

Minutes for May 30, 2020

Sand Dollar III Board Meeting

Location: Recreation Room, 8050 A1A South, St. Augustine, FL

Board members present/available by phone for the meeting included:

- Joshua Herbstman, board chair
- Larry Ridley, board member
- Larry Taylor, board member
- Bob Reed, board member
- Charlie Lane, board member

Also present:

Jim Haga, property manager
Judy Alligood, Coastal Realty

Units represented by their owners calling in included: Units 108, 506, 202, 501, 607, 504, 307, 602, 104, 606, and 605.

Proceedings:

1. The meeting was called to order at 9:02 a.m. Mr. Haga verified that a quorum was established. The minutes from the September 20, 2019 meeting were approved with Motion from Mr. Herbstman and second by Mr. Lane and unanimous vote.
2. Mr. Ridley provided the treasurer's report through the 11th month of the fiscal year. It was reported that there was only a \$1056.27 negative variance in the operating budget. The HOA reserves totaled \$112,540.76. The total cash and cash equivalents totaled \$190,835.85.
3. Mr. Haga provided an update on facilities projects throughout SDIII for the fiscal year. Mr. Herbstman complimented Jim Haga and Cody Bivens for having done an outstanding job of maintaining the property and for saving money on various projects conducted in house.
4. Mr. Herbstman waived his opportunity to provide a president's report.
5. New business was then entertained. To fill the vacancy left by the resignation of Sam Barresi, Bob Reed's nomination to the board was unanimously approved. Motion was made by Mr. Ridley and seconded by Mr. Lane.

6. A discussion was held concerning the selection of a contractor for the building's west side repairs. It was announced that a vote would be taken at the next board meeting concerning the west side project and the need for a special assessment.

7. Mr. Reed, Mr. Taylor, and Mr. Haga will interview two potential contractors for the west side work. Four contractors initially submitted bids. Meanwhile, plans are underway to contract with an independent, third party engineer to oversee the work to be performed. Due to the fact that the engineer is from out of state, it was felt that a higher degree of credibility could be maintained throughout the project.

8. Mr. Herbstman reiterated the reasons for why the project had to be undertaken, including: (1) the walkway condition is not improving and can only worsen, (2) in the course of its last repair, a waster-resistant rather than water-proof coating was applied to the walkway, and (3) failure to correct the walkway's current condition could lead to safety concerns for occupants and visitors, which is untenable.

9. Several property owners asked questions, most of which were answered by Mr. Herbstman.

10. Ms. Alligood has been working with Larry Ridley to identify the best 7-year loan terms. They have narrowed the prospects down to two lending institutions: Ameris Bank and Center State Bank. Rates are currently favorable, with the potential of securing a loan as low as 3.65% – 3.8%. The loan will be collateralized by the special assessment to be levied.

11. Mr. Herbstman outlined three potential payment methods (in lieu of one or two special assessments) by which property owners might pay off the loan. The board will consider these options at its next meeting.

12. Ms. Alligood explained that between the numerous projects needing to be (e.g., the west side repairs, board walks, and elevator), the total amount of funds required to complete the projects could be as high as \$1.3 million. Meanwhile, it is important that the HOA maintain a minimum of about \$110,000 in its reserve account for purposes of securing a loan, emergencies, and further growth of the reserve over time.

13. Mr. Riddle inquired as to whether or not someone purchasing a unit after the assessment had been levied would be required to pay the assessment, and the board concurred that a pending owner would be notified of this requirement through the sales process or estoppel letter.

12. The board moved and unanimously approved providing Ms. Alligood and Mr. Ridley the authority to begin the process of securing a loan up to \$800,000. They will report back to the board at its next meeting concerning the terms of the loan to be secured. Mr. Taylor motioned to borrow \$800,000 from a local bank with best terms and motion was seconded by Mr. Ridley. The Motion was unanimously approved.

13. The board ratified moved and unanimously the previously approved roof repairs to be performed by Cool Roof contractors in the amount of \$76,000, with a 15-year warranty. These repairs are very timely, given that hurricane season is upon us.

14. It was agreed that the next board meeting would be held on June 27. We will discuss the terms of the special assessment at that time.

The meeting was adjourned at 10:23 a.m.

Respectfully submitted: Charlie Lane, Secretary