

**SOLANA AT HERONS GLEN HOMEOWNERS' ASSOCIATION
PROVISIONAL MINUTES**

Annual Meeting

Wednesday, January 24, 2024 5:00 pm

Activities Room A, HG Clubhouse

Board of Directors:

President:

Vice President:

Treasurer: Bob Barney

Secretary: Bob Ruda

Board Members (present): Ed Brown, Jim Nelson, Bob Ruda

Board Members (absent): Doug Kornetzke, Nancy Odom

ARC Committee: Doug Kornetzke (Chairman), Tony Kattenhorn, Ed Brown

Nominating Committee: Jim Nelson, Bob Barney, Karen Wills

- In light of the current unusual situation whereby there are vacancies in the positions of President and Vice-President, at a Special Board Meeting on January 10, 2023, Jim Nelson was elected Chairperson for today's meeting. Jim shall act as Meeting Chairperson until such time as a new President is elected
- Called to Order at 5:00pm by Chairperson Jim Nelson
- Pledge of Allegiance
- Roll call and a quorum was established
- Proof of Posting - Agenda was posted online and on the bulletin board on 12/28/23, and the upcoming "Special Reorganizational Meeting of the Board" was also posted at the same time
- **Nominating Committee Report**
- The nominating committee recommended the following nominees for election to the Board:
Bob Barney, Chet Bartkowski, Harold Sloan, Declan Dunn
- Bob Zwissler motioned to nominate all four of the recommended people and have the Secretary cast one ballot for each if there are no objections. The motion was seconded by Bob Ruda. There was no objection to the motion, and it was unanimously carried and all four nominees were duly elected to the Board
- There are no new residents noted
- Ed Brown motioned to waive reading of the minutes of the January 10, 2024 Special Meeting and accept them as posted, seconded by Declan Dunn and unanimously accepted
- **Treasurer's Report**
- Bob Barney began his report by recognizing, on behalf of the Board, the outstanding efforts of Past President Don Clifton, and current DRB Chairman and Director Doug Kornetzke. He considers their efforts to be "above and beyond" normal levels of participation and responsibility, and on behalf of the Board, and our community, he offered genuine appreciation to them. Everyone in attendance agreed with Bob's comments and offered an extended period of applause towards Don Clifton, and Doug Kornetzke.

- Bob Barney reviewed the 2024 Budget. Copies of the budget and balance sheet were distributed to the members in attendance. The dues will stay at \$400/quarter. Bob cited several items printed on the two sheets and gave background and more detailed information on many items. The finances look to be in good shape with the exception of the roof reserve funding. The roof reserve does not currently, nor is it projected to have sufficient future funds to replace all the Solana roofs if necessary as "wear and tear" dictate. The recent Hurricane Ian damage and subsequent insurance claims for roof replacements, will hopefully extend the future date for foreseeable major roof replacements that are the Association's responsibility. Ed Brown motioned to accept the Treasurer's report as given, seconded by Chet Bartkowski and carried unanimously.
- **Design Review Board Report**
- Ed Brown gave a report from the DRB. He cited the extra efforts being put into the DRB process and related matters by Chairperson Doug Kornetzke. Ed gave a rundown of the number of applications received and processed by the DRB in the last 2 months. The committee meets twice a month, and Ed advised that anyone wishing to put in a request for DRB approval of their project, must have the request into the DRB at least one week prior to their next scheduled meeting. Ed also emphasized that persons planning landscape related projects should carefully review the main HOA Landscaping guidelines to make sure that their application to the Solana DRB for the project is in full, detailed compliance with the main HOA guidelines. Ed also reported that currently, to the best of DRB's knowledge, 68 of the 88 Solana roofs have received insurance replacement approval. Also, 82 owners have contracted with CMR for the work, and 6 owners have contracted with other roofers. Bob Ruda motioned to accept the DRB report, seconded by Bob Barney and unanimously adopted.
- There was a lengthy discussion and update about the progress of the roof replacements in Solana from the Hurricane Ian damage. It has been incredibly slow to date, as only about six roofs of the 88 have been completely replaced. There were several examples of problems cited with roofing contractors not returning calls, providing and following construction schedules, leaks, etc. It was pointed out also, that once the original tiles have been removed, and a new weatherproof membrane has been installed (known as "dry in"), most of those membrane materials are only rated for 6 months of exposure before they are no longer considered "within acceptable guidelines".
- Jim Nelson reported on his research regarding the Notice of Commencement (NOC) form. The information he found was that although the NOC has a one year expiration date, it is void if the contractor has not commenced work on the job within 90 days. This NOC, when in effect, provides certain legal protections for the homeowner. The research also found that homeowners should be careful not to make payments to a contractor without a valid NOC in place. Although CMR filed the initial NOC form, it is the homeowner's responsibility to ensure a current NOC is in effect. The NOC form is available on the Lee County Clerk website and may be filed in person, on line, or by mail. There is a \$10 filing fee. The Association will attempt to find more clarification about NOC.
- Homeowners in attendance asked about the possibility of the Solana Association contracting an Attorney to provide some general legal advice to the membership re: roof replacement and contractor/ insurance issues. Ed Brown motioned to contact our Solana Attorney and ask him to provide general legal guidelines regarding roofing and insurance

