Marina at the Bluffs

Board meeting

October 23, 2024

18 pages

There were 74 in person participants and 106 Zoom for a total of 180

Flag Salute: Led by Lew Panzo

Call to order at 5:35 by President Lew Panzo

Roll call: conducted by President Lew Panzo

Present: President Lew Panzo, 1st vice president Armond Veltri,2nd Vice President Richard Garzon, Treasurer Patricia Meglino, Secretary Neil Midtgard.

Lew Panzo: Prior to the budget meeting there are revisions to the budget.

Motion to approve the 2025 proposed budget revision due to an era in calculation from $69352.55 to $63422.55. Rich Garzon 1st Patty Meglino 2nd.

Call for vote: Motion passes all approve.

Second: motion to approve the 2025 Budget. Unit owners in buildings 501 to 1701 want to remove the revision for railings line item due to life expectancy as the repairs were recently done an increase of $34.19 quarterly. Buildings 1801 through 2601 an increase of $49.39 quarterly.

Motion to approve Rich 1st Neil 2nd

Motion passes: all approve

Lew Panzo made a motion to approve the 2025 budget as revised.

Floor is open to questions: first order of questions for the operating budget

second order of question open to reserve budget.

Bill Bosco Bldg 1901 501 request the accountant to put a difference column and a percentage increase or decrease column to clarify changes.

Zoom question? unit 202 questions line item with maintenance increase.

Patricia: increase in the maintenance payroll is for an additional hire on the maintenance staff.

Mark Bldg 801 102 request an explanation of the Comcast Cable thinking it was free.

Barbara: Wi-Fi is not free the new contract made the Wi-Fi part of the cable expense at a discounted rate as bulk for 660 units. It was required in order to change over to fiber optics and now included in the maintenance dues.

Zoom Bill Burn Bldg. 21/ 504 ; ask for explanation on the line of credit. Why $11,000 is allocated for interest for 2025. What is the rate and is it fixed or variable.

Patricia: we have a line of credit. The interest rate is variable and believes it is prime plus a half a percent and prime is currently 8.50

Question Bill Bosco 1901 ask for explanation for $50,000 for engineering expenses.

Rocky: we need the support of engineers for the milestone repair and the seawall project.

Barbara: several people are asking about the landscape maintenance with regards to the increase for 2025.

Rich Garzon: there were landscaping obviously we put it out for a bid but we were not happy with the work being done.so I've been getting quotes much higher than place that we won't have the issue that we have.

Susan Murphy building 12: we have a landscaping committee and overseer of the landscaping committee if you see something on the property and you're not happy with the appearance of, it who would you report that to, so they work on their own there's nobody supervising. is that what you're saying.

Rich, Rocky and I Supervise, it's a private company that's what I was explaining.

Susan Murphy 1201: I mean the state has mandated so many things just between the single line items that are not state mandated but everything's up why is landscaping increased?

Rich: we are dissatisfied with the landscapers and we put the contract out for bid. All the bids to replace the current landscapers are higher. In addition due to owners complaints we added additional service.

Raymond Murphy Bldg. 12 302: Security has gone up 100% in four years, what are their responsibilities and their hours. What are the responsibilities area a security company and why have the rates gone up.

Barbara: That calculation is inaccurate. The security team is on property from 11:00 PM to 5:00 AM 365 days a year. They drive around the property and tow vehicles that are not supposed to be on our property. They issue warnings on vehicles that don't have registration stickers or visitor passes. They patrol the property and note any lights out or suspicious activity, calling the police when necessary. The association gets a daily report including photographs. The supervisors check in with Rocky and periodically show up on the property to insure they are doing their job. The company name is High Tech Security and that is what they hired to do. Cost factors are employee rates, the addition of holiday coverage, and insurance increases.

Treasurer Pat Meglino: bills get reviewed by Rocky, Barbara, myself and Lou. They are a reputable company that understands the needs of our community. The budget last year was insufficient so that is why the number increased

Susan Murphy 1901: What about people in here that are on a fixed budget, what are they going do? Will they have to move?

