

Silver Lakes Community Association

A Corporation Not-for-Profit

Special Presidents Meeting

Aug 3, 2021 7:00PM

Virtual Meeting via Zoom

John Savaiko introduced himself and opened the meeting at 7:10pm. He thanked everyone for attending. He explained that tonight's meeting is just for Presidents. There is no official vote this evening as is related to the pending project. The meeting tonight is to review the poll survey that was sent to the residents of SilverLakes regarding the community center. John asked everyone to be succinct with any comments this evening. He thanked everyone for volunteering their time for the community. He invited SilverLakes President, Robert Garcia to speak on the subject.

Robert Garcia thanked John for facilitating the meeting. He stated he wished to address half truths posted about the project on social media. He will take responsibility for some misinformation. Bill Bennett asked who was pushing the project. He misunderstood the question. Robert explained this issue should have been addressed in 1996 when the lodge and parking lot was up for sale. Unfortunately, the BOD, at the time, did not poll the residents about the possibility to make the purchase. Residents have always thought the Masons lodge was the SilverLakes Club House. There are a lot of comments about what is done with the money from the Community Center because residents don't know it's owned and operated by the Masons. Robert Garcia now understands the question Bill was asking. Robert Garcia stated PPM is not pushing the project, but he, himself, put forth the project. For background, Robert Garcia asked Robert Moses to set up a conference call with Glenn Gomes, from the Masons, to see if they would be willing to sell the lodge. Glenn said they were making too much money and were not interested in selling. Robert Garcia asked for a second conference call in the middle of the pandemic to broach the subject, but Glenn said he still did not wish to sell. There was a third meeting at the beginning of this year to ask one more time and Glenn said no, they did not wish to sell.

Therefore, since SilverLakes does not have a community center for 20,000 residents, Robert Garcia thought of considering a community center, with zero impact to residents. The current lodge would have met our needs with open space on the first floor and office space on the second floor, so perhaps we could duplicate this set up for SL residents with the Property Management Company renting the second floor. Robert checked with Robert Moses as to what PPM is currently paying for their office space and when their lease expires. Then they contacted the bank about the terms of a loan. Robert Garcia learned the loan could be paid by renting office space to PPM. The next question was could a new center be built in the park. 5K was paid to have a site survey done to see if it was feasible. The projected cost was 1.5K to 1.7K to build a new clubhouse. That was based on current pandemic rates. Robert Moses went to multiple building contractors to confirm that the construction cost was an acceptable construction cost. Construction would not begin until early 2023, so perhaps some of the costs will be lower as we will potentially be out of the pandemic. With a 1K loan, .5 and .7K could be funded from return earnings. In addition, SL could reduce some construction costs. There were ideas

that were identified that could be eliminated/reduced; roof line, veranda, etc. this would be a potential 400K cost reduction. Robert Garcia felt SL had a reasonable concept that could be built.

The future financial stability was discussed. A slide of the Projected Revenue over the first 30 years was displayed. Robert Garcia reviewed the figures; looking at terms of loan, office rental space and renting first floor for residents at a conservative one- rental -per- week. \$2,254.108 projected earnings over the term of the 30 year loan.

Based on these figures, Robert Garcia felt the project was on solid grounds. The operating costs will not kick in until 2024, nor the occupancy.

Carlos, Emerald Spring President, felt the residents should have been polled before the 5K study. Robert Garcia expressed the feasibility needed to be done first to see if the concept could be done.

Colleen thanked Robert Garcia for being truthful. She expressed that if the concept had been thought about for two years, why did everyone just hear about it now. She thought we were going to discuss poll results and not listen to a sales pitch. She expressed her frustration.

Robert Garcia responded that he wanted to clarify untruths.

Collen said residents were frustrated by the two week deadline for the poll. The plan basically duplicates the current lodge, and that revenue is based on renting top floor. Residents are scared right now during the pandemic.

Robert Garcia emphasized this has not been decided. All that was done was a site plan was looked at and financials were looked at. He explained that vendors need to be reminded that SL is a great contract to have. In any RFP's for Property Management Companies, it must state that they must rent second floor.

Perla referenced the grid showing potential revenue, but mentioned there are a lot of additional costs that aren't on the grid, building maintenance, cleaning, water, electrical, etc. She wanted to know where is the sheet for operating costs?

Robert Garcia explained that Robert Moses would discuss that later in the meeting.

