

VILLAS OF KING'S CROSSING CONDO ASSN, INC.

BOARD OF DIRECTORS BUDGET MEETING
OF JANUARY 18, 2024

A budget meeting of the Board was held this day at the office of our new accounting firm, Star Hospitality Management, at their office in Punta Gorda. The meeting was called to order by President Bruce Peters at 10:00 a.m.

OWNER'S COMMENTS: Several owners were present and Sherry Danko (President of Star) said they would be allotted three minutes each for questions related to the budget. Budget spreadsheets were handed out to the owners present. Suzanne Roberts asked several questions as to what was going into the lawn and supplies amount of \$32,000 which Bruce said is for Mario as his price went up. There was no budget amount for irrigation, but cost was shown. Mulch was projected for \$8,000 for 2023 and only \$4,000 for 2024. Bruce explained we did a heavy mulching in 2023 and only plan on topping off in 2024. The reserve account is on the balance sheet which includes the hurricane funds for landscaping around the Villas sign, etc. No other owner questions at this point in the meeting,

ROLL CALL: Board members present: Bruce Peters, President; Linda Stevens, Vice President; John Malaker, Treasurer; Roz Seale, Secretary; member at large Sylvia Dunn. Member at large Rose Sbrocco joined by Zoom. Member at large Ernie Bartram was not in attendance. Also in attendance was Sherry Danko, President of Star Management.

PROOF OF MEETING NOTICE: Bruce Peters certified legal requirements were met per FL Statute 718 and notification was posted 14 days before the meeting.

MINUTES: reading of minutes from the January 2, 2023 Board of Directors budget meeting was waived along with the Treasurer's report.

ORDER OF BUSINESS:

Unfinished business – waiting for a full Board to discuss the drywall potential reimbursements so this was tabled again.

2024 Budget – Bruce reviewed all the line items on the proposed 2024 budget and explained why he used a 3.5% factor for inflation. He discussed the reserves account and explained about paving. Rose asked about concrete repairs, but since Bruce did not have any estimates, he did not include that. He did say it might come out of the hurricane reserves.

He said the paint reserves account was overfunded several years back when the prior Board had a much higher cost. It was lower than forecast in 2020 (last time painting was done). We are on a 7 year schedule.

Roz asked about several units that had damage to exterior walls due to the hurricane. Bruce said we would review that when we do our annual walk about.

The pool reserve account is funded annually to make sure we have enough to keep the pump and heaters going. We will readjust the funding to match costs.

Roof reserves - we had unanticipated expenses from the hurricane and will keep this fully funded.

Summary of reserve and operating accounts for 2024 – the monthly Association fees are going from \$425 to \$495 beginning on March 1, 2024. Bruce mentioned that much of this was due to the large increase we would be getting in insurance (\$38,000 to potentially \$56,000 which Sherry said was likely the lowest figure). We got a short extension on the renewal and are awaiting the actual numbers.

Bruce also mentioned that our buildings were reappraised. Old appraisal was \$762,000 per fourplex. New appraisal is \$1,045,000 for 2024.

He mentioned a new condo law in Florida (as a result of the building collapse in Miami) said that all associations of three stories or more would have to have their budgets fully funded starting in 2025. However, Sherry said it would not apply to us.

Bruce asked for a motion to approve the budget. Motion made by Sylvia Dunn and seconded by Roz Seale. Rose had a few questions so a discussion followed. She asked about the power washing (which several people were not happy with) and the landscaping (new shrubs, etc. which was not a budgeted amount). She also asked if the hurricane reserves could be used for other expenses. Bruce said we would address that at the next Board meeting, Rose also questioned how we could approve a budget without knowing the insurance costs.

Sherry also mentioned that there was a delay in getting the financials due to the change in accounting firms.

Having a motion on the table to approve the budget, a vote was taken. There were five yes votes and Rose voted to abstain (Ernie was not present). The budget was approved.

Further owner comments – Gail Midlikowski asked if we could individually insure our units. Sherry said no as under Florida law statute 718 we are considered condos. She also asked what the \$2,500 assessment was used for and he said it went to the deductible amount for the roofs. Don Midlikowski asked how we could approve the budget not knowing what the insurance cost would be. Bruce replied that if the insurance cost is much higher than anticipated, we might have to revise the budget. Linda asked if we could use the hurricane reserves for the insurance increase if needed and the answer was yes, but John mentioned that if we use the reserves up, what will happen if the insurance increases substantially next year as well.

Meeting was adjourned at 11:15 a.m. A Board meeting will be scheduled before the annual meeting on March 1st.

Respectfully submitted Rosalyn S. Seale, Secretary.