



HARBOR EAST POA

BOARD MEETING MINUTES

DATE: May 16, 2023

LOCATION: Via Webex

TIME: 4:00 pm

BOARD MEMBERS PRESENT: TERRI ROBINSON, KEITH LAU, SAM SMITH, BILL TUCKER AND VIA PHONE CHACE PEELER.

STAFF MEMBERS PRESENT: KENT O'NEAL AND ELISE SIEGLER

GUEST PRESENT: BHC INSURANCE BROKER TONA WAH VIA PHONE

TERRI CALLED THE MEETING TO ORDER AT 4:04 PM.

INSURANCE DISCUSSION:

The deadline date to renew the insurance policies with BHC is June 1, 2023. Tona Tincher-Wahl, our insurance broker with BHC, reported that she is getting a quote from Berkshire Hathaway to insure the full \$40 million valuation on the property. Another option involves renewing the existing policy with a \$5 million limit and seeking excess carriers to insure the remaining \$35 million. Tona will also meet with Auto-Owners Insurance to solicit a quote.

Tona reported premium could be as high as \$300,000 for full coverage through the carriers BHC has contacted to date. (This would be approximately double the current premium.)

Tona has contacted several additional carriers for quotes, many who declined to quote Harbor East based on several factors; the age of the condominiums, use of the grills on the back decks that pose a fire hazard, access to fireplaces on units that are on the rental line, and the wooden structures.

After much discussion, the board agreed to meet on Saturday, May 27th at 9:00 am to review the quotes and make a determination on how to move forward. Tona will email the board a comprehensive spreadsheet to include documentation of the carriers she has contacted and their responses in addition to the quotes received.

Chace reported that Mike Fason, a Unit Owner and insurance agent with Farmers Insurance, gave the POA a quote in 2022 and will work on a quote for 2023. Chace has also contacted an agent with State Farm who had a question about the wastewater facility. We will solicit a quote from State Farm if possible.

Terri noted that the HEPOA and the LLC have separate policies and can therefore be quoted separately as an option when requesting quotes.

APPROVAL OF THE MINUTES:

Sam made a motion to approve the April Board Minutes and Keith seconded the motion. The motion passed unanimously.

PRESIDENT'S REPORT:

Mountain Harbor Resort Boundary Issue:

Terri met with Allen Dobson regarding the Mountain Harbor Resort boundary issue. Allen will contact Bill Owen for any historical information that he needs. He will review the current draft agreement and work on a revised proposal to MHR.

Unit 125B:

Terri reported that the Unit Owner is meeting with contractors and will provide the POA with a comprehensive work plan to include contractor information. Terri suggested setting a deadline to receive the plan and move forward with additional action if necessary. Keith reported that he spoke with the Unit Owner who told Keith that he has taken care of some of the safety issues. The Unit Owner has been told repeatedly not to do any electrical or construction work until a plan is approved. Jacob will inspect the unit, take photographs and report back to the board.

MHR Rental Program:

MHR has 17 Harbor East condominiums on their rental program which will be terminated November 1, 2023. When MHR installed the electronic keypads, they altered the doors in a manner that resulted in the doors being unusable once the keypad is removed. Terri visited with MHR to discuss the issue of door replacement and MHR responsibility. MHR contacted HEPOA office to get an estimate of the cost of replacement, including ordering the door, installation, new lock, and painting. MHR subsequently issued an email to the affected Unit Owners offering to partially cover the cost of replacement. Terri mentioned that we may need to remind the Unit Owners that they are required to submit a Betterment Request to order and paint the doors and install new locks since doors and paint must be supplied by the POA.

MHR Water and Sewer Charges:

Terri reported that the second billing statement had been issued and is being paid. Terri asked Keith to communicate to the accountant that the \$235 sewer charge should go in the LLC account and not the POA account.

TREASURER REPORT:

Financial Statement:

Keith reported that the April 30 Financial Statement shows \$628,00 in the operating account and \$35,000 in the savings account. There is \$24,000 in the LLC account. Terri noted that the board had approved a transfer of \$50,000 into the LLC account for 2023 and Keith will verify that transaction.

Banking Account Options:

The FDIC Insurance limit per account is \$250,000.

Keith suggested keeping \$250,000 in the Arvest Operating account and transfer the remaining funds to a separate bank. Keith has contacted Southern Bancorp and they are offering an interest bearing account in addition to a network arrangement that will provide FDIC insurance for all funds deposited, even those in excess of \$250,000.

