

Errol By The Sea - Board Meeting

5 Aug 2023, 10am

Agenda



- I. Call to Order
- II. Establish Quorum
- II. Proof of Notice
- III. President's Report
- IV. Treasurer's Report
- V. Management Report
- VI. Committee Reports/Architectural Review
 - a. Grounds/Maintenance – Jim Lacovara
 - b. Compliance – Mark Hilborn
 - c. Business Operations – John Valyo
 - d. Seawall – Rob Wolf, Darren Campbell, David Hancock
 - e. Reserve Study – Structural / General – Chuck Wason
- VIII. Unfinished/Old Business
 - a. Restoration Planning (concrete work, painting, sealing)
- IX. New Business
- X. Adjournment

Presidents Report – Rob Wolf

- **Behind the Scenes - Very Busy 3rd Quarter**
 - Several New Owners and more on the way with 8 units for sale
 - Initiated “draft” Reserve Study – Structural and Non-Structural
 - Seawall Construction dynamic and ongoing
 - Property Manager Resignation and Replacement Search
 - Owners Filling in for the PM for the last month
 - Troubleshoot Roof leak in 26 stack – Roof drain-pipe fitting corrected.
 - Thanks to the Maintenance Team & Owners - Uneventful 4th of July week.

Presidents Report – Rob Wolf

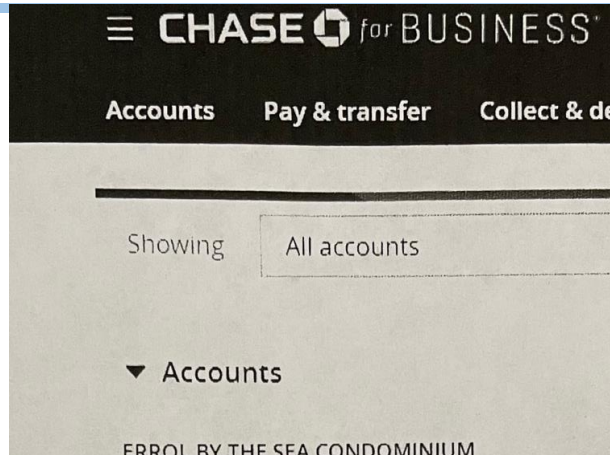
- **Errol Property Insurance**

- Errol Property Insurance went from **\$176,909.07** to **\$238,056.58**
- That is “one of the lowest rate increases on the beach, many are 100%”
- Errol wind insurance is with Citizens, a State of Florida backed program.
- Private market insurance would have been \$100,000 over the \$238,056.58.
- The chance Citizens policyholders assume is that if there is a catastrophic loss anywhere in Florida that exceeds the planned claim expenses, all Citizens policy holders could be levied an assessment of 46% of their premium portion.
- Errol’s wind premium portion of the \$238,056 is \$157,000. That represents a potential assessment of \$72,220 should Citizens funds be depleted.
- Therefore, the option was pay \$100,000 more now or have a chance of paying \$72,200 later.

Treasurers Report - Jim Lacovara



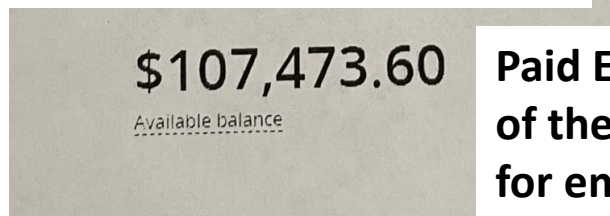
June 2023



Errol Seawall Account



\$150K Seawall Grant Funds Minus \$42,526



Paid Errol back \$42,526 of the \$105K borrowed for emergency repairs

ASSETS		LIABILITIES	
Cash in Bank - Operating	125,366.30	Payables/Prepays	137,730.53
Cash in Bank - Reserves	794,023.07	Reserves	33,198.88
Maintenance Fees Receivable	16,180.71	Respriced Equity - Reserves	760,824.19
Prepaid Assessts	147,472.47	Operating Equity	152,754.86
Property and Equipment	1,465.91		
TOTAL ASSETS	1,084,508.46	TOTAL LIABILITIES	1,084,508.46

