

**BEACH WALKER VILLAS ASSOCIATION, INC.
BOARD OF DIRECTORS MEETING
SEPTEMBER 9, 2022**

A Board of Directors Meeting of the Beach Walker Villas Association, Inc., was held this date in person and via the internet using ZOOM, hosted by Amelia Island Management in Amelia Island, Florida.

BOARD MEMBERS PRESENT

Taylor Merrill, President
Paul Greco, Vice-President
David Montgomery, Sec/Treas.
Jim Thompson, Director

BOARD MEMBERS ABSENT

N/A

OWNERS PRESENT

On file with AIM
Mike Youngblood, Owner

CALL TO ORDER

Notice of the meeting was emailed to the Board and all owners on August 24, 2022, and posted on property that day, which is in accordance with the Documents of the Association. There were four (4) Board members present in the room and via ZOOM, which represented a quorum of the Board. President Merrill called the meeting to order at 9:00a.m. There were seventeen (17) owners in attendance at the meeting.

APPROVAL OF BOARD MEETING MINUTES

Discussion ensued regarding the draft minutes from the July 15, 2022, Board of Directors meeting.

David Montgomery moved to approve the draft minutes from the July 15, 2022, Board of Directors meeting; Jim Thompson seconded, and the motion passed unanimously.

President Merrill welcomed new Board member, Mike Youngblood, to the Board and gave a brief bio about him.

President Merrill stated that Jim Thompson is leaving the Board and thanked him for his many years of service to Beach Walker.

Jim Thompson moved to appoint Mike Youngblood to the Board effective today; David Montgomery seconded, and the motion passed unanimously.

OLD BUSINESS

CSI Report

Jeff Sellers informed the Board of the difference between minor and major repairs and the engineering shoring on the 2 garage columns that were necessary. He further explained that the engineers, contractors and others have been very busy causing the plans to be delayed but that the plans have been received, will be reviewed and commentary will be provided to the Board and these repairs can begin.

He also reported on the temperature of the environment of oceanfront living and the scrutiny of mid-rise and high-rise condominium and discussed the Milestone Inspections now required by Florida Senate Bill 4D, and what the requirements are specific to Beach Walker. Knowing the work in the garages and the

other areas that need to be addressed, he recommended further evaluation of all the columns of Bldgs. C and D with some non-destructive and perhaps limited non-destructive testing to determine the wide-spread condition of the columns to hopefully eliminate any undetected corrosion. He recommended doing these inspections along with the Milestone Inspections that are now required by the State by calling these column repairs the Phase 1 and Phase 2 which will have fulfilled the requirements for the next ten (10) years.

Discussion ensued regarding how this dovetail with the 20+ column repairs that have already been done and is it possible to do non-destructive testing. Jeff Sellers stated that ground penetrating radar has been performed at Beach Walker in the past to locate the steel which does not tell if there is any corrosion but can tell if there are any voids in the steel. Jeff further stated that Phase 2 may require inspection of interior areas of the buildings as well as the exterior of the buildings, all of which will have a cost associated with it. He explained that the building evaluations that CSI has done in the past would now be considered Phase I and Phase 2 Milestone Inspections in order to comply with the new State requirements.

President Merrill asked about the repairs that have been going on for many years and asked that CSI put together a proposal with the cost and present it to the Board for their consideration.

Discussion ensued regarding what to do with the two (2) columns currently need post shored. Jeff explained that the work should move forward while meeting the Phase 1 requirements. He will review the detail of the report he just received and will let the Board know when the contractor can begin this work. When this work begins, the owners will be informed if unit access is required.

Blue Works Pipe Lining

Dan Skinner reported that the pipe lining work is essentially completed. The final invoice for the project has been received and paid.

The stack leak at Unit 1125 was worked on yesterday and found that the wall mount toilet in another unit had been leaking for some time. Dan will look further into this and let the Board know more.

There was another leak in Unit 1165 and wall repairs were done, dry wall was installed, and the painting will be finished soon. President Merrill stated that this repair looked really good. The invoice for this work has not been received yet.

Balcony Repairs

Dan Skinner stated that he is waiting from Fields with a start date for the balcony repairs.

Spall Repair Project

President Merrill reported that in the last year, CSI identified areas that needed addressing with minor repairs which have been completed. There were two (2) columns that needed deeper investigation, and these are still covered but there have been between 20 and 30 columns that have been worked on.

In the past five to six years, more than \$200,000 has been spent on spall repairs which is an ongoing issue.

Walkway Repairs

Dan Skinner reported that he has been in contact with ACON who is willing to do these repairs and he will get in writing that this work is warranty work and there should not be any cost associated with this work.

There are other areas as well that ACON will need to address. Dan will get this moving next week and he will have them take care of the other areas.

The owner in #1192 asked when the work on the window sealant will be done. Paul Greco stated that the sealants in A and B Buildings are beginning to break down and he recommended having all window sealants redone. There was a proposal from Blanchard for this work and Andrea Grossman will contact Blanchard to see if this proposal is still good and to move forward with this work.

Andrea Grossman reported that she and Dan have been working with the owner in unit 1146 who has asked for a variance regarding the door that does not meet the Beach Walker door specifications. Dan Skinner will review this and let the Board know.

President Merrill explained that over the years, the beachfront windows and doors have caused the most damage to the buildings and because of that the Board had CSI develop installation specifications for doors and windows.

David Montgomery moved that if the specifications for the door on unit 1146 do not meet the Beach Walker specifications, that they are not approved to be installed; Paul Greco seconded, and the motion passed unanimously.

