

Opening Remarks

As has become our tradition each year, we open the meeting with a brief summary of the previous year to record the history of our complex in the annual meeting notes.

We have been blessed again this year with some beautiful weather for our meeting.

I would like to welcome all the folks who were able to attend the meeting in person as well as the owners who have joined the meeting via the web conference.

A big thank you to everyone who pitched in on the work projects we have for this weekend. For many of us this is our second, and some of us our primary home. The projects you guys assist us with each year help us stretch our operating budget.

I would like to extend a big thank you to Paula Bayack who organized the meeting packet this year and helped gather supplies for the work projects.

I would also like to thank Dennis and Ellen Clark who volunteered to organize the food for the meeting and to everyone who provided side dishes and desserts. I personally look forward to the lunch every year.

As always I would like to extend a special thank you to our current board for volunteering their time in service to our community. They include Paula Bayack our Vice President, Lucie Morris our Treasurer, Patsy White our Secretary, and Robert Burns our Member At Large. I cannot thank you all enough for what you do.

We have a new family in our community. Unit B204 has sold. Please welcome Karl and Renee Pfeifer. If you have not introduced yourself to them, please do.

2024 was another storm free year. Our insurance premium for wind did finally drop a bit for 2025. It dropped by \$8,000.00. The board further reduced our liability by shopping and getting a loan for the insurance from Regions Bank. This resulted in a substantial reduction in the interest rate paid on the money from last year.

This is good news and a trend we hope to see continue. Note when I joined the board in 2020 just prior to covid and hurricane sally, insurance for the complex was budgeted at \$47,000 our budget this year for insurance is \$159,260.

We had been supplementing the cost of the insurance with money saved from Hurricane Sally. 5 years out from the storm, we no longer have Hurricane Sally money to draw on. The full burden of the insurance premium has now been realized.

The Board did meet and discussed raising dues in combination with assessing for insurance and decided to hold the dues steady at \$265 a bedroom supplementing our cash flow with the \$3,050.00 per bedroom special assessment. The hope is that we can aggressively shop insurance again this year and further reduce our premium. Note the special assessment equates to \$146,400. \$13K of the insurance is paid from dues. Financially we are in a cash flow crunch at this time as we have paid 80K in premiums year to date. Next year we will need to assess earlier in the year to avoid cash flow issues.

The assessment has been broken up into 4 payments to allow those of you who rent to get some revenue to offset the expense. Please do pay your May assessment as soon as possible. Our insurance premium is \$11,777 monthly. Our monthly dues generate 12,720 of income each month. Without the assessment we are forced to borrow from the reserve fund to cover our fixed overhead that includes water, internet/tv, and electricity.

Our reserve fund is strong. Lucy will be sharing balance information later in the meeting. Note the board did complete a Reserve-Study this past year. This is required to retain our non-profit status. If you are interested in reviewing the reserve study we can provide a copy to you at any time. As part of the reserve study, eradication of the remaining polybutylene pipes is now included. The goal of the reserve study is to reduce future assessments for known projects to include roof replacement, pool replacement, and pier replacement.

Polybutylene pipe failures occurred last year and for those folks who were willing to have their units go offline for 3 weeks, we were able to replace the pipes with PEX by partially funding the costs from the reserve fund.

For those of you who are on site today, hopefully you have observed that the buildings and grounds are in excellent condition. Our focus on the board this past year has been on safety and preventative maintenance. Paula will be reviewing the full list of projects completed this past year.

Finally, we do have two seats on the board available for vote this meeting. I believe it is important to get new perspectives on the board. Please consider volunteering to serve our community.

Reserve balance - \$145,139.40

Operating - \$9,111.00