The board approved the decision to open an account at Southern Bancorp and transfer funds in excess of \$250,000 from the Arvest Operating account into the new Southern Bancorp account.

Funds can be transferred back to Arvest when needed. Terri noted that Southern Bancorp is a Mount Ida business and corporately has a mission to help rural communities that are underserved.

PROPERTY AND GROUNDS REPORT:

Pools, Tennis and Pickle Ball Courts:

The two pools passed inspection and are now open. The pool floors and depth levels have been painted and look great.

Hellas is scheduled to begin work May 17th and is expected to be completed in 7 to 8 days. The POA gave Hellas permission to work over through the weekend in order to be completed before Memorial Day. The court off Peninsula Drive will consist of the four Pickleball courts and the court off Vista Drive will be the Tennis court. The projected budget was \$72,000 and total expense to complete the project is now estimated at \$66,268. Jacob has repainted the four benches and asked to purchase two additional benches for one of the courts at a cost of \$159 to \$200 per bench. The two new ones will be at the Tennis court and the four old ones will be at the Pickleball courts. Bill made a motion to approve the purchase and Sam seconded the motion and it passed unanimously.

Painting on Building 88:

Riddell has given us a quote of \$2,260.40 to paint Building 88. The paint will have sand mixed with the paint to prevent slippage on the walkways. Bill made a motion to approve the Riddell quote. Sam seconded the motion and it passed unanimously.

Painting on Building 96:

Riddell will provide the labor to paint Building 96 at no charge and Sherwin Williams will cover the cost of the materials at no charge. The paint will also include the sand mixed in the paint.

Red Bird Decking:

Natural State General Contractors is scheduled to replace the decks on Building 20 beginning on September 11th, and it will take 6 weeks to complete depending on the weather. Deck work on Building 8 will take place after Building 20 is completed and is expected to take 4 weeks to complete. Deck work on Building 4 will take place after Building 8 and may have to be delayed to avoid the Thanksgiving holiday. All work is dependent on the weather.

Painting on Buildings 151 and 147:

Pauley will submit a quote to paint the two buildings in 2023. The POA budgeted \$100,000 for all paintwork in 2023 and we have spent \$71,000 000 to date.

Grounds:

Kent reported that the crepe myrtles have been trimmed, rock work is completed and his crew have barked and mulched where needed. Trash is picked up twice a week and the crew is currently weed-eating and mowing to prepare for summertime.

12B Pine Cove Betterment Request:

The Unit Owner of 12B Pine Cove submitted a request to replace the door at her unit. Sam made a motion to approve the request and Keith seconded the motion. The motion passed unanimously. The Unit Owner will be notified that they are to order the door through the POA and use the color-approved paint.

Mountain Harbor Rental Door Project:

When MHR discontinues their rental program for Unit Owners at Harbor East on November 1st, the unit doors will likely require replacement due to the electronic locks installed by MHR.

Bill reported that Jacob has obtained a quote from the John Plyler Home Center in Glenwood for \$250 per door, which was less than quoted elsewhere. The board decided to establish a HEPOA account at Plyler Home Center and order the doors as requested.

Unit Owners will need to submit Betterment requests to order the doors and notify the POA regarding who will be installing and painting the doors and purchasing the locks. Terri noted that Unit Owners who want Jacob to provide the labor may retain him through JT Management, not through the POA.

Unit 72A Peninsula Drive:

The Unit Owner reported a crack in the foundation in the garage of his unit. The Unit Owner has forwarded an estimate of repair work totaling \$24,000 to install steel pions, repair the slab, raise and stabilize the floor, and pump flowable fill under the slab.

The Board decided to hire a Structural Engineer for an inspection and assessment of the situation. Keith noted that if the foundation is not failing, the POA is not responsible for the cost of the repair work.

Terri moved to we investigate the cost of hiring a Structural Engineer to assess the situation for the Board and proceed if less than \$500. Sam seconded the motion, whichat passed unanimously. Chace asked that the Structural Engineer also submit a report to include the scope of repair work needed.

Michelle Murtha Apprentice Application:

Keith made a motion to approve Michelle’s application as Board Apprentice and Bill seconded the motion that passed unanimously. Terri will notify Michelle of the approval.

Other:

The Board decided to meet Saturday, May 27th at 9:00 am to review BHC insurance quotes and make a determination. Chace will contact BHC to confirm that Tona and Cynthia will be available for questions.

Adjourn:

Terri moved to adjourn and Bill seconded the motion at 5:45 pm.

Board Member

Date

Board Member

Date