

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

Minutes of Budget Emergency Meeting of The Board of Directors
Wednesday, November 13, 2024

A Budget Meeting of the Board of Directors was held via the Zoom online platform on November 13, 2024.

The meeting was called to order at 2:05 PM by the Board President, Clare Villari.

A quorum was established. Board Members present in the meeting were Clare Villari, Jeff Spalter, Mike Wells, Karen Wiltsie, Andy Schaer, Rick Henry. General Manager Michael Canacari was also present for the meeting.

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

The Emergency Meeting was called under Resolution 2024-1 dated September 25, 2024 which enacted the Board's emergency powers and authority after the Governor of the State of Florida declared a State of Emergency in Executive Order 24-209 in connection with the imminent threat posed by Hurricane Helene, and the County of Sarasota ordered an evacuation for all Zone A areas, including the Town of Longboat Key. The Board's emergency powers and authority extend to any and all actions it deems necessary and appropriate to protect the Association's property and to protect the health, safety, and welfare of the Association, the Unit Owners, and the Unit Owners' family members, tenants, guests, agents, or invitees.

Board Actions:

1

Approval of Minutes of the following Board Meetings.

MOTION: To approve the draft Minutes of the Meeting held on October 29, 2024, as previously distributed to Board Members for review. Motion made by Rick Henry; seconded by Karen Wiltsie. No comments for discussion. All voted affirmative. Minutes approved unanimously.

MOTION: To approve the draft Minutes of the Closed Meeting held on November 4, 2024, as previously distributed to Board Members for review. Motion made by Karen Wiltsie; seconded by Andy Schaer. No comments for discussion. All voted affirmative. Minutes approved unanimously.

2

Finance Committee Proposed 2025 Budget: Recommendation to Board for distribution to Owners

– Clare introduced the discussion with a review of per Unit, per quarter operating expenses and reserve fund contribution from 2020 through 2024. Key points included:

- US Inflation over 2020 - 2024 was 21% vs. the 9% increase in TBC operating expenses plus reserve fund contribution, excluding insurance expense.
- TBC operating expenses plus reserve fund contribution, excluding insurance expense, was \$4,167 per Unit per quarter in 2020 and increased to \$4,532 in 2024 – a 9% increase.
- When insurance expense is added, the numbers increase to \$5,000 per Unit per quarter in 2020 and \$8,700 in 2024.
- If reserve fund contribution and insurance are excluded, the Association's operating expenses were nearly flat over the five years: \$2,504 per Unit per quarter in 2020 and \$2,588 in 2024.

Clare turned the meeting over to Karen, Chair of the Finance Committee, who presented the proposed 2025 budget recommended by the Committee. Karen explained the format of the budget spreadsheet and

the basis on which the proposed 2025 expenses were prepared by GM Michael Canacari. Michael begins with actual expenses for the current year-to-date period and adjusts them for expected increases, any special circumstances, vendor negotiations, and rate increases by utility companies.

Karen then focused on the major expense items in the proposed budget and a few operational changes recently made such as the moves away from Lighthouse Property Management and a third-party janitorial company. The largest budget expense is on-site personnel expense which is determined by the Board and for 2025 was set during recent Closed Meetings. Karen asked Clare to review that item. Clare made the following points:

- In the recent 2024 TBC Owner Survey, Owners' strong opinion was that the property was not as well maintained as in prior years. The Board agreed with that position. To improve property maintenance, the Board authorized the addition of one person to TBC's maintenance staff plus an increase in the janitorial staff's weekly hours from 33 hours per week to 37.5 hours per week.
- In the recent 2024 TBC Owner Survey, Owners' strong opinion was that TBC management should be more responsive to Owners' questions and needs. The Board agreed with that position. To improve business administration, the Board authorized the addition of a fulltime Business Administrator to TBC's staff.
- An adjustment was made to GM Michael's salary to be more competitive in the local market for property managers after a review of two compensation surveys of general manager salaries, one from Lighthouse Property Management and the other from the Community Association Institute. In addition, GM Michael had not received a salary increase since 2023.
- An adjustment was made to Jorge's salary to account for the higher cost of his health insurance plan. In addition, Jorge had not received a salary increase since 2023.
- Lastly, as noted at the beginning of the budget discussion, the Association's operating expenses in 2020 - 2024 were minimally increased to mitigate the impact of rising insurance costs. The proposed 2025 budget reflected a catch-up considering the high inflation in recent years.

Karen then turned the discussion to the Reserve Fund component of the budget. The Finance Committee recommended a 10% increase from 2024 based on the need to begin rebuilding the Reserve Fund after completing several major capital projects in recent years and before the next scheduled capital projects such as Building painting and waterproofing and replacement of the Buildings' flat roofs. Board Member Jeff Spalter asked for that recommendation to be reconsidered. Other Board Members and the Treasurer Bill Chapman supported the 10% increase in the 2025 Reserve Fund component.

MOTION: To approve the proposed 2025 budget as recommended by the Finance Committee for distribution to Owners for a two-week comment period. Motion made by Clare, seconded by Rick; All approved. Motion passed unanimously.

3

Update: Landscape & Grounds Committee – Committee Chair Andy Schaer summarized the Committee's recent property tour with GM Michael and Grant's Gardens' TBC site manager Javier Cruz:

- Terrific progress has been made from storm damage but there is still a lot to do that will take time through the winter season.
- Plantings damaged by the hurricanes were identified and plans to remove and replace them were discussed.
- The tall Ficus trees on the property's northern perimeter will be trimmed down to 20 feet and straightened to a 90-degree angle to try to save them.

- Grass destroyed by saltwater will be replaced with a heartier species that is more resistant to saltwater and grubs. In addition to considering the type of grass recently planted near the pickleball courts, the Committee will also investigate the type of grass used across GMD by the LBK Club.
- A landscape designer will be engaged to recommend a planting plan for the large areas that are now barren because of damage by the hurricanes.

In addition, Andy gave an update on the following two Committee projects:

- The replacement of walkways along the bayfront of Buildings 340A&B and 380A&B (Phase One) was delayed by the storm recovery but will now resume. The replacement of walkways on the remainder of the property (Phase Two) which had been planned for summer 2025 will be moved up to early 2025 to follow Phase One since the property's storm recovery work will continue during winter season. This is particularly important because the storms and recovery efforts damaged much of these walkways, thereby creating safety issues that need to be resolved.
- As discussed at previous meetings, the Association's landscape contract with Grant's Gardens was put out to bid. Bids have been received and are being reviewed.

4

MOTION: To adjourn at 3:15 PM was made by Andy Schaer; seconded by Karen Wiltsie. All approved. Motion to adjourn approved unanimously.

Respectfully submitted by,

Clare Villari
Board President

File: TBC Budget Board Minutes Nov-13-24