

## SUNNYSIDE BEACH AND TENNIS

OCTOBER 22<sup>ND</sup>, 2022

### OWNERS MEETING MINUTES

Meeting properly noticed and sent to owners. In attendance: Paul Hinman, James Briscoe (by ZOOM), Jon Cline (by ZOOM), Brad Cole (by ZOOM), Mike Turner and Robert Young. Patt Lothar was not in attendance.

Mike Turner made motion to dispense of the reading of the minutes from October 23<sup>rd</sup>, 2021, and approve minutes as written. Motion second by Robert Young. Motion accepted.

Tammi and Richard will establish a quorum.

**Election of meeting chairperson:** Jim Mariner nominated Ross Hansen to chair the meeting. There were no objections. Ross Hansen chaired the meeting.

Insurance- Rob Tallent – It has been a rough year for insurance. He spoke of Hurricane Ian. Fort Myers flooding sat over Daytona for about 30 hours. Rob amended his budget with a 25% increase in rates. He believes it could increase as much as 35%. Carriers are pulling out of the state and sitting on sidelines waiting. Lack of capacity of insurance companies is going to be a challenge. Fl Legislature may have another special session on Insurance. Frontline Insurance has been a solid carrier. Rob is starting the early shopping process to see what insurance companies are left and get the best rates. We currently do not know what is going to be available. He is trying to keep all the coverages we currently have. There was discussion. May 25<sup>th</sup> is our renewal time. Rob stated we will also look at renewing earlier than May if the opportunity is available.

**CAM-** Tammi stated it was a wonderful owners party last night and thanked to Nick and Maggie for preparing a great meal. Paul Hinman also thanked the employees for their work. Thank you to Mike and Linda Turner for putting on the Memorial Day and 4<sup>th</sup> of July parties. Thanks to Tricia Hansen for putting together the Owners Photo Directory. Thank you, owners, for being supportive during the challenging times over the summer and in the interim of not having a rental manager. Richard is doing very well, and I hope he stays for a long time. I do not know what we would do without Lloyd. Lloyd had some shoulder issues earlier this year but has fully recovered. Great season with our beach service, Light Me Up (Lauren and Anthony are the best). All but two owners have paid assessments. The roundabout at 79 and Front Beach is not completed. They are making progress and are saying they hope to be completed in December. No one is over 90 days. David and Denise Bivin are the new owners of unit 55. David has shared photos of the property in the 70s.

**Financial Report:** Jon Cline stated rental is slightly better than budgeted. Pool, utilities, & water/sewer expenses are over budget. Balance sheet is good. There is an overall 4 percent inflation monetary pressure increase Dues will remain the same. Grounds and office supplies increased by around 10%. Building one spent \$100,000 this year to re-do building. Jon stated we paid \$214,000 for insurance coverage this year and expected to be around \$275,000 or more for 2023. Inflation is really hurting everyone. We have had a \$400,000 increase in the past 3 years with inflation. There has been \$107,000 contributed to the association. The money earned from the rental program is used to reimburse for expenses such as utilities, pool chemicals, payroll, etc.

Richard Richards stated we are getting our snowbirds back. There was discussion about lowering rental commission. It was decided to do research to see if the commission could be reduced to 25% instead of the current 30%. We currently have 21 units on the rental program. We are up in rental income. July of last year was 154k, this year it was 162k. November of last year rental was 5k We are expecting 11k this year. We have increased rates by 20% for next summer. Next year July rents are up 25%. If we did not have a rental program, we would still have the same expenses, wear, and tear. The rental program helps with expenses. There was discussion

