



**HARBOUR ISLE AT HUTCHINSON ISLAND EAST
CONDOMINIUM ASSOCIATION, INC.**

Unofficial Minutes of Annual Meeting
January 27, 2020

1. CALL TO ORDER:

FirstService Vice President Keith Sensabaugh acted as Chair of the Annual Meeting and called the meeting to order at 6:00pm. The pledge of Allegiance was recited.

2. DETERMINATION OF A QUORUM:

Keith announced that there were 130 owners present by proxy or in person. However, 145 owners are necessary to establish a quorum to approve any business at the meeting, therefore the Annual meeting was informational only. Board members present were President Jay Sizemore, Vice President Annette Sanniota, Treasurer Barney Horan, and Director Frank Briganti. Secretary Pat DeVecchio was absent due to a health issue. Keith Sensabaugh asked the membership for volunteers to open and count the ballots. The election committee selected were Diane Barbret, Joanne Center and Anne Marie Bode and they were excused to count the votes.

3. PROOF OF NOTICE:

Julie Lynch confirmed that the notices were mailed and posted in accordance with Florida statutes 718.

4. ANNUAL VICE PRESIDENTS REPORT:

Annual Vice Presidents Report attached.

5. MANAGER'S REPORT:

Annual Manager's Report Attached.

6. MEMBERSHIP SEGMENT:

As the votes were counted, an informal discussion was held among the owners. Areas of concern addressed by the membership were the Cumberland Farms project, the desire to have an additional BBQ grill area, recycling issues, key fob entry for the two pool gates and a dog waste station at the car wash area.

7. ELECTION OF THE BOARD OF DIRECTORS AND RESULTS:

A quorum is not required for an election to occur, however at least twenty percent (20%) of the eligible voters must cast a ballot in order to have a valid election of Directors. (Bylaws Section 3.37). There were one hundred and twenty-eight (128) ballots cast providing more than the required 20% for a valid election. Keith announced that there were 4 candidates for 4 board positions. However, the ballots had to be counted in order to maintain staggered terms for the Board. The 3 Board members with the highest votes will serve 2-year terms and the remaining board member a one-year term. The new Board of Directors for 2020 are Frankie Lott (2-year term), Cynthia Brazzil (2-year term), Jeffrey Conner (2-year term), Danielle Beckford (1-year term), and current board of Director Frank Briganti's term will end in January 2021.

8. ADJOURNMENT:

Keith Sensabaugh moved the meeting to be adjourned. The meeting adjourned at 6:45PM.

Respectfully submitted,

Julie Lynch CAM/ For and on behalf of the Board of Directors

VICE PRESIDENT ANNUAL MEETING REPORT

January 27, 2020

To all my friends and neighbors:

It has truly been my pleasure serving on the Board of Directors since 2014. For those of you original owners you might also recall I was your property manager from 2007 to 2013 too! So of course, there is an abundance of history and knowledge that has made my time at Harbour Isle very meaningful.

We are in an amazingly strong financial condition thanks to excellent management, a dedicated, hands on Board of Directors, a strong economy, increased market values and very low if any aged owner balances! This deserves applause!

When the 2014 Board of Directors was elected, we were tasked to grow our reserves from a low of \$325K to today's almost \$1.4 M. We also had aged owner balances in the \$160K range. Let that sink in for a minute!

Would you like to know how we were able to get our reserves to this point? Well, we always need to learn from history and here is a brief synopsis:

1. The prior 2010 Board of Directors had entered into litigation with the Developer.
 - a. They had expenditures of over \$270K for engineering and attorney's fees
 - b. Expenditures of about \$450K to correct the water intrusion issue by installing copper flashing at the A/C grills into the pans, (which was the primary issue for the lawsuit anyway)
 - c. To fund this \$450K the Board levied a special assessment of \$1000 per unit owner.
 - d. HIE during this lawsuit time was NOT approved for conventional financing from the 2011 through January 2014
 - e. Then at the election in January 2014, a new Board was elected in a landslide vote and we, the new Board of Directors in 2014, first order of business was to settle the lawsuit for a check payable to the Association for \$500K.
 - f. This was when we were finally able to start our growth back! Fannie Mae was happily processing loans and our aged owner balances were starting to get under control.

