



Sandarac Association, Inc.
6670-6672 Estero Blvd
Fort Myers Beach, FL 33931
(239) 463-6080 (phone)
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Sandarac A: Budget Meeting Minutes for 02/06/23

1. Quorum & Call to Order

Meeting called to order by Secretary, Kelly Hartman at 9:09 eastern standard time.

Board Roll Call: Kelly Hartman, Kathy McConnell and Kim Lyttle all present either in person or virtually; quorum established; Carol Barbieri and Angelo Riccobono absent.

2. Proof of Notice

Christopher Robertson, our Community Association Manager from Sandcastle Community Management affirmed that our notice of meeting was appropriately posted and in a timely manner in accordance with Florida Statute our association bylaws.

3. Disposal of Prior Minutes – Kim Lyttle made a motion to waive the reading of the minutes from 1/30/23 meeting regarding the Special Assessment and approval of those minutes as submitted, Kathy McConnell seconds, motion passed 3-0.

4. Treasurer's Report – Kim Lyttle, Treasurer reported the current balances in our accounts:

- a. **Operating Account:** \$340,061.92
- b. **Reserve Account:** \$553,482.67

Please understand that these balances are moving targets with so much going on as part of storm remediation. All bills are up to date, all are paid with dual approval of Sandcastle Community Management and our board (Kim Lyttle, Treasurer and President, Angelo Riccobono.) Payroll and taxes are also up to date; Lucio and Joel, those on our 2022 payroll have gotten all required tax forms in a timely manner.

5. President's Report – Nothing at this time

6. Old Business:

Discussion:

Special Assessment and Dues payments paid by credit card or by handwritten check currently incur a fee. If you would like to avoid fees, you can have your ACH payment send from your bank to:

Sandcastle Community Management
Attention: Sandarac A
P.O. Box 25637
Tampa, FL 33622

Mary Porter 401A: *Has there been progress made for those still left without A/C?* Southern HVAC was here Friday and already today. Currently working on Stacks 1 & 2 and will be completed with plumbing lines necessary for AC (hopefully) today. Then Southwest Florida Power & Light will come to pull wire and begin connecting units. That will connect outside condenser units. New units however won't be compatible with old inside units so that will be resolved, and issues with sheet rock will be addressed. Then work on exchangers can be completed. So definite progress – but slow going. Angelo is working with insurance companies. But the work has begun. Hoping within week or two we can show significant progress on this project.

Kathy McConnell 605A: *Reminds people that she is keeping a window list.* Currently there are plans to replace blown out windows. If your windows are non-functioning or cracked, or if you are interested in complete window replacement – please text or email Kathy to get on the list. She can be contacted at: kathymcconnell@cinci.rr.com

Rich Clark 608A: *Are damaged hurricane shutters covered by insurance?* We are not sure, we will have Angelo inquire whether they are covered by our wind coverage. Also we can have Angelo ask about screens – will they be covered under wind policy?

Jean Francis 609A: *Lanai windows, if ½ are blown out and others are not, will they all be replaced to match?* We believe that only the blown out windows will be replaced – but will seek clarification.

Mary Porter 401A: *Did we decide on window vendor?* We believe it is Windows Plus.

7. New Business

2023-2024 Budget Discussion

Dave Warrington (past Treasurer, President,) Chris Robinson (Sandcastle) and Kim Lyttle (current Treasurer) have worked together on the budget proposals. All owners will be faced with increased costs. This is driven especially by significant increases in our property and wind insurance. Currently we are looking to increase 39% estimated increase just for that premium. Our total budget increase will be approximately 56%. This increase has to do with mandatory expenses that we must pay for, not those things we have any flexibility with fiscally.

Kim Lyttle deferred to Dave Warrington for further discussion on budget: When considering the “income side” of the equation – you will see that typically this is comprised of beach commissions and owners’ quarterly dues. You will notice this year the absence of the additional \$10K in income as there is nothing for beach vendor at this time. So we have budgeted \$0 for that line in 2023.

Increased legal expense: 2022 was \$1250, but increased this year to \$3000 –as we will probably need some legal counsel as we get through all of the challenges post-Ian.

Water and sewer: Last year \$76K, we decreased to \$60K as we will obviously have decreased utilization – sewer charges will continue.

Office/Pool: Was at \$4K last year, – again, decreased to \$2500 due to no utilization during post storm remediation.

Internet: \$20K internet this year, reduced by \$4K to a total of \$16,000. Dave has talked to Century Link – they continue to say they are not sure of when internet is coming – but some are getting it already.