Steven McDaniels, President Malibu Pointe, expressed that spending 5K is well within the scope of SL to do. He would like to see operating expenses on same grid. He feels the BOD should identify risks; If PPM were to dissolve, for example, what would happen if it were challenging to acquire another company that didn't want to relocate. He urged the BOD to be careful about using the reserves. If there are excess reserves, residents will say those funds should be used to reduce their HOA fees. So, he cautioned speaking about using reserves for this project. He also suggested a focus group be put together before a communication is sent out. He suggested presenting an income statement format, so it's clear and straight forward. He had a ton of homeowners who were unaware of the poll.

Brad Brelage, President Coconut Sound, is in agreement with Steven's comments. The main revenue is from PPM rental. His main concern is what is the contingency plan. He understands that the

Property Management Company would have to rent that space. How many Property Management Companies are big enough to lease with SL and/or their current leases will meet our needs. With the pandemic, we might not have an easy time renting the space. 4 of the 6 questions were under 50% acceptance. For those numbers, it's hard to justify this type of investment.

Robert Garcia discussed real estate values. The BOD must preserve the property values of SL. Values have never been higher. Right now, homes are selling quickly and often above offer. Realtors state this will continue. Brad emphasized he was discussing commercial real estate, not residential. Robert stated we have had a management company for 30 years and we will have a management company for another 30 years.

Robert Garcia stated there are significantly larger property management companies in the area, bigger than PPM.

Mark Truitt, The Enclave Secretary, voiced his concern about current noise pollution from when events take place in the park. It's very loud and disturbing on the weekends. Has there been any consideration of that?

Robert explained that this project will be managed by SilverLakes not an entity only wishing to turn a profit, which is the case with the Masons. Robert explained there will be a fixed time of when events will end and a noise level that will be allowed. FPI will intervene if those guidelines are not met. It will be controlled by SilverLakes, for the benefit of SilverLakes, and managed by SilverLakes.

Ray Whittier advised about hurricane windows. He said there was a back-to-school party in his neighborhood and he could barely hear the party with the hurricane windows.

Robert Garcia explained there will be a clubhouse committee, comprised from all SL groups, and they will be responsible for coming up with final design and what should be included, to recommend to BOD, whether it be hurricane windows, gym, etc.

Carl Hellmuth, Vice President The Enclave, couldn't get on earlier via the link. The concerns from the residents is the speed with how this is moving forward and residents are concerned about the amount of money. They are also concerned with wording of the poll and also concerns about traffic if PPM rents the second floor. He also inquired about maintaining nonprofit status if second floor is rented.

Robert Garcia advised that Pines Property Management's contract is up for bid in 2024 and therefore that is driving the timeline.

Stewart Ochs, President Coconut Bay, voiced concerns about guaranteed forever renter on the second floor, as well as building on open space and losing a large open park area. He questioned whether SL really needs a building for residents to rent for a party?

Robert Garcia spoke of the benefits and explained the level of rentals at the Masons lodge is significant and their rates are significant, ie., \$800 on weekends, plus you have to use their caterers, etc. SL would offer substantially lower rates for residents. SL has had a management company for 30

years and instead of paying Bergeron for office space, lets pay ourselves. Whatever management company it is needs a space for their staff and equipment. Why not have it be in SL's clubhouse.

Steward emphasized losing the open space. Robert Garcia explained the beach and volleyball area will be moved to the large lawn, but the playground and pavilion will remain and a nicer area will be created with the extension of the boardwalk. This will be a nice area for residents to walk and enjoy. Instead of it being secluded by the Mason's lodge.

Terrie Alison, President Coconut Reef, asked Robert Moses how many complaints they have had received concerning noise from the Masons lodge. Robert explained he gets reports and he doesn't recall any noise complaints. To his knowledge, he has not heard of any complaints.

Derek Dodd, Sapphire Park, wanted to know what was the contingency plan if a property management company does not lease second floor. Robert Garcia explained the RFP will state the second floor must be leased. Derek feels if there is a winning bid and they don't want to move, we are blocking vendors. It is trap language. What if a good bid cannot leave their existing lease?