President Lew Panzo: While we empathize, we are mandated to follow state laws. If we don't follow the law, we're subject to fines, and can be held personally liable as Board Members,

Joe Klein bldg 18/ 406 and Bill Byrne bldg 21 /504: Would like to talk about the financial management company again why we switched from Community Financials to Harbor Management and the increased prices and the difference of services for the amount of increase in that line item?

Treasurer Patricia Meglino: Community Financial was not able to support our needs from an accounting perspective. It was determined that they were not able to learn what they needed and fully executed properly so that our accounting records could be correct enough to withstand an audit. We go through an audit once a year by an external company this year that auditor is going to have to look at a combination of records from community Financial and Harbor Management. Community Financials also tried to get us to sign a mid year contract with raised prices, knowing that we are a budgeted community. Harbor has tools and resources in place to fully function with us and are extremely responsive. Harbor Management lowered their price for one year but there are additives. Cost factors, we are now required to hold at least 4 meetings a year, staff support , milestone building assessments, new programing and software, and additions to the workload.

Nancy building 25/ 106 : What is the name of the new accounting company?

Pat: the new accounting company is Harbor Management Services of Florida.

Nancy : there is a decreased rate for the first year, what's the increased rate?

Office Manager Barbara: August 1st through the remainder of this year they agreed to match what we were paying to Community Financials they did that as a favor to the association because we needed to switch mid year because Community Financials raised the price higher than what we budgeted. Community Financials were trying to force places into a contract at a higher rate in July, that was unacceptable. The cost for 2025 is reflected in the budget. Bidding for an accounting firm is a bit different than other line items. An accounting firm takes months to review your community, financials, banking, and Audits, so when you reach out to multiple companies, you can receive decline to bid, example: community size, extensive budget, etc. So you put it out there to as many accounting firms as you can and they notify you whether they're interested in bidding or decline. We have three companies bid well six trying to bid 3 weren't viable and one was accepted which was Harbor. We contacted our attorney and we let them know that we needed a new accounting firm and they gave us a list of recommendations then we went to our outside auditor we have an outside auditor that audits you every single year we went to that auditing firm and we asked them for their recommendations and they gave recommendations. When we wheeled it down and we had the ones that we wanted to look at and we were really interested in we notified them and unanimously both of them said you need to deal with Harbor so and that's how they were chosen and decided upon.

Treasurer Patricia Meglino: We did our due diligence on this one.

Nancy : $1200 per quarter-increase is significant

Pat: we agree

Nancy: My point is when we have mandatory increases why aren't you scaling back in other places, security went up 10 grand why didn't you say alright well sorry you know what we can't take on that guy for $26,000 where's the cuts because I don't see any of the cutbacks I can see increases but no cutbacks.

Barbara: OK let me let me go back and say the one thing we asked for at the beginning of this meeting was to separate the operating budget from reserves? This question would be for when we are addressing operating.

Nancy: What I'm looking at where can we cut back? I've never seen you guys turn around and say you know what we we've gotta find a place to cut back, to call it a day here and stop this madness, but I'm not seeing that.

Treasurer Pat Meglino : To the reserve mandates, the only way you're going to achieve that is to write a letter to your governor because that's who would authorize. but judging the budget, it is the sum total of operating budget and reserves. We worked very hard to keep operating down to 11.25% when for the past several years we have been at 14.9%. The Reserves are mandated and calculated by the SIRS Report.

President Lew Panzo: I'm just telling you why we can't cut back more, most owners want more services not less. Yes, we can cut back services, but then then everybody here's gotta live with that and most owners don't want us to cut back on all services.

Nancy I didn't say all services but when I said specifically was cut back instead of hiring the a new maintenance guy for for $26,000, then you know what suck it up, don't tell me that you can't cut back on certain things.

