

SUNSET INC.

Board of Directors Meeting
February 15, 2018 9:00 a.m.

Todd Dawson called the meeting to order. Diane Linton called the roll. Todd Dawson, Diane Linton and Craig D'Angelo attended by phone. Steve Walz and Bob Collins were in the office. Wayne Porter was absent. Owners Dave and Donna Vieceli, units #405 & #800 and members of the Landscape Committee, owner Lloyd Shroyer, unit #802 and Chairman of the Elevator Committee, owner Marilyn Henkel, unit #804, owner Jack McGuirk, unit #603, owner Bruce Harvey, unit #504 were in the office.

President Todd Dawson welcomed all and wished to confirm that the meeting was being recorded. Steve Walz confirmed that the meeting was being recorded.

Secretary's Report

The Minutes of the January 18, 2018 and January 30, 2018 Board Meetings were reviewed and were electronically approved on February 7, 2018 and February 8, 2018 respectively. Todd asked the Board to confirm the approval of both Minutes. Motion carried.

Diane Linton reported that we have received 30 proxies for the Annual Meeting and another week to go for the balance to be received. Diane felt that we should be fine with meeting our quorum requirement to hold the meeting. There were reports that some 5 unit owners did not receive the mailing in a timely manner because of mail forwarding requests. These specific cases have received an additional mailing and should be able to complete in time for the annual meeting.

Diane reported that Bruce Harvey, Doug Cardwell and Donna Vieceli will be helping with the Teller duties. Pat McGuirk volunteered to be the greeter for Sunset owners with Jack McGuirk assisting.

Todd Dawson reported that he will be down on Saturday to help coordinate the guidelines for the opening of proxy and board voting at the Annual meeting. Jack McGuirk also said that any envelopes that owners bring to the meeting will be turned over to the Teller Committee before the meeting begins. Todd clarified that Florida law states that all proxy and ballot envelopes are to be turned in before the first one is opened. Others received after the first opening will not be accepted. Dave Vieceli said that the association President will close the acceptance of further envelopes. Todd confirmed that at the beginning of the meeting he will ask that all proxy and election ballots be turned in and he will then close the opportunity for any additional ones to be received for the tabulations. Upon opening, Donna and the Teller Committee will record attendance by person or proxy. Donna Vieceli asked if she should have extra ballots on hand in case of owners forgetting to bring their documents. Todd said possibly 5-10 should be on hand for the greeters to hand out upon request.

Marilyn Henkel confirmed that the Financials for 2017 will be handed out at the greeters table along with the Agenda and Minutes from the previous Annual Meeting.

Treasurers Report

Treasurer Steve Walz presented the Financial Statements for January 31, 2018 and were reviewed by the Board. Steve reported that the current budget has \$20,000.00 set aside for the Generator and \$10,000.00 for the Transfer Switch. Because we have a pooled reserve we may draw down funds in the replacement fund to pay for the total generator project. Todd reported that Reggie did have \$50,000.00 plugged in for the generator in the replacement fund projections.

Steve reported that the mailing has been sent to owners for the Hurricane Irma Assessment and some payments have been received. Also, Sunset has received a check in the amount of \$6,564.00 for an Irma flood damage claim.

Steve reported that the internal audit was completed by Bruce Harvey, Patsy Daniel and Jim Albinger. A letter was sent to Todd signed by the 3 on the audit team. Bruce made a comment that he was favorably impressed with the way Marilyn Henkel handled the financials at Sunset and thanked her for her dedicated service. Bruce did report that he was surprised at all the small checks that Reggie writes each month. Bruce suggested that Bob use a credit card a little more often and eliminate some accounts for small items.

Diane asked about the BB&T process of recording payments. Diane has an automatic withdraw for maintenance fees. Does BB&T have auto withdraw for special assessments? Steve said that no owners have been set up for assessment withdraws. Checks are to be received for Irma and Elevator Assessments.

