

TORTUGA CLUB

- SIRS WORKSHOP
- STRUCTURAL INTEGRITY RESERVE STUDY
- January 28th, 2025

HOW DID WE GET HERE?

- 45-50 year-old buildings on the coast, in a flood-risk zone (26% / 100 years)
- 10+ years (probably decades) of chronic under-funding of regular reserves
- Majority of Owners voting annually to waive 100% of reserve funding (no longer allowed)
- Lack of preventative maintenance
- Capital costs increased due to deferral of maintenance work
- Florida legislation (Statute 718, Senate Bill 154) passed 2024, requiring COAs to fully fund certain property items (SIRS)
- Back-to-back hurricanes in 2024

WHY DO WE NEED TO DO THIS?

- The Board has a **fiduciary duty**: responsible for ensuring Tortuga's condo property is maintained, and structural issues are addressed.

The Milestone Report showed:

1. no substantial structural deterioration
2. no dangerous/unsafe conditions
3. report recommends several remedial/preventive repairs and identifies items requiring further inspection by end of 2026
4. Tortuga was given a Good to Fair rating in our Dec 2024 Milestone Report
5. Phase II Milestone not required

WHAT WE HAVE TO FUND PER STATUTE:

roofs

load-bearing walls

floor & ceiling assemblies

foundations

fireproofing & fire protection systems

plumbing

electrical systems

waterproofing

exterior painting

windows & doors

deferred maintenance items > \$10k

WHAT WE SHOULD FUND:

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- ELEVATORS
 - RAILINGS: walkways & stairwells

WHEN DO WE NEED TO DO THIS?

Current legislation requires FULL FUNDING on SIRS items

Governor DeSantis has called back the legislature to discuss issues facing COAs across Florida – NOW moved back to March

We do not know if new state legislation will be tabled allowing the deferral of full funding or the development of other options

THE CHALLENGE: HOW DO WE FUND THIS?

Options:

- Approve recommended yearly reserves and collect as part of the approved annual dues & assessed quarterly (part of quarterly COA dues collected from Owners). Cross-utilization of reserves was passed at Jan'25 annual owners' meeting. (NOTE – ONLY \$200k was allocated to reserves in the approved 2025 Budgets).
- Bank loan.
- Bank line of credit.
- Special Assessments to Owners.
- Combination of the above.

“VISION” BACKGROUND:
CURRENT OWNERS HAVE PAID FOR THE SINS OF THE PAST

Window project

Roof project

Building restoration project

Current
owners will
pay for
impact of
Helene &
Milton

- **Paying for potential shortfall of items covered by insurance**
- **Paying for items not covered by insurance**

KEY POINTS THAT NEED CONSIDERATION:

New legislation may give relief through low interest loans, less than 100% funding

Find a balance between need for funding and not increasing COA dues to point of unaffordability

Ensuring that we do not price Tortuga and its residents out of housing market

Tackling near future projects through a multi year loan to reduce yearly impact of SIRS on COA dues

Spreading costs out over future

Near Future Projects:

<u>ITEM:</u>	<u>AMOUNT:</u>	<u>SIRS:</u>	<u>YEAR:</u>
Garage Columns & Walls:	10,250.00	YES	2026
Slab Edge Repair:	17,150.00	YES	2026
Floor Epicore Repair:	30,750.00	YES	2026
Floor Epicore Repair:	43,060.00	YES	2026
Entrance Doors:	17,000.00	YES	2027
Pool House Roof:	35,875.00	YES	2026
Walkway Waterproofing:	340,627.00	YES	2026
Fire Pump:	90,000.00	YES	2026
TOTAL:	\$ 584,712.00		
Handrails:	18,000.00	NO	2028
Walkway Railings:	448,000.00	NO	2028
TOTAL:	\$ 1,050,712.00		

POTENTIAL IMPACT ON COA DUES:

				OPERATING				
		SIRS RESERVE:		EXPENSES:				Quarterly
Unit Percentage:		\$817,000		\$1,115,494		Total:		Dues:
A unit @ .8%		6,536.00		8,924.00		15,460.00		3,865.00
B Unit @ 1.1%		8,987.00		12,270.00		21,257.00		5,314.00
C Unit @ 1.4%		11,438.00		15,617.00		27,055.00		6,764.00
D Unit @ 2.0%		16,340.00		22,310.00		38,650.00		9,663.00
E Unit @ 2.6%		21,242.00		29,003.00		50,245.00		12,638.00
		SIRS & CAPITAL		OPERATING				
		RESERVE:		EXPENSES:				
		\$1,023,857		\$1,115,494		TOTAL:		
A unit @ .8%		8,191.00		8,924.00		17,115.00		4,279.00
B Unit @ 1.1%		11,262.00		12,270.00		23,532.00		5,883.00
C Unit @ 1.4%		14,334.00		15,617.00		29,951.00		7,488.00
D Unit @ 2.0%		20,477.00		22,310.00		42,787.00		10,697.00
E Unit @ 2.6%		26,620.00		29,003.00		55,623.00		13,906.00