### **Building and Grounds:**

Robert Young stated we had a good year. No rainfall in the last 5 to 6 weeks. He thinks overall we are in good shape. Building one finished from the past year issues. Building two has been refurbished including the siding and trim replaced. Building was pressure washed painted and caulked. Cost was \$8500 less than expected. We replaced siding north and south of building 3. Buildings 3 and 4 will be the next buildings to do updates. We are trying to stretch our dollars as much as we can. Roof was replaced over the well system at the car wash area. North and South fences have been pressure washed and stained. New lights installed around the pool area. Took lights off the trees around the pool area. New swing at children's play area donated by Cindy Hulse. Gazebo at the pool area has been painted and repairs made. The pool will be our next project. Met with Sapp pool service and updated proposal to our benefit. Will take between 4 and 6 weeks to complete the pool. Patios are painted when the buildings are painted. Please help us with your garden areas. Do not cover irrigation heads. Please help us keep landscape areas cleaned up. The lateral plumbing lines from inside the unit to courtyard have been jetted by HydroScout. We have not had any issues since the cleaning of the pipes. Unit 2 ordered 3 signs from Amazon stating only put toilet paper down the toilets. We are watching the units where a crack was found. It would cost \$12,000 to do each repair.

### ***Need heading inserted, maybe whatever the agenda showed.***

Proxy results. Question 1 was unanimous – 49 owners voted yes.

Question 2- 44 yes votes- 5 no votes

New Business: It was suggested to put a sidewalk in to cross to beach area. It was suggested to see when sidewalk will be completed and how it would affect us if we put a sidewalk in. The board will discuss further in a later meeting.

James Duren asked about the \$150 resort fee. Paul Hinman stated this is \$24,000 that we need. This income is used to offset expenses for all seventy-four owners. The board thought the best way is to have a usage fee. This is part of the overhead we all maintain. Tammi and Richard did research on what other properties are doing and found we are in range or under what other properties are charging. Mike Turner stated we need to know who is on the property and we do not know unless they register. Tammi stated if there is not a tag on a vehicle the owner is billed the \$150.00. Tony Brown stated there are places charging \$500 nightly rates and we should have been doing this a long time ago. He stated owners renting on their own does not help the association at all. It was stated you will still pay the same price for cleaning a condominium whether you stay one night or a week. The board voted on the increase of the resort fee, and it passed. There was discussion.

Meeting adjourned at 3:30 pm. Minutes prepared by Tammi Link



## **Sunnyside Beach and Tennis Resort**

22400 Front Beach Road

Panama City Beach, Florida 32413

Office 850-234-3385 Fax 850-236-1730

**E-mail:** [ssbtpc@outlook.com](mailto:ssbtpc@outlook.com)

2022 Annual Owners Meeting  
Directors' Organizational Meeting

### **2:00 PM**

Call Annual Meeting to Order  
Proof of Notice of Meeting  
Establish a Quorum  
Election of Chairman for the Owners' Meeting  
Reading and Disposal of 2021 Minutes  
Insurance Report  
CAM Report  
Financial Report  
Insurance Report  
Building and Grounds  
Proxy votes  
New Business  
Adjournment

The Directors' Organizational Meeting will immediately follow adjournment of the Owners' Meeting for electing corporate officers and establishing dates for quarterly board meetings in 2023.

POSTING: This notice has been posted on the community property and mailed or delivered to each member in accordance with the bylaw and statutory requirements.

September 22nd, 2022

Paul Hinman - President

SUNNYSIDE BEACH AND TENNIS RESORT

22400 FRONT BEACH ROAD

PANAMA CITY BEACH, FL 32413

OCTOBER 16<sup>TH</sup>, 2021

OWNERS MEETING MINUTES

Meeting called to order. In attendance were Patt Lothar, Paul Hinman, Jon Cline, James Briscoe, Brad Cole, Greg Darden and Robert Young.

Meeting properly posted and sent to all owners. James Briscoe nominated Maggie Collida to chair the meeting. Patt Lothar 2<sup>nd</sup> the motion. Maggie was elected to chair the meeting.

James Briscoe called roll and counted proxies to establish a quorum. A quorum was established. We had sixty-one either in attendance or by proxy.

Motion made by Paul Hinman to dispose of the reading of the minutes. Patt 2<sup>nd</sup> the motion. Motion made by Robert Young to approve the minutes as written. Jon Cline 2<sup>nd</sup> the motion. Minutes approved as written.

Ballot counters were elected. They were Cindy Hulsey (#24), Jane Johnston (#56) & Ed Davis (#26).