Robert Garcia explained we pay the existing management company, through their contract, to pay their current lease. The question is why would SL want to pay a management company to pay their lease to another entity and not be in SilverLakes' space? SL is the largest community in Broward County and we can demand these things. We can demand from Comcast that they provide certain options to us and not anyone else, because we are the big dog in town. We should let our power work for us. Derek said our concern should not be where a company leases space. We are not a commercial real estate company. We are an HOA. Robert Garcia explained rent is built into their contract cost and therefore the rent they are paying can impact future assessments for SL residents. Therefore wouldn't it be better that they pay SL and not someone else and we can control lease increases. If Bergeron increases rent, we will see that with PPM's operation costs. Derek says the risk of assessments should rest on the management company. Robert Garcia says their proposal is what we accept or not.

Jasper Briggs likes the idea of having a clubhouse and we should have had it a long time ago. We could add on extra things, like a gym. He thinks it's great idea. He doesn't think there will be a problem with traffic and noise.

Harvey Harris, President of Emerald Sound expressed his residents are not pleased with the project. He is concerned about being in competition with the Masons Lodge and worried about parking if there are two events the same day. There are other issues as well.

Robert Garcia explained the Masons rent the lodge for \$800 on a Saturday night, plus there are additional costs, ie, microphone, caters, etc. SL will have a flat fee and we are not in this to make money. Robert thinks there will be no competition. As far as parking, when the Masons have an event, we will have our own additional parking which will alleviate parking issues. It is possible that there will be two events on the same night at the same time.

Joe, President Misty Harbor, would like to see a Presidents vote yes or no tonight out of curiosity.

Question from chat from Colleen Cheney about what if Masons lodge revenue would go down and they go out of business. What would happen to that property.

Robert Garcia reiterated that the Masons were not interested in selling the lodge.

Carlos Maristany, expressed SL would have restrictions and the Masons wouldn't. Robert Garcia said the overriding concern would be for SL residents and that is not the Masons concerns.

George Ferreira expressed we should be concerned about revenues.

Steve Goldman said he believes the lodge does has restrictions in place

Elizabeth mentioned there is also the Floridian Hall that residents can rent.

Perla asked if SL clubhouse rentals were for SL only. Yes, already addressed.

Brad stressed that economics dictate that competition will most likely drive down the Masons rentals.

Jasper asked who will make the decision if the hall can be rented. What is going to be the process. Robert Garcia explained PPM will have a process as they do for the pavilion. Jasper wanted to know who will be in charge of that?

John Savaiko likes the idea of having a clubhouse and having community events available. His former spouse, Joy, was the special events coordinator and historically events in the park were extremely difficult to hold. The Masons demanded cars be moved and were very difficult. The cons are that it is a difficult time with fiscal uncertainty, and it is an awkward time to start a project of this magnitude. There needs to be more of a cost analysis posted about the project. This may preclude other property management companies depending on the status of their lease. Having PPM much closer and on site would be an advantage. Why the rush?

Chat: How many other property management companies have onsite companies? Robert Garcia mentioned Grand Palms and Century Village have management companies onsite.

Chat: From liability stand point for , for social events, what has our attorney advised. We need guarantees that there will not be special assessments.

Colleen, the management company also takes care of other associations. This will invite more traffic into our park.

Robert Moses provided a slide on Insurance/Maintenance Expenses.

Monthly Cost \$2,758.33 and Yearly Cost \$34, 100.00.

These expenses will be absorbed by the excess retained earnings.

Office lease revenues will offset portions of these expenses as the lease rates increase.

RM advised residents will be interested in renting a new clubhouse every week-end.

Residents will be required to leave a security deposit in the event there is damage.

That expense will not be on the association.

The nonprofit status: if we are renting to residents, status does not change nor if SL leases to property management company.

As far as liability insurance for social events, that is included in the quoted cost as part of the insurance expense shown.

Robert Garcia, asked Robert Moses about the size of other property management companies. Castle is a very large organization, for example. PPM is medium and then there are Mom and Pops. Robert Moses advised PPM is not the largest out there. PPM says they are medium boutique size.

Joe from Misty Harbor asked about active shooter liability. Robert Moses advised that can be explored.

Steve McDaniel asked Robert Moses to explore with the insurance provider about our umbrella policy as policy will have to be increased because of parties and alcohol. He would like to know deductible. Robert Moses advised SL has a 5% deductible on wind. Steve said there should be a reserve for that.

Derek on chat, how does it work when other communities managed by PPM need to come to SL. Robert Moses advised they would need to have access to the office. Robert Garcia asked about PPM visitor traffic, pre pandemic. Robert Moses said the traffic was predominantly SL residents.

