

Tangerine Bay Club Association, Inc.
A Not-For-Profit Corporation

Minutes of the Budget Meeting
May 24, 2023

A scheduled meeting of the Tangerine Bay Club Board was held via the Zoom platform on May 24, 2023.

The meeting was called to order at 2:05pm by Clare Villari.

A quorum was established. Board members present in the online meeting were Clare Villari, Karen Wiltsie, Andy Schaer, Jim Curtis, David Van Ess and Mike Wells.

Proof of notice was posted per Association By-laws and Florida Statutes 718.

Karen Wiltsie, Finance Committee Chair, presented the Proposed Revised 2023 Budget, as discussed by the Finance Committee at its May 15, 2023 meeting, for the Association by first reviewing the 2023 Insurance Renewal Worksheet which compared the Final May 2023 property insurance renewal cost to the Final May 2022 property insurance renewal cost (an increase of 102%) along with the Final May 2023 cost for the Association's ancillary insurance policies (an increase of 29% over May 2022). Total Final May 2023 cost for property insurance plus ancillary coverages is \$1,442,396, a 100% increase over May 2022.

The May 1st premium renewal results in a budget variance of \$393,607 over the 15% increase anticipated in the 2023 Budget. The dollar impact per Unit will be an increase from \$6,800 to \$9,000 for both July 1st and October 1st quarterly fees.

Karen informed the Board that the insurance bill has been paid and approximately \$750K was borrowed from the Reserve Fund and will be repaid without interest. \$700K was paid using the insurance company's installment plan at an interest rate of about 9%. It is anticipated that the installment plan will be repaid with two payments: one shortly after the Association's July 1 quarterly fees are received and the other shortly after the Association's October 1 quarterly fees are received. The resulting interest will be an operating expense of approximately \$18K. The budget will be adjusted for actual insurance premiums only as the interest expense associated with the installment payments are mitigated by positive variances on other discretionary line items in the budget.

Karen then presented a Proposed Revised 2023 budget in which the only item changed would be the insurance expense. All other operating expenses and reserve contribution would remain unchanged.

Clare Villari, Board President, reminded owners that Board approval of Budget changes is a two-step process: first, the Board reviews a recommendation by the Finance Committee and votes to approve distribution of that recommendation to owners for their review and comments; second, the Board considers any comments received from owners during review period and votes to approve a revised budget.

The meeting was opened to owners' questions and one owner inquired about status of 2024 quarterly assessments. This topic will be analyzed by the Finance Committee over the summer and discussed by the Board at the October 2023 Board meeting with final approval at the November 2023 meeting. Another owner questioned the loan from the insurance company and the resulting \$18K interest expense. It was explained that there were a number of factors leading to the decision to borrow, including the fact that \$18K is not a material number to our budget and collecting the approximate cost of \$200 from each owner would be onerous relative to the amount. It was stated that the loan would be paid as quickly as possible.

MOTION: To approve distribution to owners of the Finance Committee's recommendation for a Revised 2023 Budget that would change the current quarterly fee of \$6,800 to \$9,000 for each of the remaining two quarters of 2023, i.e., July 1 and October 1. Motion made by Dave Van Ess and seconded by Jim Curtis. All were in favor. Motion approved.

Respectfully submitted,

Sue Moore
Secretary to the Board of Directors