

GRAND PANAMA BEACH RESORT OWNERS ASSOCIATION, INC.
BOARD OF DIRECTORS MEETING
January 19, 2024, 03:00 PM CT
Zoom Teleconference & GP Tower 2 Board Room, 11800 Front Beach Road
APPROVED MINUTES

- A. **CALL TO ORDER:** The meeting was called to order at 03:00 PM CT by CAM Derek Gilbert.
- B. **ESTABLISH QUORUM:** Quorum was established with Glenn Holliday, James Eagleson, Nancy Stovall, Darrell Caudill, Woody Junot and JPorter Share participating either in person or via Zoom teleconference. Jarod Triplett was not in attendance. Derek Gilbert (CAM) was present in person on behalf of RCAM Florida Association Management and Stephen Kilcummings, RCAM Florida, was present in person as the Building Maintenance Supervisor. Amy Ludlam, RCAM Florida Director of Association Accounting, was present via Zoom. Jay Hannen with Coastal Waste & Recycling was present in person. Derek Gilbert recorded the minutes.
- ALSO IN ATTENDANCE:** Unit Owners in person (12) Twelve. On Zoom: Unknown number of Unit Owners present via Zoom teleconference.
- C. **PROOF OF NOTICE:** Derek Gilbert (CAM) verified Proof of Notice was posted according to Florida Statutes and Association Documents.
- D. **APPROVAL OF MEETING AGENDA:** On a **motion** by Nancy Stovall and a second by James Eagleson to move New Business agenda item H to follow agenda item B with remaining agenda items to continue in order following this, the meeting agenda **approval** carried unanimously.
- E. **APPROVAL OF THE DECEMBER 12, 2023 BOD MEETING MINUTES:** On a **motion** by Nancy Stovall and a second by Woody Junot, the meeting minutes were **approved**. Motion carried unanimously.
- F. **OLD BUSINESS:** None.
- G. **NEW BUSINESS:**
- A. **Taylor Sudden Service Generator Radiator Housing Invoice Ratification:** Derek noted that the invoice as presented for \$10,537.66 was for the Tower 1 generator housing that was discovered upon inspection to be rusting out and not bracketed when the fan was installed. Due to the urgency for the generator to be in compliance with city of Panama City Beach code, the new radiator housing was installed by Taylor Sudden Service and to be ratified with direction for funding to come from Reserves. On a **motion** by Nancy Stovall and a second by Darrell Caudill to ratify the Taylor Sudden Service invoice for the Tower 1 generator radiator housing for \$10,537.66 to be funded out of Reserves, the motion carried unanimously.
- B. **Coastal Waste & Brask Addendums:** Derek discussed the current contracts in place with Coastal Waste for 2024-2026 for the trash removal for Tower 1 & Tower 2 and Brask Enterprises for the compactor rentals for Tower 1 & Tower 2 expiring in 2025. He noted the difficulties faced right now as Coastal Waste was set to have a truck to navigate the tight radius of the Tower 1 compactor and advised they didn't have this truck available for service as of January 1, 2024 as their sales team had previously indicated. Options were investigated for lower costs with no increase and plans to keep pricing at a lower point to offset the anticipated monthly increase options for the current compactor to be switched out with a front loading compactor by Brask Enterprises. Brask Enterprises provided addendum options for a 6 year contract, effective upon

installation of a front loading compactor, for \$1,275.00/month or a 5 year contract, effective upon installation of a front loading compactor, for \$1,395.00/month. It was noted these costs were total for the Tower 1 front loading (apartment) compactor, three 2 yard compactor containers and the Tower 2 compactor.