Office Manager Barbara: Okay, everyone, I'm just asking to stop a minute excuse me, we really would like an organized meeting so that everyone can be heard so that zoom people can be heard so you can be respected so that the board can be respected so that the person at the microphone can be respected. We asked for an orderly meeting come to the microphone please state a question it's not an argument state a question get your answer and then give a reply, but yelling or personal attacks that's not what we're here for. We're here to answer your questions so we would like you to be respectful of Nancy as she asks her questions to the board and gets an answer. If you want to have a conversation amongst yourselves please move out onto the pool deck have your conversation and come back because everyone wants to hear I've got 57 people on zoom that are complaining that they can't hear, so I'm just asking you to please be respectful of one another and of the board Nancy please continue.

Nancy: is there no option to change what some of this is? This is a lot I mean I'm sorry, I don't care who you are I heard you say that it's a lot.

Treasurer Patricia Meglino: I know it's a lot, I think that we need to move forward with the budget we have gone through hoops to make adjustments to the cable bill and so forth we are doing the best that we can this budget is an estimated budget. If we cut our costs, then it might be something leftover but at the end of the year, but I don't think that's gonna happen. OK, but we need to move forward. This budget is the culmination of a lot of effort between our accountants, our board and our vendors. There's a lot of people that were involved in solving this budget, it's not just a set of numbers, all those numbers were reviewed with the right people. The board disagrees that you're saying we're not serious about this.

Nancy: No it's not my intent. What I was asking was is there any wiggle room in this to go back and read look at some of the issues at hand that clearly there's a lot of people here and on zoom that are upset with the situation. My question is there no that you can say alright you know what there there really is a consensus that maybe we can go back and do some more cutting we need today?

Treasurer Pat Meglino: As a community we have to obey the law and publish our budget. It is a sound budget if everybody stops complaining and everybody helps, there may be some places in the future where we can cut our actual expenditures.

Nancy: Did you just say to me if everybody stops complaining?

Treasurer Pat Meglino: The board worked hard to keep it under 15% and they came in at 11.25% for the operating budget. We have no choice on the reserves they are mandated. We spoke with the attorney the board must do their fiduciary duty to properly care for the property in maintaining it and making sure that is solvent, reserves are funded as they are you can't cut everything out and cut on your services because the majority of owners understand this.

Floor is open about the operating budget:

Questioned the annual increases in insurance cost? Rumors about Citizens solvency?

President Lew Panzo: Contacted our agent this is his response. Citizens is structured specifically for the reason that it simply cannot run out of money due to their ability to assess state policy holders if needed 93% of whom are not even citizens customers for the Tampa Bay Times citizen's latest financial report from December 2023 shows that the insurer had a $5 billion surplus at the end of 2023 the company expects a 6.3 billion surplus by the end of 2024. Citizens purchased 3.6 billion in reinsurance for the 2024 hurricane season, it's virtually the only insurance provider left standing in Florida while all others have left the state or become insolvent.

What about self-Insurance?

Lew: So long as you collect millions and millions of dollars. We are different then a single family home, single law is different than condos.

zoom Dan Specs 6 /105; Would like you to address the increase in insurance.

Lew : We go out for bid every year, because of our age and proximity to the water we are declined by all carriers and are forced placed with Citizens. Citizens is the only healthy insurance that will cover us. Our agent goes out to 25 to 30 companies. If we stay with Citizens they agree not to increase our rates more than 12% per year as long as property values don't go up. When property values go up they could increase by more than that 12%.

Over the last few years the average value was $600,000 to $800,000 so the insurance increase was greater than 12% and increased to an average of 18% to 20%, with property values going down we hope the numbers will level out.

Barbara: 505 is questioning the budget line item by line item.

Barbara : We don't have time to go line by line budget, please give a specific question. If you want o go line by line please contact me at the office.

Pete Celino building 5/ 502 : Questioned hiring a Jupiter police for security stating it would be less expensive.

Office Manager Barbara: Police are paid more than our security company we hired them before.

