

GRAND PANAMA BEACH RESORT OWNERS ASSOCIATION, INC.
BOARD OF DIRECTORS MEETING
November 9, 2022, 6:30 PM CT
Zoom Teleconference
APPROVED MINUTES

- A. **CALL TO ORDER:** The meeting was called to order at 6:30 PM CT by Board President, Frank Booke.
- B. **ESTABLISH QUORUM:** Quorum was established with Nancy Stovall, Frank Booke, JPorter Share, Glenn Holliday, Woody Junot, Pete Morreale and Jarod Triplett participating either in person or via Zoom teleconference. Derek Gilbert (CAM) was also present in person on behalf of RC Association Management and Amy Ludlam, Director of Association Accounting, via Zoom. Stephen Kilcummings was present as the Building Maintenance Supervisor via Zoom.
- ALSO IN ATTENDANCE:** Owners in person (1) One. On Zoom: Unknown number of Owners present via zoom teleconference.
- C. **PROOF OF NOTICE:** Derek Gilbert (CAM) verified Proof of Notice was posted according to Florida Statutes and Association Documents.
- D. **APPROVAL OF MEETING AGENDA:** On a **motion** by Nancy Stovall and a second by JPorter Share to **approve** the meeting agenda. Motion carried unanimously.
- E. **APPROVAL OF THE AUGUST 8, 2022 BOARD OF DIRECTORS MEETING MINUTES:** On a **motion** by Nancy Stovall and a second by Woody Junot, the meeting minutes were **approved**. Motion carried unanimously.
- F. **OLD BUSINESS:** None

G. **NEW BUSINESS:**

- A. **2023 Budget Review & Workshop** – The Board of Directors noted that a preliminary proposed budget was prepared between two Board members and RC Association Management having gone through all the invoices and the contracts. It was also noted that this was the first time the entire Board had come together to discuss the proposed budget and why the proposed budget was not sent out to the Owners beforehand. The Board of Directors would discuss and make adjustments where needed and then motion to approve to mail the proposed budget out to the Owners. Per Florida Statutes, the Board of Directors would then have a meeting to ratify the proposed budget at least 14 days following postmarking of the proposed budget having been mailed out with Owners questions answered up to that meeting date.

Amy Ludlam with RC Association Management explained the budget worksheet with the column distributions and where the factored amounts came from for each GL line item. Board member Glenn Holliday discussed the Board's consideration to have a \$20 registration fee implemented for 2023 to factor into security reimbursement for coverage of wristbands and security and monitoring of multiple areas of the property. This is so that all guests are contributing money back to the budget instead of just the individuals who are parking on property. It was stated that this will add into the estimated \$450,000 for security reimbursement to reduce the increases through insurance, inflation and any other expected or unexpected costs.

Amy Ludlam indicated that storage rental is based on what is rented. Rental income is based on the contracts along with beach service. Salary and wages is an estimated increase of 5.63%, or \$27,000. It was noted that this is attributed to moving one

individual to be a regular employee versus contract labor and fully staffing at the levels the Association desires to be at while factoring in turnover and inflation and budgeting for any overtime. It was observed that contracts are set to increase 7.89%, noting that many of the contracts have a clause about how much they can increase. Security has increased wages and is factored for additional hours for the summertime.

It was also noted that utilities are set to go up 6.08% referencing projected actuals plus a percentage increase. Insurance is set to go up \$200,000 or a 53.67% increase, with estimated increases by the insurance agent of 30% on property, 5% on GL and umbrella and 30% on flood with prorated amounts based on each renewal date.

Inspections are set to increase 15%. Licenses are set to increase 10%. Legal is set to decrease \$5,000 and closer to what was spent in 2021. R&M Building is set to decrease 7%. It was noted that contingency contribution, which is to make up the current year and prior year losses, can be elected to be made up in the 1st year or over 2 years.

With the noted changes, assessments are set to increase 13.25% if left as-is. Reserves are expecting a \$2.3 million balance at the end of the year. The Board of Directors stated that the reserve study would be completed in 2023 after all building repairs have been completed.

Board President Frank Booke opened the discussion to the rest of the Board members. Woody Junot agreed with Frank Booke that many Associations down the beach are facing much higher percentage assessment increases of 25% or more. JPorter Share agreed with increasing the fee for all guests on property but recommended a blanket \$50 resort fee for all whether bringing a vehicle or not and guests can opt for another \$30 parking pass as needed. Glenn Holliday had recommended a \$20 registration fee that included wristbands and remain with the \$30 parking pass fee per vehicle. The Board of Directors had continued discussion on the subject with support and agreement for a \$50 blanket resort fee whether bringing a vehicle or not and \$30 additional vehicle parking pass fee with a max cost of \$80 and a set implementation date of January 1, 2023. The Board of Directors noted that without the increase to the security reimbursement that the percentage assessment increase for the Owners would be 22.5%.

