

Caribbean Beach Club Association, Inc.

Board Meeting Minutes – April 23, 2023

The meeting was called to order by Sarah McElwee at 9:00 in the Rec Room of the resort.

Board attendees: Sarah McElwee, Brett Beer, David Siktberg, Gus Vargo, David Zibolski, Pat O'Connor, Jim Clem. Tricom attendees: Brian Heller, Jamie Orell, Marie Redoules, Mary Allison

Over 100 owners were present via a Zoom session. Preauthorization was required in order to join.

Sarah welcomed owners and explained the process for them to ask questions via Zoom.

Mary Allison verified that notice of the meeting was posted as required by Florida statutes.

Minutes from the meeting of December 11 were presented for review. **A motion was made by Dave Zibolski and seconded by Brett Beer that the minutes be accepted as presented.** The motion passed unanimously.

Brian Heller presented year to date financials for March for discussion.

A motion was made by David Siktberg and seconded by Jim Clem to waive lockout fees for all owners during 2023, retroactively. Passed unanimously.

An analysis of thirty ownership units long in arrears on payment of maintenance fees was discussed, including the fact that over an extended period of time these owners had been given multiple opportunities and options for becoming current. **A motion was made by Dave Zibolski and seconded by Jim Clem to begin foreclosing on these units.** The motion passed unanimously.

A summary of fund balances was presented and discussed by David Siktberg, treasurer.

Brian Heller explained the current insurance coverages held by the association and options for the future. The liability policy was going to be non-renewed, but Brian was able through a thorough explanation of our circumstances to obtain a renewal proposal through June 2024 with just a 3% price increase. **A motion was made by David Siktberg and seconded by Patrick O'Connor to accept this proposal for liability insurance.** The motion passed unanimously.

Brian reviewed the extensive property improvements that had been completed before hurricane Ian struck in September. Some of these survived the hurricane, but others did not.

Brian then described the damage resulting from the hurricane. Roofs of the north and middle buildings stayed water-tight but were damaged enough to require replacement. Due to deductibles insurance will not pay anything towards this. The elevator was completely destroyed and must be replaced. Insurance will cover almost all that cost. The ground floor of the south building held structurally, but almost all contents were washed away. Our federal flood insurance will pay \$500,000 towards rectifying this damage. Additional insurance will cover some of the cost of replacing south building contents that were lost, but not very much. Almost all fixtures and equipment located outdoors on the ground were washed away, including pool and spa equipment, pool deck pavers, and railings, though the pool and spa themselves remained structurally sound.

Brian then discussed current projects, all related to recovering from hurricane Ian.

New metal roofs for the north and middle buildings have been contracted. Materials are in the vendor's hands and installation is being scheduled.

The new pool deck has been expanded in size and installation is nearly complete.

All ground level fencing and railings were washed away. Bids for replacement have been sought.

All door locks are being replaced, as the storm damaged the existing ones.

Elevator replacement bids are being sought and discussed with the insurer.

Conventional copper-wire telephone service is not projected to be restored for several years, so we are moving to an internet-based system operating over our fiber optic connection. Bids will be sought after the configuration is finalized.


South building recovery options were discussed. The town has informed us we cannot repair the first floor, so the only options are to tear down and build new, or to add a new floor on top of the existing second floor. The second option is much more cost effective and will be ready for occupancy sooner, so it is being pursued diligently. Engineers and designers are involved at this stage, though it is not certain we will obtain required approvals, and might in the end have to tear down and rebuild. There is still much uncertainty and potential costs are unclear.

Several owners requested an estimate of when the resort will reopen. The management company and the board responded it is impossible to tell because of the difficulty of getting services on the island and the difficulty of getting needed materials and equipment. The north and middle buildings will reopen before the south, since they were much less damaged.

The board reiterated that while insurance and accumulated surplus will provide significant funds towards recovering from Ian, those funds will fall far short of the total amount needed. One or more special assessments will be required. The timing and amount of those cannot be determined until detailed approved plans and contracts for the south building work are in place.

Sarah replied to owner questions that an audio recording of the session will be made available on the resort website and that Brian's PowerPoint presentation will be made available as well.

At 12:07 a motion was made to adjourn by Dave Zibolski and seconded by David Siktberg.



Gus Vargo