Pete: OK I'm talking to the board not you. I went there I stayed at the police station and I talked to them and they told me there's a chief that's retired that runs this and I think you said it was like $55 an hour they get you got it for five hours the gun and everything else that you need for security when somebody comes home most of these people here sleep by 9:00pm we don't need security at 12:00 am and for that kind of money for somebody to just ride around and nobody's checking on them you're saying there you are but I don't believe it the way that they were checking on, and they cheated us same thing with this year guy i've worked security and i know what they do and another thing I have is on salaries right?

Barbara, you can ask a question.

Pete: OK how can you honestly give employee raises? OK since 2023 swe're here office raises 43% since 2023 , 9% in 24 and we only have a 25% increase from Social Security?

Owner in audience corrected, 2.5% Social Security.

Treasurer Pat Meglino: We have a limited group of people that work hard for the association. They work hard for us and do a good job. Not all of the monies listed under salaries equal the employee salary, some of it is for overtime and emergency calls. For Rocky and maintenance, when there is an emergency, we call them, and they get paid for extra hours. Extra hours for Nicole for board meetings.

Pete: That amount of money is built into these increases, so if we don't have the emergencies next year it'll be sitting in the budget.

Lew: Yes, but of If you if you don't have any emergencies or overtime issues next year I'll pay the difference. (jokingly)

Pete: The contract made with landscapers we could save cutting the mowing to every other week?

Property Manager Rocky: During summer they mow every week during the rainy season they cut the grass every other week. We can not cut mowing in rainy season.

Donald Rear building 6/ 505 is it possible to gate the community?

Lew it's impossible to gate the community it can't be navigated to turn around.

Ken. Building 18/ 505 Can you explain the fire system increase when we got new panels, and the elevator increase when we have new control panels?

Treasurer Patricia Meglino: The increases related to the fire system and the elevators are due to extensive minor issues determined by fire department that need to be fixed, or we will start to get fined for noncompliance and that accounts for $35,000.

Rocky: The alarm consists of two the website and the electrical side all that as you noticed something we have a lot of that red box you see sometimes I'm pretty sure because these are things why every time we get a report saying test on devices because of this problem we have over 820 devices that are tested and report the deficiencies and the cost to replace them every year.

Owner 2301: So the insurance question you could answer, is though there's no way to know like where this year is, to next, the biggest acquisition ever right , is that going forward, This is the way it's going to be? I think the problem is this is such a big expense, or does it have more to do with the recent storms if you have any idea?

President Lew Panzo: Based on this year's storms and our current premium with a 12% cap the premium can increase by $250,000.

Bill Bldg 9-104 why aren't the engineers being paid for by the Bluffs Marina.

President Lew Panzo: The Marina refused to acknowledge responsibility for the damage, so we hired engineers to prove they were at fault. We will try to recoup under our lawsuit, but it is not guaranteed.

Question ? Who is the engineering company?

Lew : Epic Forensic Engineering

Mary 2501: Asking questions not related to the budget. Questioned the elevator repairs and work completed by PBBC on the Milestone repairs.

Office Manager Barbara explained it is a budget meeting and will answer any budget questions any other questions can be answered with her in the office.

Nancy 2501/ 102: Office salary went up by $11,000 where did that get allocated.

Treasurer Pat Meglino: Administrative assistants salary and overtime calculations, and I think people can attest to the fact that the office is running much more smoothly than it was two years ago number one and overtime due to support for all of these meetings we are now mandated by law to have 4 meetings that need support so we either send somebody home and that doesn't make any sense we need someone here to support this meeting ,Nicole is inside dealing with all of this zoom questions for us and so in order to properly disclose the costs we've increased the numbers accordingly.

Nancy: one person got up $2000 increase in a year. $11,000 a year

Barbara: it's for projected overtime, it's a budget that's salary plus an estimate for overtime in case we need it may not always be needed.

Nancy: why did the insurance for the office go up as well?

President Lew Panzo: Because the health insurance has increased.

Barbara: Also, we are adding an employee.

Nancy: The budget almost doubled?