Jay Hannen with Coastal Waste apologized for not being able to supply the roll off truck needed for Tower 1. He noted that with a front loading compactor the cost would be significantly less as the truck is able to remove the compactor trash into the truck in 15 minutes instead of hauling off the compactor for hours with additional charges for time and travel. He indicated this is noted on the Coastal Waste addendum for 3X week frequency at \$1,053.00/monthly base rate for the Tower 1 front loading compactor. Jay noted that the total estimated cost for February-August 2023 would have been just over \$17,000 with the front loading compactor and increase as reflected by Brask Enterprises. The attached breakdown as well reflected a total estimated cost for Tower 1 of under \$26,000.00. He added that with the change the cost savings for Tower 1 compared to the current contract would be an estimated \$9,500.00-\$10,000.00.

On a **motion** by Nancy Stovall and a second by JPorter Share to move forward with the Brask Enterprises addendum for a 6 year agreement at \$1,275.00/month for the Tower 1 & 2 compactors and three compactor containers, the motion carried unanimously. On a **motion** by Nancy Stovall and a second by JPorter Share to accept the Coastal Waste addendum for Tower 1 for 3X monthly haul for \$1,053.00/monthly base rate on a front loading compactor, the motion carried unanimously.

- C. **(Moved from H) Loan & Insurance Committee Updates:** Owner Gary Middleton headed the discussion for the Non Residential Unit Loan committee with recommendations as noted on the attached pages to be presented to the Board of Directors and with the Board of Directors to make a final decision. The Board continued discussion of the committee options with no decision made at that time. Owner Leisa Kibble headed the discussion for the insurance committee with recommendations as noted on the attached pages to be presented to the Board of Directors and with the Board of Directors to make a final decision. The Board continued discussion and it was understood that no decisions could be made by the Board until it was closer to renewal time with maturity dates of May 1 and July 1.
- D. **(Moved from C) Vending Machines Discussion:** Derek discussed that Giambra and Coca-Cola in a joint venture with the Association in 2019 elected to have vending machines placed on property to better serve the community and the Association also entered into a written agreement with Gulf Ice for an ice machine for bags of ice. It was noted that the vending machines have created income of roughly \$9,000.00/year and are serviced and stocked by Giambra, Coca-Cola and Gulf Ice. The Association researched the energy costs of running the machines with the operators of the machines due to an Owner inquiry. The cost of electricity was determined to be estimated \$1,104.00/year with additional research done online. Derek noted that the contract with Giambra and Coca-Cola is a verbal contract entered into in 2019 with the Association. He added that vendors normally require a minimum of 5 companies to enter into an agreement and the management company only had 2 at that time, one of which was Grand Panama. The vendors normally offer a 20% commission on sales but were willing to enter into a verbal agreement with 30% commission on sales. He noted that the Gulf Ice agreement is on the Owner website. He also noted that the revenue is not tracked with the budget and is considered additional income.
- E. **(Moved from D) Current Beach Services Contract Discussion:** Glenn noted that the beach is leased out to Aquatic Adventures for the next 3 years with the sole right of Aquatic Adventures to use of chair rentals, watercraft and other items as noted in the agreement. He added that any Owners who wish to have an event on the beach need

to communicate with Aquatic Adventures and that parking rights have not been given up to lease out this beach area.

