

Hammock Dunes Owners Association, Inc.
Board of Administrators Meeting Minutes
May 15, 2023

Call to Order:

The duly noticed monthly Board Meeting was called to order by Greg Davis at 10:00 a.m., In the Hammock Dunes Club Board Room.

Board Members Present:

In Person: Greg Davis, Michael Heller, David Betsill, Doug Guarino, John Balzarini, Phillip Dolamore Shannan Kolbe
Via Zoom: Steve Hastings

Hammock Dunes Club Present: John Langhauser

Community Management Present: Travis Houk, Brie Cunniff (both in person) and Craig Nisbett (via Zoom) of Southern States Management Group

A quorum was established. A sign-in sheet was filed for in-person attendees. Other attendees were over Zoom.

Opening Comments, Greg Davis

- Administrators were reminded not to make comments until they were recognized by the Chair. Mr. Davis asked Southern States Management Group (SSMG) to keep an open task list from the Board meetings.

HDOA 2023/2024 Insurance Renewal, VOTE

- John Lindsley, from Brown & Brown Insurance of Daytona Beach provided Board Members with an insurance presentation for the 2023-2024 HDOA's insurance policy renewals proposal. The insurance policy expiring for 2023 was \$46,377.77. The renewal amount for 2024 increased to \$54,291.92.
- It illustrated the 2 Camino Building that has wind and fire on that renewed in April. Three items that were pending were an appraisal on 2 Camino Building for replacement cost, flood insurance and looking at raising the limit on crime. The other structures on HDOA property were insured with fire only because adding wind coverage to additional structures would have a significant price increase.

ON A MOTION MADE BY MS. SHANNAN KOLBE, seconded by Mr. Phillip Dolamore, the Board voted on whether to approve the 2023-2024 insurance renewal as proposed in the amount of \$54,291.92; noting there may be some additional amounts added for the identified pending items of which the amounts have not yet been advised. In addition to ratify the 2 Camino property insurance policy \$12,513.70 and signed earlier due to a different expiration date.

Discussion:

- Mr. Guarino thought there needed to be more time for the Board to review the insurance renewal. It would benefit some of the points Mr. David Betsill brought up such as how property values were determined.

ON A MOTION TO AMEND THE MOTION ON THE FLOOR MADE BY MR. DOUG GUARINO, seconded by Mr. David Betsill, to have a further discussion on the context of the insurance policy and get that down prior to the May 31, 2023, expiration. On a call to vote, all opposed the amended motion does not carry.

- Ms. Kolbe did not agree with delaying the decision to sign to review items. Those items could be adjusted at anytime with an addendum. Those adjustments are usually extremely small in value.

BACK TO THE ORIGINAL MOTION, ON A MOTION MADE BY MS. SHANNAN KOLBE, seconded by Mr. Phillip Dolamore, to approve the 2023-2024 insurance renewal as proposed in the amount of \$54,291.92; noting there will be some additional amounts added for the identified pending items of which the amounts have not yet been advised. In addition to ratify the 2 Camino property policy \$12,513.70 and signed earlier due to a different expiration date. On a call to vote with Mr. Heller, Ms. Kolbe, Mr. Dolamore, Mr. Betsill, Mr. Balzarini, Mr. Hastings and Mr. Davis voting yes and Mr. Guarino abstaining, the motion carries.

Two Camino Office, Lease

- Southern States Management Group (SSMG) will not be renewing the Two Camino Office lease which expires on June 30, 2023. The Ad Hoc committee who was tasked with negotiating the lease renewal is exploring other options for the Two Camino Office Space.
 - Coastal Properties would be interested in the space and are currently working on a proposal.
 - Mr. Davis had concerns about a vacant building and the cost to the HDOA.
 - Mr. Betsill raised concern about not having SSMG onsite. He also raised the question about if an empty building would impact our insurance rate?
 - Ms. Kolbe would have to look to see if there would be any possible changes to the insurance rate with an empty building.
 - Mr. Dolamore indicated the Committee may be able to provide an update/proposal within two weeks for the Board to consider.