Treasurer Patricia Meglino: The budget actuals versus budget estimates. Understanding that a proposed budget is an estimate and not actual. We begin working on the budget with June's numbers and I look every month. In June we are we at the half point and we can begin to calculate averages, compared to what we've budgeted, are we over or under, and the insurance rates have gone up significantly so this year we're already behind the year end amount and we have to account for any shortages from the prior year.

Nancy: ok is this something that we're looking at as the budget going forward? In other words next year you will look at how we're going to try and get a lot more of this down or are we going to start at another 12% next year? Why couldn't we do a special assessment keep not that that's any better maybe trying to keep certain costs down and where they are and then keep our our yearly costs for the maintenance at a lower amount? Instead of percent 12%? OK, I mean 3 to 5% is great under 10 is fabulous but you guys didn't really seem like you're trying to achieve that.

Treasurer Patricia: I take issue with what you're saying we worked very hard as a team, and we looked at all the facets. We work with the accountants. Lew and I sat together, Rocky and I sat together, Barbara and I sat together, Rich and I have sat together, Armand and I have talked, Neil has been talking to Lew. We work together to come up with something that is workable. None of us like this. We're all unit owners just like you and we're feeling the pain just like you, and the only thing we can do is try to make decisions that are responsible to the community. So that we live within our budget if we can and we acknowledge where we have shortfalls. There were years that our predecessors felt good because they didn't increase the budget at all or very little and while it looked good on paper, that hurt us because a lot of stuff did not get done that needed to.

Nancy, I understand that, but OK, I'm not disputing that at all. I would probably agree with you on that. But it's not logical either, I mean when you're watching bit you hired another new maintenance person and give a raise to office worker?

Treasurer Patricia Meglino: That will help us in the sense that then we will not be going out to have some external company come in here and charge us for some of the maintenance we hire out. Our community is aging and needs more attention.

Nancy OK and then what next year you need another guy?

Pat: We have not increased rocky staff in 20 years.

Nancy: My question is still was is this a one off?

President Lew Panzo: We don't have a crystal ball. Everybody wants more services, we have to pay for it.

Nancy: I don't disagree with that? I guess I'm I'm sorry that this is on me I'm not explaining myself through clearly enough is was a instead of this $1200 per quarter was there a special assessment option looked at.

Lew: No

Office Manager Barbara : You know most people appreciate being able to spread it out quarterly over a whole year, especially when talking about people on fixed incomes. They don't wanna write a big check all at once.

Nancy: Is there an employee contribution to the health insurance?

Lew No

Treasurer Patricia Meglino: That is a benefit that we provide it's one of the few benefits that we provide, we do not have a 401K.

Lew: The only benefits is health insurance there is no retirement benefits.

Tina Bldg. 18 unit 301 can we change our Insurance fiscal year to equal ours?

President Lew Panzo: No ,This Board and prior Boards have tried in the past and to realign but it is cost prohibitive to an already expensive insurance and we'd come back at a higher rate than it is now because. Storm season would also factor.

Scott Fissinger bldg. 25 302: What analysis was done in choosing the new financial company, why are we hiring another employee instead of switching to a property management company?

President Lew Panzo: As stated, we went out to bid for a new accounting firm. We investigated and sought recommendations from our auditor and attorney. The reason we're hiring another maintenance employee is because it is needed and it cost less to put one employee on than it is to go to a property management company. The Board and the majority of owners do not want a management company. There will be 7 employees.

Owner? Barbara: can you the explain reserves?

President Lew Panzo: We are mandated by the state to do a SIRS report every 10 years with estimates to replace certain critical items in this community and added new items to reserves for windows, doors and railings. This increased the reserves along with plumbing and electrical. The state requires what needs to be done for this year's reserve funds.

Treasurer Pat Meglino: We have an excellent relationship with our engineering company, so we were very fortunate to get our SIRS report done quickly and on time and now we need to implement it. Our attorney says we need to move forward with the numbers that were calculated for us by our engineers who did an actual survey of our property, and the SIRS report the structural integrity report is posted on our website for anyone that wants to look at it.

Lew: We need to flood the state representatives with letters to petition and complain how people will be displaced.

