

# Town Shores Of Gulfport No. 211, Inc.

## The Jamison House

2960 - 59th Street South

Gulfport, Florida 33707

### Annual Meeting Minutes for November 13, 2023 at 10:00 AM

1. Meeting was called to order by Board President Shawn Lowry and a quorum certified 59 present including proxies and members in attendance.
2. Board Members present: Shawn Lowry, Nanci Hayes, Mark McCormack, Jim McVeigh, Chris Muesler, Dennis Vigneau and Don Rubin
3. Announce the meeting is being recorded for the purpose of transcription only.
4. Pledge of Allegiance
5. Moment of Silence for deceased members: - Jim Davis #215 and Janice Murphy #406
6. Introduction of New Owners – Pat Walsh #105, Keith Nickerson and Yvonne Zamora #109, Julia and Chris Vanderveen #310, Steve Buddemeyer #508 and Gary Gaines #605
7. Board VP Nanci Hayes praised a number of residents for providing their time and effort to service the building and assist the association at no cost.
8. Nanci proceeded with updating the membership with the Hurricane Preparedness information provided by Gulfport.
  - A. We are located in a zone A. If Gulfport emergency management issues a mandatory evacuation, our elevator will be locked on the 6<sup>th</sup> floor and not released until safe to do so.
  - B. When you leave, be it only a week in Feb or for the season, leave your unit as though you had to evacuate right now (close and lock window, bring patio furniture in) do not rely on neighbors, as sometimes this can happen suddenly (tornadoes ie.)
  - C. Please leave your car keys either in your unit or with someone who is here all year round

#### New Business

1. Nanci asked the attendees if there is anyone willing to take the vacant position of Secretary for the Board. No one volunteered.
2. Board Treasurer Dennis Vigneau reported on Ballot/Proxy question votes:

A. Vote on Financial Reporting	51-yes	8-no
B. Vote on Rollover of Excess Funds	59-yes	0-no
C. Vote on Reallocation of Reserve Funds to Better Reflect Reserve Study	59-yes	0-no
D. Vote on Approving Proposed Budget	50-yes	9-no

Treasurer's Report - Dennis proceeded with the Treasurers report

#### Key Takeaways For 2023

- Overall 2023 expenses were essentially on budget
- \$526,255 projected year-end expenses vs. \$524,787 budgeted

- All perils insurance was \$20,015 greater than planned - \$80,000 budget vs \$100,015 actual which we were able to offset with some savings from other expenses and flood Insurance surplus.
- Flood insurance was \$6,480 less than planned - \$17,000 budget vs \$10,520 actual
- Required Structural Milestone Inspection was completed in September with no deficiencies noted and no Phase II Inspection or Remedial Action Is required. A reserve study was conducted and used as input into establishing the recommended reserves to set aside for future repairs and replacement of components as they reach end of useful life.

## **2024 Budget**

- Budgeted expense categories for 2024 with exception of Insurance and Reserve funding are only increasing from 2 to 12%
- **Reserves:** The future required reserves are significantly higher than what has been collected by the condo over the previous years. We currently have approximately \$400,000 in reserves estimated at year end, but we need approximately \$2,500,000 in reserves over the next 15+ years to replace or repair various building components. Consequently, the monthly fee includes an increase to cover this deficiency, approximately \$75.00 avg/month/unit. This is a requirement of the State of Florida and we have no choice but to conform.
- **Insurance:** As noted in the 2023 takeaways, All Perils insurance increased by 25% over what was anticipated at the time of budgeting. This issue continues into 2024 with our insurance agent expecting insurance rates to go up by 30% and the buildings valuation's appraisal to go up by approximately 50%. This was reflected in the initial budget submitted to the membership with the second notice. The revised budget provided at the meeting had All Perils insurance rate increasing by up to 100% with the appraisal still assumed at up to 50%. We were informed of this increase by our agent the Wednesday prior to the meeting. This amount is what hopefully reflects the worse case scenario. The board felt it was important to inform the membership of this issue. We must have funds for insurance as we have no choice. This was further elaborated using the supplied charts.
- To add to the insurance problems, Jamison does NOT have available cash to fund this higher insurance premium in February 2024 because we have historically funded the cash to pay the premium by borrowing from reserves and paying that amount back over the course of the year as monthly fees were collected.
- This approach will not be allowed under FL statutes after 1/1/25 and 2024 will be the final year of this practice.
- We can no longer borrow after 1/1/25, we must collect enough fees to repay reserves in 2024 and also save enough cash to pay insurance premium when it comes due each February beginning in 2025. In effect, we need to collect two years of insurance premiums during 2024 as follows:
  - A special assessment will be made to build sufficient cash to fully fund insurance costs beginning in February 2025, and monthly fees will be increased to cover the repayment of amounts "borrowed" from reserves to pay 2024 insurance premium.
  - The special assessment amount has been determined and is included in the "Revised Budget" document. Formal notification as required by the Association Rules and By-laws will be completed in the next few weeks.

