

KACA Board Meeting
Conference Call
Wednesday Sept 13, 2017
Final Meeting Minutes

Tom, Charlie, George, Richard, Gayle, Mary Jo, & Dale Terry w/ Crossroads - Attending

Executive Session held @ 9:30 AM, Dale Terry invited to discuss possibility of the Board awarding Gayle a Bonus. He explained this was not technically a bonus but rather to compensate her for work as a project manager for handling the hurricane catastrophe and rebuild. Her duties and time commitment have increased exponentially. He explained this was customary in this type of situation. Usually they can ask for some level of payment as part of the claim. He felt that enough funds would be generated by the claim to cover this in addition to the cost of the rebuild. It's referred to as a managerial fee. It is something they have to fight for in a claim this large. Dale explained that he never sees payments as high as 15% but given that she is part time somewhere around 3% might be fair. Dale does not get involved in this as part of his negotiation work but wanted to inform the board on what is customary so they could decide what would be in the best interest of KACA.

The board agreed to let Gayle know it was our intention to compensate her for the additional work but we did not have enough information to commit to a figure at this time. We would need to know what the claim amount was and the estimate for repair in order to know how much we had to work with. Richard agreed to address this with Gayle.

1. **Call to order 10:00 AM - Richard Beck**
2. **Financials - Tom Geren**

Agreed to postpone discussion on special assessment for bulkhead repair until we had more info. Agreed these funds should be isolated and wondered if scope / cost of repair would increase due to storm.

We need to get the flood ins paid, several people are late getting in their payments. Richard shared that he received a revised renewal offer for his personal coverage and then received a revised renewal that was almost twice as much. He had filed a claim due to the water damage from the fire issue. Gayle suggested he ask for this to be reviewed.

Discussion on whether we had any coverage for bulkheads, piers or walkways. There is not coverage for flood, since these are overwater but there is evidence of erosion and that might have coverage.

3. **Property Manager's Report / Harvey Recovery Update - Gayle Connolly**
Bobby Daniel w/Roadrunner attended call w/ Gayle

- a. Boats, found help in the weirdest place! General Land Office on site this morning!!
- b. Need to watch carefully structural movement, wind force and potential erosion issues. Indicators are many.
- c. Need to confirm we have erosion in flood coverage - which we WILL definitely be using. We were right to file there. May assist in bulkhead repair despite lack of bulkhead specific coverage.
- d. Need to stay on our TWIA guys - we have a nebulous "later this week" major inspection... cannot let them hold us up. Deidra needs to advise proper way to handle positive results.
- e. Bobby is performing phenomenally well. Owners are VERY comfortable with him/his services. Am constantly questioned on whether or not he will be The Guy - with the hopes he WILL.
- f. Need to understand how - IF POSSIBLE - to direct initial rebuild resources to full time residential units.
- g. Seems to be near 100% consensus that fireplaces/chimneys need NOT be replaced. I hear it every day.
- h. I'm concerned about our "ability" to handle unit improvements - it is great that we can, but does not provide for additional funds - just lets us use the funds we already have. We have to be sure we will be working VERY carefully with individual owner's adjusters on this for cooperative funding.
- i. I need the "go ahead" from Deidra and Dale on the Private Adjusters I found - or recommendation of some other group to provide our owners. They are GOING to be necessary.

4. **Public Adjuster Update - Dale / Dieder**

Dale said he would not have an estimate for the rebuild for a couple of weeks yet. He expects the loss to be close to policy limits. Judy from his team is walking the complex w/ Bobby from Roadrunner and documenting each unit as he indicates what is to be gutted. The policy limits are \$13,800,000 w/ 1% deductibles per unit. In many cases they can get the ins co to absorb the deductible. He also shared that we had an additional rider that provides a 25% increase in cost of construction so this will be used to bring property up to current code during rebuild.

All glass that is not windstorm standard will be replaced. It must be both hurricane and energy rated. He expects that the Aransas County building codes may be stricter due to damage seen in recent storms.

- a. Water and electric will be restored to the units once testing is done. They don't want to risk fires or flooding from water pressure issue.
- b. Replacement of siding is being discussed, the current type of cedar siding is expensive and labor intensive. It may very well be cheaper to install hardie board. This will be considered as part of the estimate for repair.

- c. Fire update - Verbal received that cause was inconclusive, not yet received in writing. Storm has now washed away any further evidence.
 - d. Discussed process for choosing contractor for rebuild. Had talked with the original company contracted for the fire but our experience was bad and board agreed to not entertain their bid. Also discussed with Don Lawson and the indicated that he would not be the right firm the job, it was beyond his scope. Gayle recommended we work utilize Roadrunner, she was having great success working with them on the fire, the demo was going well and numerous owners had provided favorable feedback. Board agreed to take this under advisement.
5. **Staff Update** - Gayle said they were hanging in there, Roger had damage to his home and is working on repairs.
6. **Communication Efforts - Mary Jo Lyons**
- a. Email Updates - Good job Gayle!
 - b. Agreed to produce monthly newsletter during recovery. Emphasis this month that we will come back with a 1st class property after the rebuild. Nance w/ Rockport Websites was back up and running, pictures and docs to posted to the website shortly.
 - c. Facebook page up and running, numerous owners have liked the page and are following us.

7. **Round Robin Q & A**

Discussed feasibility of changing colors if siding will all need to be replaced. If this happens the board agreed to appoint a color committee to present limited recommendations to owners. The Beaches and Shores color palate had been selected prior, some think that the current green was not part of this color palate and was somehow a mistake. Agreed to review if the opportunity to repaint presents itself. This is highly likely policy must restore the complex to the condition prior to the claim event and we entered Harvey with a new paint job.

Gayle provided guidance on ways to choose a color for a commercial project. All agreed the current Blue was difficult to cover, further research indicated that blue is not recommended for commercial structures for this reason.

We received request from owner to install exhaust vents if possible during rebuilds. Said we would discuss once we were closer. Agreed to pole owners via a survey on this as well changes to common areas such as the gazebo and pool house and other enhancements they would like to see.

Submitted - Mary Jo Lyons, Board Secretary - Sept 29th, 2017

Approved - Richard Beck - October 18, 2017