I would like to really stress to all owners that litigation of any sort is counter-productive and that all members are paying for legal fees through the maintenance dues. We must understand there will be disagreements from time to time but it is necessary to always remember that we are in this together. When an owner sues the Association, the owner is suing 287 other unit owners, that is neighbors and friends. We need to be mindful of this moving forward with our new Board. Our exiting Board has worked very well together and we have much respect for each other. I would like to personally thank Jay Sizemore, Pat Delvecchio, Barney Horan and

Frank Briganti for their time, knowledge, dedication and love for our Harbour Isle. Jay has done such an amazing job as Board President which is equivalent to a full-time job in many instances. We have been very blessed to have such selfless dedicated directors.

I am thrilled to welcome our 2020 Board of Directors! It is excellent that these owners have stepped up to be productive parts of our Association. They need our support. Remember, if you have questions about Harbour Isle East, the first place to look is the website; if you can't find your answer there, then call or email the Manager and if you still are not satisfied with the response, please email the manager and request that email be forwarded to the Board of Directors. At no time should Association business be discussed on Social media- too many incorrect statements might be posted and can lead to confusion and chaos.

So let's support each other and be good neighbors! We truly live in paradise and we have so many extremely fabulous people in our Harbour Isle family! Thank you for your support throughout the years and Cheers to Harbour Isle!

Annette Sanniota

Vice President, Harbour Isle East Board of Directors

Board term 2014 - 2020



**HARBOUR ISLE AT HUTCHINSON ISLAND EAST
CONDOMINIUM ASSOCIATION, INC.**

**Annual Report
January 27, 2020**

As we say goodbye to four of our Board members, I want to start by looking back at the major projects accomplished by them during their time on the Board.

Seawall:

We had a section of our seawall repaired behind building 4, there was a wash out area that needed to be filled and reinforced. This was completed by Wilco Marine who did an excellent job at a cost of \$10,000.00. For the first time, since it was constructed in 2005, an engineering study of the seawall from the two jetties at the Indian river entrance to the marina was completed in April 2018. The inspection was done both above and below water and several problems were identified. The cost of the repairs was approximately \$35,000.00 which was shared by HIE & HIW. The cost is in proportion to the number of units in each condo association. The all-inclusive Harbour Isle East cost was approximately \$12,000.00. The work was performed by SeeMeDive and took approximately 4 weeks. It involved cleaning and repairing the steel plates at the Indian river waterway, filling cracks above and below water with hydraulic concrete, repairing damaged paneling and installing check valves to control water pressure against the seawall. Most of the work was on the HIE side and the two jetties. By completing these repairs, the Board's due diligence has effectively extended the life of the seawall by 40 years. These items were charged against the HIE Seawall Reserve account.

Pool:

Another large much needed project was the pool refurbishment. The pool leaks were repaired, and the pool and spa were resurfaced and retiled. Aquatic Surfaces completed the refurbishment at an approximate cost of \$37,000.00. Symbiont Services also installed a new pool water supply closed loop system in the pond and replaced 3 of the heat/cool units. The cost of the new heating system was approximately \$53,000.00.

The pool furniture was also replaced due to the continuing rising costs of having it repaired, new tables, chairs, chaise loungers, umbrellas and umbrella bases were purchased. The cost was approximately \$35,000.00.

All these major items were paid from our reserve accounts.

Other smaller projects at the pool were installing a hot water shower, 2 new water fountains, 2 new ceiling fans in the eating area and 2 new life preservers.

Buildings:

Twin Palm Builders pressure washed all residential buildings and caulked all residential windows except those covered by the catwalks. The cost from reserves was approx. \$81,000.00.

Roof repairs were completed by Crowther Roofing in 2018, most of the repairs was replacing missing and damaged roof tiles from the hurricane. The cost from Reserves was approx. \$70,000.00

In 2019 The Roof authority made repairs caused by general wear & tear & age in areas in most buildings around the roof vents. The cost from reserves \$29,000.00

Concrete Repairs:

Southeast Contracting repaired many areas of cracked concrete on the driveways and sidewalks located in various areas throughout the property. The cost from reserves was \$29,000.00.

Clubhouse:

Acoustic panels were installed in the clubhouse at a cost of \$3000.00 Thank you to Pat DeVecchio for researching this project and purchasing the sound panels online and installing them with the help of the maintenance staff, saving the Association several thousands of dollars. The social committee from their own proceeds provided an additional fridge to the kitchen area, a removable dance floor and a smart tv. Maintenance installed 2 new large ceiling fans. A sound system consisting of a music deck, speakers and microphones were purchased from an owner at a very reasonable price, perfect for use at social events and meetings.

