

MOLOKAI VILLAS CONDOMINIUM ASSOCIATION
BOARD MEETING
DECEMBER 7, 2019

CALL IN #: 1-425-436-6200

MEETING I.D.# 757017

HELD AT: Key Concepts Realty Inc.
13880 Perdido Key Drive
Pensacola, FL 32507

PRESENT: Kellie Miceli, David Hubble

CALL IN: Kim Mulholland, Mollie McLeod

CALL MEETING TO ORDER:

10:06 AM Kim Mulholland called the meeting to order. Kellie Miceli made a motion to appoint Kim Mulholland chair of the special Budget Board Meeting, Mollie McLeod second the motion, all in favor, motion carried. David Hubble verified that there was a quorum of the board for the meeting to continue. Kim Mulholland made a motion to waive the reading of the last board meetings minutes, Kellie Miceli second the motion, all in favor, motion carried.

AGENDA: BUDGET FOR 2020

Kim Mulholland started the meeting by going over the insurance. Kim stated that we had some confusion with the money in the insurance account. It seems to have been accumulating over the years. Shelly Strickland and David Hubble looked over the deposits and rebates to see where we stand with that account. We collect for the insurance a year in

advance so there is always going to be a discrepancy at the end of the year. It appears that the account was getting an overage in 2015, then it equaled out in 2016 and then starting climbing again in 2017. Kim Mulholland stated that she feels the reason for this is that we changed carriers several times during these years. This kept building up, plus we had \$8,222.00 in rebates last year. For the most part the money is deposited into the operating account and then transferred to the insurance account. For this year to try to clear this up, the money has not totally been transferred to the insurance account. \$20,000.00 was transferred earlier this year, we need to keep the money in the operating account until the end of the year. This is to see what we have to transfer over and once we get funds coming in for the first quarter we can transfer the rest. This will leave us with a sizable amount of money in the insurance account but, that money was brought in for insurance purposes and has to remain in that account. Kim stated that Shelly Strickland has the current balance in the insurance account at, \$46,976.00. When we transfer an additional \$25,000.00 to make up for the \$45,000.00 we've been collecting on a yearly basis. It will put us around \$90,000.00 which is a lot. Kim Mulholland stated that her suggestion is to adjust over several years and cut back what we bring in. David Hubble stated that they agreed to wait and see what the insurance cost will be in the year 2020 because, there will be an increase in the cost of insurance. Kim Mulholland stated that there is still going to be a sizable amount but, we may want to cut back the insurance assessment for several years, not drastically to where is to much fluctuation.

Kim Mulholland continued with the income side of the budget. The only change is that we don't have an assessment this year. The total fees and assessments for 2020 will be \$8,116.00 per unit, which is a 15.6% decrease from last year because of the assessment that we had in 2019. The average for the last five years was \$9405.00. Paint reserves for 2020 will remain the same at \$500.00. The insurance assessment will remain the same for 2020 at \$2,142.86. The insurance cost as a whole is estimated to increase by 19.5%. The flood insurance increased last year, due to the storm. This year the increase should be about 5%. Kim Mulholland stated that she is proposing to pay for any shortfall from the General Reserved, rather than increase the assessment. Dues for 2020 will remain the same at \$5,474.00. Moving on to Expenses Kim Mulholland stated the items that has changed, the flood insurance increased slightly to \$11,395.40. The total budget for the insurance is, \$47,760.40 but, it's

estimated to go up to \$56,000.00 which is a lot. That number came in after the budget was put together from Ron Romig with Fisher Brown Insurance. Building repairs is at \$7,250.00 and is up \$5,000.00 from last year. Kim Mulholland stated that she budgeted more due to the roof repairs we had last year. Lawn Maintenance is at \$15,000.00. Kim Mulholland stated she proposed to up the Lawn Maintenance to \$18,000.00 due to the issues we had with the lawn sprinklers. This has actually gone up over the last several years because we are putting down extra mulch. It was \$17,250.00 the budget has \$15,000.00 and that is why she purposes we bump it up to \$18,000.00. The Termite Contract keeps going up every year as well by 5%. The budget for this is based on last year's cost at \$4,228.00 so we need to bump that up to \$4,439.40. The waste removal remains the same. The water is high we've had drought, sprinkler system problems, pump leaks and what not. We had a very expensive year for the water expense. We only budgeted \$8,450.00 and we went well over that. This next year's budget is \$10,000.00. In Expenses we have a line item for Capital Projects with zero funding, in order to track these expenses. These expenses will be funded with the General Reserves. In order to balance the budget we need to decrease the General Reserves by \$3961.40. That brings it down to \$27,200.00 that we be funding the Reserves with this year, which is less than what we had funded last year which was up around \$40,000.00. It may come to items coming under budget which that would be put in General Reserves. With that being said, there are 3 items that Kim Mulholland proposed change, the Termite Contract, the Lawn Maintenance and the Professional Fees. We have talked about in the past getting a professional to come out and inspect the owners decks, to make sure everything is structurally sound. Kim Mulholland stated that an engineering fee of \$750.00 should be budgeted in 2020 for Professional Fees. This value was used in years past, when we had engineering preformed on the B Decks. Kim Mulholland finished her report of the proposed budget for 2020. The board agrees with the changes that Kim has suggested and she will have Shelly Strickland make the changes. Mollie McLeod made motion to approve the changes made in the budget and accept the budget for 2020, Kellie Miceli second the motion, all in favor, motion carried.

ADJOURNMENT:

Kim Mulholland made a motion to adjourn the meeting at 10:32 AM, Kellie Miceli second the motion, all in favor, motion carried.

