



Board of Directors Meeting

April 10, 2024

Approved

- Meeting called to Order at 6:30 PM
- 20 present in room, 16 on Zoom
- Roll Call: (P =Present, C = Conference Call, A = Absent, Z= ZOOM)

President Karen Smith = P, Vice President Fred Booth = P, Secretary Peter Mellow = P, Treasurer Janice Watson = P, Director DiDomenico = P, Director Julie Amato = P

- With 6 members present, a quorum was confirmed.
- Chairman Smith confirmed that a proper meeting notice was posted for the Board meeting.
- Chairman Smith asked for a motion to waive the reading of the minutes for March 13, 2024.

Motion was made by VP Booth to waive the reading of the minutes. 2nd by Director Amato, Vote to waive the reading was unanimous

- **President's Report –**
 - Barbeque grill was left on by B building. Propane was escaping and could be smelled in the area and in B garage. Only light one burner at a time. If it's not lighting turn all knobs off and tank off. This is very dangerous as the diesel tank is right next to it and could cause a huge fire. Notify the office if it doesn't light.
 - Pool will have to remain closed until the end of July. In meetings with the contractors this is what they will require to keep the project moving forward. We can continue to use TurtleBay pool but will need to revisit as we have gone past what we originally asked for. IslandReef is a possibility as they said when the season was over we could discuss with them. Pool heater has been turned off which is saving about \$500/month.



- Cleaning staff has turned over. Our former cleaning person has left (not fired). A new one is here temporarily but we will be getting a permanent one shortly from Top Shelf Cleaning.
- Toured elevators (Karen, Dale, Fred) with Florida Elevator. We haven't been happy with what has been getting done with servicing the elevators. They apologized and were embarrassed about the situation and said it would be addressed immediately. And it was. Also discussed the age of our equipment and what may become obsolete. They are working on that list and will get us estimates that we can use in building reserves. We need to understand that there may be long lead times for parts. The motors and data boards are original. They say in normal weather conditions they would last 20 to 25 years. Ours are not in normal conditions and are 22 years old.
- Would like to thank the owners who have been incredibly patient with all the disruptions we have had and continue to have. Very few complaints from owners. Mostly they have come from renters who had no idea that construction was going on.

Committee Reports

- **Landscape – Doug Smith**

- Not much to report due to construction. We continue to have regular lawn maintenance and trimming of shrubs. Seagrapes will be looked at near the end of the summer.

- **Building Committee – Doug Smith**

- Remind that we discovered other issues as project went along. Stucco is far worse in C than anticipated. Complete with removal of stucco in C. Bringing material back to site. Cement is being replaced on the edges of courtyard and driveway. Passed the adhesion test for stucco. You can see that on 4th floor of C building ceiling. Will continue that on B building as well.
- Did a lot of concrete repair during window project, but have found additional cracking in the cement that was found when R.L. James was on lifts. It was not a failure of the project last time, it's just something that will continue to happen and we will have to keep checking annually.
- Part of C building walkway will be removed due to rusting of Epicor. New Epicor will be installed followed by cement. This is in front of 200C to east of 201C.
- Doing work on A concrete and stucco. B will be starting on stucco removal in next few weeks.
- Roof has top levels of B almost done. B garage roof is almost done and will continue.
- Will look at remediation of dust and dirt when project is done.
- Painting of building will be done most likely in the Fall.