Big item in budget is insurance. Brown & Brown – Laura Ambrose has been in close contact with us. She reports that they have renewed some policies in the area – our renewal quotes are based on others that have been given in area. We are in hopes that we will be renewed – but it is likely to be a large increase.

Personnel/payroll: We have budgeted in an increase in wages \$1/hour for budgetary purposes. Currently this is a placeholder and not set in stone. While Joel continues to work for Sandarac currently, Lucio is currently working for our vendor and is not on our payroll.

Building maintenance: This has been increased from \$24K to \$30K. Simply put, we know there will be little things that need to continue to be taken care of throughout the year above and beyond the norm as we continue to restore Sandarac.

Landscaping: We doubled our budget. This is not an area covered by insurance, and though we included this in our special assessment, this will supplement for flowers and other upgrades needed in restoration over the course of the year.

Umbrella/Crime/Work Comp/D&O etc: In addition to Wind/Property/Flood - we previously had \$241,803 in the 2022 budget to cover these additional policies. New budget will encompass a huge increase in property/wind taking it up to \$290,474 just for property and wind. Flood was previously budgeted at \$83,379. This year will be budgeted at \$95K.

\$408,500 is new quote for all premiums. We are hoping that this is for the same coverage with the same deductible (5%)- but those things are still up in the air. 6 local insurance companies have already filed for bankruptcy. Most of our budget increase is based on insurance premiums quotes.

Quarterly assessment: Previously , we were at \$1960 quarterly (reserve and operational combined) for 2022. Additionally, remember this was unchanged from 2021 to 2022.

New proposed dues: Operating \$2080.39 + unchanged reserve funding of \$389.21 quarterly for a combined \$2469.59 quarterly assessment or \$9,878.37 annually for each owner.

Discussion:

Dave Warrington cautioned us, as this proposal would not include any additional reserve funding above and beyond previous year budget. Given the 2024 legislation and regulation changes that will require, by statute, increased scrutiny of capital expenses and planned building maintenance (due to pre-Ian tragedy in Surfside, FL) we discussed just rounding the quarterly

assessment up to \$2500 to fund the reserve account an additional \$30.41 quarterly per unit or an additional \$10,704.32 annually.

Kelly Hartman 408/509: Reminded owners that during a survey of other FMB properties in 2021, there were already at that time, 3 HOA's on FMB with dues of more than \$2000 quarterly and that our fiscal responsibility to this point has positioned us nicely. Our current special assessment is significantly less than many around us. For example, Dave Warrington added that Island Winds is passing on a \$1.5M special assessment to their owners. Some properties in very bad shape and some have nearly remained untouched. Leonardo Arms literally has pilings in the ground trying to save their structure. Dave Warrington added: The structural integrity of Sandarac has proven itself in this storm – we sustained water damage and first floor devastation due to force of water – but have fared well overall in comparison.

Mary Porter 401A: *Are there discussions about another special assessment?* At this time no. In the existing assessment, we have covered what we believe to be uninsured expenses and deductible expense necessary to move forward. We are in hopes that if there is additional special assessment discussion that it will not be soon.

Roger Sizemore 107A: *What about Wyndham?* Have heard that investment was going to be \$80M to do anything with this property. Heard that one offer was made and the transaction fell through – back on market now. Speculation that apartments may be built there; also heard that Marriott corporation may come to FMB and is seeking a property for acquisition. Red Coconut property sold for \$57M. Fresh Catch Bistro and Junkanoo have moved off beach – that property will be for sale. Parcel near Lahaina (bright yellow one mile north by way of beach) gray buildings 2.28 acres sold for \$24.1M.

Call for Vote: Kathy McConnell: made a motion to pass \$2500 to quarterly dues for fiscal year 2023, Kim Lyttle seconded motion. Motion carried 3-0

Roger Sizemore 107A: *When will this take effect?* New dues will be effective April 1st 2023. If you are going to have these fees paid by ACH from your bank, you will need to contact the bank to change the amount. Christopher will follow up on invoices to be going out for special assessment. Reminder that no “late fees” will be charged unless payments are received after 3/15/23.

Christopher Robinson from Sandcastle Community Management reminded us, **if you are interested in being on the Board of Directors, please indicate your Notice of Intent no later than 2/13/23. Then your one page resume or CV must be submitted by 02/17/23.** Kathy McConnell will be sure to send out forms to us so you can indicated your interest.

Annual meeting will be Saturday March 25.

8. Meeting adjourned: at 9:58 am.

Kelly Hartman, Secretary