

Minutes of the Everglades Board of Directors' Meeting

At 10:00 AM on October 27, 2023

Note: This meeting was held via tel-conference call-in.

1. Call to order: Nekko Gikas called the meeting to order at 10:00 AM the officers present were: President Duane Bloomquist, Treasurer Jon Christenson, 2nd Vice President Mitch Rothenberg, Director Eric Baumeister, Secretary Dave Camire and Nekko Gikas of Anchor Management.

2. Establish a Quorum: All five board members were in attendance so the quorum was met. The following units were represented (#607, 617, 641, 657, 683).

3. Confirmation of Proof of Notice: Notice of the meeting was posted by Nikko Gikas (MPM) in accordance with Florida State Statutes.

4. Motion to waive the reading to the Minutes: from the previous board meeting and place the adopted minutes on file. The motion to approve the minutes was moved by Eric Baumeister and seconded by Dave Camire. The motion passed.

5. Treasurer's Report: Jon Christenson presented the following information.

- Presently, our savings/checking account holds \$334,000, comprising \$118,000 in reserves, \$81,000 in the operating account, and \$134,000 in insurance claims.
- On the liabilities side, we carry a \$300,000 loan from Cogent Bank. Our total expenditures for the year amount to \$2,154,000, with \$1,980,000 allocated to Hurricane repairs and \$16,000 designated for interest expenses on loans.
- Upon deducting the hurricane repair and interest expense from the total spending, we find ourselves \$1,500 beyond our proposed 2023 budget.

6. Old Business

a) Status of Lines of Credit: We initially secured a \$500,000 line of credit at 7.1 percent, of which we've utilized \$300,000. This line of credit is set to expire on Nov 21, and we plan to renew it at a rate of 8.5 percent. Additionally, we have a \$250,000 line of credit at 8 percent, currently with a zero balance as it remains unused. Currently, we face a shortfall of \$500,000 in our repair funds. Future assessments hinge on our success in obtaining additional funds from Hartford Insurance.

b) Status of Pursuit of Additional Funding from Hartford Insurance: Hartford Insurance informed us of a \$1,600,000 payout this year, received in April. In response, we issued an Agreement for Submission to Appraisers, prompting both parties to submit independent assessments for a judge to determine a settlement. Hartford Insurance has consistently ignored our requests. Consequently, we engaged a firm to assess damages, resulting in a valuation of \$2,500,000. We submitted this report to Hartford Insurance on August 1, expecting a response in 5–6 weeks, which, once again, they failed to provide. As a result, we've retained a law firm to initiate the lawsuit process.

c) Update on Hurricane Ian Reconstruction: The board collectively expresses dissatisfaction with the pace of repairs. Effective communication with Rusty and Tom is crucial. As Duane Bloomquist rightly emphasized, "The squeaky wheel gets the grease." We've discussed the issue with Rusty concerning the manpower levels, and further actions are being considered.

7. New Business

a) Review Status of Pest Control: We expressed dissatisfaction with the services provided by Orkin Pest Control, leading to the cancellation of their contract in September. Subsequently, we transitioned to Arrow Environmental Services for rat control and indoor insect management, excluding termites, on a cost basis.

During our discussion, Mitch Rothenberg highlighted the distinction between subterranean termites and dry-wood termites. Subterranean termites pose a significant threat, causing extensive damage, while dry-wood termites, although seasonal and bothersome, typically do not inflict substantial structural harm to the building. Our current issue involves dry-wood termites.

There are two viable methods for controlling dry-wood termites. The first involves tenting the building and using gas treatment, while the second entails spraying attics and interiors with a wood-penetrating product to eliminate dry-wood termites. The board is poised to make a decision on the most suitable course of action in the near future.

b) Review of the Need to Change Property Management Companies: Over the past year, our experience with Moore Property Management (MPM) has been challenging. We encountered delays in receiving financial reports, with a lapse of several months at one point. This was attributed to MPM's personnel losses and their ongoing efforts to merge with another company or facilitate a sale.

Notably, the departure of Nekko Gikas, our key contact of nine years, had a significant impact. In response, we engaged in discussions with Anchor Management, Nekko's current employer, to explore the possibility of transferring our account to them. During these discussions, we outlined three specific requests: first, that Nekko continues to be our primary point of contact; second, that their fees align with those of MPM; and third, that accounting reports are delivered in a timely manner and in accordance with current technological standards. Anchor Management has successfully met all three criteria.

Several board members conducted additional due diligence to ensure the viability of this transition. If the decision to change property management companies receives approval, it is imperative to finalize the transition by December 1 to accommodate the 2024 budgeting process.

c) Vote to Approve New Property Management Company: Mitch Rothenberg motioned to approve Anchor Management as our new property manager, and Jon Christenson seconded the motion. The motion passed unanimously.

Note: Nikko Gikas's updated contact information is as follows: Phone - 239-572-5873, Email - nikko@anchormanagers.com.

d) Report on Electrical work: Eric Baumeister provided an update on the extensive electrical issues stemming from Unit 641 after Hurricane Ian. In response, comprehensive tests were conducted on all electrical circuits throughout the complex. The engineering company's report highlighted problems in various units, ranging from suspicious to actionable items. Subsequently, additional electrical issues emerged, primarily attributed to saltwater intrusion into electrical conduits during Hurricane Ian. Furthermore, a section of the electrical room experienced flooding, exacerbating the situation. Predominantly, the problems are concentrated on the east side of the building, impacting nine identified units, with potential repercussions extending to the second floor. Feeder electrical line repairs for the affected nine units may necessitate excavation in the courtyard and walkways. Ongoing discussions with our electrician and landscaper are aimed at devising solutions, though the

cost remains undetermined at this point.

Eric proceeded to discuss the status of the central electrical room. Post-Hurricane Ian reconstruction prompted City Inspectors to visit the site. During their inspection of our electrical room, housing meters, breakers, and components supplying electricity to the complex, they deemed all meters and electrical components obsolete, requiring correction. While we have a ballpark estimate for the cost, the update cannot proceed immediately due to the unavailability of necessary components. The plan is to initiate repairs after May 1.

8. **Owner's comments regarding any agenda item only:** During the discussion, George Hettich requested a copy of the house rules. In response, Dave Camire assured him that he would receive the information promptly. The house rules, along with the minutes of our board meetings, can be accessed through the Everglades website. Dave will email George a link for convenient access. The web address is:
http://www.neighborhoodlink.com/Everglades_Club.
9. **Motion to adjourn:** Mitch Rothenberg motioned to adjourn the meeting. The motion was second by Jon Christenson. The motion passed unanimously. The meeting was adjourned at 10:36 AM.