Steve Goldman asked if we were to go with Castle Group, would they assign a manager to SL and keep their home office at their headquarters. Robert Moses advised there are associations that require property management be on site. It is not uncommon.

Robert Garcia reiterated we are one of the largest communities in FL. We are currently negotiating the bulk agreement for cable and internet. We have companies offering to put a person in SL five days a week because they want the contract. Robert Garcia says we can wield that power and we should tell vendors what to do and not vice versa.

John Savaiko said we will review the Poll Results and then he will take a straw poll, understanding this is not an official vote and not all Presidents are here.

1. SilverLakes Community Center Poll Results

Robert Moses sent poll send to 4, 736 via email (92% of the community) plus it was posted on website, tv channel and SL social media

1, 141 results came in (22% of residents) This represents the highest response received for a survey, to date.

Of the 39 SilverLakes neighborhoods:

25 communities showed to be in favor of the new community center

14 are against the new community center.

64% in favor of approving

SilverLakes residential communities are divided into 6 groups. The group votes are as follows:

Groups 1 & 2:

12-No

1-Yes

Groups 3, 4, 5 & 6

23-yes

3-No

67% in favor

Brad Brelage states we need to show percentage of no votes.

Eric Appel, VP Pelican Cay, this should be voted on by residents. The residents need to have a full voice. This is not the electoral college. He was originally in favor and now he is against it. He does not think this is the time to proceed. This will put a lot of traffic in that area. The overall aesthetic will be changed. If there was another piece of land, that would be a different situation. The greenery will be robbed. All the residents need to have a vote. This is too big a project for a voting community.

Robert Garcia explained the docs are set up so the voting members vote for their community.

Steve McDaniels asked if there any anomalies. Was the percentage of participation equal?

Robert Garcia explained the community votes for the number of homes in their community.

Steve McDaniels feels the survey was worded as to why wouldn't you want this? Robert Garcia explained the Presidents can discuss with residents and then vote accordingly. That is the way it is supposed to be done. A proxy is sent and Presidents can talk to residents, or not. The proxy goes to the President of the community. Steve is not sure of the full extent of the cost and complexity had been explained to the residents before taking the poll. Steve says that's a lot of work. Robert Garcia explained when you sign up to be a BOD member, its more than a seat, there's a fair amount of work. President should canvas residents. Robert Garcia explained, until vote is taken by the voting members, nothing is for certain.

John Savaiko said it's a representative form of governing. He walked around his neighborhood and spoke to residents. That's what we are charged with in our community. You're answerable to your neighbors.

Steve Goldman is confused about what the vote is for? On adding common elements or taking a loan? What are we voting on. John Stevens explained the vote is for the financing portion of the project.

Robert Duff, Pelican Cay, asked about the facilities. What are typical insurance claims that may come up in the future with this type of facility. Robert Moses says he does not have any data, but it would

be things that happen in common areas, trip and falls, injuries, etc. It would be worthwhile to have a conversation like that with the insurance agent.

Robert Moses advised he is not aware of any lawsuits against the Masons Lodge. That's not to say it cannot occur. He says there has not been any claims at the community center in Encantada. John Stevens shared the majority of the communities he represents have clubhouses, but the majority of lawsuits are dog attacks, tripping on sidewalks, etc.

John Stevens responded further to Steve Goldman's question. The BOD can send whatever they want to the voting members, however all that is necessary is a vote on the *financing*. The Master BOD can vote, independently, to approve the clubhouse.

Terrie Alison shared the Master BOD can vote to build and assess all the residents without financing a loan. Grand Palms uses Miami Management, but they have an office at Grand Palms. Sunset Lakes has onsite management. Residents can get the information from the website. Information is readily available concerning the project.

John Stevens said it's a majority of the membership. It's a weighted %. However many units are the number of votes you get to vote. It's a majority of units as voted by the voting member.

John Savaiko conducted a quick straw poll. He expressed it may not be a popular decision, but he would do it for feedback.

As things stand today, are you in favor in moving this project forward?

President or rep

Stewart Ochs-NO

Steve Goldman-NO

Colleen Cheney-NO

Harvey Harris-NO

George Ferreira-NO

Daron Fitch-YES

Jaspar Briggs-YES

Diane Holm-NO

Andre Gonzalez-YES

John Savaiko-Abstain

Joe Rodrigue-NO

Rene Stincer-NO

Robert Garcia-YS

Steve McDaniels-NO

Terrie Alison-YES

Alex Perez-YES

Bill Bennett-abstain

Brad-NO

Carl Hellmuht-NO

Carlos -NO

Elizabeth Agastine-NO

Greg Ball-NO
Laura Santiago-NO
Richard Coberly-NO

16 No
6 Yes
2 Abstain

John Savaiko reiterated this is not an official vote. This is a straw poll.

