



Ultimar Three Condominium Association Inc.
1560 Gulf Blvd. Clearwater, Florida 33767

U3 Board Meeting Minutes
April 17, 2021

The meeting was called to order at 0905hrs by Board President Said Gabriel. The meeting was held partially in person and mostly via Zoom conference call.

Mr. Reily indicated that proof of meeting notice was properly posted.

The following Board members were in attendance:

Said Gabriel (Zoom)

Rick Coté (U3)

Sergei Shishkin (Zoom)

Larry Hallas (U3) **and recording Secretary**

OLD BUSINESS

Approval was requested for the minutes of the December 19th, 2020 meeting and they were unanimously approved.

TREASURER'S REPORT - Mr. Shishkin advised the Board that the audit of 2020 accounts of the Association has been completed. He thanked Messrs. Richard Cote and Ronald Reily for their active participation and coordination with the auditor. The audit report is available for review. Its main conclusion was that our financial statements present fairly, in all material respects, the financial position and the results of our operations in conformity with accounting principles generally accepted in the United States of America. Minor adjustments to our accounts made by the auditors were insignificant.

Then, Mr. Shishkin presented the financial results for the first quarter of 2021. Our operational surplus for January-March totaled \$21,107. The balance of the Reserve Fund remained at \$1.2 million. It would be premature to make any meaningful forecast for the financial results at the year-end at this point. In our annual budget, the shortfall in the operational activities is \$37,011. This deficit is covered by prior year income surplus of \$40,983. The owners voted in favor of using that amount to cover the possible deficit. However, the Board should seek further measures to rationalize our expenses. In that respect, the initiatives of Mr. Richard Cote in the Finance Review Committee and in sharing information with HOA, U1 and U2 may be very meaningful.

MANAGER'S REPORT –Mr. Reily reported a normal quarter of activity in the building. No reported COVID issues. An air purification system was installed in the gym to maintain our proactive response to a healthy environment. We possibly may expand this to the rest of the common areas. The exterior doors on our bike room have been replaced. Some plumbing leaks were dealt with but otherwise a very routine few months.

There are two large glass block towers on our roof incorporated into our building design. A routine inspection after the last 2020 storm revealed some issues with the south tower, mostly cracked blocks, and loose grout.

MANAGER'S REPORT – Continued

Both onsite Board members have visited the towers and confirmed the problem. A masonry company specializing in these blocks is currently evaluating and will be giving us a report and estimate of repair.

Discussions among the Board and unit owners noted that depending on the mason's evaluation, we may need an engineer consultant for further assessment. One owner noted that the towers are very much a part of the building architecture and another suggested that any exterior changes may require a county permit.

ACTION: After further discussion, the Board authorized up to \$5,000 for Mr. Reily to hire an engineering consultant (if needed) to assess the glass tower status and provide a full range of recommendations from repair to rebuild with newer technology or eliminate the towers all together.

Finally, Mr. Reily updated the board on opportunity from Spectrum Cable to provide 400 Mbps internet service to the entire building for a monthly charge of \$25 plus fees and taxes (estimated to total \$29 per month per resident). This would generally compare to current monthly charges paid by residents of \$50-\$100 for internet service of between 100Mbps and 400Mbps, thus savings of a minimum \$25/mo to owners. Further facts:

1. There are 70 of 100 units that use Spectrum. Others have no service or use other vendors.
2. The new contract would provide an additional box for use in a second room and of course the additional speed with no throttling.
3. The cost would be divided equally among all units.

Discussions among the Board were led by Mr. Coté who noted his communication with U1 and U2 leadership and their recently signed agreements with Spectrum. He suggested that we get our contract in place ASAP so that in 5 years we can negotiate as a group (and when there will be heightened competition among providers).

ACTION: After further discussion, the Board authorized submitting a proposal to the unit owners for voting on an authorization to approve a new 5-year agreement with Spectrum to provide cable service equal to or greater than the current service and include internet at a minimum of 400Mbps. Cost increase no more than \$25/mo from our current \$40/mo fee and that eliminates individual unit owner invoicing.

