

# SUNSET INC.

Board of Directors Meeting  
April 26, 2019 9:00 a.m.

Todd Dawson called the meeting to order. Lloyd Shroyer called the roll. Todd Dawson, Lloyd Shroyer, and Mark Bishopp attended by phone. Steve Walz and Bob Collins were in the office. Gregg Parish was unavailable. Owners Rosalie Pauck, Dave and Donna Vieceli, Marcia Bailey, Diana Linton were in the office.

Todd Dawson welcomed all and confirmed that proper notice was posted on April 23rd and was forwarded via email as a courtesy to the owners on that same day. The meeting is also being recorded.

## Insurance Discussion

Todd Dawson asked Greg Havenmeier our agent from Gulf Shore Insurance to attend the meeting by telephone and give the Board and owners present a brief reminder on insurance responsibility for damage caused by water caused by an insured event. Greg Havenmeier reminded those on the call that he is not an attorney nor an adjuster but he is a partner with Gulfshore Insurance and has been in the business of insuring condominiums for 29 years with 20 of those years as the insurance agent for Sunset. Greg had earlier sent an article explaining insurance responsibilities for a water intrusion accident. (A copy of that article is attached at the end of the minutes.) Greg clarified who is responsible for loss caused by water damage from an insurable event according to Florida statute 718.111. Greg was provided a copy of the Sunset documents and reminded Sunset that Sunset documents cannot contravene or contradict Florida statute (in this case 718.111). Under that statute:

- The Association is responsible for damage caused by an insurable event to:
  - Drywall
  - Dry out associated with drywall
- The unit owner where the water damage occurred would be responsible for painting, rugs, furniture, or other damage to items interior of the drywall.
- The unit owner (experiencing damage) and the association should determine if it makes sense or not to turn in the claim to their insurance policy based on the extent of the damage and the amount of the deductible.
- The unit owner causing the damage may want to make their insurance company aware of the situation but their insurance coverage will likely not cover damage to areas below.
- If the insurance company for the lower unit believes that a subrogation claim can be made to the insurance company for the upper unit that should be left to the insurance companies and not the owners or the association.

Greg gave the common examples of a shower pan leaking, water heater bursting, sink backing up, toilet or bath tub overflowing in an upper unit that causes sudden damage to the unit and units below. All of the examples would be considered sudden and accidental occurrences which is covered by the association master policy. Greg explained that with the above examples in mind that the association would be responsible for repair, replacement, drying out of the drywall and the damaged unit owner would be responsible for painting, repair replacement of items such as painting, cabinets (or any other items such as furniture in the unit), or floor covering.

A question was asked that if drywall was damaged behind cabinetry (and the cabinet was not damaged) who is responsible for removing and reinstalling the cabinets. Greg brought in an adjuster to help respond and they confirmed that the association would be responsible for removal and installation of cabinets that were not damaged. A question was asked about baseboard. Greg said that it was a grey area of coverage and possibly both policies (unit owner and association) policies would possibly cover baseboard and in that case it is likely that the association's policy would be considered the primary and be responsible for replacement. However, the unit owner would be responsible for painting.

A question was asked what would happen if an owner made material alteration to the unit by, for example, adding a wall and new drywall that was not contemplated or included in the original design. Greg answered that the same would hold true under the Florida statute 718.111 the association has primary responsibility for insuring the drywall whether interior or perimeter even if it was added and not contemplated by the original design. There is no exclusion for material alterations in the Florida statute.

Greg Was thanked for his time as well as his continued support of Sunset.

### Secretary's Report

- Lloyd Shroyer moved to approve the minutes from the March 28<sup>th</sup> board meeting. Mark Bishop seconded the motion. The motion carried.
- Lloyd Shroyer moved to approve the minutes from the Annual Meeting for posting on the internet. Todd Dawson seconded the motion. The motion carried.
- The minutes from the March 28<sup>th</sup> board meeting and Annual Meeting will be posted on the Sunset website.

### Treasurers Report

- Steve Walz discussed that the March operating budget is running slightly over budget. As previously discussed two items caused the over budget situation. One was moving the bonus payment for Bob Collin's from December 2018 to January 2019 at his request. The other was the payment for dumpster tug. The Replacement Fund is running under budget as currently there have been no expenses paid from that fund. However, the cleaning, repair and sealing of the pavers scheduled for May will hit the Reserve account and was previously unbudgeted. Todd Dawson requested the cleaning and resealing of

the pavers be put in the Reserve Budget in the future as it has been suggested by the contractors that we need to clean and seal the pavers every 2-3 years. An owner asked if we were still getting reimbursed for the damage caused by Advanced and Todd Dawson reported that we were still working with Advanced, their insurance company and their lawyers to get Sunset reimbursed for the damage. Todd Dawson moved and Mark Bishopp seconded a motion to accept the March financials as presented. Motion Carried.

- Our agent at Gulf Shore Insurance sent Sunset a note recently informing us that in the depreciated value of the manager's unit increased from \$152,000 to \$169,000 based on the latest appraisal. Gulf Shore asked if Sunset want to increase the flood coverage on the manager's unit to match the increased depreciated appraised value. The extra premium would be \$468. After a discussion the Board felt that the small increase in insured value did not warrant the increase in premium. Todd Dawson moved to leave the premiums as is and not to increase the insurance amount. Lloyd Shroyer seconded and the motion carried.

