

PELICAN LANDING CONDOMINIUM ASSOCIATION of CHARLOTTE COUNTY, INC.

(A not-for-profit corporation)

BOARD OF DIRECTORS MEETING

Thursday, May 21, 2020

**Due to Covid-19, Meeting Held by Conference Call
With Member Dial-In Access**

CALL TO ORDER: Richard Decker called the meeting to order at 9:10 am.

NOTICE: Proof of Notice was affirmed by Sunstate Management exceeding notice requirement of 48 hours.

QUORUM: A quorum was established with Richard Decker, President, Frank Saracino, Vice President, Bill Kissner, Secretary, Dave Henderson, Treasure, David Frustaci, Assistant Treasurer, Paul Chase, Director and Eric Michalak, Director all on the conference call. Also present, Ed Olson from Sunstate Management on the conference line.

APPROVAL OF THE PREVIOUS MINUTES: MOTION made by Frank Saracino and seconded by Paul Chase to approve the minutes of April 16th, 2020 Board Meeting. Motion passed unanimously.

APPROVAL OF THE PREVIOUS MINUTES: MOTION made by Frank Saracino and seconded by David Frustaci to approve the minutes of April 20th, 2020 Special Board Meeting. Motion passed unanimously.

TREASURER'S REPORT: Since the last Treasurer's Report of April 16, 2020 and the Special Board of Directors Meeting on Insurance of April 20, 2020, the following actions of major importance from a financial perspective included the following:

- Followed up with Atlas Insurance Agency to complete all of the paperwork needed to implement Board approvals regarding the April 29 policy renewal insurance package.
- Continued to work with Oracle Elevator to finalize the new Elevator Maintenance Agreement for approval later at this Board of Directors meeting.
- Following up on the April 20 Special Board of Directors Meeting, sent out the required Notice of Budget Meeting and Proposed Amended 2020 Operations and Reserves Budgets to unit owners along with a cover letter explaining the need for the amendments. The letter also covered how unit owners can obtain a copy of the 2020 year-end financial statements prepared by Armentrout Chau and Associates and alerts them that checks would be sent to them for a refund of a portion of the 2019 special assessment.
- Worked with Bill Kissner and Ed Olson on reaching an agreement with Galloway Roofing that resulted in issuing final payment on the roofing contract, which included a provision that we would retain \$500 for future repair of the roof leak on Unit A-206. Also obtained a check for \$510 from Galloway Roofing to reimburse us for what they would have paid for post-project mitigation reports that we obtained ourselves much earlier to enable Atlas Insurance to use them in marketing our insurance policy renewal. After completion of these step obtained a signed and notarized Contractor's Final Payment Affidavit from Galloway, which included an unconditional release of liens, which was forwarded to Ed Olson to include with our permanent records maintained at Sunstate.
- Dave Frustaci, our Assistant Treasurer, with assistance from Ed Olson, has done a great job in working with BB & T bank on a loan proposal to finance the planned elevator renovation and modernization work for Buildings A, B, C and D. He will review his work with the

Board during the Elevator Renovations/Modernizations item under Unfinished Business later in this meeting.

- While working with Dave Frustaci and Ed Olson on the elevator project, reviewed our game plan for elevator modernization and associated borrowing with our attorney.

COMMITTEE REPORTS:

SOCIAL – None.

LANDSCAPE – Richard Decker gave the report. June 1st Pelican Landing will be moving all landscaping duties to Dalton’s Landscaping. One walk around has already happened and another one will take place on Monday. Hudson from Dalton’s will be providing ideas for the sunset deck, the front of B building and behind C building. Massey sprayed for caterpillars in the bougainvillea. With the dry spell some trees have been suffering, but with the recent rain, they seem to be better. Eric Michalak commented on a large number of caterpillars on the ceilings under the buildings. He asked Management to contact Massey Services to come out and see what needs to be done.

BUILDING – Bill Kissner gave the report. He spoke about projects and the scheduling. Paver Mac is ready to order the pavers and they should be in in two weeks. There will be a week lead way to remove the bushes. The deposit for the top rail on the tennis court has been sent and they should be scheduling within a week. Bill is working on another bid for the walkways.

Motion: Motion made by Bill Kissner and seconded by David Frustaci to approve the color Sierra for the pavers for the parking area by the tennis court and under F building. Motion passed unanimously.

BOAT & DOCK –Eric Michalak gave the report. Jason Adams is still working on setting up Phase II meetings and permitting, but progress is being slowed due to Covid-19. He is still trying to meet with the DEP. The new inspector has the mangrove permit listed in the wrong categories. Dave Henderson inquired about a new contract from Jason Adams’s new company. Eric explained that the new company put their employees on furlough, so Jason is continuing with ANE and will be sending a new contract.