Committee Structure, VOTE

- **The Shoreline Management Committee**
 - **ON A MOTION MADE BY MS. SHANNAN KOLBE, seconded by Mr. Michael Heller, the Board voted on whether to retain all the current members of the Shoreline Management Committee. On a call to vote Mr. Heller, Mr. Balzarini, Mr. Dolamore, Mr. Hastings, Ms. Kolbe, Mr. Davis and Mr. Guarino were all in favor with Mr. Betsill abstaining, the motion carries.**
- **The Maintenance Committee**
 - **ON A MOTION MADE BY MR. DOUG GUARINO, seconded by Mr. Phillip Dolamore, the Board voted on whether to retain the current members. On a call to vote with all in favor motion carries.**
- **Finance Committee**
 - **ON A MOTION MADE BY MS. SHANNAN KOLBE, seconded by Phillip Dolamore, the Board voted to appoint the following members to the Finance Committee: Shannan Kolbe as Chair, Steven Parks repeat term, Steve Hastings repeat term, Mark Trudeau who was recently added, and a new addition, Jinny Crum-Jones. On a call to vote with Mr. Heller, Mr. Dolamore,**

Mr. Hastings, Ms. Kolbe, Mr. Balzarini, Mr. Guarino and Mr. Davis all in favor and with Mr. Betsill opposed, motion carries.

- **The Communications and Social Committee**
 - Their committee structures are on hold.
- **Safety Committee**
 - **ON A MOTION MADE BY MR. STEVE HASTINGS**, seconded by Mr. Phillip Dolamore, the Board voted on whether to retain all current Committee members. On a call to vote with all in favor motion carries.

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Financial Committee, Shannan Kolbe

- **Pending Investment Transactions, VOTE**
 - **ON A MOTION MADE BY MS. SHANNAN KOLBE**, seconded by Mr. Doug Guarino, the Board voted on behalf of the HDOA, for the movement of \$250,000.00 from CIT reserves (currently slightly over the FDIC limit) to the Wells Fargo Group for investment. Additionally, renew or reinvest a CD with Cathay Bank that is expiring on May 23, 2023, in the amount of \$190,000.00. Additionally, renew or reinvest a CD at Safra Bank which is due to expire on May 30, 2023, in the amount of \$250,000.00. In addition, Granada Estates to renew or reinvest a CD from Valley National Bank that is expiring on May 18, 2023, in the amount of \$150,000.00. Ocean Estates would have no action at this time due to volatility and all the work and repairs and expenditures that are currently underway with the walkovers. On a call to vote, with Mr. Hastings, Ms. Kolbe, Mr. Heller, Mr. Davis, Mr. Guarino and Mr. Dolamore in favor and with Mr. Betsill and Mr. Balzarini opposed the motion carries.
 - **Discussion**
 - Mr. Betsill asked if the Finance Committee met and approved these investments.
 - Ms. Kolbe responded that the Finance Committee had not met to approve those but Steven Parks, who is head of the investments in the committee is aware of the upcoming CD expirations and will be working with Shannan in the next couple of days to review.
 - Mr. Betsill's concern was that the Finance Committee had not met yet to review the options for the renewal or reinvestment of monies expiring.
 - Mr. Guarino asked if essentially the \$250,000 was going to be taken out of a CD and put into a money market account.
 - Ms. Kolbe mentioned the money would be put into the Allspring MMA which is government backed.
- **Walkover Reserve Expense Allocation, VOTE**
 - There is a high probability that the HDOA restricted reserve fund may have a deficit due to recent storm damage and required repairs.
 - **ON A MOTION MADE BY MS. SHANNAN KOLBE**, seconded by Mr. Michael Heller the Board voted on whether to utilize HDOA unrestricted funds, if needed to pay for the walkover repairs identified in the April Board Meeting (recent unexpected storm damage). The restricted walkover fund is anticipated to be short depending on activity and invoice timing. The restricted Walkover Fund should be utilized first and brought to zero, then unrestricted beach cleanup, storm cleanup, and/or Dune Maintenance. On a call to vote with all in favor motion carries

- **Discussion**
 - Mr. Davis wanted to point out that even though walkover repairs were being done at a significantly lower cost thanks to SSMG and Mr. Heller, would there be more expenses for beach prep for the emergency sand?
 - Mr. Houk responded that vacant lots that had walkovers collapsed on the beach would be addressed between Coastal and the HDOA's in-house Maintenance Engineer to disassemble the broken walkovers.