	Current Period Actual	YTD Actual	YTD Budget	VARIANCE (Over/Under)
TOTAL INCOME	76,064.69	686,537.46	687,855.33	(1,317.87)
EXPENSES:				
Building Expenses	(1,175.01)	71,168.95	61,066.04	10,102.91
Grounds	660.00	15,460.00	26,359.96	(10,899.96)
Pool/Club	819.44	6,586.95	9,200.02	(2,613.07)
Utilities	19,182.85	108,004.62	111,311.26	(3,306.64)
Administrative	35,050.08	206,981.48	285,170.41	(78,188.93)
Reserves	12,203.58	73,221.52	73,221.52	0.00
TOTAL EXPENSES	66,740.94	481,423.52	566,329.21	(84,905.69)
SURPLUS/(DEFICIT)	9,323.75	205,113.94	121,526.12	83,587.82

Managers Report – Rob Wolf

- Property Manager Replacement Options, 1) Renew with Sentry, 2) Find a new PM company, 3) Hire a PM directly.
- Pursuit of any option required we define, and scope expected PM tasks.
 - **Major changes at Errol:** No onsite rental program, Maintain-X implementation efficiencies,
 - Workload analysis indicated that a fulltime position was not warranted.
- **Errol contracted with Tomoka Property Management to provide a ½ time on-site Property Manager beginning Sept 1. Annual savings of over \$40,000. Transition training already under way.**
- **If you rent**, you can contract with any company you choose. Tomoka will not be providing any rental services or owner support related to rental activity.
- **WHAT TO EXPECT**
- Office Hours: 9am-1pm starting Sept 1. Please try and conduct all business via email and minimize social visits.
- **Monthly dues to Chase Bank or Errol Office Starts Sept.** – ACH automatic transfer or the Errol Office can accept and directly deposit checks **CANCEL SENTRY DIRECT PAYMENTS**
- Meet your new PM, **Ms. Crim Ellison** and Tomoka VP **Mr. Nathan Wade**.

Committee Reports / Architectural Review

- a. Grounds/Maintenance – Jim Lacovara
- b. Compliance – Mark Hilborn
- c. Business Operations – John Valyo
- d. Seawall – Rob Wolf, Darren Campbell, David Hancock
- e. Reserve Study – Structural / General – Chuck Wason

Grounds Maintenance – Jim Lacovara

- Property trees were trimmed earlier this week.
- Oleanders have been ordered to fill-in gaps along the front wall.
- Our landscapers will be fixing the irrigation and sodding early September.

Compliance Report – Mark Hilborn

- “See Something – Say Something”
- <https://www.errolbythesea.com/wp-content/uploads/2023/04/2022-2023-Errol-Ownership-Policy-Review-03-12-23-1.pdf>
- Smoking in Common Areas
- Owner Guests
 - Owners must notify the office via email at manager@errolbythesea.com in advance, of any incoming guests.
 - The notification must include the number of parking passes needed, (only 2 passes per unit will be issued) and the dates that the guests will be on the property.
 - If guests arrive seeking parking passes and the office has not been notified by the owner that guests are expected, passes will not be issued, and cars will be towed if parked.
 - When the guest(s) arrive, prior to the parking pass being issued, a staff member will ask guests to review all property rules, and sign that they have done so, and will comply.
 - A photo of each guest’s driver’s license will be taken and kept on file.

Business Operations – John Valyo

Ongoing Property Management

- Standardized Processes: Invoicing, banking, reporting, tracking, communicating
- We want to hear from owners: Send an Email, Set an Appointment
- Need Help "Call the phone number on the office door"

Property Walkabout

- Periodic Property Survey
- Using the Owners' Portal (*in process of updating organization & documents*)