Mark Rempel building 1701 unit 505: The new mandates specifically have windows and doors we never of course replace windows and doors before unless one was that bad and when you really consider windows and doors there's also insurance implications. What is the plan to actually allocate that money proactively to eventually replace the windows and doors to save us insurance money from wind?

Lew: Approximately 25% of the windows have been replaced by owners.

Mark: do we have a proactive plan to charge $1200 a year to do windows and doors which has never been done before. How are we going to proactively use those monies for windows and doors?

Lew: there's nothing in the account now for Windows and doors, that cost approximately $22,000. We are collecting to the current 10 year reserve study.

Mark: basically, you are saying it's a new allocation of reserves that will accumulate overtime that will eventually be used to replace proactively or reactively?

Lew: Reactively

Pat: It's an emergency situation windows and doors need to be replaced for structural reasons or damage the money in the reserve will be used for that purpose.

Jeff Smith bldg. 1501/102: I went through the Epic SIRS report on page nine first of all as windows enjoyed only listed as clubhouse that needs to be changed. alright explains pretty much the windows and doors funding for all the units but that's not in their report, secondly took the straight-line method which is way more expensive than the 30-year pooling we could save over $600,000 by doing the 30 year.

Lew: but the the state isn't giving you 30 years.

Jeff: it does not matter, we are here for 10 or 15 years, the point is we should be using the 30 year even Epic recommended that in their report that would be a savings to all the owners. here we went so my question is why we took the straight line?

Barbara: We we went with straight line funding because that is how this association has always funded reserves.

President Lew Panzo: I will look into 30 year poling.

Jeff:obviously I don't agree I mean you look at the 1st 2 lines of epic he tells you the straight line method is more expensive the 30 year polling is much more cheaper and you are able to take funds, listen to me I'm talking thank you please you are able to take the funds and put on where it's needed.when you do straight line that has to go through line item.

Barbara: The new Florida statute does not allow you to use a line item for any other reason.

Jeff:I do not accept this budget tonight. This budget needs to be reworked and re looked at the windows are obviously the windows over there on the island are way different than the windows and doors over here on file correct? It says common area not building that's why I thought it was wrong at first. Hopefully it was a big mistake before $7.9 million for Windows and doors and before clubhouses were ludicrous.pretty much that's all I have to say.

Lew: I will follow up with what you're saying.

Barbara: I just would like to state with regards to the new law that goes into effect January 1st, our understanding was that the new statute according to Becker states that beginning in 2025 you are not allowed to use reserve items for anything other than intended, you can no longer borrow from reserves to pay for other items and then pay reserves back. I can clarify that with attorneys and with the engineering firm on commingling funds.

Jeff: One last thing SB154 was the amendment to this SD4 which brought on this whole entire SIRS episode of inspecting the buildings and making sure they're not going to fall down and also in the SB-154 it states that the board is to create a committee to help the financial part of the board and to also look at how we can take those funds and interest bearing accounts so have we done that yet, you have a Finance Committee do we have a committee specifically for that?

Owner Michelle Mayer: We do have a Finance Committee John DeAngelis, Chair who is in building 23 and me. We had a third person, but we could not get that person at all this summer therefore we weren't able at all to contribute. But, we now have four people and we will be meeting with Pat the week before Thanksgiving. It won't help for this budget but will help going forward.

President Lew Panzo. Thank you, Michelle believe me I feel and believe me I know forward to your assistance, I'll look into that Jeff that 30 year deal absolutely yeah and if I could change it and it's legal, I'll look into doing it in a heartbeat and bring costs down I'll look for any angle to bring costs down if I could.

Pete Calino: 501 /502: I didn't know that the association paid for Windows, well then why is $700,000 for Windows that we don't replace.