Robert Garcia explained over 60% of residents want this project to move forward. It needs to move to a meeting. He asked if three weeks was enough time for Presidents to speak to their residents about the issue?

John Savaiko suggested to everyone to get in touch with their community before your casting their ballot.

Steve Goldman, doesn't the BOD have to meet and create a motion for the voting members to approve with proper notice?

Robert Garcia asked that we entertain a motion to have a meeting take place. John Stevens said the decision can be made at the meeting tonight as to whether it can go to voting members.

Motion by the Master BOD to forward the question to the Voting Members if they would approve the funding of the loan for the clubhouse.

Motion to approve by Terrie Alison. Second by Ray Whittier.

Terrie conducted roll call:

Robert Yes

Daron Yes

Terrie Yes

Vicki Yes

Laura Yes

Ray Yes

Motions passes

Daron expressed there were 6 out of 7 Master BOD members present; himself, Robert, Vicki, Terrie, Ray, and Laura.

Steve McDaniels will we get a deck before the vote?

Two weeks notice is required for a meeting to take place.

Terrie advised she was under the impression that Presidents should have already spoken to residents. All the info is on the website and it was sent to residents.

Steve requested a full desk for revenue/expenses. He never received instructions on poll and speaking to residents.

Robert Garcia asked Robert Moses when all the data could be put together for the Presidents. Robert Moses said he would put it together tomorrow. Daron asked about format Robert Moses advised he would send PDF's of proposed revenue and expenses.

Bill Bennett asked about the minutes. This is not a BOD meeting and questioned why Master Board business was being conducted at a Presidents meeting. John Stevens advised the Presidents meetings are noticed as a BOD meeting as there is a quorum of Master BOD members present. Presidents meetings are routinely noticed as BOD meetings. There would be two sets of minutes.

Daron stated this is not something that is normally done. It was a unanimous vote to send to voting members. This needs to be moved along.

Derek Dodd expressed this is an info session. School is starting soon. The Master BOD is forgetting this is a community of families. Parents are busy. This feels rushed. There seems to be a disregard to the feedback. Seems like the project is being rushed. Members need to represent their community. They need to engage community before putting forth their agenda. Laura Santiago advised this project was presented at the last Presidents Meeting and BOD Meeting and there was a request for a poll. There has been time. Laura talked to her residents about the poll. She reiterated that the Presidents had a month.

Daron has school age children and he works full time and his wife works full time. He reached out to his BOD and residents. To make a statement about the Master BOD and their personal desires, not the community, is based on false assumptions.

Robert Garcia expressed all 7 of his communities voted in favor. To say the BOD doesn't care, it is not acceptable. Everyone is a devoted community representative and speaks to residents. There has been ample time and Presidents should know how their community wants to vote.

Derek advised Covid is spiking and door to door is not advisable. Robert Garcia reiterated the clubhouse would be occupied in 2024.

Brad also did vote no. He met with Coconut Sound residents. He shared it is possible to get a quick zoom with residents. He got a good feel for the community.

John Savaiko stated the Presidents have a responsibility to interact with their community. He has a facebook page for his community and emails for his residents. You have a responsibility to communicate with your residents. This is not something brand new.

There will be a Noticed meeting in 4 weeks, projected for Tuesday, Aug 31st. Vote the wishes of your community that you represent. Educate residents so you can vote appropriately.

Steve Goldman asked about the meeting. Robert Garcia advised the BOD will call a Voting Members meeting via zoom. John Stevens, proxies will be sent to Voting Members with 14 days notice.

Steve, is it a majority of the voting members or homes in SL?

John advised it is the majority of homes in SL as voted by the voting members.

Robert Moses will provide additional information by the end of this week. Elizabeth wants to know about a “performa” report with revenues and expenses in the same sheet.

Robert Moses advised it can be created, but not by the end of the week. He’ll do his best to put it in that format.

John Savaiko thanked everyone for their participation. Robert Moses will email PDF’s. If anyone needs anything, please reach out.

John adjourned the meeting at 10:10pm

Respectfully submitted,

Cathy Balenovic
Director Community Affairs