

Treasurer's Report for Feb 19 2025

Today, we are covering 3 topics:

first, an update on the 2025 budget;

second, an update on the hurricane driven special assessment from 2024;

and Third, financial information regarding a second special assessment which is not hurricane related.

We will be seeking a resolution to approve the second special assessment at the end of my report.

To refresh your memories, at our December meeting we called out the amount of the insurance premium in our 2025 Budget.... because it was both such a large amount and a very rough estimate.

We did not know the premium in time for our budget as our insurance underwriter had yet to provide us with a quote. The quote was delayed because of the impact of hurricanes Helene and Milton.

We budgeted \$825,000 toward our 2025 insurance premium. Our TOTAL annual budget is approximately \$3 million.

In late December, we learned that the actual insurance premium is \$665,000. That's very good news. The actual expense versus our budget leaves about \$160,000 of favorable variance, or about 5% of our \$3 million annual budget.

Some of you may recall were asked at our last board meeting if we could use any of the favorable insurance variance to cover any beyond budget spending for the roof. The answer is yes.

You may not recall that our expected cost built into our reserves for our roof replacement was \$1.4 million. The contract recently signed for the roof is \$1.49 million or an over budgeted amount of \$91,000. Being slightly over our original estimate is reasonable given the complexity of the roof replacement. The roof replacement will occur this summer.

So the \$91,000 beyond plan cost for re-roofing will be covered by our \$160,000 favorable insurance variance.

Switching gears from the favorable news on the 2025 budget to an update on the spending pattern on the 2024 hurricane special assessment...

The 2024 special assessment was for \$425,000 of expenses related to Helene and Milton.

To date, we have spent approximately \$100,000 in the form of spot bonuses and equipment repairs and replacements. The biggest expenditure, which is yet to come, is related to water protection. The design of that water protection system is still in process and, therefore, the money has not yet been spent. More on this topic during the course of this year.

Our third topic is a \$1 million special assessment for three major building maintenance projects:

The vertical pipe cleaning of \$500,000...

The water cop replacement system of \$350,000 ...

And

The lobby vestibule and doors replacements of \$150,000.

All three projects are still in the quoting phase so the exact allocation of the \$1 million assessment toward each component will be up to the board and management.

The rough cost for each owner of this assessment is \$10,000.

That concludes our 3 part Treasurers' report for today.

We welcome any questions and then the board will be reviewing a resolution to approve the special assessment.

Questions??

Jim, I recommend we now discuss a special assessment resolution for \$1 million.