

GHCA BOARD MONTHLY NEWSLETTER - APRIL 2023

PRESIDENT'S REPORT:

Security incidents here in the community tend to be centered around major holidays, especially December and March/April and this season is no exception. You will learn some of the recent specifics in the Security Committee Report in this newsletter, but there are also overall guidelines that all of us should be aware of and follow all the time, not just during holidays.

First of all, if you or your guests must leave vehicles parked in driveways or in visitor spaces overnight, please take care to lock the doors every time and do not leave any valuables inside. This will protect against would-be thieves, generally young ones on foot, who are looking for valuables in unlocked cars.

Similarly, we should all have the habit of locking our home doors, and especially whenever we are not inside. Taking a walk or making a quick trip inside or outside the community should also cause you to remember to lock your home doors. While we would like to believe "this won't happen here" is a reality, it can happen here and locked doors are our best protection.

There is no amount of security systems and guard patrols that can ensure no one on foot enters the community. Our perimeter is very large, and six foot high fences, where they exist, will not keep out determined intruders. No one wants their car or their home to be entered by a bad guy. Our first line of defense is keeping all doors locked, especially at night. We are working with the Indian River County Sheriff's Office along with St. Moritz Security to review video on the latest incidents and St Moritz has already stepped up its patrols in the evening and overnight hours. That being said, we are our own first line of defense. We cannot change the world we now live in. Try to keep everything locked all the time.

Many of you have recently asked me how I feel about the turn of events in our GHCA litigation. While I'm not at liberty to go into any details, I can say that I was shocked by the Judge's summary judgment ruling. We were all shocked. As Roger notes in his Legal Report, we are evaluating next steps and we will keep you advised if and when next steps are taken.

TREASURER'S REPORT:

April has been a very busy month. We finished our audit process and received the final copy of our 2022 audit report. This was published on our website earlier this month. The final statements for 2022 were also published. Finally, with the conclusion of the financial results for 2022, we were able to publish reports for January and February as well.

My comments on the financials will be based on the results for the year to date through March. In total, our revenues are on budget. It should be noted that our budget for all accounts is based on our annual budget divided by 12 each month. The special projects and litigation are the only categories that have been budgeted for specific months in our reporting.

Total revenues were as budgeted overall. We had security gate income from bar code sales which were not budgeted. Our late fee income was below budget because virtually all

members, other than the Developer-controlled Reserve properties, paid their assessments on time. The cable contract income will show a positive variance each month until December when this income will be recorded because of the 12-month spreading of the budget numbers mentioned above.

On the operational expenses side, we have had some variances to our budget. In management, our legal expenses are high due to the continuation of the MRTA process that was not anticipated in our 2023 budget. The good news is that our final insurance package for 2023 is significantly better than budgeted. Our security costs are running a little higher than budgeted. We expect this will come more in line with our budget after the new kiosk system is completed in May. Landscape maintenance has been high in the first quarter due to the timing of this sort of work. General maintenance costs were also higher than budget. We replaced several storm drain grates that were rusting out with galvanized steel grates that should last much longer.

In the special projects, we had almost \$90K in expenditures for the final completion of the bridge project which we did not include in our budget for 2023 when it was prepared last October. It should be noted that we have \$185K left to borrow on our \$2 million loan to pay for special projects. Also, our litigation expenses were significantly more than budgeted during the first quarter due to preparation for trial. We have paid off our line of credit and have used our own funds to pay these expenses.

We are currently in the process of finalizing our \$1 million loan from Marine Bank. This loan will help fund the special projects that we have budgeted for 2023 - security upgrades, irrigation pumps and repairing the reclaimed water tank walls. As mentioned last month, this loan will have a two-year draw down period of interest payments only with a 15-year repayment period. The interest will be 7.56% for the first 5 years then adjusted to the current rate at that time based on a widely used bank lending rate (SOFR) plus 3%.

We have also executed our plan to protect our deposits within the \$250K FDIC insurance limits. With Marine Bank's assistance we have moved some of our deposits into an ICS (Insured Cash Sweep) system with IntraFi. In this way all our deposit accounts will remain under \$250K for full FDIC insurance coverage.

A R CHOICE MANAGEMENT REPORT:

Main Fountain:

The main fountain remains off at this time. Oak Harbor Maintenance is cleaning months of debris from the bottom as well as pressure washing the fountain features. Once the ponds fill more with rain the fountain will be put back in service.