**Insurance Report:** Rob Tallent gave the insurance report stating we have been blessed not to have a serious hurricane this year. We have more than doubled losses due to hurricanes in the past 6 or 7 years. Policy renews in May. Rob is currently shopping different insurance companies. Rob indicated a possible 12% increase. We are in the X flood zone currently. Rob and Gene McGriff's reports are included in the minutes.

**Financial Report:** Jon Cline gave the financial report stating he has put a budget together. We had a reserve analysis completed. Replacement cost was \$500,000, the new reserve study has a replacement cost of \$968,000. The roofs have an 11-year life remaining according to the new study. Painting increased as well as roofs, pools, and parking lot. We added the clubhouse and sewer lines to the reserve study. We need \$731,000 to have a fully funded reserve. We currently have \$88,000 in reserves. Rental has certainly helped us this year. Jon is happy to speak with anyone who may have questions. There was discussion. The last condominium sold for over \$400,000. All Jon's reports are included with the minutes.

**Election Results:** The newly elected board members are Mike Turner, Brad Cole, and Paul Hinman. Congratulations.

**CAM Report:** Tammi Link stated the roundabout project at highway 79 and Front Beach Road is making progress. Currently the road at highway 79 and Front Beach Road is closed to traffic and will continue to be closed until this project is complete. Beach restoration is in progress. The restoration has been completed in front of Sunnyside. There are beautiful shells on the beach. We had a vendor that was going to look at cleaning up the boatyard area but before he could get here, he had a heart attack and recently passed away. We are currently looking at other vendors. Thank you to Mike and Linda Turner for purchasing the canopy for the playground area, and to Ed and Judy Davis for purchasing swings earlier in the year. Lloyd has been on work comp since August 18<sup>th</sup>. Lloyd returns to the doctor tomorrow for further evaluation. Tom Fuller (a full-time resident at Sunnyside) has been helping us in Lloyd's absence. Prayers to the families of Geri Davis as she is going through chemo treatments and Michael Eldridge on the loss of his brother. You may have received a message stating you have a work order. We are currently using a new work order app to keep better track of our work orders. We had a report of a possible homeless person using the shower. Please call the Sheriff if you notice any unusual behavior. Rentals are doing great and are going up 10% currently. We need four more units to lower the commission rate. We currently have five snowbirds coming this year. We have winter guest that have pets and we do not have pet friendly condominiums available. It was stated if you are not renting through the Sunnyside program you are not helping your association. It was decided to cancel the bonfire due to the red tide.

**Buildings & Grounds:** Brad Cole stated the need to finish jetting the plumbing lines. We need to do rehab of building two and finish building one. The pool will also need to be re-plastered. Robert spoke of the sign replacements. All the monies were donated for the signs. We currently have \$1500 left in the sign project. Signs at entrance and tunnel have been restructured using the same script. We have other signs needing to be updated. Robert also stated building two parking lot side is in rough shape. He stated the courtyard side is in decent shape. Someone asked about the roofs. Brad stated we are repairing roof leaks as they are being reported. Several of the leaks reported are around the masonry walls, the clerestory windows or around the flashing and vent areas.

**Proxy Votes:** Brandon counted the proxy votes. He did a roll call of the owners that were here. The Proxy form is included with the minutes.

Question 1-No- 49 carries- to only fund reserves for 2022

Question 2-Yes-40 carries- do you agree to waive the financial requirement per statute 718

Question 3- Yes- 53 – to approve common surplus to rollover where needed

**Old Business/ Boatyard parking:** In the July meeting it a decision was made to clean-up the boatyard area and make available for parking boats and trailers. Unit owner can pay \$1200 a year or \$100 monthly. We cannot let anyone who is not an owner use this due to insurance reasons. The maintenance shop area will be limited to 7 days per month for parking a trailer or a boat. There was discussion.

**HydroScout:** Brad stated we need to continue sewer cleaning. Our documents state the association is responsible if there is a pipe problem under the slab. Owners are responsible if there is a problem due to a stoppage in the pipes. We have completed fifteen units. Currently the jetting is being done on a voluntary basis. The cost is \$750. Owners who have had this service completed will be credited the amount of the cleaning. There was discussion. The \$750 includes the cleaning of the pipes and a video.