Gym:

The gym had new carpet installed. We have had several repairs made to the gym equipment, primarily to the treadmills and the stationary bicycle. TCA fitness says the equipment is still in good condition, but parts are no longer available for certain equipment. Proposals have been received for a new stationary bicycle and a rowing machine. The new Board can decide on this item.

Office:

The office received a makeover, with new flooring and paint and some new furniture items. The tile floor was installed by a professional, but the remainder of the work was completed by our Board President Jay Sizemore and our Maintenance staff. The cost less than \$5000.00.

Guardhouse:

The guard house got 2 new impact doors and new gutters, the interior was painted, a new flagpole added, and new carriage lights on the outside. FPUA also installed a new LED streetlight.

Landscaping:

Landscaping plant replacement is an ongoing project where & when needed, tree trimming takes place once a year in August before Hurricane season and mulching once a year in November after Hurricane season. The Mitigation/Conservation area behind buildings 3 & 4 is weeded and cleaned out twice a year in April and September, the Mangroves are trimmed if needed according to State Guidelines.

Completed projects by our maintenance staff:

From January to June 2018 we had Aztec Irrigation do our Irrigation repairs, that period cost us \$2245.00 in irrigation repairs, since then Jason has taken over the irrigation repairs and to date we have spent zero on irrigation repairs except for a supply of parts that we keep on hand, savings that will add up over time for the Association.

Janitorial Service:

Prior to October 2018 HIE used an outside janitorial service to clean the clubhouse, gym and bathrooms, since then the maintenance staff have taken over this job, saving the association approx. \$10,000.00 per year.

Painting Projects completed:

- FPUA utility boxes
- Dog Bag Waste Stations
- Handicap parking spaces and all numbered and guest spots.
- Dumpster room floors and dumpster room roll up doors
- Garage bathrooms and hallway, floors, ceilings and walls.

First-floor decorative columns on the catwalks and pool area were re-caulked.
Bocce Ball court was refurbished with the help of some residents.

Ongoing preventative maintenance tasks:

Maintenance clean out the main AC drain lines at all buildings every other month, a task once done by a Plumbing contractor at a cost of \$1200.00 each time; another area where the Board and management have cut back costs for the association.

Regular attic checks for roof leaks are done on various dates after heavy rainfall.

Light checks are performed weekly.

Every 6 months all emergency lights and exit signs will be checked (recommendation from the Fire Marshall)

PMA:

The PMA (Property Maintenance Association) maintains and manages the main common entry to Harbour Isle. It is very important that this area be maintained and look pristine as it sets the first impression of Harbour Isle. The PMA have recently replaced the wall & sign at the main entrance damaged by a car accident. A major refurbishment at the Sales office is almost complete.

Possible Upcoming projects (subject to finances & Board approval):

Tennis Courts resurfacing

Catwalk and stairwell floors painting

New rowing machine and stationary bike for the gym

Commencing in September 2020, Fort Pierce Utilities will begin to replace all HIE streetlights with LED lights & fixtures.

UNIT MAINTAINANCE:

Over this past year the office has received reports that water damages are occurring from unit to unit due to leaks from a/c units, water heaters and toilets. These damages to individual units and their neighbors are caused by individual a/c lines not being cleaned out, leaks from hot water heaters, old toilet wax rings and uncaulked showers: items that need to be owner maintained. The community is almost at its 15-year mark and several of the items mentioned have a 10 year or less expiration. It is imperative that unit owners have these items serviced on a regular basis or replaced. If you are getting a new AC unit or water heater, please inform the office so that we can make sure that either the contractor or our maintenance staff properly seal the pipe that drains from the AC or hot water heater pan to the outside. Please make sure your contractor is licensed and insured and has the proper permits in place. Several owners have been fine by the city for performing work without a permit.

ADMINISTRATION:

Audit:

The process and field work for the 2019 Audit and Tax return has begun. The audit is being completed by Gerstel, Rosen & Goldberg which takes approximately 8 weeks, but it will be completed by the April 30th, 2020 deadline. Once completed it will be posted on the Harbour Isle East website and copies will be available in the office.

Insurance Appraisal:

We are also due for an Insurance appraisal this year, according to Florida Statute 718 we must have an Insurance appraisal every three years and the last one was in 2017. This will be completed by Sedgwick Valuation Services. Copies of this will also be available to all homeowners on request.