Reserves – Historical Spending

		<u>Collected</u>	<u>Spent</u>			
Regular Reserve '15-'24		1,736,921	2,391,227			
Special Reserve '16		262,000	441,020			
Special Reserve '20-'21		990,090	1,062,556			
Special Reserve '23-'24		6,400,000	6,452,924	<=incl '25 pmts for		
		9,389,011	10,347,727	'24 S.A. projects		

TORTUGA CLUB	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Forecast	TOTAL SPEND	Forecast	ESTIMATED	Budget
RESERVES ANALYSIS	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2024	10-YEAR	2025	TOTAL SPEND	2025
(Actual - proofed to audited F/S; Fcst - est spend 2024, Budget - approved 2025)														SPEC ASS PROJ	
AC ROOFDECKS & new AC lines (incl changeorder, cons mgmt, etc)									276,623			276,623			
BUILDING CERTIFICATION, SIRS / MILESTONE REPORTS										16,750		16,750			
BUILDING RESTORATION - special project (RL James)									6,984	1,139,301		1,146,285	421,448	1,567,733	
BUILDING REPAIRS (capital repairs)	6,125	2,330	8,649	17,121		295,775	1,223	3,950	35,037			370,210			
ELEVATORS (emergency & other repairs); RESERVE		56,774	20,337	21,683	82,800					4,692		186,286			75,000
ENGINEERING / PROJECT MANAGEMENT - special project (Dynamic)									22,750	256,875		279,625	44,000	323,625	
COUNTY INSPECTIONS - special project (SSEC)										12,000		12,000	2,400	14,400	
ELECTRICAL/POWER SYSTEMS (REPAIRS, REPLACEMENT)			10,625	800	1,968					229,173		242,566			
ENTRY PHONES / SECURITY CAMERAS	5,440		12,533					2,306				20,279			
EXTERIOR DOORS		3,308	4,174	5,872	289,657	21,833	141,186					466,030			
FIRE ALARM SYSTEMS									7,468			7,468			30,000
FIRE PLACES (penthouses)				455								455			
FIRE PUMPS			1,926	10,693	4,762		30,962					48,343			
GARAGES - DOORS												0			6,000
GARAGES - PAINTING, CEILING REPAIRS, ETC								18,700				18,700			
GENERATOR			15,999		3,670							19,669			
HOT WATER HEATERS										6,640		6,640			
LANAI SCREEN ENCLOSURES				144	65,978	104,686			3,438			174,246			
PAINTING												0			29,500
PAVEMENT (Driveways, Pool) - ASPHALT repl by PAVERS (+ clean/re-seal)		441,020	39,030	53,282	5,766		26,195					565,293			
PENTHOUSE - LANAIS		21,650		8,895				9,836				40,381			
PENTHOUSE - SKYLIGHTS							10,228					10,228			
PLUMBING - VARIOUS (repl castiron, AC lines, etc)	7,730	31,987	72,366	59,924	38,553	1,632	34,792	25,162	22,182	40,972		335,300			59,500
POOL - HEATERS, PUMPS, CAPITAL REPAIRS				61,504		459		16,169	13,312			91,444			
POOL ROOM - PAINTING, CEILING REPAIRS - special project (RLJ)									0	38,047		38,047	10,936	48,983	
ROOFS - REPAIRS	5,050	3,417	4,256	8,839	76,656	22,140	1,600	20,421	30,459			172,838			
ROOFS - REPLACEMENT - special project (McEnany)									547,228	2,968,711		3,515,939	837,878	4,353,817	
SOCIAL AREA REFURBISHMENT (carpeting, painting, furniture, etc)		6,600										6,600			
TURTLE BAY - DOCKS (repairs) owe 25%	3,000				494							3,494			
TURTLE BAY - DOCKS REPLACEMENT - special project (TB) owe 25%									0	93,730		93,730	0	93,730	
TURTLE BAY - TENNIS COURTS owe 33%	590			8,886	8,558	3,000		633				21,667			
WALKWAYS (paint/seal) / RAILING TOPS (repl)		1,959			2,817	738	1,692					7,206			
WASHERS/DRYERS					504					6,728	4,724	11,956			0
WATER PUMPS		15,540		3,393								18,933			
WINDOWS & PATIO DOORS	13,865	1,648	10,906	103,078	7,975	558,296	51,584	7,846				755,198			
WINDOWS & PATIO DOORS(owners) - special project (Absolute)									25,182	25,454		50,636	0	50,636	
ANNUAL SPEND ==>>>	41,800	586,233	200,801	364,569	590,158	1,008,559	299,462	105,023	997,391	4,837,069		9,031,065	1,316,662	6,452,924	200,000
ann spend regular reserves	41800	586233	200801	364569	590158	1008559	299463	105023	420429	302951					
TOTAL 10-YEAR SPEND - REGULAR RESERVES											3,919,986				

ANNUAL RESERVES ASSESSED ==>>>	169,000	170,350	131,363	147,208	151,000	208,000	220,000	240,000	150,000	150,000	1,736,921	200,000
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SPECIAL RESERVES ASSESSED ==>>>	262,000	924,163	65,927	1,000,000	5,400,000	7,652,090
pavers, landscape	ext doors, windows & patio doors	windows & patio doors	roof repl, bldg restore, TB docks, poolroom, etc.			

spend - S.A. projects	602,144	4,534,118	1,316,662	6,452,924
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