- **Treasurer's Report – Janice Watson (with slides)**



- As of April 24 the total for all banks is \$796K plus we will receive \$108k to come in quarterly Q2 fees.
- We have enough cash to cover our operating expenses as well as invoiced reserve expenses
 - Cadence - Operating = \$113k (+ \$108k to come from COA Q2)
 - Cadence - Reserves (Regular) = \$179k
 - Cadence Operating Loan outstanding = \$219k (paying \$8.8k/19th of month until May'26 @ 3.7% int)
 - American Momentum Bank - Reserves (Special-Checking) = \$225k
 - American Momentum Bank - Reserves (Special-High Interest) = \$279K
 - American Momentum Bank Total - \$504K
- Financial statements have been posted to website. There will be a few reclassifications that will be done for the March statement.
- There is a problem with getting quarterly dues moved into our bank account. Not sure where the problem lies but it seems to take several days to get the money from the Lockbox (where the payments first arrive to at the bank) to our bank account. Everyone has the opportunity to go on ACH direct withdrawal.
- 2023 Audit:
 - Full scope audit this year is on going. This is mostly with Miller & Co Auditors & Casey Mgmt Accounting Dept. They will likely have a review draft of audit earlier than last year which was the end of August so expecting the draft in the next few months.
 - A review of the \$5 million assessment and projects was presented. McEnany roofing change orders as of this meeting total \$842K. R.L. James change orders total \$57K. R.L. James contract came in \$280K over original base budget. Extension of contract for Engineering total is \$174K. TurtleBay docks were over budget by \$9K.
 - Original Special Reserve Projects Budget = \$5m which was \$4138k + \$886k contingency (presented @ Aug 16/23 bod mtg). We WILL NEED ALL OF CONTINGENCIES. Total forecasted spend = \$5.8m. We are only collecting \$5m so the **shortfall is \$800k**.
- We voted (proxy #2) at the Jan'24 annual meeting to allow for cross-utilization of reserves. We will have \$295k in Regular Reserves that if unspent, can be cross-utilized (\$179k in Cadence Bank NOW, plus \$3k balance in old Centennial reserve account plus \$112.5k to be collected Q2-Q4). We can use \$250k, leave \$45k for minor reserve projects, **BUT WE STILL NEED \$549K**.
- **Based on what we know right now, it is recommended that we would ask for \$1m additional Special Assessment**
- If owners could pay their assessments in full that would alleviate those points where we are low on funds.
- We will not be able to cross utilize reserves in 2025. The budget will be created using a Structural Integrity Reserve Study that for us will be by the end of 2024. That study is reviewed by the county and gives you a report card. That is called a Milestone Inspection Report. That becomes part of our budget which we will start working on this summer. There are many unknowns about what the reserves will need to be. President Smith said that the



state may be considering relaxing the dates when these inspections need to be done from 2024 to 2026 due to the large number of condos going through this.

- The slides presented will be posted as part of the minutes but recognize that they are a snapshot in time. It will change.

- **New Business**

- Insurance – President Smith

- Thank John Owen for his tremendous help. Treasurer Watson and President Smith met with John to go through all the proposals and brought many years of expertise to the process.
- Our insurance was \$189,329 in 2022 to \$308,272 in 2023 \$340,156 in 2024. This didn't include the flood insurance which is now \$23,674
- We budgeted \$377,934 and we are at \$364,030 for the renewal going into next year.
- John Owen said that the increase wasn't just an increase but they considered the age of the building and commented that the agent did a great job getting us the insurance at the best price.
- We opted to not take a loan to pay as we did last year. The rate was 8.5% so we declined. But we are paying quarterly which helps with our cash flow.
- In the future we be able to get competitive bids due to the roof and windows etc.
- As we get into that in the Fall John Owen will again be a big help with that.
- Dual Usage State Statute - President Smith
 - 718.106(4) When a unit is leased, a tenant shall have all use rights in the association property and those common elements otherwise readily available for use generally by unit owners and the unit owner shall not have such rights except as a guest, unless such rights are waived in writing by the tenant. Nothing in this subsection shall interfere with the access rights of the unit owner as a landlord pursuant to chapter 83. The association shall have the right to adopt rules to prohibit dual usage by a unit owner and a tenant of association property and common elements otherwise readily available for use generally by unit owners.
 - Came to light when we reviewed the dock rules from TurtleBay which included the right for an owner to access common elements like the docks, pools, etc. And it included a line that said that this dual usage rule applies to Tortuga property owners who lease their units.
 - This raised the concern that this was not only applying to the dock rules but was also attempting to tell Tortuga how to run our condominium.
 - Our attorney was contacted but they could not give advice because that office wrote the original easements that we wanted to discuss. We were then put in contact with another attorney, Scott Petersen who said that what they had done was an overreach.



Those docks that we had an easement to belonged to Tortuga and we could write our own simple rules.