Insurance Proposals:

We will have at least 3 insurance proposals for our Insurance which renews annually on March 31st, we will get proposals from our current agent Marsh & McLennan, one from FirstService Residential Insurance and another agent, once the proposals are available, we will have open presentations in the clubhouse.

2020 Fees to the DBPR (Division of Business & Professional Regulation):

The collection of annual association fees enables the Division to operate the condominium within the Division. The Division investigates complaints, reviews and approves condominium documents, publishes educational brochures, holds educational seminars, employs full-time attorneys to act as arbitrators to conduct mandatory nonbinding arbitration of disputes, provides customer service to the public, and maintains a toll-free telephone line to assist customers. Condominium associations must pay to the Division, on or before January of each year, an annual fee in the amount of \$4 for each residential unit operated by the association. This is a budgeted item and has been paid as required.

Annual Fire Marshall Inspection:

We had our Annual Fire Marshall inspection in January 2020, the deficiencies were minor items and these repairs have been passed on to Totallife Safety our Fire Alarm and Sprinkler maintenance company. During a recent power outage we became aware that many of our Emergency Lights and Exit sign lights were not working, The fire Marshall has given us to February 1st 2020 to have this corrected, he has advised us that these items such be checked twice a year. Going forward this will be on the Maintenance staff's check list. We also had a lightning strike at building 37, damaging the Fire Alarm Panel. The entire Fire Alarm panel had to be replaced at a cost of \$17,000.00, covered by Insurance with just the deductible of \$5000.00 to pay.

Annual Elevator Inspection:

The State required annual Elevator inspection will be completed by Gold Coast Elevator next month. Last Year and this year we had 2 major Elevator repairs to buildings 37 & 5. In both cases the underground oil lines had ruptured. The repair takes several days, and the cost was \$18,000.00 each. Fortunately, we have coverage for Mechanical Breakdown and only paid the \$5000.00 deductible. We also had a lightning strike that damaged the Elevator computer board in building 37 costing \$3000.00 for the repair.

Sales & Lease report:

We had a total of 15 units sold for 2019. The highest sale was for a Penthouse unit in building 4 for \$375,000.00 and the lowest a first-floor unit in building 38 for \$223,000.00. The average sale price was \$275,000.00. Currently we had a total of 35 annual leases. The average annual lease is \$1800 per month. We have 17 seasonal rentals which are typically rented for 3-4 months during the season and then used by the owner as a second home. 13 of our seasonal renters have been coming to HIE for several years. The average seasonal rental is \$3300.00/month.

THANK YOU HIE STAFF:

Thank you to our maintenance staff Jason & Brian who are hardworking, reliable and keep the appearance of HIE at a high standard. Thank you to the social committee who come together to plan, organize and host lots of great social events for the resident's enjoyment. The Toy drive and the food drive were a huge success this year. The Elks Lodge and Food bank were overwhelmed by the number of toys and food they received from HIE. Also thank you to Jean Mendes, Linda Durso & Carolyn Greene for their assistance in doing the orientations for our new residents. Thank you to the committee members and HIE resident volunteers who have donated their time and expertise to make HIE a wonderful place to live.

THANK YOU HIE BOARD OF DIRECTORS:

Your Harbour Isle East Board of Directors are a hardworking group of volunteers that you elect every year to represent the community in the day to day business of maintaining and improving the property. They help maintain the harmony of your community, maintaining the continuing soundness of the property infrastructure, improving the economic efficient of our systems and ensuring that there are enough funds available to meet unforeseen expenses. They do this ever mindful of using every dollar effectively as possible to keep your maintenance fees at the lowest level that can be achieved. So, I thank Jay, Annette, Barney, Pat & Frank for the time, commitment and hard work they have put into the community. My job would be impossible without their input and assistance, it has been a pleasure to work with them, I thank them sincerely for their support. I am looking forward to working with Danielle, Cynthia, Jeffrey, Frankie & Frank.

Harbour Isle East Year End Financial Report for 2019

1/27/2020

2019 Year to date Income: \$1,561,709.00

2019 Year to Date Expenses: \$1,520,550.00

We were under budget by \$41,159

Our on hand operating cash as of today 01/27/2020, is \$207,081.37. The Auditor recommends keeping 2 months operating cash on hand or \$206K, so we are right on target.

Our 2019 year-end Reserve total is \$1,386,538.00. Our monthly Reserve contribution is \$ 16,233.00 for 2019 or \$194,800.00 annually. Over the last 2 years the Board did have these major projects completed, all the funding came from Reserves.