Reclaimed Water Pond Bulkhead:

On April 5th, Lance Hall, Alan Romano, our engineer Steve Boehning and a bidding contractor for the project met to discuss the project and more specifically the materials to be used. Due to the high costs of materials, the engineer will look at options to try to reduce the overall cost.

Irrigation:

Although we have had some recent rains, including the 2 inches we received yesterday, we are in need of much more rain to fill our ponds. In the light of yesterday's rain we will closely monitor the drought.com updates as well as the level of our ponds. In the meantime we will keep the irrigation restrictions in place and potentially modify them next month.

Indian River Boulevard:

Some progress can be seen by new asphalt being laid as well as some sod. Although they still have a lot of work to do, this does allow us to start repairing our irrigation system that was removed in the areas where they were working.

Infrastructure Committee:

The committee has met with a few contractors who are proposing the replacement of our southernmost irrigation pumping station. Presently, the system is a wet well pumping station. Replacement of this type of system would require costly underground work to replace the wet well and the intake pipe from the lake. An alternative system utilizing centrifugal pumps would only require suction lines placed into the ponds, eliminating the need for a wet well. Once proposals are received, the committee will evaluate and make a recommendation to the Board for replacement.

LEGAL REPORT:

Defendants filed their response to our motion for rehearing last Friday and, as we announced at our Board Meeting on Tuesday, the judge denied our motion. We are now evaluating our options for appeal and we will make a decision shortly.

MARINA COMMITTEE REPORT:

Marina management and counsel have finally agreed to meet with us here in Vero Beach to renew discussions on the many issues that stand between us. We are trying to find an acceptable date for both parties in the first half of May.

We reported previously that the General Manager of the Grand Harbor Marina left suddenly about three months ago. For about a month there was no replacement, but we are happy to report that a new GM has arrived and he is a breath of fresh air for all residents. Tré Barry is the new GM, and he has a very positive approach to his role; he is sensitive to wanting the best possible relations with all residents in the community, and he will do his best to address some of the issues on our list. Needless to say, he will not be involved in solving any of the “hot button” issues that are being handled by his management and their attorneys, but he is very open to working with GHCA and interested residents on some of the issues that may not require negotiation and attorneys.

SECURITY COMMITTEE REPORT:

The equipment for the new entry kiosks is currently being assembled and should be installed and operational towards the end of May. All system operating instruction and set-up information has been received from ABDI and is being condensed to make it as easy to follow as possible. Around the time of installation, all residents will be provided information on how to operate it, together with instructions on admitting guests, etc. Please be advised that the rollout of the new system will take a little time and questions from residents on its operation will be addressed as they come in.

There have been several security incidents reported in the past couple of months, including very recently. There were four reported incidents where vehicles parked outside were rummaged through. It appears that in almost all the cases, the vehicles were left unlocked. There was also an incident wherein juveniles were caught ringing doorbells and knocking on doors in the Harmony and St. David's neighborhoods. These were determined to have been committed by a young resident and some friends. There have also been some reported incidents where residents have heard what they thought might be someone trying to open exterior house doors at night. In none of these incidents were there any break-ins.

All such incidents have been reported to the Sheriff's Office for investigation. We are working with the the Sheriff's Office to help determine what additional measures can be taken to help address these issues.

FINAL NOTE:

There is no joy in writing about security incidents or setbacks in litigation, but those of you who have been reading these newsletters for a while know by now that I always close with a Final Note that is on the happy side. That will never change.

So it is that time of year again when many residents start to close their Grand Harbor and Oak Harbor homes for the summer and head to wherever else they call home. Those who leave are looking forward to the friends and family that await them, along with all the activities that make that home too. They are also coming back sometime next season, slightly older again of course, but hopefully energized by their summer experiences.

Those who stay based here in Vero Beach are happy too. Finally, the crowd is moving on. Finally, they can go where they want and do what they like to do without all the time wasted in line or in traffic. Calm is a good word, and the older we get the more precious it seems to be.

Both groups of residents, those who leave for the summer and those who stay, have one big thing in common though....in a few months they will all be wondering how their Grand Harbor and Oak Harbor friends are doing, wherever they are, and like every other year, they'll start missing them again.

Jeff Caso
GHCA President, on behalf of the Board