**Visitor Parking:** Patt Lother stated There was a lawsuit with another HOA regarding parking. Currently we have spaces marked visitor. Patt stated technically these spaces can only be used for short term parking. There was discussion. It was decided to wait on deciding on parking in the visitor parking spaces until additional parking could be arranged.

Motion made to adjourn by Patt Lother. Motion was second by Robert Young. Meeting adjourned at 3:30 pm.

Minutes prepared by Tammi Link- Community Association Manager

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Subject: Annual Insurance Report for 2022

- Board Approved binding for our 5/25/2022 Insurance Renewal: Frontline Insurance Program: **\$214,269 Total Annual Premium**
- **5% Named Deductible Program**
- **\$5000 All Other Peril Deductible**
- **Ordinance & Law Full A B & C Combined \$500,000**
- **Note: Our association policy also covers the following:**
  - General Liability**
  - Directors & Officers liability**
  - Crime**
  - Commercial Umbrella**
- Premium Increase +\$59,903 due to continuous Catastrophic Insurance losses in the industry over the last 4 years. Also, our market is limited as to potential carriers to choose based on current conditions.
- Shopping insurance in these market conditions is not advisable due to the limited number of carriers available. Our loss history, age of property and length of time with our current carriers helps us to maintain coverage even though premiums are currently high.
- We send information out to all owners advising you how our insurance coverage amount for SSB&T is determined and what it means for you as an owner.
- Our amount of coverage for our property is based on the insurance appraisal calculated every 3 years as required by State of Florida Statue 718.
- Our coverage is replacement cost up to the limits stated the appraisal. Land value and total market value are not included in the report.
- There is NO FLOOD coverage in our association policy.
- Owners' responsibility in relation to insurance requirements are as follows:
  - A. Notify the office of any scheduled contractor work to be done on their unit, including housekeeping.
  - B. All contractors and subcontractors are required to provide association with Certificates of Insurance and or sign a Hold Harless Agreement before doing any work on property.
  - C. Unit owners that rent their units whether on the Rental Program or not to add SSB&T as additional insured on their Condo Rental Policy. This provides proof and confirms unit has a Condo Rental Insurance policy in force. Note: Your insurance agent can add this to your currently policy at no charge.

Rob Talent, our agent with Acentria Insurance, will be discussing our program and projections for the future.

Gene McGriff



Dear Sunnyside Owners:

Attached is our latest "August 2022 CONDOSHIELD PROTECTION CONNECTION UPDATE". This update provides the latest on challenges the Florida insurance marketplace currently faces that you can share with association owners. An important development included in the update is the issue of several Florida insurance companies potentially being downgraded in July through the rating company Demotech. Fortunately, this crisis was avoided by the State of Florida taking action to have Citizens Insurance (State of Florida Insurance Company) provide "reinsurance" to the insurance companies allowing them to avoid being downgraded. This issue is especially important for Sunnyside as our association property insurance company was one that could have been affected.

In addition to this update, we also want to share our plan for addressing our associations insurance coverage and cost. In working with Sunnyside's board and management we are continuing to shop our associations insurance aggressively even though we renewed our policy this past May. Because we are the largest writer of condo association Insurance in the Florida panhandle our goal is to explore the potential of "rewriting" our associations property Insurance in December 2022 (Pending of course on a calm u2022 hurricane season and an improved insurance marketplace). We will continue to update the association and owners on our progress as we move closer to December.

As always please feel free to reach out with any questions.

Thanks!

*Rob Tallent*

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The insurance market for coastal properties is in a "Hard Market" resulting in fewer companies, limited coverage, and increased premiums. Three factors culminating together has created a perfect storm for rising property insurance rates...