- President Smith and VP Booth met with TurtleBay to discuss this issue.
- Florida legislators understood the dual usage as being a problem for condominiums and added the line to allow condominiums to make rules against dual usage.
- President Smith gave an example of an owner who lives in Sarasota and has a boat slip. They then rent their unit and have the waiver signed by the tenant. The owner then has access to all facilities at Tortuga as well as their tenant. This is a concern.
- Discussion ensued by board members about dual usage. Director DiDomenico stated that when an owner rents their unit, they give up all rights to the property during the time of that lease/rental. This includes parking.
- **VP Booth made a motion: Pursuant to Florida 718.106(4) If a unit is leased, dual usage of association property and common elements of Tortuga Club, Inc. a Condominium, by the unit owner and unit owners' tenant is prohibited. Second by Director Amato, All were in favor. Motion passed.**
- Guidelines for installing A/C Unit. – VP Booth
 - A/C installers and owners must notify the office that they are replacing the unit. Technician needs to keep the outside area clean and put the straps back on the units.
 - Formal guidelines will be coming for approval.
 - Doug Smith explained that smaller units may perform better than a larger unit. We may want to look at having a few providers that know what the size requirements are and know our rules.
 - Technicians must go to office first to check in and check out even if owner is here.
- Mold remediation for 600B – VP Booth
 - Mold was found in 600B. The owners believed that was the result of the roof work that had been done. Several Tortuga people were involved (Fred, Dale, Doug, Karen) as well as Matt Mullins our engineer to review the problem and see if it was from the roof work or from somewhere else.
 - A water test was done by Matt to determine the leak. He gave us a report that explained that the leak is from a shutter that was installed that created a hole at the bottom of the track that allowed the water in which went into their unit. A test was done with a dowel to see how far in the hole went. It went in 25 ½” that means it went all the way to floor level of the unit.
 - Owners hired a company to do mold remediation. ServicePro also determined that the hole from the shutter is where the water was coming from. They sent a report to us and the owners and recommended that the owner contact their insurance company.



- It is the boards position that this is not a Tortuga issue but the owner needs to work with the shutter company and their insurance company to resolve.
- Preventive maintenance – President Smith
 - We need to create a set of regular maintenance items to keep the building in good shape.
 - Examples are; Jetting the sewer lines to prevent backups; re-caulking the windows to maintain warranty, cleaning windows/screens in courtyard, etc
 - There are items that we need to have in our system that just happen regardless of who is managing or on the board.
- Pool Ceiling timing – VP Booth
 - It's been a painful season for the pool. With the pool being closed until the end of July there is a thought about doing the ceiling now.
 - The pool ceiling is an aesthetic. There is a history of where we are with the ceiling and the paint job that was done. Nobody was happy with it so another alternative was discussed and that was a suspended ceiling, for which we have a quote of \$86k.
 - With the previous discussion of another assessment, do we really want to spend \$86K on this right now?
 - There are 4 options; 1) continue working on getting the ceiling done 2) rebid the job as they are a year old 3) do nothing 4) wait until other projects are done and see what money we have left. We can put that \$86K towards the rest of the projects and then see what we have at the end and reevaluate the ceiling.
 - Director DiDomenico asked if the ceiling work was structural or purely aesthetics?
 - President Smith stated that McEnany and R.L. James said that there was some plumbing and electrical that needed to be done which was why a suspended ceiling was recommended. So it's not just cosmetic. But there is no immediate structural issue right now.
 - Treasurer Watson stated that she believes this needs to be done now. That we need the ventilation. With all the money we are spending why would we not want to get the moisture out of the room that could cause more damage?
 - A question from the owners was about the columns in the pool area and is this affected by this work. Doug Smith explained that that work was not done particularly well but that is not involved with this project.
 - Director DiDomenico restated that he was not clear on if this is structural or aesthetic. Doug Smith stated that the contractor said that with the combination of pool moisture, chemicals and salt air in an enclosed space are not doing the building any benefits. Director DiDomenico asked if this project would eliminate these issues. Doug Smith said yes.