Shoreline Management Committee

- **Emergency Sand Update:**
 - The kickoff meeting with Flagler County was the week prior to the Board meeting.
 - The FDEP/State Emergency Sand Project from Varn park to R41 (roughly the middle of San Gabriel Lake) in the Hammock Dunes is scheduled to begin soon between June 1, 2023, to June 15, 2023.
 - The sand placement for emergency purposes, for the first time, has not had to be funded by the HDOA.
 - Emergency sand placement from R41 (roughly the middle of San Gabriel Lake) north to Jungle Hut has qualified for FEMA Category B funding and will begin around the middle of June 2023.
- **Hammock Dunes Club Croquet Court Cave In:**
 - Mr. Houk of SSMG was able to obtain a permit for repair in one day.
 - Three truckloads of sand were ordered from Iroquois Pit at about \$400 per truck load.
 - Clearance from the Turtle Patrol was obtained.
 - The Hammock Dunes Club worked in collaboration with DCDD (they had a pipeline running through the portion of the dune) and HDOA for the deployment of the sand at no charge.
- **Perpetual Easement Update:**
 - An agreement had been reached with the Flagler County staff pertaining to the HDOA's Perpetual Easement Agreement with Flagler County. There were minor nonmaterial changes.
 - The changes Flagler County requested were reviewed by HDOA's General Council and Volunteer Attorneys.
 - The HDOA Board authorized Mr. Davis to approve nonmaterial changes. Mr. Davis accepted the nonmaterial changes and accepted the Board approved document.
 - The Flagler County Board of County Commissioners (BOCC) would be voting on the agreement with the County Attorney's recommendation that the BOCC approve the HDOA Perpetual Easement.
 - Mr. Davis thanked the community for their support, the Shoreline Management Committee, the master association HOA partners, Painters Hill, Hammock Beach Resort, DCDD, the Club, Ocean Hammock with a particular thank you to David Eckert and Steve Davis.
- **Michael Heller Expanded on the Acknowledgements of the Perpetual Easement:**
 - Mr. Heller read a prepared statement acknowledging/thanking the efforts, hard work, and dedication from the Shoreline Management Committee with specific recognition to David Eckert, Steve Davis, and Greg Davis.

2023 HDOA “A” Priorities, Reference

- The Board reviewed their “A” priorities for 2023; including but not limited to Dune Repair/Restoration, FY 2024 budget preparation, Safety/Access Control contract, Communications/Website, Landscape Contract, Legal Representation Assessment and Code of Conduct/Governance.
 - Mr. Guarino requested to add a letter received by the Island Estates Neighborhood Association President, that was sent to the HDOA Board, to be added as a priority.
 - Mr. Davis contended that some items in the letter were ongoing legal items that cannot be discussed in an open meeting format, and some items were not within the purview of the HDOA Board to determine. Further, other items in the letter were based on past Board decisions. Some of the items could be discussed in a closed legal meeting and he’s following legal guidance.

ON A MOTION MADE BY MR. DOUG GUARINO, seconded by Mr. David Betsill, the Board voted on whether to add the letter from the Island Estates Neighborhood Board President to address specific issues to the priorities list,

- Discussion:
 - Mr. Betsill stated he doesn’t understand the legal issues referred to by Mr. Davis and asked if there are specific issues that have not been disclosed to the Board. Further, Mr. Betsill pointed out in the letter it mentions two Island Estates Representatives meet with two HDOA Board Members to have a preliminary discussion to understand the issues and inquired why a response was not provided from previous communication.
 - Mr. Guarino volunteered to be one of the representatives.
 - Mr. Heller questioned that if a neighborhood had concerns why would they not go through their administrator. It is the responsibility of the administrator’s job to bring up community concerns to the Board for open discussion. Lastly, he said he does not have a problem with preliminary discussion with a goal of resolving issues.
 - Mr. Betsill contended that some of the concerns in the letter were already brought up to the Board. Mr. Betsill also mentioned that if it was a process issue, he would meet with Mr. Bagdon and have Island Estates concerns brought to the HDOA Board at a Board Meeting.
 - Mr. Guarino stated the Board should start a preliminary discussion since it appears the Island Estates community is the only community that has tension with the HDOA Board.

ON AN AMENDED MOTION MADE BY MR. MICHAEL HELLER, seconded by Mr. Doug Guarino, that over the next several weeks that the HDOA Board will appoint a representative or two representatives to have an offline opening discussion with representatives of Island Estates to just begin the process of understanding what the issues are. On a call to vote, with Mr. Heller, Ms. Kolbe, Mr. Balzarini, Mr. Betsill and Mr. Guarino in favor, Mr. Davis opposed and Mr. Dolamore abstaining, the motion carries.

Approval of Minutes: April 17, 2023

- Mr. Guarino wanted to amend the minutes with a grammatical change from scheduled to scheduling.

ON A MOTION MADE BY MR. JOHN BALZARINI, seconded by Mr. Phillip Dolamore, the Board voted to approve the amended April 17, 2023, minutes. On a call to vote with Mr. Heller, Mr. Davis, Mr. Guarino, Mr. Dolamore, Mr. Balzarini and Ms. Kolbe in favor and Mr. Betsill opposed, the motion carries.

Audience Comments were taken.

Adjournment

ON MOTION BY MR. MICHAEL HELLER, seconded by Ms. Shannan Kolbe, with all in favor the Board of Administrators meeting was adjourned at 12:30 pm.