Office Manager Barbara: I explained that, I encourage and invite every single unit owner to read their condo docs declarations and bylaws and be familiar with what you actually own and what you actually do and what's actually the responsibility of the owner and what's exactly the responsibility of the association with regards to windows and doors your condo declarations state that if there is any damage to a window and door slider front door or windows of a unit that is not man made like someone didn't Jimmy it or break it or something but there's something wrong structurally rotted frames or whatever the association is responsible for replacing them if they unit owner damages then it is The responsibility of the owner if the owner chooses to replace them because they want hurricane impact windows and doors or they want to upgrade them for betterment the fee goes to the owner and not the association and that delineates the difference.

Pete501 I understand that yeah I got a couple things a 75 percent reduction in my insurance with the company that I have don't ask me what it is because I don't remember right now because I put hurricane shutters up which was a lot cheaper than putting up expensive windows. That's what they want right 20K alright but that's just I just don't understand it you want to hire another maintenance staff.

Zoom: Barbara: Steve Conte in regarding to line items I don't have the page numbers you are referring to and I'm sorry but I will help you if you contact me at the office tomorrow or if you go through your consolidated which is the first part of the budget and then Scroll down to your building you will see the differences for your building so you can do your dollar comparison.

Owner 901/ 104 Again questions with regards to the reserves and the windows and the rails what delineated replacement cost what difference in is useful between buildings 501 and 1701 to 1801 and 2601.

Treasurer Pat: You have two different categories of railings the ones that were original when the condos were built and the ones that were retrofitted with balconies and whatever after.

Santo: 701/ 206: Ijust have a question we have operating funding and we have reserve funding correct are they in two different accounts like two different checkbooks?

Treasurer Pat: Yes so they're not commingled.

Barbara:they we have 2 separate reserve accounts.

Barbara: With regards to your bank accounts, you have an operating account, a Money market account, you have a general (Operating) reserve account to protect money over 250,000, and then you have an ICS reserve account for reserve items only. We are not allowed to commingle operating and reserve funds.

Santo: And in terms of the reserves are those like extrapolated out in other words do we get to a point where the increase for the reserves they say that all the time or once we reach all the numbers when it gets readjusted.

Treasurer Pat: if you Max out then you stop collecting right but the way we've where the legislature has written this if it's got a 10 year life we're charging at 1:10 so the likelihood of you outliving that I think is slim.

Santo so this is extrapolated over a 10 year?

Pat Correct

Bill Mcduffey 9/ 104: Did we consider special assessments for Windows and doors for all of the association to replace all of the windows and doors at one time to get a significant insurance decrease?

President Lew Panzo: I really don't think you would like to do that because you're talking $20,000 or more each unit, so the answer to that is it's not realistic on top of the other assessments we have had recently.

Owner: I have a question there's a line item for Windows and doors which is $798,000 but then on the next page there's another windows and doors for 36,000 in reserves why 2 separate line items for two different amounts for the same items are there.

Pat: There are two different categories of railings but not windows, I'm not sure what you're looking at?

Owner: Well on the on the reserve funding there's building reserves and then it says railings closing the windows and doors it's $1.3 million there's another building building reserves and it's additional $62,000 which is how many areas?

Barbara: Your pool houses and things of that nature are common reserves and then you have building reserves which is your individual buildings there are two different areas and different line items are reserved.

Owner? I do have one question at the very beginning you had said there was a correction to the railings yes numbers and you had mentioned I'm sorry it was like 5 like through 17 through 17 and you said that was one price and then you said buildings?

President Lew Panzo: Because those are newer than the other. Buildings 1801 – 2601 are original to the building and 501-1701 were added a number of years after construction.

Owner: Just Collecting for the reserves in case they do need to be replaced I understand. My last question is is these these are all new line items that basically added I understood how to read it my question is who decided to add a posts for $1,000,000.

Lew: The state said that we needed to add windows and doors and railings, We are mandated to collect money.

Treasurer Patricia Meglino: That's why we had engineers conduct the SIRS Report. it's a mandate from the state.

Barbara: The SIRS Report is posted on the website or you can come to the office I'll happily print you a copy

Barbara Reserves: Each item that you have to collect for is given a useful life and an amount estimated that you will need some things are five years some things are ten some things are 15 some things are 34 years. We collect useful life to amount estimated.