issues that most of the owners are now facing. The motion was seconded by Declan Dunn and unanimously accepted. It was also mentioned that owners facing unreasonable delays and problems with their roof replacement claims/project consider contacting all the government agencies having any jurisdiction to get help. Ed Brown has done so and may be able to provide governmental agency contact info.

- Hurricane and other peril insurance is the responsibility per our covenants of each individual owner. ***The Solana HOA Association and its Board of Directors has no direct involvement in handling/processing any insurance claims and related contractor issues so we can only seek advice on general legal guidelines, and must stay out of individual cases.*** However, since the Solana covenants provide that the association is responsible for future "wear and tear" claims, it has a duty to make sure that roofs being replaced conform to legal and industry adopted standards.
- **Proof of HO-3 Insurance Coverage**
- Bob Ruda reported on the status of the Homeowners Insurance documentation system. Currently, 83 of the 88 owners are in full compliance with this covenant requirement. Of the 5 other owners, one reports that she has been unable to obtain HO-3 coverage anywhere because she is currently involved in litigation with her former insurer. In a good faith effort to provide insurance protection for her neighboring villas, she has obtained a \$1 million dollar "general liability" insurance contract and provided a copy of that to our Board in lieu of the HO-3 coverage. The other 4 in non-compliance, have been sent reminder notices and we are awaiting their compliance. As of this time we have no proof of any Homeowners Insurance coverage on their villas. Currently, the *average* per villa insurance "Coverage A" is \$278,000. The *average* "hurricane deductible" is \$5487, and the "average premium cost" is \$2155 for this HO-3 coverage within Solana.
- **New Business**
- Bob Barney motioned that we transfer \$25,026 from surplus funds back into the "Roof Reserve Fund" to replace the funds that we used for certain underfunded projects such as the recent sod replacements. The motion was seconded by Chet Bartkowski and unanimously accepted.
- Karen Wills spoke about the upcoming Firewise Day taking place on February 12th. She has tickets for the lunch at \$10 each available. These efforts and lunch ticket sales provide donations to our local Fire/ EMS organizations.
- Evan Slater brought up the possibility of using roof reserve funds to hire an Attorney to represent Solana owners in litigation against CMR for delays and lack of performance on roof replacement contracts that the majority of Solana owners have signed. Jim Nelson reported that our Solana Association Attorney "strongly advises" that we do not, as a Board or as the Association, get involved in any legal action regarding individual insurance claims, as we have no standing in the claim and we could be liable for damages to parties as a result of contract disruption.
- Bob Ruda reported on the background administrative matters that are involved in usual and customary "rollovers" of certain of our bank accounts such as CDs. The Board Secretary is typically required to "attest to" the adoption of "Corporate Resolutions of Agreement" affecting each rollover or transfer of funds within accounts. To address this issue, Bob Ruda motioned that we adopt current and future Finemark National Bank & Trust "Corporate

