



Board of Directors

Budget Meeting

November 1, 2023

Minutes

- Meeting called to Order at 3:32 pm
- Roll Call: (P =Present, C = Conference Call, A = Absent, Z= ZOOM)

President Tony Bedalov = P, Vice President Karen Smith = P, Secretary Fred Booth = Z, Director Peter Mellow = P, Director Julie Amato = P, Director Tom DiDomenico = P, Director Janice Watson = P

- With seven members present, a quorum was confirmed.
- **President Report – Director Bedalov**

Chairman Bedalov stated that the purpose of this meeting was to discuss the 2024 operating and reserve budgets and that no other topic will be discussed at this meeting. Chairman Bedalov further stated that at this meeting there will be no vote on the budgets and that voting will take place at the next board meeting on November 8th, 2023.

Chairman Bedalov thanked Director Janice Watson for taking the treasurers position at the last board meeting where she was officially voted in and since then has had to gather a lot of information to put together the 2024 budgets that will be reviewed and commented on this afternoon. Chairman Bedalov explained everyone should have a copy of the budgets that were sent out last week and a new copy was mailed out this morning. He then turned the meeting over to Director Watson.

Operating Budget - 2024

Director Watson began by stating that Tortuga has had quite a few challenges in 2023 with changes in management accounting systems from (Argus to Casey Management). A change



from Ayleen in the office to a temporary Office Administrator, changes in CAM Mangers from Ron to Dan to Fred Marks and changes in Treasurer from Al Wargo to herself. With that, Director Watson presented the operating budget and stated that the operating budget is \$970,000 which is an increase from \$933, 000 that includes the \$90,000 Special insurance assessment from May of this year. Director Watson further stated that going forward Florida Insurance will continue to go up. Our insurance agent has informed Tortuga that the insurance for wind mitigation will go up 25% while all other line items of insurance will go up 10%. Director Watson stated that these amounts have been built into the 2024 operating budget. There are no really nasty increases other than insurance for 2024. Director Watson then opened up the floor for questions from the board.

Chairman Bedalov inquired about the details on payroll cost in that in 2023 we budgeted \$170K, but will come in at \$125K and could Janice explain that. Director Watson explained that in 2023 we had budgeted for a full time Administrative Assistant, our maintenance person and a part time CAM. In 2024 we have budgeted a similar structure as in 2023.

Chairman Bedalov inquired if we did increases for our vendors that service the property and Director Watson acknowledged that she had.

Director Booth inquired about the washing machines and dryer replacements that we had voted to replace and 2 more this coming year and further that we had talked about the laundry being a self-funding account that would support the washer/dryer operation from revenue from the machines. Director Booth also spoke briefly about setting up a self-funding account for the dock reserves from fee collected by those who rent a dock. The board agreed they would address this in a future board meeting. Lastly, Director Booth inquired about the telephones in that we should see greater savings in 2024 with the new telephone system from Breakfree Technologies. Director Watson stated that she had reduced the telephone by \$400 for 2024.

Director DiDomenico inquired if the 25% increase in insurance would remain if we stayed with Citizens. Chairman Bedalov stated that was correct and clarified that it could change if the rates we get in April 2024 for the new insurance year starting in April 2024 are reduced, however, we won't know that until spring.

Chairman Bedalov pointed out a line item in the budget call "Equity Reimbursement" in the amount of \$70K and explained that these were funds left over from the window project that we were not billed by Absolute Window and are therefore being transferred to regular reserves.

Reserve Budget - 2024

Director Watson stated that the reserve sheet looks a little different than what has been shown in past years when we had a reserve projects line by line with something called value and another



called lifetime in years of remaining life. She has collapsed this for the moment because we haven't done our reserve study yet.

Going forward we will have to do the structural reserve study that all Florida Condominium Associations has to do by law. We have a milestone inspection that has been deferred until 2024 which is good because we will have the bulk of big items complete such as structural integrity, the roof, windows and doors.

Referring to the proposed reserve budget 2024, Director Watson pointed out the block in red and stated that these were the items covered by the special assessment. Director Watson further explained that payment to contractors for the special assessment will carry over into the next year as McEnany Roofing has spread the payments for their work for over 16 months and that would carry over into 2024 and 2025.

Director Watson further spoke about the special assessment and stated that although the cost estimates were around \$4.5 million the board rounded off the assessment to \$5 million because of unknown costs for the roof mansards, stucco repairs and other unforeseen repairs and unknown costs.

Director Mellow spoke briefly about the painting of the building by RL James to clarify what has already been painted when we did the windows and that which will be done after the building and roofs have been completed. Director Watson went over the RL James contract which was \$463K plus \$50K in contingency funds and of the \$463K , there was \$221K for the painting.

Chairman Bedalov stated that Director Watson forecasts that we end this year with a reserve balance of \$550K and with the infusion of the special assessment next year the balance will be \$1.3 million, but that contains money needed for special projects which will bring the 2025 special reserves to about \$500K.

Going forward Director Watson stated that \$150K was a place holder and contribution to the 2024 regular reserves. She further went over reserve funding for other items such as the pool, walkway railings tops, pavement, plumbing needs and washing machines and inquired if anyone wanted to move the funding around.

Director Smith inquired about the louvers that are placed in front of the elevators on the walkway ledge and will have to be removed for repair and inquired where those funds would come from. Director Watson stated they would need to come from contingency.

Director DiDomenico spoke briefly about the tennis courts refurbishments at Turtle Bay and stated that our share would be 1/3 of the cost. The conversation pursued on reimbursement of



the driveway pavers and beach renourishment. It was recommended that these topics be discussed at another meeting.

Chairman Bedalov inquired where the funds were in the budget for the window loans to owners. Director Watson pointed out to Chairman Bedalov that it was listed as "Owner Financing AR" listed at the bottom of the Reserve sheet.

Chairman Bedalov stated that he questions the need for \$150K in regular reserves for next year reserves. Chairman Bedalov spoke about the contingency funds we have in place now for the building renovation/roofing and those from the special assessment. Doug Smith spoke about areas of repair that are being identified already which will require additional repair utilizing contingency funds.

Fee Breakdowns

Director Watson went over fees for 2024 if the budget passes as is, the fee's will be as follows;

Type A Unit = \$2,240
Type B Unit = \$3,080
Type C Unit = \$3,920
Type D Unit = \$5,600
Type E Unit = \$7,280

Director Watson stated that so far we have collected in our American Momentum account at least \$459K and there is more coming this week when owners arrive. Director Mellow inquired on the amount due for our first roofing payment. Director Watson reported by contract it would be a \$149K progress payment and a \$253K materials payment which is due November 30th. This amount is already available in the account.

Director Smith also informed everyone that owners can still sign up for ACH payments for the last 4 payments.

Further Owner question? = none

Next Board meeting November 8, 2023 at 6:00pm

There was no motion to adjourn as this was not a board meeting.



Respectfully submitted;

Frederick Booth, Secretary

Note: These Minutes are summary in nature and provide a quick reference of the topics discussed at the meeting. A full voice recording of the meeting is available on the website at Tortugabeach.org and can be down loaded for your listening pleasure by referencing the meeting by date.