- F. (Moved from E) Parking Discussion:** Glenn noted that while parking spaces are for Owners and their guests, the overall number of parking spaces is still limited and the Association has over the years opened up over 100 spaces between the ground area surrounding Tower 2 and the back lot deeded to the Association. He relayed that with the increase in the Association dues, it is important to maximize usage of the parking spaces to obtain as much parking revenue as possible with guests. While 2 parking spaces are permitted per guest registration, he noted that the Association will not advertise more than 2 parking spaces but a third may be accommodated based on availability as determined by Owner Services and security. Glenn also noted that day passes can be distributed from time to time for short term visits by friends and family of Owners and are not charged, however, it is not for overnight visits. Darrell posed a question about Owners purchasing additional parking spaces but it was noted that the Association had looked into this in the past and requires an amendment of the governing documents and 80% positive vote.
- G. (Moved from F) Trailers Discussion:** Glenn noted that the governing documents state trailers in general, with the Non-Residential Units being the exception, are not permitted on property, however, trailers have serviced the Association in the past for ongoing long-term projects such as Valcourt or the stand alone garage lights being installed. He advised that the handling of a trailer violation is at the discretion of the Board of Directors. He noted that for Owners having work being done on units or move-ins/move-outs, the Owner would be permitted a 72 hour window for a trailer as long as the Owner contacts Owner Services and security of the trailer and obtains a band for the trailer hitch. He advised that trailers are not to be utilized in any of the parking garages and only to be located in the back lot northwest of Tower 2. It was also communicated that the Association has permitted trailers during the two bike weeks in the past as the developer had initially permitted them during those weeks.
- H. (Moved from G) Fine Process:** Derek noted that the first notice for a violation is emailed to the Owner with generally a notification of 7 days to comply. He added that if the Owner is still not in compliance, a fine violation notice would be mailed to the Owner regular and certified mail to the mailing address and physical address. This would include the hearing committee date/time with photos taken whenever possible from this date up to the hearing committee date. He noted violations and photos would be presented to the hearing committee as they must remain impartial and the hearing committee to vote Yes or No on the fine. He added that if a fine is assessed, the Owner can pay or not pay but could have a lien placed on the unit if the Owner elects not to pay. If the violation continued, whether the Owner pays or not, the violation process could start over at any time for the same or different violation.
- I. Financial Discussion:** Glenn noted that the December/year-end financials should be available on or near the 23rd and confirmed by Amy. Amy noted that once available, a preliminary pre-audited financial will be done. She stated the auditors have already started pulling bank statements from previous months to begin working on the audit. Once the audit is available, it would be typically sent to the Board Treasurer and President for review. She added the audit will be sent to the remainder of the Board once the Treasurer and President approve. Audit journal entries will then be reviewed and notice will be sent to the Owners that the audit is available and placed in Appfolio and on the Owner website. She noted the process is typically completed in April and 2023 prior retained earnings will be segregated out and rolled into all retained earnings. With a question by Glenn on the status of funds being moved to Servis1st, Amy noted that finalization was just completed of all accounts moved from Community Bank to Servis1st.

H. **ADJOURNMENT:** Nancy Stovall **motioned** and a second by James Eagleson to adjourn at approximately 05:26 PM CT. The motion was **approved** and carried unanimously.

Respectfully Submitted,

Derek Gilbert, LCAM



February 2023	Waste Pro	Coastal Waste	Front Load
Tower 1 Haul Frequency	8	6	3
Haul Cost x frequency	\$4,298.16	\$3,223.62	\$1,053.00
Equipment Rental	\$0.00	\$0.00	\$381.55
Tonnage Cost	\$326.26	\$323.95	\$0
Fuel Free	\$444.24	\$0	\$0
Monthly Total	\$5,068.66	\$3,547.57	\$1,434.55
March 2023	Waste Pro	Coastal Waste	Front Load
Tower 1 Haul Frequency	8	6	5
Haul Cost x frequency	\$4,298.16	\$3,223.62	\$1,754.00
Equipment Rental	\$0.00	\$0.00	\$381.55
Tonnage Cost	\$588.35	\$584.10	\$0
Fuel Free	\$525.43	\$0	\$0
Monthly Total	\$5,411.94	\$3,807.72	\$2,135.55
April 2023	Waste Pro	Coastal Waste	Front Load
Tower 1 Haul Frequency	11	7	5
Haul Cost x frequency	\$5,809.97	\$3,760.89	\$1,754.00
Equipment Rental			\$381.55
Tonnage Cost	\$696.88	\$691.90	\$0
Fuel Free	\$655.95	\$0	\$0
Monthly Total	\$7,162.80	\$4,452.79	\$2,135.55
May 2023	Waste Pro	Coastal Waste	Front Load
Tower 1 Haul Frequency	14	11	7
Haul Cost x frequency	\$7,521.78	\$5,909.97	\$2,446.00
Equipment Rental			\$381.55
Tonnage Cost	\$789.95	\$784.30	\$0
Fuel Free	\$863.84	\$0	\$0
Monthly Total	\$9,175.57	\$6,694.27	\$2,827.55
June 2023	Waste Pro	Coastal Waste	Front Load
Tower 1 Haul Frequency	12	10	7
Haul Cost x frequency	\$6,447.24	\$5,372.70	\$2,446.00
Equipment Rental			\$381.55
Tonnage Cost	\$1,168.86	\$1,160.00	\$0
Fuel Free	\$777.56	\$0	\$0
Monthly Total	\$8,393.66	\$6,532.70	\$2,827.55