Andrea stated that the door is already onsite, but she will follow up with the owner to make certain they are not installed.

1161 / 1165 Repairs

(This item discussed earlier in the meeting.)

Insurance Update / Appraisal Update

President Merrill stated that the insurance premium has been paid in full and that conversation is still ongoing between the insurance broker and the insurance company regarding the verification of the appraisal numbers. David Montgomery stated that Mark Smith Appraisal was hired to do another appraisal of the current replacement costs which is in the same ballpark (or higher) as the GAB's appraisal. Some of the insurance premium increase was due to the increase in the replacement costs.

President Merrill stated that the Board may try to revisit the short rate cancellation in December. David Montgomery stated that other insurance brokers could be considered. He recommended that the Board have conversation with Gallagher and another recommended broker from St. Augustine. David and Taylor will interview several brokers. Mike Youngblood stated that he has a contact with another broker and offered to be involved in the interview process. Discussion ensued regarding rebidding the insurance in December. The hurdles to lowering insurance premiums are rather high. These are 1. The age of our buildings, 2. The percentage of properties that are rented, 3. The percentage or exterior surface presently containing EIFS (20%), and 4. The remaining insurers in Florida since some are no longer willing to insure property in Florida. The Board concluded that its ability to affect insurance premiums is pretty limited based on these factors.

Fire Alarm System Update

Andrea Grossman received a report from Wayne Automatic and will send it to the Board. The waterflow alarm and troubleshooting was performed by process of elimination beginning with adjusting the delay on flow switches which can cause false alarms. It was determined that there was a faulty compressor which has been ordered and the beeping has been caused by faulty heat detector which is causing the ground fault to go off due to moisture. She will forward the proposal for that to the Board when she receives it. Andrea

stated that the company is very responsive, but the system is very finicky due to the environment that we live in but that progress is being made.

NEW BUSINESS

Special Assessment for Increased Insurance Costs

President Merrill explained the need for the special assessment for the increased insurance costs, the line of credit that was borrowed and the letter that was sent to the owners explaining the need for the assessment. David Montgomery explained that this special assessment is for \$600,000 and will be used to pay off the line of credit of \$400,000 and will also catch up from last year's budget the insurance shortfall from June of this year to December of this year.

Jim Thompson stated that in 2017 the insurance premium was \$70,000 and this year the cost was \$595,000. The insurance budget for 2023 was increased by 20% overall.

David Montgomery moved to approve a Special Assessment of \$600,000 to fund the increase in insurance costs and pay the Line of Credit. This assessment will be due October 1, 2022; Jim Thompson seconded, and the motion passed unanimously.

Unit owner 1159 asked how the percentage for assessments was determined. David Montgomery explained that the percentages were not based on square footage alone but by location, view and sell-ability of the units. These percentages were allocated to each unit in the Declarations of Condominium which were filed when the condominium was first created.

Florida Senate Bill 4D

This item was discussed by Jeff Sellers earlier in the meeting. Discussion ensued regarding the recommendation by the CPA to do a Reserve Study which is different than the Structure Inspection Reserve Study (SIRS). This will be required by the new bill Senate Bill 4. Nick Lambiase and Andrea Grossman will give some recommendations for Reserve Study companies and proposals.

FINANCIAL REPORT

Current Financial Status

Nick Lambiase reviewed the preliminary financials through July 31, 2022 –

- \$6,400 in lockbox checking,
- \$27,000 in insurance fund,
- \$63,987 in the Board fund,
- Debt on the line of credit was \$400,000
- Capital Reserves is \$641,918,
- Year to date, slightly over in a few line items,
- Over in utilities due to house main in Bldg. C, which is being reviewed by Andrea Grossman (she is trying to find out from the utility company why the bill is low one month and then extremely high the next month. This has been a challenge to actually talk with someone from the utility company.)
- There was a reclass of the insurance fund
- Year to date actual, \$23,115 to the good.

President Merrill asked how there can be negative accounts payable on the balance sheet. Discussion ensued regarding variances on the income sheet and several items that the Board wants revised on the report. Nick will see if the accounting system can make these changes.

2023 Budget Review

The Board reviewed the draft 2023 budget looking at increasing several line items. President Merrill explained that once a draft budget is ready, it will be sent to the owners in the Annual Meeting packet of information.

COMMUNITY ASSOCIATION MANAGER REPORT

Andrea Grossman reported that most items in her report were already discussed.

QUESTIONS / COMMENTS

Paul Greco asked about the sealant projects on A and B buildings. Andrea reported she received the quote from Dan Skinner / Blanchard from May. She will confirm that this is still valid and will inform the Board.

Jim Thompson moved to approve the window and glass sliding doors sealants in A & B by Blanchard not to exceed \$25,000 to be paid for out of the Reserves; Mike Youngblood seconded, and the motion passed unanimously.

Paul Greco stated that we shouldn't lose sight of other projects (like security gates and pool heaters) that would add to our community appeal. This is difficult when budget funds must, and understandably, be directed toward other more pressing facility maintenance issues like the now completed Blue Works project. Discussion ensued regarding amending the budget in the event the insurance premium is less than budgeted.

The next Board meeting will be the Annual meeting on November 11, 2022, at 9:00a.m.

ADJOURNMENT

There being no further business, President Merrill called for the meeting to adjourn.

Jim Thompson moved to adjourn; Mike Youngblood seconded the motion, and the meeting was adjourned at 11:20a.m.

Respectfully submitted,

Taylor Merrill

Taylor Merrill, President

TM/jk