

Island Cove Condominium Association
“Zoom” Board Meeting
2022 Budget Presentation
October 29, 2021
6:00 P.M.
MINUTES

Attendees: Carole Neubauer, President; Barb Park, Vice-President; Walt Stampley, Treasurer; Pat Moore, Secretary.

Call to Order (Carole Neubauer)

Carole Neubauer called the meeting to order at 5:03 p.m. and announced that there is a quorum of Board members present to have a meeting. Carole Neubauer stated that the sole purpose of the meeting is the presentation from the Budget Committee to the Board of the 2022 Proposed Budget.

Presentation from the Budget Committee to the Board of 2022 Proposed Budget (Walter Stampley)

- Walter Stampley thanked the members of the Budget Committee who worked with him to prepare a proposed 2022 Budget to present to the Board: David Bragdon (Unit 201B), Len Brown (Unit 305A), Jim Fordham (Unit 207A) and Tony Laurretta (Unit 109A). Walt Stampley reported that two budget meetings were held. Prior to the first meeting, Walt had individually talked with and distributed to each member of the Budget Committee a draft 2022 budget that had been prepared based on the 2021 budget, 2021 expenses through August, and projected 2021 expenses by year end. In addition, Walt had also given the committee members a summary of possible options for the 2022 budget.

Walter Stampley thanked Carole Neubauer for all her time and hours of work with the Bookkeeper and with him in designing and finalizing the numbers for the 2022 proposed budget.

Walt Stampley reported that the Budget Committee unanimously recommends to the Board that they approve a Partially-Funded 2022 Budget.

Using the adopted 2021 Partially-Funded budget as a foundation, Walt Stampley reviewed key increases and decreases from 2021 in various line items:

- 1) Bookkeeper/Full management provides for a management company to assist the Board in managing the complex. Carole Neubauer added that three management companies have been interviewed and a recommendation will be brought to the Board at the November 16th Board meeting for approval. Details about the Management Company will be provided at that meeting.
- 2) The budgeted amount for Maintenance Services has been reduced to \$14,400. The decision was made solely on paint costs. It is more cost-effective to restore major painting projects to a fixed price contract as done in the past. Carole Neubauer added that the decision to have maintenance personnel do larger paint jobs was begun on an experimental basis. Tracking these hours and costs over the last couple of years has

made it clear that we are not saving money and that it would be best to return to a fixed price contract with a painting company for our major paint projects and to pay for these projects from paint reserves.

- 3) Roof maintenance funds have been increased to \$18,000 to cover the annual costs of maintaining and repairing the roofs.

Walter Stampley mentioned that wind and property insurance is projected to increase by 24%. Walt added that the two separate roofers increased the required number of squares per roof to calculate roof replacement costs. He added that increases required for insurance and roof reserves are the two most important factors contributing to the need for increased income in 2022. Walt stated that the only difference between a Fully-Funded and a Partially-Funded 2022 Budget is the amount allocated for roof reserves and paint reserves. Fully-Funded roof reserves increased to \$76,573.55 and Partially-Funded roof reserves increased to \$63,552. Fully-funded paint reserves increased to \$10,392 and Partially-Funded paint reserves increased to \$6,804.

Carole Neubauer asked if there were any questions from any of the unit owners in attendance.

Betsy VanArsdall (107A) inquired if using a Management Company to manage our complex would change or remove any of the projected line items in the proposed budget. Carole Neubauer replied that none of the line items would change. The Management Company would manage the complex using our budgeted line items, allow us to keep whatever vendors we choose and assist us with hiring new vendors if we choose. Carole added that the line items in the budget are financial guidelines by which we operate.

Pat Moore (102A) inquired if removing painting from the maintenance tasks actually reduces the maintenance services hours in half. Carole Neubauer responded that the analysis of tasks and hours over the last two years supported that recommendation. Pat asked if Mike were working less hours if he'd still be able to respond to maintenance issues and emergencies after hours. Carole Neubauer responded that Mike's availability to help on his off time would be totally up to him and would not be dependent on how many hours a week he is working for the condo.

Walt Stampley announced that two roofers will be at the Clubhouse this week, the first on Monday at 2 p.m. They will explain their proposals and have samples of their products for any unit owners who are interested.

- **Motion to Approve Partially-Funded Proposed 2022 Budget.** Barb Park made a motion to approve a Partially-Funded Proposed Budget for the 2022 budget year to be distributed to the unit owners for their review. The motion was seconded by Pat Moore. The Board voted unanimously in favor of a Partially-Funded Proposed Budget for 2022 to be distributed to the unit owners.

- **Review of Procedures.** Carole Neubauer reviewed the procedures that will take place between the approval by the Board on October 29, 2021 of a Partially-Funded Budget for 2022 and the adoption of a Partially-Funded **or** Fully-Funded Budget for 2022 on Nov. 16, 2021.
 - 1) The proposed 2022 Partially-Funded Budget discussed and approved at the Board Meeting will be hand-delivered/e-mailed to all unit owners on November 2nd.
 - 2) The Board is required by Florida statute to present a Fully-Funded budget to the unit owners. Since the Board approved a Partially-Funded proposed Budget for 2022, the proposed Budget that shows both a Fully-funded and Partially-Funded budget for 2022.
 - 3) In order for a Partially-Funded Budget to be adopted by the Board on November 16th, a majority of unit owners (at least 22) voting “yes” for a Partially-Funded budget will be required.
 - 4) Immediately following the Unit Owners’ meeting at 6:00 p.m. on November 16th, the Board will meet to adopt a Fully-Funded or Partially-Funded 2022 Budget. Absent a majority unit owner vote for a Partially-Funded 2022 Budget, the Board will have to adopt a Fully-Funded 2022 Budget.
 - 5) The proposed Partially-Funded 2022 Budget, Limited Proxies and detailed instructions for the November 16th unit owner vote will be e-mailed and distributed to all unit owners on November 2, in preparation for a Unit Owners’ “Zoom” meeting on November 16th at 6:00 p.m. Limited Proxies will be collected prior to the November 16th unit owners’ meeting and counted at the meeting.

Carole Neubauer thanked the Board and the unit owners for attending the meeting and for their continued support.

The meeting was adjourned at 6:00 p.m.

Respectfully submitted,

Pat Moore, Secretary

Approved on: _____