July 2023	Waste Pro	Coastal Waste	Front Load
Tower 1 Haul Frequency	12	10	7
Haul Cost x frequency	\$6,984.51	\$5,372.70	\$2,446.00
Equipment Rental			\$381.55
Tonnage Cost	\$1,552.20	\$1,541.10	\$0
Fuel Free	\$840.34	\$0	\$0
Monthly Total	\$9,377.05	\$6,913.80	\$2,827.55
August 2023	Waste Pro	Coastal Waste	Front Load
Tower 1 Haul Frequency	13	10	7
Haul Cost x frequency	\$6,984.51	\$5,372.70	\$2,446.00
Equipment Rental			\$381.55
Tonnage Cost	\$660.87	\$656.15	\$0
Fuel Free	\$804.00	\$0	\$0
Monthly Total	\$8,449.38	\$6,028.85	\$2,827.55
February to August	\$53,039.06	\$37,977.70	\$17,015.85

January	Front Load
Tower 1 Haul Frequency	3 days week
Service Frequency Cost	\$1,053.00
Equipment Rental	\$381.55
Monthly Total	\$1,434.55

February	
Tower 1 Haul Frequency	3 days a week
Service Frequency Cost	\$1,053.00
Equipment Rental	\$381.55
Monthly Total	\$1,434.55

March	
Tower 1 Haul Frequency	5 days a week
Service Frequency Cost	\$1,754.00
Equipment Rental	\$381.55
Monthly Total	\$2,135.55

April	
Tower 1 Haul Frequency	5 days a week
Service Frequency Cost	\$1,754.00
Equipment Rental	\$381.55
Monthly Total	\$2,135.55

May	
Tower 1 Haul Frequency	7 days a week
Service Frequency Cost	\$2,446.00
Equipment Rental	\$381.55
Monthly Total	\$2,827.55

June	
Tower 1 Haul Frequency	7 days a week
Haul Cost x frequency	\$2,446.00
Equipment Rental	\$381.55
Monthly Total	\$2,827.55

July	
Tower 1 Haul Frequency	7 days a week
Service Frequency Cost	\$2,446.00
Equipment Rental	\$381.55
Monthly Total	\$2,827.55

August	
Tower 1 Haul Frequency	7 days a week
Service Frequency Cost	\$2,446.00
Equipment Rental	\$381.55
Monthly Total	\$2,827.55

September

Tower 1 Haul Frequency	5 days a week
Service Frequency Cost	\$1,754.00
Equipment Rental	\$381.55
Monthly Total	\$2,135.55

October

Tower 1 Haul Frequency	5 days a week
Service Frequency Cost	\$1,754.00
Equipment Rental	\$381.55
Monthly Total	\$2,135.55

November

Tower 1 Haul Frequency	3 days a week
Service Frequency Cost	\$1,053.00
Equipment Rental	\$381.55
Monthly Total	\$1,434.55

December

Tower 1 Haul Frequency	3 days a week
Service Frequency Cost	\$1,053.00
Equipment Rental	\$381.55
Monthly Total	\$1,434.55

Total annual estimated cost	\$25,590.60
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Non-Residential Unit Loan Payment Option Committee

Situation: The Association secured a loan from BanCorp South for \$2,300,000 to purchase 6 non-residential units which is amortized over 20 years at 4.25%. It has a 5-year balloon payment due 12/28/2025 and the payoff would be \$1,902,968.96. The current monthly payment, which is in the operating budget, is \$14,317.68, \$171,812.16 for a year.

