



Crescent Beach Condominium Association, Inc.
November 17, 2022
Budget Adoption Meeting Minutes

1. ROLL CALL

The meeting was called to order by President Jeff Patterson at Crescent Beach Condominium Social Room at 10:00 a.m.

Five directors were present in person as well as Mgr. Pam Carey.

The following directors were in attendance:

Jeff Patterson	- President
Jack Hillegas	- Vice President
Rick Burkhardt	- Treasurer
Pete Brown	- Secretary
Dr. Lee Konecke	- Director

Owners in Attendance:

<i>Mr. B. Wolfson, Unit 604</i>	<i>Ms. J. Norbut, Unit 408</i>
<i>Ms. S. Franzese, Unit 706</i>	<i>Mr. J. Cairns, Unit 704</i>
<i>Mr. M. Horvath, Unit 207</i>	<i>Mr. & Mrs. Lipic, Unit 900</i>
<i>Mr. A. Beaudet, Unit 201</i>	<i>Mr. F. Vari, Unit 505</i>
<i>Mrs. P. Frazier, Unit 506</i>	<i>Mr. & Mrs. Kallinich, Unit 607</i>
<i>Mrs. M. O'Neil, Unit 1007</i>	
<i>Dr. J. Barzun, Unit 800</i>	
<i>Mrs. J. Vowels, Unit 1405</i>	
<i>Mr. B. Hamer, Unit 406</i>	

Owners via Zoom:

Mrs. J. Tricarico, Unit
Mr. F. Magovern, Unit 1101
Ms. K. Hunt, Unit 1402
Mr. & Mrs. Aschacher, Unit 300
Mr. F. Crivello, Unit 807

2. PROOF OF NOTICE OF MEETING

Pam Carey stated the 14-day notice was posted on the lobby bulletin board on November 3rd 2022 as required by Florida Statute. In addition, the Budget Packet was mailed by USPS to each owner on November 3rd 2022.

3. APPROVE AND WAIVE READING OF PREVIOUS MEETING MINUTES

Jeff Patterson asked for a motion to approve and waive reading of the meeting minutes from October 25, 2022 and November 2, 2022.

Motion was made by Rick Burkhardt, seconded by Pete Brown. Motion carried unanimously in favor to approve and waive reading of the October 25, 2022 and November 2, 2022 meeting minutes.

4. OFFICERS REPORT

PRESIDENT JEFF PATTERSON

Recently, we had our Pest Control Company on property to spray in each unit. This is a preventative measure and protects all of us. This is not an optional issue. All units are required to have quarterly pest control.

Rick Burkhart is chairing a Condo Documents Committee meeting on January 10, 2023 at 10 a.m. The committee will be reviewing several issues including hard surface flooring and underlayment. Please sign up in the office if you would like to join the committee and all owners are welcome to attend and participate.

I will be chairing the Building and Grounds Committee January 17, 2023 at 10 a.m. Landscaping, building painting, handicapped accessibility and use of our courtyards will be discussed. Please sign up in the office if you would like to attend and participate.

We will have our next Board of Directors meeting January 19, 2023 at 10:00 a.m.

A reminder that our Annual Meeting will be held February 1, 2023 at 10:00 a.m. Our board election outcome will be announced at that meeting. If you have an interest in being on this board, I encourage you to put your "hat in the ring". Information will be coming out soon. We especially need a person with finance or insurance background or interest on our board.

VICE PRESIDENT JACK HILLEGAS

Pam, Sheelah & myself have been working with Venture to complete the remaining punch list to be completed by Venture Construction group. The fifth and final payment of \$420,506.65 which is currently in escrow with a third-party attorney will be paid after all construction services are completed. The majority of the remaining punch list deals with weatherstripping or priming/painting of unit front doors.

TREASURER RICK BURKHART

Our operating expenses for October were \$95,205 with a monthly budget of \$95,212. This leaves us \$6.57 under the operating budget for the month.

The year to date (YTD) operating expenses are \$917,096 with a YTD budget of \$925,006. This puts us \$7,909 under budget for the year.

As of Nov. 14, our reserve accounts total \$1,153,489. The major reserve expenses incurred in Oct. were the purchase of additional pool deck chairs for \$9,624 and a 50% down payment on driveway repairs, staining and resealing of \$22,782.

MANAGER PAM CAREY

Dune Vegetation: I recently applied for a Permit with the City to trim all vegetation on the dune which requires an Environmental Assessment for the Dune Habitat. Nancy Richie, of Island Environmental &

Marine Services came out to prepare a detailed report on all vegetation and animals living on or around the dune. She found 1 Burrowing owl and 4 Gopher Tortoise burrows, as both are listed as threatened species, and are protected. Also, Other wildlife was observed which included a Brown Anole; invasive species such as Green Iguana, & Curly Tail Lizards; also noticed a Northern Cardinal and misc. insects and spiders. At this time, no loggerhead or green sea turtle nests were in the vicinity of Crescent Beach. Nancy made recommendations on areas to be trimmed and if dead, may be removed.

5. NEW BUSINESS

Ownership Vote. Total Proxies received was 93

a) Ownership Vote to approve **Partial Funding** of the Yr. 2023 Replacement Reserve in the amount set forth by your Board of Directors. This selection will provide for an increase in the average annual reserve assessment to **\$3,493.00** per unit.

