

Minutes of the Everglades Annual Membership Meeting

At 1:00 AM on February 8, 2024

Note: This meeting was held at the club house via Zoom video conference.

1. **Call to order:** Nekko Gikas, of Anchor Associates, called the meeting to order at 11:04 AM.
2. **Establish a Quorum:** Thirty-one units were represented so the quorum was met.
3. **Confirmation of Proof of Notice:** Notice of the meeting was posted by Nikko Gikas 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 Janet Breloff and seconded by Carolyn Quistberg. The motion passed.
5. **New Business:** .

- A) **Proxy Question 1:** Vote to roll over any excess funds from 2023 to 2024 (if applicable) to avoid paying income tax on that money? (Yes, vote is recommended.)
Vote was unanimously passed.
- B) **Proxy Question 2:** Vote to waive the full funding of reserves required by Florida Statutes for the fiscal year beginning January 1, 2023, and continue with our contingency reserve program? (Yes, vote is recommended.)
Vote passed. One opposed
- C) **Proxy Question 3:** Present the 2024 Proposed Budget for Unit Owner Comments and Questions.
Vote passed. One opposed.
- D) **Proxy Question 4:** Vote to approve the 2024 Proposed Budget.
Vote passed. Three opposed.

6. Old Business

a) **2024 Board of Directors:** We have received five letters of intent for this year's Board, so there will not be an election. The Board members for this year are Mitch Rothenberg (President), Jon Christenson (Vice President), Duane Bloomquist (Treasurer), Rick May (Director), and Dave Camire (Secretary). Dave Camire motioned to approve the board, and Duane Bloomquist seconded it. The motion passed.

b) **2023 President's Report:** Duane Bloomquist began his remarks by acknowledging the challenges of the past year, particularly in light of the hurricane rebuild. He expressed hope for a smoother year ahead. Duane addressed the following items:

- On December 31, we transitioned our management company from Moore Property Management to Anchor Associates. We were pleased to retain Nekko Gikas as our property manager during this change.
- We also switched our pest control services from Orkin to Truly Nolan for termite control and Arrow for other pests.
- Several electrical issues arising from the hurricane were addressed, as well as plumbing issues related to both the hurricane and the aging of the building.

- We replaced several rotten soffits, both externally and internally, and upgraded our aging umbrellas.
- Cast iron piping in nine units was replaced with new piping, ensuring all units now have updated plumbing.
- Our landscaping is undergoing updates to replace plants lost after the hurricane. If the replacements are a results of the weather, they are being done at no cost to us.
- Plans are in place to repave our parking lot this summer, with an estimated cost of \$30-40K.
- Mitch Rothenberg and Rick May are spearheading the replacement of our Everglades signage, with an estimated completion time of 90 days.
- Our flood insurance increased by 12 percent, which was better than expected. However, our hazard policy is due in August, and we have experienced a 260 percent increase over the last five years. Last year alone we had a 70-percent increase.
- Alleyway flooding continues to be a concern. We have requested the repaving of the alley; however, we are currently considered a low priority on the city's list.
- We are currently awaiting our annual report from Anchor Associates. The transition between Moore Property Management and Anchor Management was somewhat chaotic. However, Nekko expressed confidence that Anchor will rectify the situation.

b) 2023 Treasurer's Report: Duane reported that the 2023 budget, excluding December, based on our projections from an 11-month actual, is expecting a \$20,000 overrun, primarily due to higher-than-expected costs in the following areas.

- Insurance: \$26,000
- Termite control: \$10,000
- Ground maintenance: \$5,000 savings
- Utilities/fire safety: \$7,000 savings

c) Hartford Insurance's status: Duane reported that we are seeking additional funding from Hartford Insurance, having received \$373,000 from them already. \$101,000 of this was allocated to first-floor owners for non-common expenses. Litigation regarding property insurance has begun, and we are waiting for Hartford Insurance's response. If arbitration becomes necessary, the law firm will receive one-third of the settlement as their payment, with a timetable of 3-9 months.

If arbitration is unsuccessful, we may file a civil suit. This process would take 1-3 years, with the law firm receiving one-third of the settlement.

d) Status of Electrical work: Mitch reported that all the wiring on the first floor that was underwater had to be replaced. Additionally, some of the older electrical panels were in violation of code and had to be replaced. Currently, all first-floor units are complete and in excellent condition. Our concern now is the underground wiring that runs from the mechanical room to the units. To address any confusion, we have hired an engineer to evaluate this wiring. Currently, all wiring is stable.

There were a few issues in the mechanical room that have been addressed, and everything is now operational. Our plan is to monitor the situation closely..

e) Reconstruction status update: Currently, 12 units have been completed, and 6 are nearing completion. Two of the remaining three units originally had their own contractors, they are now being worked on by Moore Contracting.

f) Plumbing issues update: Mitch reported that our sewage pipes, which are cast iron and nearing the end of their life, needed repair or replacement. During due diligence, Nekko introduced us to a company (Plumber's Plumber) that specializes in dealing with old pipes. Specifically, the four units across from the laundry room were experiencing issues. Our plumbing company is using a pioneering process to clean and line the aging pipes. This process is currently underway and is expected to save us anywhere from \$50,000 to \$70,000. In total, we have four quadrants, we will monitor the other three going forward.

g) Special Assessment: We are proposing a special assessment of \$5000 due on March 15, 2024. As of this date, we have a shortfall of about \$300,000. As a result of Hurricane Ian, a significant portion of the overrun relates to items not covered by insurance, such as landscaping, deductibles, electrical code violations, plumbing issues, etc.

While we are aware that a successful resolution of our legal challenges with Hartford would positively impact our financial status, we do not know the exact amount or timing of such a resolution.

This assessment will allow us to pay off our two lines of credit, thus saving us money that would otherwise be used to pay interest on these loans.

Mitch Rothenberg made a motion to vote to approve the special assessment in the amount of \$5000 per unit holder payable on or before March 15 to cover a cash shortfall. Duane Bloomquist seconded the motion. The motion passed.

8. **Motion to adjourn:** Mitch Rothenberg motioned to adjourn the meeting. The motion was second by Duane Bloomquist. The motion passed unanimously. The meeting was adjourned at 12:06 PM.