GRAND PANAMA BEACH RESORT OWNERS ASSOCIATION, INC.
BOARD OF DIRECTORS MEETING
May 15, 2023, 04:00 PM CT
Zoom Teleconference & GP Tower 2 Board Room, 11800 Front Beach Road
APPROVED MINUTES

A. **CALL TO ORDER:** The meeting was called to order at 03:59 PM CT by President Glenn Holliday.

B. **ESTABLISH QUORUM:** Quorum was established with Nancy Stovall, Glenn Holliday, Woody Junot, James Eagleson, Darrell Caudill, Jarod Triplett and Stuart Sanderson participating either in person or via Zoom teleconference. Derek Gilbert (CAM) was present in person on behalf of RCAM Florida Association Management and Stephen Kilcummings was present as the Building Maintenance Supervisor in person. Amy Ludlam, RCAM Director of Association Accounting, was on Zoom at approximately 4:10 PM CT. Derek Gilbert recorded the minutes.

ALSO IN ATTENDANCE: Owners in person (4) Four. 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 Woody Junot to **approve** the meeting agenda, the motion carried unanimously.

E. **APPROVAL OF THE APRIL 27, 2023 BOD MEETING MINUTES:** On a **motion** by Nancy Stovall and a second by Stuart Sanderson, the meeting minutes were **approved**. Motion carried unanimously.

APPROVAL OF THE MAY 3, 2023 BOD 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. **Insurance Shortfall Options:** Darrell Caudill noted that the property insurance increased to $565,093 and the Association had accounted for a 30% estimated increase related to the 2023 approved budget which created a $140,000 shortfall. Options to cover for the shortfall were noted as a budget amendment, special assessment, financing option or to transfer the funds from insurance proceeds. These options were displayed per the included sheet.

The Board of Directors weighed the positives and negatives of each of the options and solicited input from Amy Ludlam on the subject. Before making a motion, the Board elected to open comments and recommended choices to the Owners in attendance and on the call, the results of which were mixed between an assessment and paying the shortfall out of the insurance proceeds.

On a **motion** by Darrell Caudill to utilize the insurance proceeds to pay the $140,000 insurance shortfall and a second by Stuart Sanderson, the motion carried unanimously. On a **motion** by Darrell Caudill to self-finance the insurance premium out of the insurance proceeds in monthly payments and a second by Woody Junot, the motion carried unanimously.

H. **ADJOURNMENT:** Woody Junot **motioned** and a second by Darrell Caudill to adjourn at approximately 04:36 PM CT. The motion was **approved** and carried unanimously.

Respectfully Submitted,

Derek Gilbert, LCAM

2023-2024 Insurance Renewal

Situation: As discussed in the April 27, 2023 Board Meeting, the property insurance for Grand Panama for May 1, 2023-2024 is $565,093. Although the approved budget for property insurance included a 30% increase from the previous year, the premium is $140,000 more than what is in the 2023 budget.

Insurance Funding Options to cover the $140,000 shortfall

Budget Amendment - Proposed budget amendment must be mailed to the ownership 14 days before adoption of the amended budget and then would be approved by the board of directors. Assessment changes would be reflected in July and for the remainder of the year. Estimated average increase per unit would be approximately $77 per month.

Special Assessment - Allowed by 5.05 in our documents. Must be mailed, delivered, or electronically transmitted to the owners and posted conspicuously on the condominium property at least 14 days before the meeting for which the assessment is to be considered. Estimated average special assessment per unit would be approximately $460.

Financing Option - Interest rates are approximately 6.25% which could reflect approximately $9,000 in interest and would require increasing the budget to cover repayment.

Transfer the funds from Insurance Proceeds - Allowed by 11.07 in our documents, Distribution of Proceeds if the damage for which the proceeds are paid is to be repaired or reconstructed, the remaining proceeds shall be paid to defray the cost thereof as elsewhere provided for. All items in the insurance claims have been completed or are under contract and pending amounts are credited against the remaining balance. After coordinating with our insurance agent, the Association would be able to use the remaining funds to cover the $140,000.

Insurance Payment Options

Monthly Payment - For cash flow reasons, insurance is paid each month from the operating account. The cost of paying monthly premiums for the 2023-2024 policy is $14,701.

Float a loan from the Insurance Proceeds - The uncommitted balance in the insurance account would allow paying the premium in full and the operating account would transfer the amount back to the insurance account monthly to save the $14,701.