### Presidents Report:

Todd Dawson held the items he would discuss as new business so no further President's Report was given.

### Manager's Report:

The Board was provided an updated spreadsheet listing the current projects as well as those that were pending.

- In addition to the report:
  - Bob expressed thanks to David Linton for taking on the task of cleaning and waxing the metal art work in front of the building and on each landing. The task takes a fair amount of time and effort and Bob and the Board express their thanks to David.
  - During a recent inspection of the pool the inspector pointed to the automatic chlorinator not functioning properly. This has been a recurring issue. Bob is attempting to reset the chlorinator on his own. The Board felt that if it could not be done the vendor should be called and we should make a determination if the chlorinator needed to be replaced due to age. No major items were identified in the inspection.

### Landscape Committee Report:

- Dave Vieceli was in attendance and reported that the landscaping committee will be replacing a few of the plantings but otherwise they are in maintenance mode.
- A few sprinklers need to be adjusted and installed but Dave will coordinate that work with the sod/sand project. The Board gave Dave latitude to use his judgment on which vendor to use for sprinkler repair and installation.

### Social Committee Report:

- No report from the Social Committee

### Old Business:

- Website Upgrade –  
Secure Page: Todd Dawson was still exploring our website to see if we could put a secure page on the site that could be logged into by Owners. The secure site would be a place to post financials and other such confidential information. Todd Dawson said that he was behind on moving forward with the project but it does not affect Sunset's operation.
- Advance Paver Claim. Todd Dawson has been in contact with our attorney handling the matter. Advanced is asking for additional quotes which we will try and obtain with the understanding that since the job has already been approved and contracted it is difficult to obtain quotes. Todd will be in contact with our attorney to explain the situation.
- Sand/Sod/Rocks – Steve Walz received a quote of over \$5,000 to remove the sand and resod the area. Lloyd received a quote of \$1,650 for removal of the dirt. We had a third quote of \$2,500 for dirt removal. It was decided to move forward with the quote of \$1,650 for dirt removal and to break down the \$5,000 quote and have them just install the sod. Lloyd will call the vendor and get a price for sod delivery and installation. Steve Walz moved and Todd Dawson seconded a motion to spend the \$1,650 for removal of the dirt as well as moving forward with laying the sod. The motion carried.
- Cable: Comcast sent an email to Sunset to start discussion on renewal. Dave Vieceli gave a brief presentation at a recent CAFMB regarding Fision cable. There was interest and CAFMB have appointed an individual to head a small committee to look at the options of internet and cable providers. We will keep in contact with that committee. It is noted that Sunset must give 90 day notice Comcast prior to the expiration date of 4/1/20 if it intends to not renew. We will keep our options open at this time.

### New Business:

- Recent Water Issues. The Fire Restoration company is nearly complete drying out the 5 stack at and below 705 after a storm blew water into 705 and down. Per the discussion above with our insurance agent the Association is responsible for drying out and fixing drywall issues caused by the event. Any cost associated with drying out rugs/carpet or other interior items will be the cost of the unit owner. Lloyd Shroyer commented that in light of way insurance works and the responsibility of the association owners need to understand that we should all be working together and watching out for one another and if someone sees something like hurricane shutters not down during a storm that we should try and contact the owner or Bob. We are all the Association and anything we can do to prevent such damage by helping out our neighbors the better we will be. Lloyd also commented that a message with an update to all owners would be in order.

- Turtle Light Reminder. Turtle season is starting soon and owners are reminded that their lanai lights are to remain off during turtle season. The town has people checking the for excessive lights and have fined condominiums in the past.
- Hurricane Preparedness. A reminder will be sent to owners to make sure their units are properly protected for the approaching hurricane season. Now that the high season is over it would be a good time to update door seals and make sure that you unit is as water tight as practical to reduce win born water.

Owner Comments:

- An owner passed along a comment to Steve Walz to be related in the meeting. The owner believed that if an owner causing damage from a water leak or in the current situation water intrusion due to the hurricane shutters bing left up during a storm that the owner causing the damage should be responsible for covering all of the damage below. In answer, our agent made it clear earlier in the meeting that such accidents or leaks are considered insurable events. Under Florida Statute the Association is responsible for insuring drywall damage. Our agent further made clear that each unit owner is responsible for insuring contents of their unit.
- An owner asked about the water pressure issues in 1101. Sunset is aware of the issue and had proactively has had plumbers look at the issue from our perspective and they could not identify the issue or replicate the problem. If the problem persists we will work with the owner to attempt to identify the issue.

With no further topics to be brought before the Board, Lloyd Shroyer moved and Todd Dawson seconded a motion to adjourn the meeting. Motion carried.

Respectfully Submitted,

*Lloyd Shroyer*

Lloyd Shroyer  
Sunset Secretary

The next Board Meeting is tentatively scheduled for May 23th, 2019 at 9:00 a.m.