Todd said that BB&T are on the ball as he paid the Irma assessment early and it did show a \$0.00 balance for his account.

With no further discussion Todd asked for a motion to approve the Financials for January 2018. Diane Linton moved and Craig D'Angelo seconded to approve the Financials. Motion carried. Dave Vieceli wanted clarification on the BB&T auto withdrawals. They pull out for maintenance fees but for special assessments they do not. Dave thought they would if an accounts already set up. Steve will call BB&T to clarify the auto withdraw process. Steve will let Diane know of their position so Diane can communicate with owners regarding Irma and Elevator payments. Diane said that the feedback from owners are all positive with the communication from the Board.

Todd thanked Steve for the Audit Committee letter and asked that it be available for owners at the Annual Meeting. Steve said Marilyn will coordinate the letter within the owner financial information packet. Marilyn said that a packet will also be sent to the owners that were unable to attend the meeting.

Presidents Report:

Todd Dawson reported on the following information:

- Registration: Todd asked that the registration process be explained and how the process is handled. Diane said that Bob along with Marilyn has done the registrations but he also has a lot of other things to do, even though it is in his job description. Bob says he has time to take care of the registrations and he will begin to do so on a more consistent basis. This is a busy time for registrations as only 11 units are unoccupied at

this time. Todd said that Bob should also be submitting any violations to the Board for review. Bob assured the Board that he would handle the registration responsibilities and violation reporting. Todd closed the discussion by suggesting if Bob needs help then he should let the Board know.

- Parking: Todd reported that last year the parking issue was brought up and a proposal was to be presented to the Board. Diane was waiting for clarification on certain details. Todd asked for a proposal so it can be evaluated and discussed.

Manager's Report:

Bob Collins reported on the following topics.

1. Advance Disposal/Pavers: Bob said that Advance stopped out last week to take more pictures of the paver staining. Bob stressed that no one has responded to our issues and we are in need of information. Advance did confirm that they had failed to respond but they are here. They assured Bob that they have a claim on file and will resolve the claim once the new trucks arrive. Diane asked Bob for any emails that document our complaints and requests with Advance. Bob will send copies to Diane. Bob concluded by saying new trucks will be great. However, once the units start to age they will begin to leak again. Bob will stress to Advance that we expect a sufficient claim to take care of the stained pavers, cleaning or replacement costs. Marilyn Henkel asked if we have a dollar amount that we are requesting from Advance. Todd said once the new trucks arrive then Sunset will get a proposal for the fix, then submit that to Advance. Todd asked Bob to send Advance an email thanking them for coming out, not forgetting us, per our conversation Advance will be taking care of the staining or paver replacement. Bob will draft a paragraph and send to Todd for editing.
2. Paver Cleaning and Sealing: Bob had another bid for the cleaning sealing of Sunset pavers. This is bid number two and he is trying to get a third.
3. Grocery Carts: Bob has posted signs for contractors not to use the shopping carts for tools and supplies.
4. Water in Men's Bathroom: It was reported that water was flowing into the men's bathroom. Bob removed a ceiling tile and noticed the water, the 01 stack shutoff is located at that location. The shutoff is new and Bob could not locate the leak location. Bob checked a second time and there was no water. Bob was going to check with unit #101 to see if any water issue happened.
5. Unit #201: Is requesting permission to install an alternative flooring other than carpet be installed in their unit. They intend to install vinyl plank flooring, no ceramic. An acoustic barrier will be installed under the vinyl flooring. This would be installed by a new contractor to Sunset, so a more cautious approach should be taken. It was suggested that the contractor fill out exhibit A so we have their information on file. Bob will request a sample of the flooring and sound barrier along with the data sheet on the product. Todd talked to the owner and they are installing a barrier under the vinyl. Diane will send an email to the owner regarding the requirement to provide a sound barrier. Materials should be attached to the flooring request. Todd Dawson then moved and Diane Linton seconded to provisionally approve the flooring project based on Bob's review of the materials to be used. Motion carried.

