

GHCA MONTHLY NEWSLETTER – APRIL 2021

PRESIDENT’S REPORT:

There is a fair amount of information in this month’s newsletter and I am going to invite you to read it all without referring to any of it in this section.

I will say though, that when asked to express their wishes on an important subject, almost all of our 1,200+ residents stood up, got moving, and voted with their neighbors. That was quite something to behold.

TREASURER’S REPORT :

We ended March with \$143,000 of operating cash, \$117,000 of accounts payable and \$71,000 of accounts receivable. The receivables are down from \$125,000 at the end of February as we identify and collect old receivables. Our March Year To Date (YTD) spending is \$72,000 below the budget for 2021. Here is a snapshot of our YTD Revenues and Expenses:

	<u>Actual</u>	<u>YTD Budget</u>	<u>Variance</u>
Total Income	\$840,582	\$839,788	\$794
Operating Expenses			
General and Admin Expenses	\$112,663	\$70,875	-\$41,788
Security Expenses	160,796	173,988	13,192
Landscape Expenses	246,661	268,690	22,030
Utility Expenses	169,401	160,831	-8,570
Repair and Maintenance Expenses	23,744	111,653	87,909
Total Operating Expenses	\$713,266	\$786,038	\$72,772

Reserve Expenses

Pooled Reserves	\$15,729	\$47,188	\$31,458
Road Resurfacing Reserves	2,187	6,562	4,375
Total Reserve Expenses	\$17,916	\$53,750	\$35,833
Total Expenses	\$731,182	\$839,788	\$108,606
Operating Net Total	<u>\$109,400</u>		<u>\$109,400</u>

The bridge repair will be beginning in the next month or so. We will need the funds to pay for this project and it will take at least a month to secure financing. We will be asking the GHCA Board to approve the application for a term loan to cover the repair costs, and we will also ask for approval to secure a short term line of credit with the same bank to cover any short term financing needs of the Association.

A R CHOICE MANAGEMENT REPORT:

Sidewalk Repairs: Sidewalk repairs are ongoing and there were three days of pouring new slabs this week that will complete about 80% of the main loop road. After that loop is finished they will move on to the section going to and along West Harbor Village Drive, and will then finish up by replacing the entire asphalt sidewalk along Via Marbella Boulevard leading to the 53rd St. exit. We are looking at completion around mid June. Thanks to everyone for your patience throughout this project.

Asphalt Road Repairs: On Monday April 6th we marked all road areas in need of immediate repair with black paint. The project will also entail cutting some invading tree roots, repairing or replacing some sections of gutters, and re-digging several swales that will move rain water away from the roads. This project should begin in about two weeks.

Lakes: The lakes are coming along quite well. We believe we have chosen a great contractor for the job. The owner of the firm has been spending a large amount of time on our lakes.

The fountain is now up and running behind the Grand Harbor Clubhouse, and six aerators have been installed and all are working well. Next week the contractor will install two Bio-zyme

generators purchased by GHCA. These generators are used to grow our own enzymes that will help make our lakes clearer. These enzymes have already been used and are starting to work. A key issue to attack is the presence of many algae blooms floating on the water right now. The Bio-zyme treatments need some time to reduce these blooms. We will take more aggressive action against these blooms if needed. We should start to see real progress in about three weeks on all fronts. Some signs of progress are already visible.

FACILITIES REPORT:

We have decided to abandon the option of replacing only the two failed beams recommended to the Developer by DeSimone in their October, 2020 report, and we are now reactivating the plan to replace all five beams and to rebuild the superstructure as originally planned by the Developer.

We held a progress meeting on April 5, 2021 with DeSimone, who were retained by us to create a bid package for the two beam replacement option that was needed to solicit construction company estimates for that option. They expressed deep concern with the results of the VCS corrosion report, and were unsure they could create the bid package given two critical findings for the remaining “good” beams of significant penetration of chlorides. This finding predicted a remaining life of only 5-10 years. In addition, the method of lateral support in the existing structure was not a top slab as they had assumed. That finding significantly complicates the engineering and the risk of their previously proposed repair recommendation.