Authorization Resolutions" as our Treasurer "rolls over" our CDs with them. Also, to appoint any Officer, or other Board of Directors member, as "authorized agents of the Board" in addition to the Treasurer, to act as signatories in these matters. Also, to authorize the Secretary of the Solana HOA Board of "attest to" future Corporate Resolutions Agreements as future rollovers and fund transfers of our CD's and other interest-bearing accounts at Finemark Bank occur throughout 2024. These "attestations" will be empowered and authorized by this Board vote of January 24, 2024, or take any other action relative thereto. The motion was seconded by Ed Brown. There was a brief discussion emphasizing that all bank activities requiring transfer of our HOA funds be authorized in writing (signed) by the Treasurer and at least one other Board member. This motion with the two signature requirement was unanimously adopted

- **Next scheduled meetings:**
- 1. Special Board Meeting immediately following this adjournment to elect Officers, and any other business allowed by Florida statutes
- 2. General owners' meeting Wednesday, March 27th, 2024. Activities Room A 5 pm.
- Motion to adjourn the general annual meeting was made by Karen Jensen at 6:11 pm, seconded by Karen Slater, and unanimously accepted
- Minutes recorded by Bob Ruda, Secretary

Solana AT HERONS GLEN			
Homeowners Association			
Budget 2024 Final			
400 Q			
88 UNITS			
INCOME			
ASSESSMENTS 140800			\$ 140,800.00
EXPENSES			
BUILDING & Roof Svc.repair, in 17000			\$ 17,000.00
INTERIOR PEST CONTROL 5900			\$ 5,900.00
FIRE EXTINGUISHERS 1600			\$ 1,600.00
TOTAL BUILDING 24500			\$ 24,500.00
LAWN CONTRACT/MTN 60000			\$ 60,000.00
MULCH 5600			\$ 5,600.00
EXTERIOR PEST CONTROL 6800			\$ 6,800.00
TREE/Shrub REPLACEMENT 1200			\$ 1,200.00
TOTAL GROUNDS 73600			\$ 73,600.00
MANAGEMENT FEES 8200			\$ 8,200.00
POSTAGE/COPIES/SUPPLIES 300			\$ 300.00
FEDERAL TAX RETURN/CPA 1200			\$ 1,200.00
LEGAL FEES 15000			\$ 15,000.00
CONTINGENCY 2300			\$ 2,300.00
INSURANCE PACKAGE 1700			\$ 1,700.00
TOTAL ADMINISTRATION 28700			\$ 28,700.00
TOTAL OPERATING EXPENSE 126800			\$ 126,800.00
RESERVES 14000			\$ 14,000.00
TOTAL EXPENSES 140800			\$ 140,800.00
Reserve funding			
Roofs 2000			\$ 2,000.00
Roof Wash 1000			\$ 1,000.00
Painting 11000			\$ 11,000.00
			\$ 14,000.00

BMO Harris Bank CD	\$104,806.96
Association Banking by Encore CD #51161	\$108,951.33
FineMark Operating	\$74,701.39
Allowance for Bad Debt	\$(2,000.00)
Prepaid expenses, ot	\$1,272.95
Due From (Due to) Re	\$(659.52)
Total Assets	\$397,273.84
Liabilities	
Accounts Payable, Trade	\$118.26
Unearned Asmnt - Admin	\$7,175.00
Unearned Asmnt - Bldg	\$6,125.00
Unearned asmnts - Grounds	\$18,400.00
Unearned Asmnts - Capital	\$3,500.00
Total Liabilities	\$35,318.26
Equity	
Association equity - Roofs	\$201,769.55
Association equity - Roof Cleaning	\$11,134.84
Association equity - Interest	\$21,879.18
Association equity - Paint	\$54,737.90
Prior Year Operating Surplus	\$45,887.56
Profit (Loss)	\$26,546.55