6. Beach Step: Bob has completed the beach ramp to connect to the beach step. The ramp looks good and functions well. It works fine and Tony is keeping sand graded up to it.

Craig D'Angelo left the meeting.

Elevator Committee Report:

Lloyd Shroyer reported on the following.

1. Generator and Transfer Switch: The committee has been working hard on getting generator proposals for reliable backup power. The committee has been working since November 2017. Lloyd made a special trip to Sunset and the supplier did not show and others are not even returning phone calls. However, we have assembled a spreadsheet to show the various suppliers and options for the Sunset generator project. Each company came in to investigate our needs and requirements for the new generator. One elevator is a must to operate during a power outage. Metro, E Electricians and All Phase provided bids for the project. Lloyd and Steve both had visited the Lee County Chief Plan Reviewer and Plan Examiner and their advice was to proceed with a like kind exchange for the generator. All units on the island are treated on a case by case basis. Metro then contacted the fire department and they said because we only have sprinklers in the trash and generator room then we would not have to connect to the fire pump. Fire Prevention Specialist, Lloyd Adams reviewed our case and reported the news to Sunset, not to power the fire pump. Lloyd feels that Sunset is cleared to do a like kind exchange for its new generator, saving Sunset considerable monies. Metro was the most competitive even with the fire pump option at \$81,823.00. E Electricians quoted \$149,890.00 and All Phase at \$285,180.00. With that information Lloyd and Steve went back to discuss a like kind quote and just a repair quote for the current generator with digital switching. Metro then quoted a like kind at \$53,638.00, which includes the 225 amp transfer switch, and a repair quote of \$8,978.00 to the old generator which would also include the digital transfer switch. The age of a generator is typically 20 – 25 years. Sunset's is believed closer to 40 +/- years old. Todd said our reserves budget places the life of a generator at 20 years. The digital switch feature is mandatory because of the new elevators are equipped with digital controls. Bob Offerman approves of the digital switch that was selected. We do need to make sure that the generator powers the lighting and air conditioning in the roof elevator control room, Both Lloyd and Steve felt we need to move promptly with the like kind exchange project. Sunset does not want to delay for fear that as we currently have permission to do a like kind exchange and not to power the fire pump. Todd Dawson said that when we installed the fire pump was installed it was the understanding that if we changed our generator that the fire pump may have to be powered at that time. That was our plan. However, with both the Town and Fire Department accepting a like kind exchange we need to move forward. Todd said not putting the fire pump is a huge budget savings to Sunset. We continue to opt out of the fire sprinkler requirement, but how long will they let us may be up to the Florida legislature. Legislation will drive that requirement. Todd feels we need to replace the generator under the like kind project and not repair the old. Changing to a new generator may grandfather us a not to require us to power a fire

pump until sprinklers in all units are required or when a new generator is needed. Lloyd and the committee are urging Sunset to secure a new generator under the like kind exchange and while both the Town and the Fire Dept. are in agreement with the like kind exchange. New administrators in the Town and Fire could change the ruling in a heartbeat. Diane asked how much lead time do we need and when would we have it installed. Lloyd said he would like it done just before the elevators are installed. Lloyd said he would not hesitate to act on the approving the new generator with digital transfer switch. The new generator will fit on the old generator platform and a new exhaust will be installed. Lloyd said there should not be construction involved in the installation. The maintenance agreement from Metro will be \$1,067.00 per year after the initial warranty year is completed. The service includes 4 trips and 1 oil and filter replacement appointment. Lloyd said this will be an LP Gillette powered generator with non-proprietary parts. Todd concluded by saying we have two choices, to repair the existing generator and add the digital switching or replace with a new generator and the required elevator digital switching. Todd said if the Board is not comfortable making a decision today then a meeting next week will be called to have all 5 board members in person or on the line.

Craig D'Angelo returned to the meeting.