Community Engagement

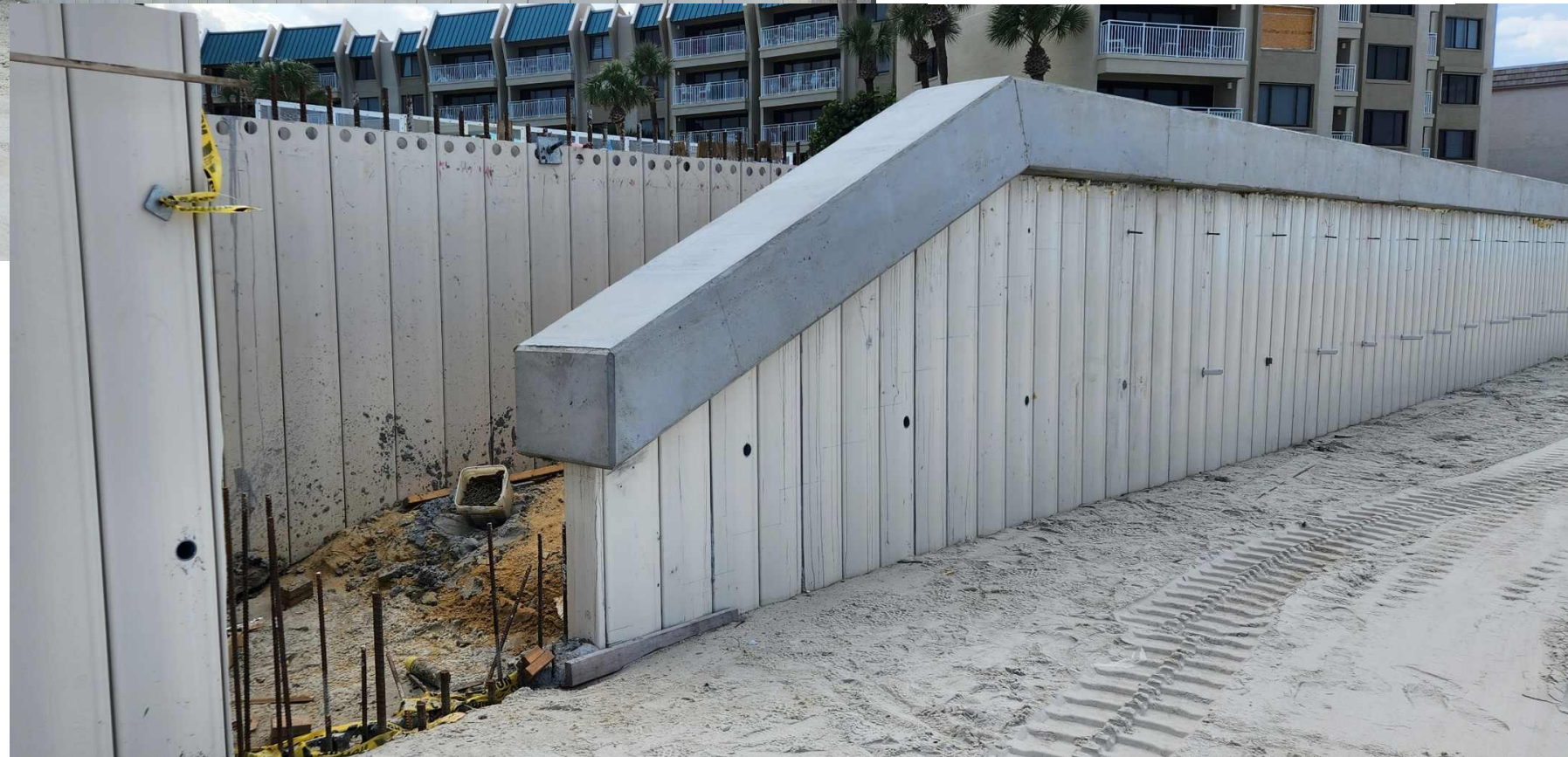
- What the Errol Community Stands for
- Watching our Own Home
- Join a committee/board

Seawall – Rob Wolf

Schedule impacts that slowed progress

- 1) **Concrete Debris** required pre-trenching the beach for each panel
- 2) North **Drain Basin issues** – 1 Inflow pipe angle sloped wrong direction causing sand buildup and 2, clay drain-pipes collapsed after a storm washed out sand around the pipes
- 3) **Composite Rebar Supplier** last minute notification that 1 part was not shipping. Alternate supplier had to be identified and “U” shaped cradle component required structural certification before ordering.
- 4) On going **engineering testing** with Tiebacks – load testing
- 5) Staffing the Project – Edens-Benton has too many new jobs
- 6) Minor weather and crew schedules