Seawall:

Wilco Marine: repaired the wash cur area behind bldg. 4 \$10,000.00

SeeMEDive: all other areas of seawall above & below water HIE cost \$15,000.00

Pool Area:

Aquatic surfaces: pool & Spa resurfacing, pool leaks & new tile \$37,000.00

Symbiont: 3 new heaters & closed loop heating system \$53,000.00

Sunshine Furniture, new tables, chairs, lounge chairs, umbrellas & bases \$35,000.00

Buildings:

Twin Palm Builders: pressure washing & caulking \$81,000

The Roof Authority: Roof Repairs \$29,000.00

Concrete Repairs:

South East Contracting: \$29,000.00

Benches: \$2300.00

The Board with the assistance of FirstService Financial also completed a year-end review and banking analysis of all Harbour Isle East Bank accounts. FirstService Financial consolidated the low balance, lower interest earning accounts into new higher interest earning Money Market & CD Accounts. All bank accounts are FDIC insured. Interest earned in 2020 is expected to be approximately \$30,000.00.

As of 12/31/2019 the past due balance on our maintenance accounts was \$175.24 which consisted of late fees and interest. This is an excellent figure which means all 288 units are contributing to the lifeline of the community

DRAIN ANALYSIS HARBOR ISLE AT HUTCHINSON ISLAND EAST 3UE6

Mitchell.Torres@FSResidential.co
11/11/20

Cash Management Report Balances

Category	Account Type	Bank	Balances	Interest Rate	Net Annual Interest
Operating OPR1	Checking Klik	Union Bank	\$117,370	0.00%	\$0
Operating OPR3	Checking	Centerstate Bank	\$3,893	0.00%	\$0
Operating MM01	Money Market	CIT Bank	\$6,580	1.75%	\$115
Reserves RS10	Money Market	Veritex/Green Bank	\$35,938	1.40%	\$503
Reserves RS11	CD Cash	Morgan Stanley	\$351,785	2.00%	\$7,036
Reserves RS12	Money Market	Servisfirst Bank	\$247,969	1.50%	\$3,720
Reserves RSV1	Checking	Valley National Bank	\$185,427	1.00%	\$1,854
Reserves RSV2	Money Market	BOFI Federal Bank	\$50,580	1.40%	\$708
Reserves RSV3	Money Market	Mutual of Omaha	\$148	0.40%	\$1
Reserves RSV4	Money Market	Alliance Bank	\$14,135	0.46%	\$65
Reserves RSV8	Checking	Valley National Bank	\$771	1.00%	\$8
Reserves RSV9	Money Market	Professional Bank	\$102,579	1.70%	\$1,744
Reserves CD02	CD	Bank United	\$102,500	1.24%	\$1,271
Reserves CD03	CD 11/14/19	Oculina Bank	\$102,705	1.69%	\$1,736
Reserves CD04	CD 01/04/21	Oculina Bank	\$248,066	3.00%	\$7,442
Total			\$1,570,446	1.67%	\$26,202

FirstService Residential / FFI Alternative Banking Program

Operating OPR1	Checking Klik	Union Bank	\$117,370	0.00%	\$0
Operating MM01	Money Market	CIT Bank	\$10,473	1.75%	\$183
Reserves New Account	CD 12 MONTHS	FVC Bank	\$250,000	2.00%	\$5,000
Reserves New Account	CD 12 MONTHS	Luther Burbank	\$250,000	2.00%	\$5,000
Reserves New Account	Money Market	Sterling National Bank	\$245,000	1.75%	\$4,288
Reserves New Account	Money Market	Seacoast Commerce Bank	\$245,000	1.75%	\$4,288
Reserves RSV9	Money Market	Professional Bank	\$102,037	1.70%	\$1,735
Reserves CD02	CD	Bank United	\$102,500	1.24%	\$1,271
Reserves CD04	CD 01/04/21	Oculina Bank	\$248,066	3.00%	\$7,442
Total			\$1,570,446	1.86%	\$29,206

Fidelity CD Rates are for guidance only and cannot be guaranteed. The rates illustrated are as of the day of the analysis. Actual rates would depend on the interest rate environment once the account is open and funded. FirstService Financial is an affiliate of FirstService Residential and may receive a fee from the partner financial institutions listed above for their assistance in development, placement and servicing of this program. The interest rates noted above are net of the fee paid by the financial institution to FirstService Financial. Please see the attached Rate Sheet for other terms and conditions regarding the program.