

Crystal Tower Condominium Association, Inc.
Board of Directors Meeting
August 19, 2022

Kevin Logsdon called the meeting to order at 8:30 AM.

Present were Board members Kevin Logsdon, Shelby Kirk, Kris Bishop, Nancy Gordon, and Tom Maleck. David Bodenhamer and Property Manager, DeAnn Duhon, and Assistant Property Manager, Von Burt represented Young's Suncoast. Present was Owner Tom Gordon, Condo 304.

Crystal Tower financials were reviewed and discussed. The Profit and Loss report was discussed by Kevin Logsdon. GRC (parking pass) revenue was discussed, and David Bodenhamer reported those funds are allocated to the operating budget. Mr. Bodenhamer also reported that Special Assessment payments are deposited into a separate bank account that is designated for Special Assessment revenue. David Bodenhamer explained that \$105,000.00 was budgeted for Insurance with the understanding that that amount would cover the down payment for the renewal and there would be a Special Assessment to cover the remainder of the balance. The cost of insurance is unknown in January when the budget is approved but the trend is reflecting that the same high insurance costs that occurred in 2021 and 2022 will continue until the insurance market for the Gulf Coast stabilizes. Other line items were discussed, and the floor was open for any questions or comments to be presented regarding the Profit and Loss report or the Financials. No questions or comments were presented.

Kevin Logsdon reviewed the Power Point presentation that would be made during the upcoming Annual Owners' Meeting.

Budget shortfalls and the possibility of raising the monthly HOA assessment were discussed. Updating the Reserve Study was discussed. Nancy Gordan reported that when Crystal Tower opened in 2006 the HOA monthly assessment was \$663.00. Options for an increase in the monthly assessment were discussed as well as having a Special Assessment for the cost of Insurance. Nancy Gordan stated that compared to other 2-bedroom 2-bathroom Condominiums in Gulf Shores the Crystal Tower monthly HOA dues are low especially when considering the amenities Crystal Tower maintains. Separating the budgeted costs of operation expenses and Insurance expenses due to the fluctuating cost of Insurance was

discussed. Mr. Bodenhamer reminded the Board that funds generated by an Insurance Special Assessment would not be available at the time the downpayment for a renewal would be required so the Board should continue to budget an amount to cover the cost of a downpayment. Kris Bishop shared with the Board that a Sweep account may be an option that the HOA might consider so that they have no more than \$250,000.00 in any one bank account. Possibly having a three-year strategy to fund maintenance projects, cover the operational expenses, and still build the reserves was discussed. Tom Maleck expressed his concern that in the current economic climate it is almost impossible to plan without being wrong. Mr. Maleck stated that there have been some major non-recurring costs in the past few years due to the pandemic, Hurricane Sally, and what seems to be hyperinflation. He suggested creating a simplified report to submit to Owners and generating a trend to send to Owners so they may understand where the finances are headed and how difficult management may be in the current economic climate. Kris Bishop expressed his agreement that a trend was needed to present to Owners so they can better understand the finances.

Kevin Logsdon presented to the Board three possible options for the monthly HOA dues increase. After some discussion, the Board decided to present an increase of \$100.00 to \$700.00/Month to the Owners at the Annual Owners' Meeting. The Owners would then vote on the new HOA dues increase.

There was additional discussion on how to proceed with the insurance renewal for 2023. In 2022 there was a shortfall of \$335,000.00. This resulted in an assessment to the Owners. Kevin Logsdon made the motion to budget \$105,000.00 annually for insurance and if the insurance premiums remain above this amount, an annual Owner assessment would be needed to cover the shortfall. Shelby Kirk seconded the motion with all in favor.

Kevin Logsdon would incorporate the changes into the Annual Owners' Meeting presentation and e-mail it out to the Board later today.

Kevin Logsdon moved to adjourn the meeting at 10:35 AM with all in favor.