

Harbor Isles II Condominium Association

c/o: Prestige Property Management
PO Box 507 - Cape Canaveral, FL 32920
(321) 501-0654

Board of Directors
Meeting Minutes
held
Thursday, November 3, 2022

This Meeting was held in person and by Zoom video conferencing at the following link:
<https://us02web.zoom.us/j/85946415640>

This meeting was called to order at 5:06 p.m.

A quorum was established with 3 of 5 Directors present. Jim Smith and Sean Stapf were present in person, Judy Montville was present by Zoom and Bill DeBoer and Adrian Gilmore were excused.

Notice was posted according to the Florida Statutes.

Jim Smith motioned to waive the reading of the minutes held 4-28-22. Sean Stapf 2nd. All were in favor and the minutes were accepted as submitted.

Reports of Officers, Committees and Agents:

Presidents' Report: Jim reported that Hurricane Ian thankfully didn't cause much damage and none that was serious in nature. Maintenance was quick to clean up the property and he wanted to thank Lenny and Craig for the quickness in getting back to the property and doing an excellent job replacing soffits, downed landscaping, etc.

Lori wanted to inform the members that the Board did not meet much in 2022 due solely for the fact that no "business" transpired after the buildings were painted and that they were working on the reserve study and projects for the coming year.

Treasurers' Report: Judy read the balance sheet – she commented that 2 CD's were maturing in the next few weeks and that she was hopeful that that they would end the year breaking even on the budget. She discussed increase of cost in many items such as landscaping, some amenity items and everyday costs for materials and how that has and will impact the budget moving forward. The elevator project final payment was made at the beginning of the year, and we completed that project approximately \$70,000 under budget. The website, a shared amenity, was updated and a "web master" was hired to maintain the site and that it has been updated. An audit for fiscal year 2022 will be conducted in early 2023 and adjustments to the final P&L were likely due to CPA findings.

Vice-Presidents' Report: Sean showed the members a slide presentation regarding the reserve study and the proposed 2023 Budget. A copy of some of those items are attached here showing the reserve components (some of which were not part of any past reserve schedule), also the increase in O&M items from inflation, etc., and he will work to get a password protected version to put on the website as it was impossible to put this all out in a mailout.

Sean informed the members that he worked on a new contract for Security, locking in the association in a 5 year contract without any increases and having the systems continue to be covered under their warranty. All new contracts will be signed at the annual meeting. Kathleen Smith questioned if “concrete restoration” was included in the reserves and Sean confirmed that it was. He then went over the categories of the reserve schedule and the findings from the reserve study showing that the Association was not 100% funded as originally thought due to inflation and some items missing. Therefore, besides the “regular” contribution to reserve funding for 2023, a “catch up” amount would be added. There was general question and answers to the study with Sean explaining that the previous reserves did not include the pier, or the elevators, some shared amenity items were missing and some components to the property were also not part of the previous schedule. Couple that with the rate of inflation and the amounts required now were higher than anticipated. Sean also presented a chart of local area condo’s and what they pay monthly for dues – some with much less property and amenities, and Harbor Isles II was at the lowest end of the spectrum at \$490.00 per month – if they had used the regular rate of inflation for the past 5 or 6 years, the dues would have been more in the \$800.00 per month range – as it is, the proposed budget for 2023 will be \$640.00 per month, \$443 of that for O&M and \$197 for reserves.

Old Business: None

New Business:

- a. Review and Discussion of 2023 DRAFT Budget: As above. With no further discussion, Jim motioned to present to the members the proposed budget setting the monthly dues at \$640.00. Sean 2nd. All were in favor and the motion passed unanimously. The Budget will be adopted on December 7, 2022.
- b.

Acknowledgement of Members and their input on the Agenda Items: None

Next Meeting: Annual Meeting – December 7, 2022 & Budget Adoption Meeting December 7

With no further business to come before the Board, Jim motioned to adjourn the meeting at 5:55 p.m.