The board of directors chartered the **Non-Residential Unit Loan Payment Option Committee** to:

- Identify all options for satisfying the balloon payment due
- Investigate each option and identify the pros and cons of each option
- Prepare and present a recommendation to the board

Committee Members

- Gary Middleton, facilitator
- Mike Harper
- Dennis Hetman
- Dean O'Reilly
- JPorter Share
- Elmer Smith
- Nancy Stovall
- Jarod Triplett

Non-Residential Unit Loan Payment Option Committee

Discussion: The Committee met on January 11, 2024 and reviewed pros and cons of paying off the loan or refinancing the loan, Payoff Loan

Pros

- Unknown interest rates in two years. Will definitely be higher than the current 4.25% rate
- If refinanced, interest paid on the loan over the next 15 years would be near \$1,000,000
- Being free of the debt would give the Association a much better position in two years

Cons

- Additional burden on the owners with the additional payment amount
- The ability of owner to pay and forced to sell their units
- Impact to operating budget to cover the assessment amount for non-residential units

Refinance the Loan

Pros

- Investment companies and banks are willing to negotiate refinancing options

- With higher interest rates, increase to unit owners would average between \$9-\$16 a month per unit

Cons

- Uncertainty of interest rates
- Amount of interest and origination cost paid by the Association

Numbers Are Estimates Only

Committee Recommendations

- Decision: Based on consensus of the committee, the recommendation is to payoff the balloon payment by 12/28/2025.
- Options for Payoff
 - Two lump sum payment, one in October 2024 and one in October 2025
 - A monthly assessment payment starting in April 2024 and continuing until December 2025
- Note
 - Money collected would go directly to the loan and applied to the principal

Unit Type	Referenced - One Lump Payment	Two Lump Sum Payments			Total	Monthly	Payments Starting 4/1/2024 - December 2025
		10/3/24	10/1/25	10/1/25			
TOWER 1							
C&D	\$9,956	\$ 2,978	\$ 2,824	\$5,647	\$273.40	\$5,741	
E&F	\$7,509	\$ 3,754	\$ 3,560	\$7,120	\$344.70	\$7,299	
G	\$10,054	\$ 5,027	\$ 4,766	\$9,533	\$461.53	\$9,692	
H	\$11,649	\$ 5,825	\$ 5,523	\$11,045	\$534.75	\$11,230	
TOWER 2							
B	\$4,739	\$ 2,369	\$ 2,246	\$4,499	\$217.52	\$4,568	
D	\$5,956	\$ 2,978	\$ 2,824	\$5,647	\$273.40	\$5,741	
E & F	\$7,651	\$ 3,825	\$ 3,627	\$7,254	\$351.21	\$7,375	
G	\$10,059	\$ 5,030	\$ 4,769	\$9,538	\$463.77	\$9,697	
H	\$11,890	\$ 5,945	\$ 5,637	\$11,274	\$545.84	\$11,403	
Total	\$1,902,969			\$1,841,424		\$1,834,512	
Option Savings in Interest				\$61,545		\$66,957	

Sale Price	\$ 1,900,000.00
Down Payment	\$ -
Interest Rate	8%
Closing Cost	\$4,500
Monthly Payment	\$15,892.37
Balloon Payment	\$1,678,877.87
Loan Amount	\$1,900,000.00
Total Interest	\$716,527.70
Total Paid	\$2,616,527.70
Payoff Time	5 Yrs

Number of Payments	60
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Annual Cost	\$190,788.44
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Total Property Cost	\$2,621,027.70
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**Grand Panama Beach Resort
Non Residential Units
2024**

The Association secured a loan from BanCorp South for \$2,300,000.00 which is amortized over 20 years at 4.25%. It has a 5 year balloon due 12/28/2025 and the payoff would be \$1,902,968.76, which is normal for commercial loan, and means at that point the association can pay off the loan, renegotiate the loan with the current bank or reach out to other banks for financing. The monthly payment is \$14,317.68.