Seawall Progress as of Yesterday



Seawall Schedule Update – Rob Wolf

Work Plan to Completion

- 8/7 – Install **South wall cap forms and rebar**, start installing seawall French drainage system.
- 8/14 – **Pour South cap**, shower/wash area water lines, French drains. Drain basin repair & forming
- 8/21 – **Final concrete pours** – stairs, stair landing and drain basins, measure/order staircase rails
- 8/28 – **Site grading** – paver area and building area. Install showers. Start Return Walls?
- 9/4 – Begin moving equipment off property - **Start paver install**
- 9/11 - **Sprinklers and Sod**, Site cleanup, continue paver install
- 9/18 - **Seal/paint seawall cap** (28 Day cure), Site cleanup.
- 9/25 -
- 10/3 - **Staircase rail installation** and inspections (5-6 week lead time to manufacture and power coat)
stainless steel wire horizontal “rails” 4” apart with white aluminum top rail and posts

Seawall Budget Update – Rob Wolf

SEAWALL Assessment Cost Estimates			
	Item	Budget	Estimates (July)
1	Base Seawall Contract (based on proposal) signed 3-7-23	\$ 1,387,585	\$ 1,561,820
	Amount Paid to Edens Benton To Date		
	Change Order 1 Credit		\$ (65,710)
	Change Order 2 Cost for North Drain Basin Repairs		\$ 22,000
	Change Order 3 Paver grading -Shower Pipes		
2	Emergency Seawall Repairs Borrowed from Errol - will return	\$ 105,000	\$ 105,000
3	Seawall Engineering & Permitting to Contract Award	\$ 30,000	\$ 30,000
4	Seawall Final Engineering Permitting & Inspection	\$ 100,000	\$ 128,000
5	Pool Pavers and Underlayment	\$ 75,000	\$ 45,255
6	Dirt, Grading, Plumbing, Sprinklers, Concrete Basin to Grade	\$ 40,000	\$ 40,000
7	Seawall Rail (contingency)	\$ 65,000	\$ 65,000
	DEP Grant Funding - Maximum Matching Approved		\$ (150,000)
8	ADA stairs (contingency)	\$ 20,000	\$ -
9	SUBTOTAL	\$ 1,822,585	\$ 1,781,365
10	Budget with 10% Management Reserve	\$ 2,004,844	

FL Statutes for Condominium Safety - Chuck Wason

- **Senate Bill 4-D (SB 4-D)** mandates periodic:
 - **Structural milestone inspections** - Engineering assessment of buildings, identifies areas in need of repair – Reported to the State
 - **Structural Integrity Reserve Study** – Identifies projected costs and life spans to maintain/replace “structural” components.
 - **Initial Inspection & report must be completed and submitted by 31 DEC 2024**

Very prescriptive with enforcement arm thru Volusia County Code Enforcement

Reserve Study Requirements - Chuck Wason

- Requires **Initial Registration** for Condominiums with the State
 - DEC 2022 - Completed mandatory Dept of Business & Professional Regulation (DBPR) reporting
- **1st Published SIRS Report due 12/31/2024**
- Repeated at **least every 10 years.**
- **Assesses structural integrity and safety of the building and expected costs over the anticipated useful life:** Roof, Load-bearing walls or other primary structural members, Floor, Foundation, Plumbing, Electrical systems, Waterproofing and exterior painting, Windows, Any other item that has a deferred maintenance expense or replacement cost that exceeds \$10,000 as determined by the licensed engineer.
- Structural reserves are **mandatory and can not be waived, reduced or repurposed.**

SIRS Reserve Items – Chuck Wason

Specific components mandated by the State of Florida to be included in the **Structural Integrity Reserve Study**.

- **Roof Replacement**
- **Load Bearing Walls and other primary structure members**
- **Waterproofing & Exterior Paint**
- **Fireproofing and fire protection systems**
- **Plumbing**
- **Electrical Systems**
- **Windows & Doors (Common areas only)**

Funding Structural reserves are mandatory and can not be waived, reduced or repurposed.

