

Tangerine Bay Club Association Inc.,

A Not-For-Profit Corporation

Minutes of The Meeting of The Board of Directors

Wednesday, January 26, 2022

A scheduled meeting of the Board of Directors was held via the Zoom online platform on January 26, 2022.

The meeting was called to order at 2:04 pm by the President, Clare Villari. Clare stated that no owners had provided advance notice of their intent to record the meeting. Therefore, no owners nor the Association recorded the meeting.

A quorum was established. Board Members present in the online meeting were Clare Villari, Jim Curtis, Ed Moravitz, Jeff Spalter, Dave Van Ess, Mike Wells and Karen Wiltsie. General Manager Michael Canacari, Lighthouse Property Management, was also present.

Proof of notice was posted per Association Bylaws and Florida Statutes 718.

Board Actions:

1. **Motion** to approve the Minutes of the Board of Directors Budget Meeting held on November 17, 2021 was made by Ed Moravitz and seconded by Jim Curtis. All were in favor, none were opposed. **Motion approved.**

2. **Motion** to approve the Minutes of the Board of Directors Meeting held on November 17, 2021 (the second Board meeting held on this date) was made by Jim Curtis and seconded by Ed Moravitz. All were in favor, none were opposed. **Motion approved.**

3. Finance Matters:

Preliminary Financial Statements for the year ended December 31, 2021 - Karen Wiltsie, Chair, Finance Committee, highlighted to the Board key items in the Association's preliminary year-end 2021 financial statements. For the year, Operating Revenues were on budget while Operating Expenses were over budget, resulting in an excess of expenses over revenues of about \$49,000 (inclusive of \$20,000 "rollover" of beginning fund balance which is treated as revenues in the financial statements prepared by Lighthouse). Karen pointed out that a few adjustments to these financial statements remain to be made. After those adjustments, the excess of Operating Fund expenses over revenues is expected to be closer to \$34,000. Karen explained that the over-budget situation is mainly due to (1) excess Insurance Expense of \$26,000 due to a change to the property insurance contract made shortly before the policy was renewed and (2) \$41,000 of legal costs for matters related to TBC Unit 136. Karen also highlighted various other expense categories that were either over or under budget by less significant amounts. The Operating Fund balance at December 31, 2021 shown in the preliminary financial statements is approximately \$49,000; after the adjustments referred to above are made, it is expected to be closer to \$65,000. The Reserve Fund balance at December 31, 2021 is approximately \$1.23 million; one adjustment yet to be made will decrease the Reserve Fund balance by \$15,000.

2022-2026 Reserve Fund Spending Plan – Clare Villari, President, introduced the discussion of the Reserve Fund Spending Plan for the next five years. She explained that this Spending Plan is our current best thinking based on information from Delta Engineering, who is in the process of

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preparing the Association's 30-year Reserve Study; the knowledge of Michael Canacari, General Manager, about the current condition of our capital assets and history of repairs; and the input of the Finance Committee. The Plan is not set in stone, but evolves throughout each year as new information becomes available, unexpected deterioration of capital assets is identified, and any significant storm damage occurs. The Plan also assists in the application of the Association's Reserve Fund investment policy by our Treasurer, Bill Chapman, based on the expected timing and amount of the spending reflected in the plan.

Clare then asked Michael Canacari to present the details of the 5-year Reserve Spending Plan. Michael described the nature of the individual line items in the Plan, and highlighted the most significant capital projects expected during the next 5 years.