UNFINISHED BUSINESS:

Elevator Maintenance Agreement- Dave Henderson talked about the new maintenance agreement with Oracle. He talked about the email analysis on the new maintenance agreement and the previous agreement that has been in place for almost 5 years. As a result of the negotiations with Oracle Elevator we will have a significant savings going forward with the new elevator maintenance agreement and better provisions that give us a lower liability and more flexibility and control going forward. After doing some fine tuning, a major concern was to reduce the hourly fee charged on after-hours emergency calls. This hourly rate was substantially reduced and is now in the contract along with the basic coverages during normal hours. Inspection costs will be lower and there will be more oversight. Even though the existing contract is not due to expire until September, if the new contract is signed in time, it will go into effect on June 1st and the savings will start right away. During conversation with the association’s attorney he asked to look over the maintenance agreement and modernization agreement. After his review, he proposed an addendum to the contracts dealing primarily with liability. If approved, the signed contract along with a 90-day cancelation letter for the old contract will be sent to Oracle.

Motion: Motion made by Dave Henderson and seconded by Frank Saracino to approve the Elevator Maintenance Agreement with Oracle Elevator dated May 14th 2020. Motion passed unanimously.

Elevator Renovations/Modernizations – David Frustaci talked about financing elevator modernizations for Buildings A, B, C and D by giving the following report:

Since our April 16th Board meeting I have had numerous conversations with Dave Henderson and Sandy Moser at BB&T Bank to obtain a loan commitment from the Bank so we can sign a contract with Oracle Elevator for the modernization of our 4 remaining elevators. BB&T was the lowest bidder in terms of interest rate and costs of the 3 banks I contacted regarding financing of the project. BB&T also has a dedicated loan department that deals solely with HOA's.

Ed Olson has greatly assisted in the loan process by providing the bank with all the initial documents they requested with the loan application. Ed also filled out the application.

Our goal is to have a firm loan commitment from the Bank no later than June 15th and once we have it, Dave Henderson will sign the contract with Oracle. Based on the lead time Oracle needs and the estimated time to finish the contract, we expect the work to be completed by October 31st.

I intend to structure the loan as follows:

June 15th: Receive a loan commitment from the Bank. The commitment would be good for 60 to 90 days before additional documentation would be required of us.

September 1st: Sign the loan documents for a 10-year loan with the first 3 months interest only on any balances borrowed. The interest rate would be fixed at this time.

January 2021: Begin making principal and interest payments on the loan for the remaining 117 months. Please see the Amortization schedule for the estimated monthly payment of \$2894.02 and the annual payment of \$34,728.24.

I project that the quarterly HOA fees will increase by approximately \$100 per quarter when we factor in the elevator maintenance savings into the budget.

We have 3 CD's with Cadence Banks coming due in May and July. We can use these fund's and the money currently in our reserve money market account to pay Oracle the 1/3 payment due in June when the contract is signed and the 1/3 due when the equipment arrives in August. We should also have enough funds available in September and October to pay the labor costs and the last of the holdback. The use of these funds eliminates the need to draw on our loan until December.

The use of reserve funds will eliminate interest costs on the loan in 2020 saving us approximately \$3500 to \$4000 and allows us to use a 117-month payback instead of 114 months reducing the monthly payment by \$62. Waiting until December to draw down the \$280,000 also satisfies our desire to not burden our members with additional fees until 2021.

MOTION: Motion made by Dave Henderson and seconded by Eric Michalak for Board of Directors approval of the Elevator Modernization Agreement with Oracle Elevator Company dated March 13, 2020 pending receipt of a satisfactory loan commitment to finance the project at a total cost not to exceed \$300,000 with a 10-year term. Motion passed unanimously.

MOTION: Motion made by Dave Henderson and seconded by Frank Saracino for approval for payment of elevator modernization loan fees and interest expense from the Elevator Reserve during 2020 and the loan interest and principal debt service beginning January 1, 2021 through maturity from the Operations Fund. Motion passed unanimously.

Dave Henderson spoke about David Frustaci, as Assistant Treasurer, taking over many of the Treasurer's responsibilities beginning July 1 to provide for a more orderly transition leading toward the upcoming November organization meeting. Dave will continue working with David, including working with him on the budgeting for 2021.

NEW BUSINESS:

A question was asked about any changes in the Covid-19 protocol for Pelican Landing. Ed Olson responded stating that the signage and warnings that are currently posted are sufficient. The vacation rental ban has been lifted with certain exclusions.

NEXT Workshop: 9:00 am Tuesday June 16th, 2020 – NEXT Board Meeting: 9:00 am Thursday June 18th, 2020 – to be conducted again by conference call due to Covid-19.

ADJOURNMENT: There being no further business to come before the Association, **MOTION was made by Frank Saracino and duly seconded by Bill Kissner that the meeting be adjourned. The Motion passed unanimously.**

Respectfully submitted,

Edward L. Olson/LCAM

for The Board of Directors at Pelican Landing Condominium Association, Inc.

Pelican Landing Condominium, Charlotte County, Inc.

The Secretary; _____