execution of ongoing plans.
- Treasurer's Report:

As of 2/28/22 financials:

Operating account balance	\$181,575.05
<u>Reserve account balance</u>	<u>\$304,051.09</u>
Total funds of Sandarac	\$485,626.14

Additional statements:

- Preparing to transition new Treasurer
- Discussion to continue on potential special assessment
- Reminder that we voted to waive full audit
- Insurance premium of \$85,115.00 due on 5/1/22 to Brown & Brown
- Angelo added that we will be moving \$100,000 from Reserves to Operations for the purposes of cash flow efficiency.

Old Business: none noted

New Business:

- Vote to nominate Kym Lyttle to fill Board vacancy - Kelly moved, Carol seconds - Kim affirmed as a new board member filling the Treasurer role on the Board for one year.
- Building Restoration/Drainage/Roof/Fence Project: For the first time in 44 years we had a structural engineer inspect the building. This was approved by previous board in preparation for building restoration project, and in response to the concerns noted broadly after the Surfside collapse near Miami last year. Initial response from LCM Engineering was that building is in better shape than expected. Will be moving toward building restoration. There will be specific emphasis on columns, rebuilding rebar and concrete. Estimate for project is going to cost \$750K with an additional \$151K to remove and replace hurricane shutters.
- A vote on the appropriateness of a \$10,000 per unit special assessment is expected to occur in the next three weeks. An outlay of how current funds and the assessment could be used can be found below

LCM Engineering	\$750,000 (estimate)
Role Secure	\$151,000 (estimate)
Total Project	\$901,000

Reserves as of 2/28/22:	\$304,000
<u>Annual A/C expense</u>	- \$ 20,000
	\$284,000
<u>To operating for insurance</u>	-\$100,000
	\$184,000
<u>Add annual reserve dues</u>	+\$137,000
	\$321,000
<u>Add special assessment</u>	+\$880,000
	\$1,201,000
<u>Cost of Restoration</u>	-\$901,000
	\$300,000
<u>OPS repays ins. loan</u>	+\$100,000
Balance 4/01/23	\$400,000

Looking forward we still have considerations of:

- Potential drainage issues - we will not know until rainy season if there are continued issues
- New fence between our property and the Wyndham (splitting the cost with us.) Our share is expected to be \$9000

- Roofs - while we are deferring this expense, it will be an estimated \$300K expense forthcoming

Building Restoration Timeline:

- Waiting on final report which should come this week
- Will have 2 weeks to go through and review determine itemized details, and determine what we can do and what will be bid out
- 30 days to request bids from potential vendors and selection
- Depending on vendor timeline - a year from start to finish on total project - we will need to be very understanding as owners, and communicate well with family/guests/renters.

Owners Comments

- Gil Varaney: *With the need for the building up of column supports with rebar and concrete, do we feel there is significant risk to the structure currently?* No - not currently. If we were to leave it as is and not maintain, we could be considered neglectful - this is why the building restoration is so important. We want it done and done correctly. We will maintain thereafter.

Will all hurricane shutters have to be removed? No - this will be determined on a unit by unit basis, but the cost of such will be paid by the association as part of the project cost. Roll Secure will be doing this.

Regarding the drainage issue, why do we not know what caused it and if we have to do anything? There was a lot of speculation as to what cause the problems which were bad last year. We did a video inspection this week to rule out blockages - there were none. We will not know fully if the issue has been resolved until rainy season.

- Jill Obrien: *When would the special assessment be paid?* Total of \$10,000 would be due in two installments with \$5K each owed with quarterly dues, three months apart; assessment would go directly to reserve account.
- Mary Porter: *Can you give us an overview of the building restoration, like will there need to be interior access?* Yes this may be necessary. Decisions will be made unit to unit. There may be removal of windows and shutters. There will be new stucco, new paint and sealant on the exterior.
- Tom Klint: *Will the presence of structural engineer and inspection and resulting impact of the building restoration impact our insurance premiums?* It certainly will not hurt us - but may not necessarily result in a discount of our premium.

- Gil Varaney: *Do we have a commitment from insurance broker to reissue coverage next year in consideration of our deferring roof replacement?* No we do not, Chuck noted risk of hurricane damage this season, Angelo noted continued increases to premiums annually. Currently our broker has noted that our roofs are in good shape.
- Mary Porter: *Can we get bullet point updates to owners on building restoration project?* Angelo affirmed that there are weekly meetings with vendors and engineering firm and that updates will be coming at regular intervals.
- Jim Swaggart: *Who will oversee the building restoration project?* Structural engineer from LCM Engineering will oversee the project; Additionally, there will be a threshold inspection that will occur.
- Jill O'Brien: *What is the timeline for the special assessment?* A posting must occur with two weeks notice today was a preliminary discussion only, proposal will likely include July and October as potential due dates for two payments of \$5000 per unit, payments dues with quarterly dues.

Meeting Adjournment at 9:24 am

Next Meeting: June 13, 2022 at 9:00 am EST