INTERIOR RENOVATION – Mr. Coté reminded everyone of the project (phase 1) as per the February mailing:

1. Replacing the existing tile in the 1st floor, elevators and lobby common areas with a light colored long durable tile composite.
2. Refinishing the lobby oak wood to a light oak finish
3. Painting the tile replacement areas of the 1st floor and lobby to a bright and light yet warming color palate.
4. Replacing the built-in ceiling lighting with modern LED lighting modules
5. Replacing some of the existing furniture and accessories.
6. Reserve funds have budgeted for this.

INTERIOR RENOVATION – Continued

ACTION: After further discussion, the Board authorized submitting to the unit owners to authorize execution of phase 1 as defined as long as the contractual costs do not exceed \$420,000

U3 FINANCE REVIEW including insurance costs– Mr. Coté recognized Ken Jones for his help and insight in an in-depth review of U3 finances. Our 2021 budget has a \$37K shortfall partially funded with a 2% dues increase. We saw our insurance increase from \$147K to \$171K (and Mr. Reily should be commended as we have a favorable overall cost vs. the other buildings even after this large increase). All other expenses seemed reasonable (salaries and contracts).

INFORMATION SHARING MEETING - Mr. Coté was instrumental in getting the three buildings together with the HOA leadership to discuss common interests and to propose future projects. Information was shared on fixed costs (e.g., insurance and other contracts). After a thorough discussion, future projects were identified that will be key good finance control.

1. Defining areas for each building and delineating responsibility with the HOA. This will make sure there are no gaps in insurance coverage.
2. How will we handle electric vehicle charging in light of our already tight parking needs (individual stations or dedicated charging areas, and how will costs be allocated).
3. HOA standards (e.g., building painting, balcony tiles, lighting). For this there is an architectural committee which should take this up as a priority.

HOA ELECTRICK POLICY CHANGE – The HOA has stopped reimbursing each building for shared electricity (our share was \$24K a year). This equates to about 3.4% in unit owner HOA dues. However, they did not reduce these dues and that will require a 1.4% increase in our dues. Mr. Coté raised this as an issue with the HOA, however, no change is imminent. The buildings boards of directors are considering further action.

COMMUNICATION COMMITTEE REPORT – Mr. Hallas updated the Board on progress by the committee. Highlights included:

1. In addition to Mr. Reily, we have a new committee member (Ian Koenig) who is a specialist in software technology and who will be involved in our website development.
2. Our focus has been on both external and internal communication. We feel it is important that Ultimar 3 is presented to the public in the best possible light, and this will help maintain our unit valuation. We also will consider an internal login/password option to our website for increased access to critical documents and for a way that owners can communicate freely.
3. We updated the bulletin board outside the mailroom to include current information from the County, the HOA, and activities in our community.

COMMUNICATION COMMITTEE REPORT – Continued

4. We are evaluating a new video monitor technology to be mounted outside the Club Room or north Elevators that will keep the community updated on national and local information along with U3 specific announcements (including an override of the system for emergency notices).
5. We are upgrading our website external link to include drone footage of our building and important information to possible renters and buyers.
6. We will evaluate our current internet provider and website host to see if we can safely provide a login portal for private information to all owners and a way for them to communicate via a secure bulletin board for posting. We have 70% of our owners that are part time and we feel that this might provide an enhanced communication method to keep everyone informed of U3 issues and activities.

NEW BUSINESS

BOARD VACANCY DISCUSSION – Mr. Gabriel led the discussion on the Board seat left vacant by Mr. Winters departure. Several unit owners suggested we may want to fill that seat with the owner with the next highest vote total. This would involve several months of mandated correspondence to establish the candidates and have the actual vote. Mr. Gabriel noted that the same issue had arisen a few years ago and the decision was made to wait until the next election cycle. This established a precedence that seems appropriate. Also, current Board members noted the extra expense for this as our next round of voting will actually begin in September. In addition, we have been successfully operating with 4 Board members and consensus has been reached on issues.

ACTION: Mr. Shishkin proposed a motion to leave the seat open until the next regular election and it was seconded by Mr. Hallas. With no objections, the proposal was adopted.

With no other topics for discussion this section of the meeting was adjourned at 11:05am.