90 in favor for Partial Fund, 3 Opposed

b) Ownership Vote to approve **Fully Funding** of the Yr. 2023 Replacement Reserve. This selection will result in a substantial increase in the average annual reserve assessment to **\$14,991.00** per unit.

0 in favor for Fully Fund, 93 Opposed

c) Ownership Vote to **rollover** any year end Operating surplus to the next Budget Year.

90 in favor to Rollover Surplus, 3 Opposed

6. OWNERS QUESTIONS & ANSWERS

Questions Related to Association Budget

Q/1: Joe Lipic, Unit 900

If we have a budget and we run a deficit, we take that from the reserve, right? If you have a deficit, spend more money than you budgeted for, where does the money come from?

A/1: Rick Burkhardt, Treasurer

Our annual operating budget is a detailed report of expected expenses for our day to day operations and revenues over a twelve-month period. We can fairly accurately determine what to expect financially since we are aware of the cost of products and services purchased annually accounting for inflation and cost of living adjustments. So ideally, if we budget operating funds correctly, we come up with a zero balance at the end of the year.

The reserve budget is set aside for items needed for repair and replacement of Association assets and is only used for capital expenditures which are not included in the operational budget. The Reserve Study which is an expense projection report helps us to adequately set aside reserve funds for inevitable projects in the future. We have continued the practice of past Boards to strive to maintain our reserve fund at one million dollars.

The operational and reserve funds are maintained separately and can not be commingled. The reserve funds may only be used for the purposes for which they were reserved. Any reserve expenditures over budget can be absorbed by our million dollar reserve cushion or a special assessment may be levied.

Q/2: Joe Lipic, Unit 900

For the 2023 budget, do you expect a deficit? Will we incur greater expenses than 2022?

A/2: Jeff Patterson, President

The major expense that we are looking at in 2023 is painting our building, which we have estimated at \$500,000.

Question Related to Repainting of the Building

Q/3: Joe Lipic, Unit 900

The building may have some cracks that need to be repaired but the building certainly doesn't look shabby.

A3: Jeff Patterson, President

We must maintain the aesthetic quality of all common areas by keeping them in a state of good repair. This has a direct impact on the property values and the satisfaction level of the unit owners.

Rick Burkhardt, Treasurer

The warranty on the paint that we use is seven years which has expired. Additionally, with the renewed focus on structural integrity after the Champlain Towers South Collapse we must be very vigilant protecting our building. Exterior painting is one of the structural integrity components specified by the new Florida Statute, I don't think we should delay this based merely on appearance.

Questions Related to Wind Mitigation

Q/4: John Cairns, Unit 704

Is everybody required to get the hurricane windows in the building?

A/4: Jeff Patterson, President

The previous board took a vote and mandated that owners replace windows and shutters by September 30, 2023. The plan moving forward will be discussed in detail at the January meeting. However, CB's attorney advises that according to our condo documents a vote of the ownership is required in order to pass, 59 unit owners voting in the affirmative.

Q/5: Mary O'Neil, Unit 1007

In 2023 when we renew our insurance, given that hurricane high impact windows are installed how will the discounts be applied?

A/5: Rick Burkhardt, Treasurer

To receive a reduction on our insurance the first requirement is for all 117 units exposed openings including windows and doors to be high impact rated to get the building fully mitigated. The insurance company will conduct an inspection of the building. If there's one window not mitigated anywhere in this building, then the entire building doesn't get credit at all.

Questions Related to Christmas Tree Lights

Q/6: John Cairns, Unit 704

Did you ever think about maybe putting a few more Christmas lights outside of the building? We were on Marco Island last year and we were impressed with some of the Christmas tree lights we have seen on other buildings.

A/6: Pam Carey, Manager

I notified a few companies that install Christmas Tree Lights on Royals. Their best price was an average of \$300 per tree for installation.

Comment Related to Insurance

C/7: Frank Vari, Unit 505

The insurance markets are tough right now. Not only the primary insurance but the reinsurance market is even getting worse. The thing to understand about underwriters, especially commercial large-scale underwriters, is they have qualifications for their discounts on insurance and their engineers are the ones that make the decision, it's not a negotiable position. My understanding of what's happening here in Florida is that it is harder to obtain state coverage because a great number of entities are already covered by the state. There is also the unabating concern if taxpayers will end up on the hook, especially coastline home owners. So that's just a little bit of the current environment that's out there right now in terms of underwriting and large-scale commercial insurance.

C/8: Pete Brown, Secretary

CB Wind insurance for years held pretty steady, about \$150,000 a year. The current rate for 2022 to 2023 is \$210,000. The increase was a surprise and also only a handful of companies even gave us bids, so for this reason it is really important for the association to maintain the building condition so we stand a greater chance of obtaining coverage. We all have a million dollar plus investment in this condo.

7. ADJOURNMENT

There being no further business brought before the Board, Jeff Patterson asked for a motion to adjourn the meeting. **Motion was made by Lee Konecke, seconded by Rick Burkhart. Motion carried unanimously and approved by the board.**

Meeting was adjourned at 11:40am.


TREASURER



Secretary

Date