Todd recapped the conversation with 2 options, repair or replace. The repairs would be \$10,000 and the new generator with transfer switch would be \$54,000.00. The like kind exchange would be the best scenario for Sunset.

Steve commented on the first 3 bids which ties into the fire pump. However, without a like kind exchange you will need an elevation certification and that may force Sunset to install the generator on the roof. Steve said we have to be careful that the original quotes may not be an all-inclusive bid. Putting the generator on the roof would impact from a price standpoint. Lloyd reminded the group that we all are assuming that the like kind exchange will be approved. If not we will be back here discussing proposals all over again. Lloyd said we still may be subject to an elevation certificate which run around \$600.00. If an elevation certificate is required then that could cause issues as well. Steve said that all we need is an Electrical Permit for transfer switch wiring and a fire Permit to hook up the existing fuel line to the generator, for a like kind exchange. They did not mention the elevation certificate. Todd said the fear is that if Sunset is forced to have an elevation cert then that would open up a whole new problem. The elevation of the generator is similar level to Bob's office, if we get flooded out so will the generator and lower level of Sunset. Craig's thoughts were that he would prefer not spending \$50,000.00 if we don't have too. Also, he would prefer higher reserve funds and no assessments. But if we have to wait and put it on the roof then he knows the expense will grow. Craig said there is a gas line running up to the roof, but Lloyd said the line would not support two generators. Diane suggested that since Wayne was not in the meeting then we should wait and get his feedback. Todd agreed to delay the decision for a meeting next week when all can attend. However, Todd wishes to move this along. Todd said we could Band-Aid the current generator but that does not guarantee the life of the old generator. Also with changing administrators and laws he would rather spend \$50,000.00 today then \$80,000 or \$100,000.00 in a few years. Todd

agreed to put this decision on hold and will post a meeting for next week. Todd thanked Lloyd and Steve for their hard work on this project. This was a tough project because all of the moving targets and lack of consistency in the size and scope of the generator. Todd said working with Lee County and the Fire Authority was telling and should lead us to a better decision. Bob echoed the thoughts and said they have Sunset in a good spot right now with the like kind swap out exchange. Bob said we are only pulling two permits to get this done, so it is feasible. Steve said that we only need to put a transfer switch on the existing generator. However, the Board is focused on getting the generator replaced per the planned replacement schedule, which we are actually behind on. Jack McGuirk asked how much we had in reserves. Steve reported that Sunset has \$76,000.00 in the reserve account but that will continue to grow with maintenance and assessment proceeds. Dave Vieceli suggested that in the interest of time, have Metro approach Lee County and Fire Authority to begin the permitting process. Todd agreed that it was a good approach to move the project along. Dave thought the permitting process was a 3 week time frame, but he would not advise the Board to order a generator until the permitting is approved. Todd moved and Craig D'Angelo seconded to move forward with the permitting process with Metro and to approve up to \$5,000.00 in permit fees and expenses. Motion carried. Todd told Lloyd that the board is in favor of heading in a like kind exchange, but make sure they know to hold off on any generator order until after permitting is secured. In closing, next week's meeting will cover the new generator decision along with the service agreement. Lloyd brought up the situation where he may have approved charges, but he will attempt to eliminate the expense altogether. The Board closed by thanking Lloyd and Steve for their hard work on the generator project.

Landscape Committee Report:

Dave and Donna Vieceli reported on the following.