An Owner raised the concern that many bookings have been made already for their unit in 2023 and the discussion of who would pay for that difference, whether the guest or the Owner, continued between the Board of Directors and Owners. The Board of Directors and Owners noted that the fees are covering for wristbands, security for the pools and fitness areas and internet while comparing that most hotels have a resort fee now even with no resort amenities. JPorter Share asked if the Board was comfortable with a 3% increase on electricity with Amy Ludlam stating that FPL rates are unknown but other resorts are also increasing 3%. JPorter also asked if that projected increase for heating the Tower 1 pool was factored into this. The Board responded that the heating of the pools is gas.

Another Owner raised the question about pet fees and recommended that the Association recoup some of the cost for pet sleeves due to the number of guests who bring animals on property of which another Owner agreed. Discussion continued between the Board and Owners on the subject.

A last Owner statement was in relation to gas and the future being higher than 3% possibly.

With no further questions or comments from Owners or the Board of Directors, on a **motion** by Glenn Holliday to approve the 2023 proposed budget to be mailed out to the Owners and second by Woody Junot, the motion was **approved** and carried unanimously. The Board of Directors agreed to schedule the Budget Ratification meeting for December 3, 2022 at 10:00 AM CT.

B. General Owner Comments – Board President Frank Boone discussed pest control concerns and issues over the past several years. As the Association has changed providers several times, he requested if there are any suggestions to resolve to provide those to the Board. Frank also discussed recent gas leaks, some of which were noted while installing the heater to the Tower 1 pool. Derek stated that TECO had completed their repairs, Frank Wood & Sons repairs were expected to be completed later that week and T&D Plumbing had completed gas repairs while addressing the pool heater. Discussion continued by Frank regarding the plants and wall hangings. He noted decisions are made together as a Board by reading the docs, interpreting them and enforcing as what's best for all concerned. As the docs were created in 2005, they are noted to be outdated and with gray areas. He stated a formal complaint came in regarding a unit in Tower 2 for plants on the balcony which the Association would need to address. Due to the unit inspections becoming lengthy and costly along with painting concerns, swing stages and gas leaks interrupting the inspections, the walkthroughs were discontinued and a letter was sent out to the Owners to respond on whether each unit had plants and wall hangings. He noted that any that do would be forwarded to the hearing committee.

Owner comments/questions –

An inquiry was made of the city inspection report regarding unit 2-101 and its cost to the Association.

- The Board noted that if a complaint is made to the city that the Association has responsibility to repair the issue or ensure the problem is fixed. It was noted that the developer didn't document some things and those issues have fallen on the Owners.

Owner wanted to follow up that the Board doesn't fine and that the hearing committee does.

- The Board indicated there is guidance in the governing documents regarding what penalties the committee can impose with the 1st offense being \$100/day, up to \$1,000. The violation is identified with a certified letter mailed to the unit in violation. With a minimum 14 days from postmark of the committee meeting date, the fine is presented to the committee to impose or not. It was noted that the committee is 3 Owners who were asked to be volunteers by the Board.

With no plants allowed in the governing documents, how does the Association change that to allow plants?

- The Board responded that 80% positive votes are needed in order to have a segment of the governing docs changed to allow plants or for any other change. It was noted that this change was attempted previously but while 90% voted positively, only 60% of the overall number of Owners voted. Frank asked Derek to contact the association attorney to get a proxy for changing the voting requirements from 80% to 66 2/3%.

How long are the fines good for and how many times can they complain about them?

- The Board was not certain of either answer. ■

When is the affected Owner going to be paid back for any expenses incurred regarding the city inquiry?

- The Board noted there was no cost to the Owner that they were aware of. The Owner advised of some deep cleanings and repairs so the Board is looking into reimbursement of those costs.

How does an Owner make a formal complaint?

- The Board noted that the Owner would contact the Board or management in writing.

Board President Frank Booke indicated that the Tiki Bar owner had expressed some concerns regarding misbehavior and loud noises from Owners late in some evenings. He had interest in having signs posted around the bar that outside alcoholic beverages are not allowed. The bar owner would also like to send out a survey to the Owners about what items they would like the bar to have.

G. ADJOURNMENT: Nancy Stovall **motioned** and second by Woody Junot to adjourn at approximately 8:05 PM CT. The motion carried unanimously.

Respectfully Submitted,

Derek Gilbert, LCAM