A bridge repair company was also contacted. The owner reviewed the various options on site to prepare cost estimates for each option. After review, this company was very concerned with the risk of lateral movement of the “good” beams during construction and the complication of reconnecting them to the old beams in the two beam option. They also thought that the two beam option would cost over \$600K versus \$900K for the complete replacement option. In their opinion that differential was not worth the risk of the two beam option. They recommended we do the complete replacement as the better choice for this bridge. We have therefore concluded that the best course of action is to implement the original five beam replacement plan. The engineering company and bidders for that original plan have been contacted to finalize cost estimates and tasks to complete in preparation to sign the relevant contracts. We are working to complete a full plan to recommend to the GHCA Board at our May meeting.

LEGAL REPORT:

The legal team spent time finalizing the complaint against the Developer and the Developer-appointed Directors. On April 28th the Voting Members of the neighborhoods of Grand Harbor and Oak Harbor voted in favor of a proposal that GHCA institute suit against these parties. Counsel was instructed to file the suit that day and the filing was accomplished.

INSURANCE REPORT:

The Insurance Committee moved forward this past month by submitting the selection of Brown & Brown Insurance to the Board as the new broker for GHCA. Dan Kross will be the local agent of record representing Brown & Brown. The agency is located on Beachland Boulevard on the barrier island, and is the sixth largest casualty property insurance agency in the country. The policies in place for GHCA since December of 2020 will remain with the current carriers but will be transferred to the control of Brown & Brown Insurance.

During the next several months a complete review by Mr. Kross will take place and immediate changes will be made where needed. With the diversity and strength of Brown & Brown, the GHCA Board feels that the insurance needs of the association will be in good hands.

Also happening this month was the addition of Cynthia Lance of Oak Harbor to help in the insurance committee work. Cynthia brings years of experience in commercial banking and risk management and will be a valuable addition to the committee.

FINANCE AND ACCOUNTING REPORT:

The Finance Committee is currently waiting to receive the final GHCA 2020 Audit Report so it can update its records and proceed with the continued planning and monitoring of the Association's financial status. Once the audit is received, we will get revised Interim Financial Reports for the first quarter ending 3/31/2021 from our Property Manager, A R Choice. The GHCA Board has reviewed multiple proposals to address the repair of Bridge #2 and the Finance Committee is continuing to review the advisability of securing bank financing related to the repair of this GHCA asset.

SECURITY REPORT:

We continue to assess our security team with the knowledge that our contracts are due for renewal in August. We have heard and fully understand the community's concern with the hospitality problems at the Grand Harbor front gate. We are working with Securitas local and regional management to address the deficits in performance. We anticipate a significant change within the next few months.

The Grand Harbor Club management team is also working with the main gate to welcome potential new Club members.

CABLE COMMITTEE:

The Cable Committee is actively interviewing cable service providers and is soliciting proposals. The committee also sent out a survey to a large percentage of GHCA member residents. If you did not receive a survey and would like one, please email Joy at: joy@archoice.com. You can disregard the April 30th required response date referenced in the survey.

The committee will review all proposals and will make a recommendation to the GHCA Board for that provider who makes the best proposal for Grand Harbor and Oak Harbor residents. We will be considering price, service and other factors that will best serve our residents.

FINAL NOTE:

Recently some strange long-lost events have been noted occurring within the Grand Harbor and Oak Harbor communities. Reportedly, they include: that first hug in over a year with visiting family or with the best friend from down the street; the resumption of neighborhood parties; large tables of close friends having dinner outside, and even inside restaurants.

This Covid thing is certainly not over, but it feels good right now, doesn't it, to get back some of the basics of normal life. It was also well worth those jabs in the arm, wouldn't you say? Let's remain cautious, but enjoy!

Jeff Caso, President