

Scopello Condominium Annual Meeting

February 3, 2024

In attendance: All Owners were in attendance in person or via zoom except for Unit 304 and Unit 405 via submitted proxy. Absent were Units 205, 206, and 402

Meeting was called to order at 10:00AM.

Proxies were certified.

Proof of notice of the meeting was confirmed.

There were no new applications submitted to serve on the Board and so the present Officers and their positions remain the same.

Reports of Officers:

1. Landscaping and grounds – Barry reported on the trimming of the bushes on the west side of the property on the dunes. Mulch has been ordered for all beds. We intend to alter the look of the property east of the entryway and remove all oleanders south of the property.
2. Building maintenance – Bill reported on the activities during the year with a focus on the roof on the west side as well as northwest and southwest corners. The repainting was done in such a manner that less paint flaking should be visible in those areas. The major plans for the coming year will be determined from our study of the projected lives of each issue and we are likely to look at resurfacing the pool and/or updating the hallways.
3. Joe provided details of the budgeting process with a focus on the reserves needed for the required structural reserves and the more general maintenance reserves. He has used zero based budgeting as his approach. The details follow:

Scopello Condominium Association, Inc.

2024 Annual Meeting Treasurer's Report

1. December 31, 2023 Financial Statement Review:
 - DRAFT of December 31, 2023 Financial Statements was issued to Unit Owners prior to meeting via February 2, 2024 email.
 - Overall, Scopello ended 2023 in better financial position than 2022 due to:
 - Assessment - \$ 53,610. Used as follows:
 - Approximately \$ 30 K was used to offset Operating Expenses that exceeded Budget. Highlights included:

- a. Insurance – over budget, but renewal variance was less than forecasted due to Barry negotiation & classification changes - \$ 12 K variance
 - b. Building Repair – soffit storm damage cost approximately \$ 16 K
 - c. Water, Sewer & Trash – budget error, JG budgeted payment quarterly, actually due every other month - \$ 6 K variance
 - d. Electricity – budget error, expected accrual to reverse, not available for reversal - \$ 3 K variance
 - i. Eliminated potential errors in 2024 budget with zero based budget approach.
 - Remainder of Assessment, after Unit Owner vote at December 21, 2023 Special Budget Meeting, was applied to Reserves - \$ 24 K.
 - Improved financial position at December 31, 2023 included:
 - Cash – Approximately, \$ 200 K (\$ 199,495) in bank – Increase of \$ 22 K, 12 %, from December 31, 2022.
 - Reserves – Approximately \$ 194 K (\$ 193,768) – Increase of \$ 44 K, 29 %, from December 31, 2022.
 - a. Contributed approximately \$ 49 K to Reserves in 2023 – highest recorded contribution by Association in one year.
 - b. Reserve expenditures during 2023 included:
 - i. New air conditioner for 3rd floor common area - \$ 5.5 K.
 - ii. New Poolside lounge chairs - \$ 3 K.
2. 2024 Budget follow-up:
- 2024 Budget was approved by Unit Owners at December 21, 2023 Special Budget Meeting.
 - Budget included a 60.9 % increase in HOA fees primarily due to increases in:
 - Reserve Contribution (Budgeted - \$ 71,280, \$ 46,025, 182 %, YOY increase).
 - a. Represents SIRS required contribution only.
 - b. Increase does not include contribution from 2023 Assessment.
 - Insurance Expense (Budgeted - \$ 100,000, \$ 32,007, 47 %, YOY increase).
 - HOA Fees – Unit Owners were asked to pay auto bank pay shortage that delayed withdraw of new 2024 rates.
 - Joe will follow-up sending a reminder to affected Unit Owners.
3. 2023 Reserve Study follow-up:
- Following up December 21, 2023 review with Unit Owners, Joe added the two FPAT studies, SIRS & Non-SIRS, to neighborhoodlink website for access by Unit Owners.
 - Reinforced current Board Reserve position – minimal compliance with Florida Statute – accordingly, only budgeted in 2024 to contribute to SIRS Reserve.
 - Any excess funds, Income in excess of Expenses for the year, will be directed to Non-SIRS Reserve.
 - As noted earlier, the Association ended 2023 in better Reserve position than planned. Excess Reserves were directed to the Non-SIRS Reserve for better flexibility of use.

- This approach was voted by the Unit Owners at our December 21, 2023 Special Budget Meeting.
- At December 31, 2023, the Reserve Percentage Funded is expected to be:
 - SIRS – 15.5 % (Consistent with FPAT Report)
 - Non-SIRS – 21 % (FPAT Report – 15.68 %)
 - Board & Unit Owners discussed under funding noting, should a large unplanned expenditure arise, we may need an assessment.
- 2024 planned expenditures include:
 - SIRS – none
 - Non-SIRS – Pool Finish - \$ 22,220.

New Business

1. The new rental form has been prepared including the new \$1000.00 deposit for damages.
2. The new definition of family has been posted showing that siblings-in-law are now classified as “family”.
3. Use of contractors for unit improvements are now required to be licensed and insured.
4. The BOD has requested that all owners follow the town trash pickup guidelines that requires the breakdown of all cardboard boxes. Owners are reminded that NO large boxes can be placed in the dumpster and that contractors are not permitted to use the dumpster for trash disposal.
5. Owners were asked if there were any issues they wanted to bring forward at this time. No issues were raised.

Barry made a motion to adjourn the meeting which was seconded by George. Adjournment occurred at 1:40PM.