- Owners commented that they would like to not have the pool closed down any longer than necessary and if the money was in the budget to go ahead.
- A question on lighting was raised. Doug Smith explained that new lighting will be put in to the suspended ceiling.
- Director DiDomenico asked if we should go out and get new quotes seeing as we are looking at \$86K.
- Doug Smith then went through the steps that need to be done for the project and why you can't just get a company that installs suspended ceilings.
- Doug Smith explained that last year when the roofing and building restoration contractors were looking at the projects they were asked about the pool ceiling. They indicated that what we were looking at doing was the right way to go.
- Secretary Mellow asked who it was that were asked to bid on the ceiling? President Smith said that it was R.L. James, Meyers and Phoenix Builders. Only Phoenix Builders gave a quote.
- Treasure Watson said that she was concerned with getting new bids and trying to use the window of getting the pool done on our closed time from now to end of July.
- VP Booth said that we could get a quick turn around on the bids.
- Secretary Mellow asked where the bids were since we haven't seen anything yet and yet we are talking about awarding a contract. President Smith said she had it and handed it Secretary Mellow.
- Director DiDomenico asked if the \$86K was already in the budget. Treasurer Watson said that it was.
- Question about leaving the outside part of the pool open while the ceiling is being done. President Smith said we cannot as it's a liability issue.
- **VP Booth made the motion to solicit bids for installation of suspended ceiling for the pool area including the electrical, plumbing and ventilation with installation to be complete by the end of July. Bids to be returned two weeks from date of bid receipt. Second Secretary Mellow. Roll call vote Director DiDomenico Y, VP Booth Y, Director Amato Y, President Smith Abstain, Treasurer Watson N, Secretary Mellow Y. Motion passed**
- President Smith explained that she abstained because the one contractor is also doing their renovation.
- Windows replacement update – President Smith
 - Just heard back from Absolute Windows. They want April 22 to start install. Need to check with the other contractors on site to see if that will work.
- Renovation of unit 104A – VP Booth
 - Application is complete. Permits applied for.



- **Secretary Mellow made a motion to approve the application. Second by Director Amato. All members were in favor with President Smith abstaining. Motion passed**
- Boat docks – President Smith
 - Asked our lawyer if we could charge what we wanted to help put funds away for reserves. The lawyer said that we could not unless we changed our documents and we would need 66 2/3 vote to change them
 - The lawyer said that the easement has a set amount for maintenance of \$60. To change that would require a change to the easement. To change that would require that both parties agree to the change. In the meeting with TurtleBay President Smith and VP Booth suggested to them that we would be willing to amend the easement with a cost of living adjustment for that maintenance amount. They sent back the suggested easement with that cost of living adjustment as well as the \$300 fee. Our response was to ask if they talked to their lawyer and they had not heard back. So we are waiting to see if they can charge \$300 to Tortuga owners who want a boat slip to build up their reserves but we can't without our legal documents being changed.
- **Owner Comments and Remarks**
 - Question about getting TurtleBay to pay for their access to the beach. Director DiDomenico gave an update on what he has looked into with respect to the items we can charge for. This work continues.
 - Comment made that if we change the Declaration of Condominium we should check with our lawyer to see if we need to get mortgage holders approval.
- **Motion to Adjourn at 12:04 PM by Secretary Mellow. 2nd by Director Amato.**
Motion passed unanimously.
- **Next Board Meeting will be on May 8, 2024**

Respectfully submitted,

Peter Mellow, Secretary



Note: These Minutes are summary in nature and provide a quick reference of the topics discussed at the meeting. A full video recording of the meeting is available on the website at www.tortugabeach.org/current-minutes and can be downloaded for your listening pleasure by referencing the meeting by date.



TORTUGA CLUB

SPECIAL RESERVE PROJECTS 2023-2024

PROJECTS - SUMMARY

	TB DOCKS	ROOF	BLDG RESTORE	ENGINEERING	POOL CEILING	WINDOWS	TOTAL
Original Project Budget	85,000	3,387,833	463,000	72,000	80,000	51,000	4,138,833
Assigned Contingency	8,500	360,000	50,000	7,200	5,630		431,330
	93,500	3,747,833	513,000	79,200	85,630	51,000	4,570,163
Prepaid deposit - windows						-25,182	-25,182
Un-Assigned Contingency		455,019					455,019
TOTAL BUDGET COST	93,500	4,202,852	513,000	79,200	85,630	25,818	5,000,000
Original Contract / Estimate	85,000	3,387,833	463,000	72,000	80,000	50,364	4,138,197
ROOF Change Orders 1-11 to Mar 12		841,882					841,882
BLDG Add'n per Revised Contract			280,822				280,822
DOCK Change Orders, etc (final)	8,730						8,730
PROJ MGMT Contract ext+Bldg				173,625			173,625
BLDG - shoring costs			4,920				4,920
BLDG add'l mockup invoice			11,974				11,974
POOL CEILING - updated quote(incl vent)					6,000		6,000
BLDG - add'l - sealing estimate-walkways			275,000				275,000
BLDG Change Orders 1-4 to Mar 25			57,369				57,369
WINDOWS - Pd dep Jul 23 \$25k							0
MISC (USPS)		619	20				639
TOTAL ACTUAL SPEND	93,730	4,230,334	1,093,105	245,625	86,000	50,364	5,799,158
ACTUAL SPEND OVER/(UNDER) BUDGET	230	27,482	580,105	166,425	370	24,546	799,158