1. Condo Insurance Program Loss of Capacity Announcement/Coastal Property Insurance Carrier Underwriting Changes  
Simply put...this is the worst property/windstorm insurance market for Florida Condominium Association's in history. This is mainly due to Major Condo Insurance Programs losing insurance capacity (the amount of coverage insurance companies can offer) due to the historic losses from the past SIX CONSECUTIVE YEARS (2016-2021) of active hurricane seasons. This lack of capacity has resulted in insurance companies increasing rates, limiting the coverage they can offer and some either choosing to outright leave the State of Florida or go out of business and into receivership. The current property/windstorm insurance crisis resulted in the Florida Legislature holding an emergency Special Session on Insurance in June. Exacerbating the problem further, in July Rating agency Demotech announced their intention to downgrade the rating of a record 17 Floridian insurers. This downgrade would mean that mortgage guarantors Fannie Mae and Freddie Mac will not accept their policies as they require borrowers to maintain insurance protection from A-rated insurers and would place thousands of policyholders at risk of defaulting on their mortgages. Because of this The State of Florida took the extraordinary emergency step of reinsuring the insurance companies at risk through the State-Owned Citizens Insurance Company so they would avoid being downgraded. While we hope the special session changes produce positive results it important to remember active storms and hurricanes can't be legislated away. The true solution needed is a calm 2022 Hurricane Season followed by more consecutive calm seasons. This will allow insurance carriers to rebuild their loss reserves to offer better coverage and pricing and for additional insurance carriers to enter the market and compete for coastal condo insurance. We will continue to monitor this and have more information for your association as they develop
2. STATE OF THE COASTAL PROPERTY INSURANCE MARKET UPDATE - We are seeing the insurance property/windstorm marketplace for coastal condominium associations continuing to face challenges in 2022 now that we have experienced a sixth consecutive year of active storm cycles. From Hurricane Matthew (2016), Hurricane Irma and Hurricane Maria (2017), Hurricane Michael (2018), Hurricane Dorian (2019), and Hurricane Sally (2020) along with a RECORD 30 NAMED STORMS and culminating now with Hurricane Ida (2021). The U.S. DISASTERS "TROPICAL CYCLONES ONLY" DISASTER COSTS 2016-2021 of over \$460 Billion (See Map) tells the complete story of the perfect storm that has formed.
3. INFLATION: INCREASED INSURANCE PROPERTY REPLACEMENT COST aka "HIGHER BUILDING VALUES TO INSURE": As all of you are aware Florida Statute 718 requires our associations to procure an insurance replacement cost appraisal once every 36 months. As a result of the current inflation and building demand cycle we find ourselves in you can imagine what we are seeing in terms of increased costs to rebuild structures in the current market. On average we are seeing building replacement cost increases in the range of 10-40%, depending on how old the prior appraisal was. For those associations that obtain an appraisal every year you will be on the lower end, and if you are obtaining one once every 36 months you will be on the higher end. If you add this insurance to value increase to the average rate increase, we are seeing in the property insurance market you can see how your budget can get skewed out of the realm of reality very quickly. In other words, if your appraisal increases your building values by 40% and the rate to insure your building goes up 15-30% all the sudden budgeting an annual increase for your insurance of 20-30% will be inadequate. Your actual increase will be 55-70%, of which 40% will simply be because the cost to rebuild your structure has gone up by that much (aka "HIGHER BUILDING VALUES TO INSURE"). Even if we were able to secure the exact same rate per \$100 of building exposure your renewal costs would increase by the amount of your building limit increase, and in this property insurance market there will be an increase in your rate. So, we recommend budgeting appropriately to anticipate both scenarios.

**SOLUTIONS TO THESE CHALLENGES...** "PREFERRED GROUP GLOBAL SCALE MARKETING" & "PROPERTY UPDATE UNDERWRITING PORTFOLIOS"- As one of the largest writers of condos we represent ALL the insurance companies still competing for business and we leverage this size to benefit our association customers. When shopping association insurance, we are not shopping based on your individual condo, but instead we are shopping based on the total of ALL our condo customers. This motivates and leverages the insurance companies allowing us to put together the best insurance program with the best coverage and price for YOUR association. As your agent, another proactive action we take to assist in securing the best terms and pricing available in the insurance marketplace is to prepare an "Insurance Property Update Underwriting Portfolio" for your association. This portfolio includes detailed information and pictures of ALL the updates for your association. This helps put your property in the best light to the insurance underwriters. This portfolio also assists in keeping important coverage extensions and favorable windstorm deductibles for your association that many insurance companies have been eliminating in recent years .The "Insurance Property Update Underwriting Portfolio" will continue to be updated annually to maximize all the property updates you have made to attract insurance companies to compete to write your association.