

Tangerine Bay Club Association Inc.,

A Not-For-Profit Corporation

Minutes of The Meeting of The Board of Directors

Wednesday, April 28, 2022

A scheduled meeting of the Board of Directors was held via the Zoom online platform on April 28, 2022.

The meeting was called to order at 10:36 am 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, and Karen Wiltsie. General Manager Michael Canacari, Lighthouse Property Management, and Joe Thompson of GulfShore Insurance was also present. Mike Wells was absent

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

Board Actions:

- 1. Motion** to approve the Minutes of the Board of Directors Budget Meeting held on February 23, 2022, was made by Dave Van Ess 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 Organization Meeting held on March 18, 2022, was made by Jim Curtis and seconded by Ed Moravitz. All were in favor, none were opposed. **Motion approved.**

3. Insurance Renewal

Tangerine Bay was insured by Lexington insurance, an AIG Company until May 31, 2021. Insurers, including Lexington, have exited the state. Lexington had modeled TBC as fire resistant which is the best type of construction and gave us the best rates. Losing Lexington was a problem for TBC as no other insurers wanted to provide coverage, so starting with renewal effective June 1, 2021, we had to go to several other carriers to build a layered program. We now have multiple carriers with multiple rates providing coverage and our designation is no longer fire resistant (joint and masonry).

This year we have the same issue obtaining coverage various carriers, none want to individually take on the full risk of TBC. Michael Canacari was able to obtain our buildings' structural plans and share with the insurers improving our designation to 'modified fire resistant' which leads to more favorable premiums. We still expect about a 15% increase with the layered approach.

Joe Thompson shared industry challenges and some comparisons to other associations. He expects the State to begin to engage but we won't see an impact for 18-24 months best case.

We have options for a 3% and 5% deductible. With healthy reserves and good coverage, 5% is a consideration. We don't see a possible max loss from a storm due the integrity of our

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construction. It was recommended to consider 5% vs 3% deductible depending on premium impact.

Full mitigation/impact glass will put us in the best position to attract insurance carriers. Additionally, water flow detectors association-wide can prevent major claims. Roof and exterior openings are critical.

Michael shared the insurance coverage comparison between existing coverage versus proposed renewal– Chart 1.

A few comments about coverage. There is a total exclusion for flood coverage as that risk (i.e., storm surge) is covered by FEMA flood insurance. Wind driven rain coverage is no longer available to the Association (same as last year). The Association is responsible for damage from the outside to the rough dry wall (owner responsible for paint in/damage inside unit).

Michael shared the Insurance coverage Renewal Cost – Chart 2.

Clare said the most important thing we can do to mitigate future huge premium increases is get our roofs right. The plan is for replacement in 2023-2024-2025. Michael is exploring what we can do beyond replacement that will improve our wind lift rating as it will be beneficial to move from modified to fully wind and fire resistant.

Adding leak detection systems throughout the buildings will be valuable as preventative risk against water damage claims.

The Association pushing mitigation steps forward as that really helps. 80% of units has been changed to impact resistant windows or hurricane shutters. Michael and Jorge are going to work with owners to identify where exposure exists – we need to get to 100% mitigated.

The Board had a brief discussion regarding the 3% and 5% deductible options. Karen Wiltsie advised that savings were only \$10k. All agreed that there was no justification to take on additional risk for \$10k in savings.

There was a brief discussion regarding the ancillary insurance coverages. No material changes from existing coverages.

Clare advised that the renewal cost effective May 1, 2022, will have a budget deficit of \$100k over the period 7/1/22 – 12/31/22 that must be addressed. The Finance Committee will address this next week. There were no questions from the Board.

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Motion to approve the 2022-23 insurance package with 3% deductible for \$740k. Motion made by Dave Van Ess and seconded by Karen Wiltsie. All voted in favor, none opposed.

Jeff Spalter shared information on Homewatch Service Providers that will be shared with all TBC owners, several have expressed an interest in contracting this service.

4. Finance Matters

Check signatories were approved for the Association as follows:

1. Clare Villari – President
2. Jim Curtis – Vice President
3. Karen Wiltsie – Finance Chair
4. Bill Chapman -- Treasurer

Karen Wiltsie covered some highlights of budget variances – in total YTD we are \$52k over budget. Insurance expense is \$14k over the quarter. Legal costs through 3/31 are \$34k. Funding legal costs will be addressed by the Finance Committee at the next meeting. Our cash balance is tight and requires more management than in the past.

Four owners have not paid their quarterly fees yet – short \$24k. One owner owes \$14k and we are now handing this over to a collection agency. Clare reiterated that it is not acceptable for owners to be almost \$40k in arrears as we rely on our quarterly dues to fund our bills. She advised this is the first time we've seen this problem – and we have been charging late fees and interest.

Review of Capital Projects – Michael Canacari advised that the asphalt overlay project is on schedule, waiting for the contract. Max spend on asphalt is about \$48.5k. There is a \$2.2k contract with Grant's Garden to remove planter beds near the pool. There is a \$16k contract with Paver Mac to do work at the clubhouse near the moat and fill in once the planter beds near the pool have been removed.

Motion to approve Grant's Garden contract for \$2.2k made by Dave Van Ess and seconded by Karen Wiltsie. Motion approved.

Motion to approve Paver Mac contract for \$16k made by Karen Wiltsie and seconded by Dave Van Ess. Motion approved. Work to begin shortly.

5. **General Managers Report** – GM Michael Canacari advised that the ladder and fishing pole holders have been installed on the dock and that the wheeled baskets in the garages have been replaced.

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6. **Open Questions** – What is the status of the fire pit to be added at the pool? Clare advised that the survey conducted in 2021 did not indicate sufficient owner support and that project is not being worked at this time.

7. Motion to Adjourn Meeting made by David Van Ess and seconded by Jim Curtis. Next meeting is May 18.

Jeff Spalter, Secretary, Tangerine Bay Club Association Inc. Board of Directors