Unfinished / Old Business

- **Errol Building Restoration Planning (concrete, paint, & seal)**
- **When Do we start 2024 or 2025?**

Annual Structural Repairs Completed

- **RJ Coatings completed annual structural repairs**
 - Annual repairs are necessary to manage **minor** issues before they become **major** issues
 - Completed work included horizontal and vertical beams, 5th floor “roof wings”, cracks, spalling, and one complete balcony
 - Completed numerous repairs over 90 days \$78,863
- **Numerous “structural” repairs still needed**
 - Small items such as cracks and spalling are considered “structural” issues.
 - Errol has many “structural” issues even though they seem inconsequential.
 - “Structural” issues must be reported in the SB 4-D Phase I Reports

Before



After



Errol Building Assessment Report (JAN 23)

This Slide Presented in April Board Meeting

- Keystone Engineering’s Errol Facility Assessment Report identified \$959K of repairs needed. Some of the more critical repairs are under way.
- Typical Concrete Wear/Failure issues found in saltwater coastal environments: **Spalling**, Cracks, Exposed Rebar...
- **Keeping our concrete sealed and painted is our best preventative protection.**
- 7 year Restoration Cycle (2018/2025)

1/30/2023	ERROL BY THE SEA *Complete List				
	Bid Item	Estimates	Unit Cost		Extended Cost
<u>Unit Rate Repairs*Includes Balcony, Walkway, Stairwells, Boundary Walls</u>					
1a	Minimum Concrete	60	\$ 375.00	EA	\$22,500.00
1b	Edge Spall Repair	125	\$ 225.00	LF	\$28,125.00
1c	Surface/Topping Spall Repair	731	\$ 225.00	SF	\$164,475.00
1d	Overhead Spall Repair	479	\$ 350.00	SF	\$167,650.00
1e	Column, Beam, Kneewall, Prestressed Spall Repairs	300	\$ 600.00	CF	\$180,000.00
1f	Full Depth Spall Repair	400	\$ 475.00	SF	\$190,000.00
1g	Windowsill Spall Repair	75	\$ 150.00	LF	\$11,250.00
1h	Stucco Replacement Masonry Miscellaneous	500	\$ 40.00	SF	\$20,000.00
1i	Hardwall Barricade *Interior 14lf	10	\$ 1,400.00	EA	\$14,000.00
1j	Exterior Barricade *SGD Opening	3	\$ 800.00	EA	\$2,400.00
1k	Softwall Barricade	3	\$ 300.00	EA	\$900.00
1l	Remove/Reinstall Railing for Spall Repair	200	\$ 60.00	LF	\$12,000.00
<u>Fixed Cost</u>					
2	Mobilization & General Conditions	1	\$ 146,000.00	LS	\$146,000.00
CONCEPTUAL BUDGET					\$959,300.00

Some of the repairs identified the 177-page report **would** be classified as substantial structural deterioration in a State Phase 1 or 2 Inspection

SB 4-D Milestone Inspections Summary

- **Phase 1** Inspection must be completed by **12/31/2024**.
- **Phase 2** Inspection must be performed and reported **within 180 days** if any substantial structural deterioration is identified during Phase 1.
 - Phase 2 Inspection report prescribes a program for fully assessing and repairing distressed and damaged portions of the building.
- **Repairs must be initiated within 1 year after Phase 2 report**

Errol Painting/Sealing Start Date Options

		2023			2024				2025				2026			
		2nd QTR	3rd QTR	4th QTR	1st QTR	2nd QTR	3rd QTR	4th QTR	1st QTR	2nd QTR	3rd QTR	4th QTR	1st QTR	2nd QTR	3rd QTR	4th QTR
OPT 1	Earliest Start			BID	AWARD	START	PH 1			FINISH						
	SIRS Reserve	Draft				1st Reserve Study				Post Restoration Inspection						
OPT 2	Latest Start						PH 1	PH 2 / BID	AWARD		START					FINISH
	SIRS Reserve	Draft				1st Reserve Study									Post Restoration Inspection	

12 Month project estimated to be approximately \$2.6M - This includes the identified structural concrete repairs

- OPTION 1: 2024-2025 Project**

- Starting Restoration on our own accord.
- Assessment ½ in in 2024 other ½ in 2025

Errol 7 Year Cycle (2018-2025)

- OPTION 2: 2025-2026 Project**

- Errol will be mandated by State to start restoration due to Structural Issues Identified in Phase 1 and 2 Reports.
- Deferred structural repairs will likely get worse and more will arise and cost more
- Assessment ½ in in 2025 other ½ in 2026

- Decision should be made at our December 2023 Annual meeting to plan contracting, work, and funding**

New Business

Adjourn