CASHFLOW - SUMMARY

		rec'd inv	estimates	TORTUGA SPECIAL ASSESSMENT PROJECTS 2023 - 2024							75%	Funds deposited into & checks paid from		
		pd inv		ESTIMATED PAYMENT SCHEDULE FOR SPECIAL ASSESSMENT PROJECT VENDORS							25%	American Momentum Bank (AMB)		
Payment Timing Basis ==>		Est per Quote	Final Inv Rec'd	Est per Contract	Est per Contract	Est per Contract	Contracted	pmt split 75%/25%	Contracted					
		Pmts	Pmts	Pmts	Pmts	Pmts	Progress Pmts	Change Order Pmts	Material Pmts	CASH OUT	CASH IN	CASH AVAIL		
VENDOR		Phoenix	Turtle Bay	Absolute	Dynamic	R L James	McEnany	McEnany	McEnany	Net payments to Spec Vendors	from Spec Ass	@month-end		
PROJECT		POOL CEILING	TB DOCKS	WINDOWS	ENG/PROJ MGMT	BLDG	ROOF	ROOF	ROOF	BY MONTH	\$1m per qtr (Feb May, Aug, Nov)			
										Pd in advance < 11/15	822,000			
										Pd ACH 11/15	562,000			
										Pd by check by 12/18	139,000			
				25,182		1,865	569				27,616			
Month	Year													
November	2023				9,000	615	146,739		253,750	410,104	1,523,000	1,085,280		
December	2023				13,750		146,739			160,489		924,791		
January	2024				11,000	13,204	146,739	78,931	2,3	532,500	266,000	408,417		
February	2024		93,730		14,625	615	146,739			255,709	731,100	883,808		
March	2024				29,000	189,391	146,739			153,750	64,000	428,928		
April	2024				25,250	138,762	146,739	134,052	1	100,000	544,803	59,125		
May	2024	42,815		25,182	22,000	196,130	146,739	26,438	4	459,308	811,000	410,817		
June	2024	43,185			22,000	138,762	146,739	157,643	5,6	508,329	100,000	2,488		
July	2024				22,000	138,762	146,739	44,748	7	352,256		-349,768		
August	2024				22,000		146,739	12,047	8	180,794	833,000	302,438		
September	2024				22,000		146,739	12,069	9	180,817		121,621		
October	2024				11,000	275,000	146,739	138,223	10	570,972	50,000	-399,351		
November	2024				11,000		146,739	27,261	11	185,011	833,000	248,638		
December	2024				11,000		146,739	210,471	bal	368,210		-119,571		
January	2025						146,739			146,739		-266,310		
February	2025						146,748			146,748		-413,058		
March	2025									0		-413,058		
		86,000	93,730	50,364	245,625	1,093,105	2,348,402	841,882		1,040,000	5,799,158	5,386,100		

POSSIBLE SOURCES – Add'l Funds

	Q1 2024 COA fees paid - Reserve portion	Jan 29	37,500
	Less: Disb for 3 new dryers	Feb	-4,724
	FUNDS AVAILABLE TO SHARE		179,064 <=bal per bank 3/31
	Q2 2024 COA fees paid - Reserve portion	Apr 30	37,500
	Transfer funds Cad-Res to AMB	DO < APR M/E	-100,000
			116,564 <=bal per bank 4/30
	Transfer funds Cad-Res to AMB	DO < JUN M/E	-100,000
	Q3 2024 COA fees paid - Reserve portion	Jul 31	37,500
			54,064 <=bal per bank 7/31
	Q4 2024 COA fees paid - Reserve portion	31-Oct	37,500
	Transfer funds Cad-Res to AMB		-50,000
	close Centennial Bank Reserve account?		3,070
	AVAILABLE RESERVE FUNDS TO CROSS-UTILIZE ==>		44,634 =bal per bank 10/31
	SHORT - ADD'L FUNDS REQ'D		799,158
	LESS: UTILIZATION OF REGULAR RESERVE FUNDS AVAIL @ Cadence Bank		-250,000
			549,158
	LESS: 'BORROWED' OP FUNDS TRANSFERRED from Cadence Bank		-136,100
	SHORT - ADD'L FUNDS REQ'D - collect from Owners next assessment		413,058