

**Villa Towers Board of Directors Budget Meeting
Monday, Nov 15, 2021
Meeting Minutes**

President Cathy Newman called the meeting to order at 4:02 pm.

Quorum confirmed (27 owners required): Secretary, Cathy Gill, confirmed owners participating by proxy and in person:

21 By proxy
17 Present and signed in
38 total

Roll call of Directors – Cathy Newman, Jeff Foster, Cathy Gill, Maria Kaliniak, Elizabeth Gittins.

Absent: Rob Saari

Notice of meeting (Cathy G) –

Mailed and emailed to owners on Nov 1, 2021, with Budget package (letter, Limited Proxy, Proposed Budget, Reserve Funding), and posted in the elevators and lobby on Nov 1. A reminder was emailed on Nov 12th.

2021 Partial Funding of Reserve Funds Owner Vote

Cathy Newman opened the floor for questions regarding the proposed partial funding of Reserves. Jeff F reviewed what it means to be partially funded. No discussion ensued.

Cathy G called for a vote to approve the partial funding of reserves as proposed and as required by Florida Statute 718.112(2)(f). The proposed partial funding of reserves was accepted by a vote of:

Results:

In favor:
19 By proxy
18 Present
37 Total

Against:
1 By proxy
0 Present
1 Total

Abstentions:
0

2021 Compilation Type Financial Report Owner Vote

Cathy Newman opened the floor for questions regarding the Report Type for 2021 financial statements, recapping the need for this annual vote. The compilation report is prepared by an accountant. No additional discussion ensued.

Cathy G called for a vote to accept a compilation type of receipts and disbursements for the 2021 financial statements. A compilation type report was approved by a vote of:

Results:

In favor:
20 By proxy
18 Present*
38 Total

Against:

0 By proxy

0 Present

0 Total

Abstentions:

0

Cathy N thanked the finance committee, headed by Jeff Foster with Mike Leach, Don Gill, and Tom Newman.

Overview of Proposed Budget & Reserve

Treasurer's Report:

- Jeff F gave an overview of the budget, as attached.

Owner Questions:

Q. Tom Leng – Do we have to have a LOMR re flood insurance. Cathy N: That was a one-time thing, subject to changes by FEMA.

Q. Frank Bolognino – How short are we from having fully funded reserves? Jeff: According to the study, about \$800,000.

Q. Sam Messina – Do we put our insurance out to bid? Tom N: Yes, the insurance committee goes out for proposals every year. Unfortunately, many insurance companies decline to quote, due to age of building, our proximity to the water, our electrical panels outdated, and our fire system are old.

2021 Proposed Budget BOD Vote

Cathy G moved that the BOD accept the 2021 proposed budget and reserve funding as prepared by the Treasurer and Finance committee. Seconded by Cathy N. All in favor. Motion passed.

BOD Business:

Secretary Report:

- Cathy G moved to accept the minutes of the October 20, 2021 BOD meeting minutes as previously emailed. Cathy N seconded. All in favor. Motion carried. Cathy G will post to the website.
- Cathy N introduced Elizabeth Gittins who was appointed to the Board at the October 20th meeting. According to the current By Laws, the Board can consist of up to 7 members.
- Upcoming annual meeting dates and deadlines were reported, as follows:
 - Annual Meeting: Thursday, January 27, 2022 – 4pm
A 60-day notice will go out at the end of Nov requesting Board of Director nominations by Dec 18th.
 - Cathy G encouraged all to consider running for the BOD or joining a committee.

Other Business:

- Rerouting of Pump System Piping – Susan Hoffman thanked Don Gill for all his work with the rerouting of the pipes. The lobby work is now done.
- Exterior Lighting – Elizabeth and Cathy N have been working with the island turtle committee to come up with a plan for new lighting.
- Automatic Doors Installation – Cathy N reported that this project is progressing although a few issues have come up along the way. It should be done shortly.

- Concrete Restoration – The earliest commitment from our contractor is for the project to be done in February and March 2022.
- Building Painting – This is targeted for May or June 2022.

Owner Comments/Questions:

- Exercise Room TV (Tom Leng) – Tom noted that the TV is not online. Cathy N: Both TVs are not officially on our Comcast account. They were given as complimentary at some previous point. During the last renewal, they did not give us the complimentary TVs, although they continued to work. It now seems that Comcast has realized their error and have cut us off. We will look into restoring the TV service.

Adjournment: At 4:32 pm, Cathy G made a motion to adjourn. Seconded by Jeff F. All in favor. Motion passed.

Attached: **Proposed 2022 Budget highlights**

As presented by Treasurer, Jeff Foster, and attached to these Nov. 15, 2021 Budget Meeting Minutes:

Proposed 2022 Budget highlights include:

- 1) Administrative Costs:
 - a. Insurance costs are expected to increase \$19,000 (18%) over the prior year as estimated by our insurance agency and 20.6% over the 2021 Budget.
 - b. Other admin costs are expected to increase 7.4% over actual but 4.6% below the 2021 Budget.
- 2) Utilities:
 - a. Utilities are expected to increase \$6,700 (6.2%) over the prior year, with the largest increases coming in Comcast Business and Xfinity Cable, natural gas, and water/sewer/trash.
- 3) Contacted Services:
 - a. Contracted services are up \$6,100 (8.7%) from the previous year mainly due to increases in janitorial and landscaping services.
- 4) Maintenance Costs:
 - a. Maintenance costs are planned at a 20% decrease from budget. We have not been spending monies as most maintenance costs are expensed through our Reserve Accounts.

The two primary reasons for our increase in unit monthly maintenance fees are Insurance and Annual Reserve Funding. As a result of the increase in insurance and Annual Reserve Funding, an 11.7% increase in owner monthly maintenance fees is required to cover anticipated cost increases, starting January 1, 2022. The 2022 monthly maintenance fee per unit will be as follows:

- 1) 30 Stack - \$764
- 2) 29 Stack - \$420
- 3) 27 & 28 Stacks - \$723.

The Special Assessment in early 2021 of \$28,000 to increase our operating cash has resulted in an improved operating cash level of \$67,800 estimated at the end of 2021. By maintaining operating cash at this level, we plan to minimize or avoid borrowing monies to pay our insurance costs in 2022. A Special Assessment in late 2021 and due Dec 10, 2021, was made to pay for Fire System Piping and Controller \$59,100, Building Restoration \$47,500, Door Repairs \$19,191, and Main Entrance Lighting \$3,000 for a total of \$128,791.

Moving on to our Reserve Funding, the Reserve Study shows an estimated current cost of \$1,867,738 and a Fully Funded Reserve Requirement of \$1,185,138. As in past years we do not recommend fully funding the reserves. This year we are proposing an \$18,456 increase in our Annual Reserve Funding, from the previous year's amount of \$74,244 to \$92,700. Please note this does not get us to the Annual Reserve Funding level of \$114,009 as detailed in our Reserve Study. This will give us total reserves of approximately \$357,675 available in 2022. The \$357,675 is made up of the 2021 ending balance of \$261,082, a 2021 ending balance of \$3,893 in special assessments and \$92,700 in 2022 Annual Reserve Funding.

Major reserve spending in 2022 will be to paint the building. Special assessments may be necessary to cover unexpected major items that are not fully covered in the reserves.