Pete 501: One more question you made a statement before how you managed to call in a favor to get our SIRS Report?   t

Treasurer Pat: No we didn't pull any favor, what I what I was trying to allude to is for the first SIRS report we went out and asked 6 different companies they said they would not be able to get to us well into 2025. We had a relationship with Epic and they were able to fit us in their schedule and get it done for us in a timely manner. Does that explain it better for you?

Pete: No because if you read the the the the law, because so many people have to go through this and there's only so many inspectors and they didn't have enough to go around you were entitled to extend into 2026. That would have gave us another year to come up with money. you had another year and you should have waited.

President Lew: You'd still have to make up for the this year so your dues would be even higher.

Pete : let me let me ask you a question here a minute because you gave an example before apples and oranges OK now if I have dollars 250 this year 250 the next year still comes out to $500.00 but it gave me an extra 12 months to make that payment.

2nd VP Rich Garzon: You cannot do that. I really appreciate that you're reducing the useful life of the item, which means now instead of 10 years you collect over nine years.

Barbara: Under the reserve could you please explain the pool equipment and pool furniture?

Property Manager Rocky: When we need pool equipment and refurbishment that's for pools. Pool Furniture is in a separate category.

Irene McCarthy I'm at 1701 406: windows and doors I just had one question maybe it's absolutely not possible but everyone of these buildings has two sides where Railings can be damaged 1 is the front and one is in the back and I know for a fact that one wall only has small windows that are not expensive and when you're talking about the kind of money that you need in reserve and everything else is there any way that we could look into replacing the windows on one side of the building and would that affect the insurance to be lower it?

Lew no because the building has to be complete for a discount in insurance.

Zoom Barbara: With regards to differences in prices on generators, reminding that we have two different sized generators and it's two different life expectancies and so we calculated the amount from the year and then added the two amounts together so if you have any further questions about the generators let me know and I'll and I'll give you a breakdown.

Zoom, Barbara: Again these are questions about explaining the difference in cost with regards to useful life for 21 years and the way we calculate it. We take the amount that's estimated by epic forensic engineering to the amount of years life expectancy that's left and we divide that by year and then divide it by the buildings.

Denise 12 302: Now that we have been assessed for a roof and elevator and we're increasing our reserves do you see foreseeable assessments in the future for those items or any other items?

Lew : No you know they're all new you don't get one thing we got to keep in mind here too this place is 40 years old I mean it's it's it's an aging community and and I think it's in pretty good shape for 40 year old. I know we're not going to like her some of the things we have had to do since I got elected, but I told you I would never lie to you and I know I give you the truth. I tell you the way it is you may not like it it's a it's a law now and unfortunately, we have to abide by it.

End of Questions:

Lew, I like to make a motion to approve the 2025 proposed budget as revised do I have a motion

Rich 1st Armand 2nd

Barbara I'm sorry we didn't get final questions from zoom.

Zoom: My question was is if you wanted to pay the increase by assessment? Is that option available? Can we pay monthly?

Barbara: Asked and answered. Most people can't write a big check January 1 for $12,000, but anyone can pay their dues in advance.

Lew: you can do that

Pat : But there is no discount for paying in advance.

Ken would like you to please explain how you calculated the SIRS report from reserves how do you take how do you take the estimated life to the money how you do your calculations.

Treasurer Patricia: When we got the SIRS report we're doing exactly the methodology that the engineer suggested we're taking the amount that is needed dividing that by the remaining useful life and calculating, in the case where we've already got some reserves you need to take that amount and subtract it from what's needed and then divide that number if it's a fairly simple arithmetic calculation, I don't know what else to say.

Lew I have a motion and a second I'm gonna call for a vote

All in favor.

None opposed.

Lew motion carries

Meeting Adjourned

7:30 pm

Barbara, the board and the staff would like to thank Phil Macintosh for all his help on our audio system and in monitoring the meetings.

Thank you, Phil,

Lew thank you all for coming.

As recorded by Secretary

Neil Midtgard