- Assessment amounts can be paid monthly or in full at the owners choosing.
- Dennis followed up the discussion with options to reduce Insurance costs:
  - Jamison's Insurance broker, McGriff, is working to reduce / mitigate the insurance expense for the Jamison building and other buildings within Towne Shores.
  - Due to the very high valuation increase from the appraisal, a second appraisal is being conducted to ensure that we provide the best information to insurance carrier and do not over-insure the building.
  - Broker is working with another carrier to solicit more competitive pricing on the insurance ... willingness of carrier to review Jamison / other buildings is not confirmed.
  - Preparation is underway to submit necessary paperwork to Citizens (State of Florida Insurer of last resort).
  - This work will be completed over next couple of weeks

Dennis is cautiously optimistic that the costs will be lower, but feels we need to plan for the worst and hope for the best. All the buildings in Towne Shores are in the same boat. Each building has slight differences, such as number of floors, age and etc. which affects their premium cost.

We have to proceed with the current insurance company as they are the only company willing to write our policy at the moment. However, we can make a change to Citizens or another insurer if they become available and with lower premiums.

### **Questions from Resident Owners**

- Veronica, Unit 203: Why one broker? Dennis responded with confidence in McGriff. Nanci responded that many other buildings in Town Shores work with McGriff using American Coastal Insurance.
- Rita, Unit 205: Do we leverage with other buildings? No bulk discount available
- Ed, Unit 205: Is Citizens a state program? Yes
- Keith, Unit 109: Are there any claims driving the rate increase? No
- Frank, Unit 114: Are all 17 buildings facing the same increase? Broker told Dennis the other buildings are getting similar increase but she didn't confirm the number of buildings
- Tom, Unit 314: There have been a couple evacuations the last year and a half. Is this normal? More and more common.
- Gretchen, Unit 401, Is the monthly assessment in addition to the monthly increase? Yes
- Slavka, Unit 305, Are we collecting money for 2024? We are catching up for 2024 and 2025 in the same year. Assessment is to collect the money for the 2025 insurance payment. Question 2: Any large replacements do you know we need? No....as far as Dennis knows.
- Dorothy, Unit 211: What is due by end of 2024? Structural review is completed. Component allocation is required by 2025.
- Margie, Unit 301: Anticipate more increases after 2025? After 2024 special assessment will end. Reserve fees are less likely to increase, but insurance rates are completely unknown.

- Veronica's Partner, Unit 203: Please look into other brokers. Please supply Engineers reserve report. What's going to happen in 2024. Dennis doesn't know.
- Mark, Unit 502: We are lucky to have him working with us.
- Don, Unit 614: Talk to your State Rep and State Senator to get them to act on this broken insurance system.
- Gretchen Unit 401: Dennis is doing great job. Board is only doing what it can.
- Jim, Unit 312: State is at fault.
- Marie, Unit 115: Is our current Insurance likely to get us into the Citizen program? Yes, if rate increase is 100%, we are most likely to get into Citizens program. Question 2: Can we pay special assessment monthly or in full? Yes, both options will be provided.
- Jim, Unit 312: What if majority had voted no on the budget. Shawn explains that it only gives us a pulse on the members preference, but the board is not held to the vote results. The vote of the board makes the final decision.
- Frank, Unit 114: He feels he would not have bought at Jamison if he had known that his fees would be \$1000/month. Concerned that a lot of residents may leave Towne Shores.
- Ann, Unit 408: She had a 26% increase for house insurance in Rhode Island. Insurance increases are happening in many areas. Also wants to make sure property's appearance remains well maintained. She is concerned with the tiles on the front steps. Chris explained that she has quotes out on the repairs and it will get done.

**Motion by Shawn to close out the carport special assessment account.**

Seconded by Don

All approved

**Motion to adjourn by Nanci**

Seconded by Shawn

All approved

Meeting adjourned