1. Dave Vieceli reported that he has been in touch with Tony of West Coast Cabanas regarding the possible assistance with moving the beachfront landscaping boulders. Dave will continue to communicate with Tony to begin the movement process. Todd reminded Dave that our contract with Tony is up soon and we need to communicate our thoughts going forward. Todd Dawson moved and Steve Walz seconded to renew the contract with West Coast Cabana for another year at the same rate. Motion carried.
2. Dave has been in touch with the Town's PR firm regarding the Ft Myers Beach refresh project. Dave introduced Sunset's plan to move trash pickup to the street side. They informed Dave that they have no say in the decision as it is a county issue. But they did say that a drawing or landscape plan could be drawn into the construction plan. Todd had said in an earlier meeting that a landscape architect could be useful in the planning process. Dave will continue to locate and meet with town and county individuals that can influence a decision. In regards to the town, the permitting office has new faces and Dave would like to make contact with the individual for review of our trash pickup plans. The conversation would be to possibly gain another entrance to Sunset off Estero Blvd. Dave wants to get approval so he can relay our thoughts so the street design can include the Sunset entrance(s). Estero is a county road and curb cuts will be controlled by their

plan. Todd asked Dave to continue his pursuit for the testing the waters for permitting and entrance designs which may include a trash pickup area. Dave said he will begin with a pencil sketch of thoughts on Sunset's site plan, then see if they require a more formal drawing, which would be incorporated in the roadway design plans. Marilyn asked if Todd would send an email to Dave assigning him as the point of contact for Sunset. Dave already is receiving information from the county, city and the refresh PR firm. Todd told Dave if he needs such a document to let him know. Todd thanked Dave and Donna for their efforts and attention to the landscaping and streetscape plans.

Old Business:

1. Sunset Documents: Todd reported that he forwarded the changes to DeBoest and they were to update the redline documents for the Annual Meeting. The final versions which include smoking, guest pets, etc. are now included. Todd asked DeBoest for his blessing on the proposed changes to ensure we have not violated state laws. Richard DeBoest approves of the proposed changes. Todd asked Diane to prepare an email and send the documents out to unit owners for their opportunity to review before the annual meeting. Richard DeBoest will present the condo docs at the annual meeting and will be available to accept comments or answer questions. Donna said that she and Marilyn talked about having just a few copies of the documents at the annual meeting so they could share if owners did not bring their docs with them. Todd felt that would be helpful for unit owners who attend the meeting.

New Business:

- No new business was brought before the Board.

Owner Comments:

- Bruce Harvey, unit #504 asked if the condo documents had the latest requirements for sound deadening materials to be used. These materials are ever changing and a direction would be appreciated. Todd reported that the new docs do not change the required equivalent of ¼ inch cork but said that is a good suggestion. Todd asked Bob to clarify what materials we have used in recent years and maybe include those in the documents.
- Donna Veceli, unit #405 asked Bob if we currently have an agreement with Metro right now. Bob confirmed that we do have a maintenance agreement with Metro for 4 times per year and an oil change visit. Lloyd thought we could also have Metro quote on the fire pump service as well to keep all service reps honest.
- Marilyn Henkel, unit #804 wanted to complement Caller IP for their amazing Wi-Fi service. It is fast and it is reliable. Caller IP has completed the installs for their previous Sunset customers. The free Wi-Fi is still active, but is very poor service and hardly reliable.
- Jack McGuirk, unit #603 asked that the Social Committee be acknowledged and placed on the agenda. It takes a lot of work to put these events together. Todd and Bob both apologized and recognized the vast effort that goes into the events. Jack said we are

getting so many of the unit owners together for parties and Bocce Ball tournaments. Jack said these are great social gatherings for our owners. Jack said that Pat McGuirk does most of the planning and coordination and is worthy of thanks. Todd will add the Social Committee to the Agenda.

Todd reported that the Annual Meeting for Sunset Inc. will be held next week at Charley's Boat House Grill on February 21, 2018 at 10:00 am. Diane thanked Donna for being so helpful in the communications and with documents needed for the annual meeting.

With no further topics to be brought before the Board, Todd Dawson moved and Diane Linton seconded to adjourn the meeting. Motion carried.

Respectfully Submitted,

Wayne M. Porter

Wayne M. Porter
Recording Secretary

The next scheduled Board Meeting of Sunset will be held on March 15, 2018 at 9:00 a.m.