4. **Board Resolution to Separate the Finance and Insurance Committee into Two Committees** – Clare Villari, President, introduced Board Resolution 2022-1, which is attached to these minutes, to formally dissolve the Finance and Insurance Committee and establish two separate committees of the Board – the Finance Committee and the Insurance Committee. Clare read the full Resolution and asked for a motion to approve the Resolution. A **motion** to approve Board Resolution 2022-1 was made by Ed Moravitz and seconded by Dave Van Ess. All were in favor, none were opposed. **Motion approved.**
5. **General Manager's Report** – Michael Canacari deferred his manager's report to the next Board meeting. However, various ongoing and planned projects on the property were commented on by Michael during the discussion of the Reserve Fund Spending Plan earlier in the meeting.
6. **Other matters:** A meeting of the Board is scheduled for February 23, 2022 at 2:00 pm. The 2022 Annual Membership Meeting is scheduled for Friday, March 18, 2022 at 1:00 pm.
7. **Motion to adjourn** the meeting was made at 3:20 pm by Dave Van Ess and seconded by Ed Moravitz. All were in favor. **Motion approved.**

Karen Wiltsie, Secretary, Tangerine Bay Club Association Inc. Board of Directors

Attachment

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BOARD RESOLUTION 2022-1

TANGERINE BAY CLUB ASSOCIATION, INC

Whereas, the oversight of financial and insurance matters of the Association are currently the responsibility of the Finance and Insurance Committee, and

Whereas, the financial and insurance portfolios of the Association have each grown in complexity and require dedicated focus and attention, and

Whereas, the Board President and Chair of the Finance and Insurance Committee each believe that it is in the best interests of the Association to now separate the Finance and Insurance Committee into two distinct Committees, one named "Finance Committee" and the other named "Insurance Committee."

Now therefore, upon due consideration of the foregoing, the Board of Directors hereby adopts the following Resolutions:

RESOLVED:

1. The Association's Finance and Insurance Committee shall be dissolved, and the following two new Committees of the Association shall be established: the "Finance Committee" and the "Insurance Committee;"
2. The finance related functions of the former Finance and Insurance Committee shall be assumed by the new Finance Committee, and the insurance functions of the former Finance and Insurance Committee shall be assumed by the new Insurance Committee, all as set forth in the respective charters of such new Committees attached as Exhibits A and B hereto;
3. The President of the Board is hereby authorized to appoint Members of each such new Committee and designate the chairperson of each such new Committee; and
4. The foregoing actions shall be effective as of January 27, 2022.

Dated: January 26, 2022

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Tangerine Bay Club Association Standing Committee: FINANCE

EXHIBIT A to Board Resolution 2022-2

Purpose

Advise the Board and Treasurer on all financial matters to include the operating budget, capital spending, reserve adequacy, and banking and investment activities.

Responsibilities

Oversee the preparation of financial records of the Association that are materially accurate and complete and prepared in accordance with generally accepted accounting principles.

Oversee the operating budget process and recommend an annual budget to the Board.

Facilitate the presentation to the Board of accurate, timely, and meaningful financial information.

- Ensure that periodically during the year, the Association's financial statements are reviewed with the Board, highlighting variances from budget and helpful analysis.

Oversee the Reserve Fund; coordinate investment strategy with the Treasurer and General Manager.

- Periodically during the year review Reserve Fund activity to ensure adequate balances and liquidity for known repairs and replacement of capital assets.

Review and make recommendations to the Board regarding banking relationships.

- Keep the Association's bank signatories current.

Recommend an auditor to the Board and provide oversight of audit activities.

Monitor compliance with federal, state, and other requirements related to the Association's finances.

Membership

Professional business and/or investment expertise is desirable.

Dated: January 2022

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Tangerine Bay Club Association
Standing Committee: INSURANCE

EXHIBIT B to Board Resolution 2022-2

Purpose

Assess, recommend, and respond to issues associated with the coverage, carriers, and cost of property and casualty insurance, flood insurance, and ancillary insurance policies for the Association.

Responsibilities

Recommend to the Board improvements in availability, affordability, and breadth of insurance coverage.

- Oversee the Association's annual insurance renewal process.

Provide timely information to the Board and Owners about key insurance matters and cost.

Assess the Association's areas of risk.

Monitor existing and proposed state, regional, and national insurance programs that may impact the Association.

Oversee filing and resolution of insurance claims filed by the Association.

As approved by the Board, retain external advisers, consultants, and counsel as necessary to carry out the Committee's responsibilities.

Membership

General knowledge about insurance and risk management. Professional experience in the insurance industry is helpful.

Dated: January 2022