



# Barefoot Pelican Condominium Association

## Member Meeting – Budget Workshop

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**Date:** November 14, 2023  
**Time:** 4:00 PM to 6:00 PM  
**Location:** 271 Southbay Drive, Naples, Florida 34108, or via Zoom

### MINUTES

**Certify A Quorum:** It was certified that all 5 board members were present. Rich, Howard, Pat and Kim were present in person, Kay attended via Zoom.

**Call to Order:** The meeting was called to order by the president at 4:01 PM.

**Certify Meeting Notice:** The President certified that the meeting notice was posted in accordance with Florida Statutes and the Association's Governing Documents 14 days in advance for a member meeting both via email, posted on the website calendar of events and on the community's bulletin board at the office. All owner's received a copy of the proposed 2024 budget.

### **New Business: Proposed budget Workshop**

- Kim Moody, president, introduced Kristy Wolniec from Davis & Associates, the association accounting firm who was present to assist as needed with the budget and make necessary changes to the proposed budget as determined by the Board.
- The meeting kicked off with a PowerPoint presentation that detailed as many answers to questions that were posed during the two week timeframe following the posting of the proposed budget.
- A full accounting of the special assessment funds and hurricane claim proceeds was provided by Davis and Associates. These spreadsheets will be updated and provided as part of our monthly financials from Davis and Associates.
- A discussion on the exorbitant insurance premiums was had by the board. Kim Moody explained the recommendation of our current insurance agent to plan for at least a 25% increase over last years' premium. Part of the discussion was the recommendation of Howard Neff to consider looking at increasing deductibles / using reserves to potentially lower premium costs. Many options were addressed but the fact remains that we still



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have on open claim, that the insurance market is very volatile and that we won't be negotiating / shopping for insurance for at least another 5-6 months. This budget is our "best guess" as to what is an appropriate budget.

- Kristy explained that the 2023 actual approved budget on the excel worksheet provided by Frankly Coastal appeared to be a \$200,000 mathematical error despite being incorrect on the approved budget, their firm received the correct information from Frankly Coastal and the maintenance assessments collected from the homeowners was the correct amount.
- Following the advice of our legal counsel, the funds collected in January of 2023 for Elevator modernization and 2022 budget shortfall can all be applied to the Elevator modernization as it turned out based upon the final 2022 financial statement provided to Davis by Frankly Coastal, there was no budget shortfall. The only assumption that can be made is that Frank Parrish was looking at the operating budget on a cash basis and not an accrual basis.
- A reminder of the MOU money that is still available to the association upon completion of the 5 negotiated items between the previous board and Stock Development. The items are pressure washing, railings, roof, painting and seawall. Kim Moody explained that this MOU money is kept in an escrow account by Stock Development. There was discussion with Davis and Associates as to the best place to put it on our financials so we have it as a reminder that it is still an asset to the Association.
- The Board then reviewed the budget line by line. The Board agreed to the following changes from the proposed budget.
  1. The SIRS reserve assessment (\$141,500) needed to remain as it is a crucial investment toward the financial stability of our community, however to offset the
  2. impact of the SIRS reserve, the general reserves and boat slip reserves was removed from the 2024 budget as the general reserves is discretionary and the boat lot unit owners are unable to use this asset so they shouldn't be assessed.
  3. The insurance premium budget was reduced from \$650,000 to \$500,000 hoping when renewal time comes around our roof will be complete making us more attractive, the field will have more options and our claim will be closed.
  4. The repairs and maintenance budget was reduced as our pooled reserves can be used for the electrical repairs identified by Cronin Engineers in our milestone study.



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- It was agreed that Kay and Howard will work with Davis and Associates to transition into a more robust financial-based budgeting process in the first quarter of 2024.
- All changes and corrections were approved by all five board members.

## **Open Forum:**

Many owners expressed their frustration with the Board as the projects are still not complete a year following the hurricane.

Among many other complaints, homeowner Matt Seally requested that Kay Woolley step down from the board as treasurer of the association, he also asked Kim Moody to step down as board president. Matt Seally insisted that the request was based on the incompetence of the board on directing the financials and open jobs.

Despite the assurances of our accounting firm that the 2023 approved excel worksheet had errors, none of the errors negatively impacted the owners, Barbara Kaufman continued pointed out the additional 2023 budget errors in the adding and subtracting, the board requested Kristy to ensure the 2024 calculations were correct, of which she confirmed.

Other members that participated in the forum; Dan Weir, Warren Damman, Jennifer Stark, Paul and Maria Tsakos, Steve Valdivia, Rick Barthelmes, Kent Flaska, Rick Brockhaus. Not all names are included here.

**Adjournment:** Kim asked for a motion to adjourn the meeting, Howard Neff made a motion to adjourn the meeting, Pat Hiltman seconded. Meeting was adjourned.

Signature \_\_\_\_\_ Date \_\_\_\_\_