- Non-Residential Units
 - Non-Residential Unit Rentals
 - Suite 100 Real Estate
 - Suite 200 Panhandle Getaways/General Store
 - Suite 300 Donut/Coffee Shop
 - Tiki Hut - Tower 1
 - Tiki Hut - Tower 2 (not leased)
 - Storage Area Rentals
 - Property Management Unit

2024	Yearly	*Yearly	
Income	Income	Expenses	Net Income
Non-Residential Unit Rentals	\$172,500	\$192,069	\$ -19,569
Storage Area Rentals	\$ 74,820	\$ 15,824	\$ 58,996
Total NRU	\$247,320	\$207,893	\$ 39,427

* Expenses include Association Assessments (which include property tax), sales tax and repairs and maintenance.

GP Insurance Committee Report 1/19/24

The insurance committee met with Anthony Dubois, President of Coastal Community Insurance Agency to gather more information on increased premiums on all Grand Panama COA insurance policies.

Anthony's Agency has the largest number of Insurance Company Contracts to write coastal condo association business of any agency in Florida. He has COA accounts from Tallahassee to Biloxi, MS.

There are only 25 insurance companies in the whole state of FL that will write coastal property for COA. Given the size of Grand Panama both in height and amenities, not all COA insurance companies will write the property. Fortunately, the age of the building, the well-kept grounds, maintenance, building, parking lots, etc. is a huge plus for receiving quotes.

Insurance companies allow agents to send submissions for quotes from 45 to 120 days prior to the renewal depending on the line of insurance they write. Many of those insurance companies do not return a quote until a few weeks, even days before the expiration date of the current term.

Background history of a risk with an agent that goes to work for you is a huge asset. Here are a few items Anthony has taken upon his agencies own expense to help Grand Panama.

About 10 years ago Grand Panama buildings and garage was in a VE flood zone. That is the highest risk flood zone there is. Anthony hired surveyors and engineers to put together everything required by FEMA to rezone the property. The forethought and work Anthony put into that project saved the COA \$100,000+ each year since that rezoning.

A Tower 2 damage/water claim was making a carrier decline our submission for insurance and was the best quote at the time. Anthony's agency hired an engineer to come and crawl through the roof line to the edge of the wall to show the repairs that were made in the claim process. Anthony walked with the engineer in that inspection. In their findings report and photos Anthony was able to convince the insurance company to offer GP a quote for that year that saved the COA thousands of dollars.

The state of FL passed on Dec 29, 2023, a new regulation/legislation that has changed the insurance companies' interest in writing the State of Florida. It is hopeful that in the next 12-18 months there will be more opportunity to create a little more competition in the insurance market to help the current premium situation. Anthony has already been able to add 1 more company that he will be sending renewal applications to for our next renewal.

The committee recommends:

1. Ask Anthony to submit at renewal for a quote on a policy of 16 or 17 months to change the renewal dates where we have accurate premium numbers to use in setting the following years COA budget. The number of months extension needed will be based around hurricane season. We do not need a renewal to be near hurricane season where we might be in a situation where our renewal would be suspended because of a hurricane brewing and a moratorium be in place.
2. Collect from Anthony a list of all carriers he has contracts with so the board can research if there are any insurance companies in the state that we can pursue to offer us a quote that Anthony does not have a contract with.
3. Request quotes for higher deductibles on the property for review of potential premium savings.