

Antigua Condominium Association

Minutes of the Special Meeting of the Board of Directors

August 7, 2024

The special meeting of the Board of Directors of the Antigua Condominium Association was called to order by Randy Ditch, president, on August 7, 2024, at 7:00 p.m. The meeting was held via conference call. The following directors were present: Randy Ditch, Mike Falkner, Kat Ilkhani, Mike Keenan, Robert Mayer, Bonnie Medford and Ellen Schweiger. Sheri Miller and Mary Dischinger were absent. A quorum was present.

The following unit owners were present: Cindy Fredericks (901); Ingrid Miller (1302); Alayne Rosner (1007); Robert Fitzgerald (806); Patty Brann (301); and Steve Karlow (1204).

President's Report

Randy reported on the water leak in the domestic water pump room on August 6, 2024. The leak was discovered by Mike Falkner a little after 6:00 a.m. Mike heard the alarm and investigated. Water was spraying from the top of a pipe all over the room including the electric light and the water pump control panel. He placed a large ashtray over the top so the spray was directed to the ground. Shore Management called 5 Star Plumbing. They responded immediately. The leak was repaired but the pressure from the city water supply caused further problems which were also fixed. Joe Magnolia, the owner of 5 Star Plumbing, was on-site until the domestic water system was fully operational and had run without further incident. He was on-site from about 7:00 a.m. to 9:00 p.m.

Randy gave special thanks to Mike Falkner and Mike Kennan who spent most of the day on the problem.

Insurance Renewal

The meeting was called to consider the renewal of the insurance policies. The existing policies expire on August 19, 2024 except for the flood policy which expires in October. Mike Falkner, Randy Ditch and Mary Dischinger met with the insurance broker, Deely Insurance Group, to receive their recommendations on August 5, 2024. There was no significant change in the condominium's risk factors. We are located in a coastal area which significantly limits the number of insurance companies that will write insurance for us.

The renewal rates represent an increase of 7% which was better than expected. The policy limit of the building increased from \$23,749,425 to \$24,033,705. The increase in rates reflect an overall increase in insurance rates and the increased coverage arising from the increase building value.

Mike recommended that a new insurance appraisal be obtained. The last insurance appraisal was three years ago. The building value has increased each year from a general formula. An insurance appraisal would evaluate the Antigua for its insurance value. The insurance is written for 80% of the

value appraised for insurance purposes. If there is a loss and the insurance coverage is at least 80% of the appraised value, the full loss will be covered. However, if the coverage is less than 80%, the coverage will be reduced. It is important to be insured at least at the 80% valuation. The annual increases in the building value may not be fully reflective of the actual insurance appraisal. A new insurance appraisal is, therefore, advisable. The cost would be \$900 and would be done by Chesapeake Appraisal Group, Inc. Chesapeake prepared the prior appraisal. If a different company were employed, Deeley thought that the cost would be more because the new company would have to recreate the building measurements and systems.

The description of the coverages and the premiums are:

Description of Coverage	Expiring Premium	Renewal Premium
Building Value	\$23,749,425	\$24,033,705
Property	\$78,543.00	\$83,414.91
General Liability	\$13,118.35	\$14,241.05
Directors & Officers Liability & Crime	\$3,645.00	\$3,901.00
Workers Compensation	\$479.00	\$609.00
Umbrella/Excess Liability	\$3,554.00	\$4,740.00
Total Premium	\$99,339.35	\$106,905.96

The flood insurance policy renews on October 5, 2024. The existing premium is \$14,819.00. The renewal premium will be the same.

An option to buydown the wind deductible from \$480,675 (2% of the value of the building) to \$100,000 is \$17,798.05. Mike Falkner advised that the additional coverage is not necessary. Each unit owner should carry individual coverage. The property insurance policy being discussed is the condominium master policy that covers, basically, the common elements, but not the interior of the condominium units. It will cover repairing a unit but only to the extent that the developer delivered the unit to the first owner which began about 1977. All improvements to the “builder standard” are at the expense of the unit owner. Every unit owner should have his own policy to cover losses within his unit, including liability, for example, water leaking from one unit to another. As part of that policy, there should be a Loss Assessment provision. The Loss Assessment provision pays the unit owners portion of a special assessment for a loss not covered by the condominium’s master policy because of the deductible. This means that the unit owners’ policies will pick up the wind loss deductible on the master policy of \$480,675. Mike encouraged all owners to review their own policies to assure there is adequate coverage and that there is a Loss Assessment provision.

Mike was asked why the 2024 budget estimated the renewal insurance premium at \$131,917.00 when the renewal insurance premium will be \$121,724.96. The premium is paid in full in August. The new premium will be paid in a few days. The 2024 budget reflected the best estimate in August 2023. At that time, rates were increasing rapidly and the estimate was made in light of the then-existing expectations. Fortunately, the rate increase, about 7%, was lower than budgeted. Both the 2024 budgeted premium and the actual renewal premium include flood insurance which remained the same at \$14,819.05.

It was noted that the Executive Summary said a “Man passed away in pool” on June 11, 2023. He did not drown in the pool. Quick action by two owners pulled him out of the pool alive. He was alive when the ambulance left for the hospital. It is believed that the individual suffered a heart attack. Mike said that the incident did not affect the premium calculation and that he would have it removed.

Mike Falkner moved and Ellen Schweiger seconded that the Deely Group’s proposal be accepted; that the optional buydown of the wind deductible be declined; and that an insurance appraisal be done by Chesapeake Appraisal, Inc., at a cost of \$900. The motion passed with 5 in favor; 2 opposed; and 2 absent. The following directors voted in favor of the motion: Randy Ditch, Mike Falkner, Mike Keenan, Robert Mayer and Ellen Schweiger. The following directors voted against the motion: Kat Ilkhani and Bonnie Medford. Sheri Miller and Mary Dischinger were absent.

Water Leak Repairs

Randy reported that the damage from water leaks inside units had not been completed. He had an email estimate of \$875 for unit 502 and a not to exceed \$300 estimate for unit 808. The latter would be done by East Coast Contracting who is doing the exterior coating. The interior wall will be opened up to expose the area affected and a temporary repair made until the exterior coating is completed.

Kat thought that a more formal proposal should be obtained before the work was authorized.

Mike Kennan moved and Mike Falkner seconded that the proposals be accepted and the work be authorized. The motion passed with 5 in favor; 2 opposed; and 2 absent. The following directors voted in favor of the motion: Randy Ditch, Mike Falkner, Mike Keenan, Robert Mayer and Ellen Schweiger. The following directors voted against the motion: Kat Ilkhani and Bonnie Medford. Sheri Miller and Mary Dischinger were absent.

Adjournment

Robert moved and Mike K. seconded that the meeting be adjourned. The motion was passed on a voice vote. The meeting was adjourned at 7:38 p.m.

The budget meeting will be held on Wednesday, August 14, 2024. The next regular board meeting will be held on August 21, 2024.

Respectfully submitted,

/s/ Robert Mayer

Robert Mayer
Secretary