

SHIPYARD CONDOMINIUM ASSOCIATION, INC.
ANNUAL MEETING
Via Zoom
January 28, 2021

1. CALL TO ORDER

President Craig Tellerd called the meeting to order at 10:01 a.m. Craig announced that the election polls were now closed and that two staff members from the Community Association Company would be counting the votes in the management offices.

2. DETERMINATION OF QUORUM

There were 76 members present via Zoom and 8 members represented by proxy for a total of 84 members represented. A quorum was achieved. Operations Director Sterling Christian and Community Association Manager Renee Tompkins were present on behalf of Management via Zoom.

3. PROOF OF NOTICE OF MEETING

Proof of meeting notice was provided by affidavit signed by Community Association Manager Renee Tompkins.

4. MINUTES OF PREVIOUS MEETING

Secretary Phil Babuder made a motion to approve the January 29, 2021, annual meeting minutes. Director Andrea Ellis seconded. The motion was approved unanimously.

5. PRESIDENT'S REPORT

President Craig Tellerd requested that any questions regarding the Hotwire installation be held until the presentation by Al Metty on Hotwire later in the meeting. Craig indicated that additionally there would be reports from Andrea Ellis on the Pool Committee, Phil Babuder on details about the Hotwire installation, and Charles Morrow-Jones on the Finance Committee.

Vice President Jack Agnew thanked all the CAC staff for the work they do for the Association.

President Craig Tellerd reviewed the result of the transient rental survey that was distributed to all the owners. Craig indicated that 164 homeowners answered the survey out of 183 owners in the Community. Craig noted that 156 voted favorably in general for the transient rentals; 153 asked the Board to be involved on behalf of the Association, and 148 are open to spending association funds for the effort to continue transient rentals in the Community. Craig noted that the current 20-year agreement with the City of Key west would expire in December 2025. Craig noted that the income the City could receive from increased revenues and sales taxes may be an incentive to the City in addition to the fact that Shipyard rentals do not tax the local school system. Craig suggested that one person be appointed as a point person and that it might be best to have an attorney for this task. Craig noted that the Board had approved \$22,000 in the 2022 budget which would be approximately \$120 per unit per year and noted that this could possibly be done for the next four years until the matter would be resolved. Craig also noted that as a condominium, Shipyard was not permitted to selectively assess owners; all would have to be included. Craig also indicated that from his information about the local real estate market that transient rentals added approximately \$50,000 to the unit's value. Craig noted that the City had published a strategic plan for workforce housing and that a coordinator was going to be hired. Craig asked Councilman Sam Kaufman to introduce him to that new employee once they were hired.

President Craig Tellerd noted that the landscape budget would be the same as last year, and that the quote from Mama's Garden will be implemented in stages to allow for the improvements along Southard Street to begin in 2022.

President Craig Tellerd indicated that iguanas in the Community continue to be a real problem and that installing tree wraps only moves them somewhere else. Craig indicated that the Board had approved a plan with an iguana control company to close the pool area during selected days and times to remove them without guests present.

President Craig Tellerd indicated that Hotwire installation details would be reviewed by Phil Babuder, and that the Association had hired CSI, a consulting company, to get bids and negotiate with providers including Comcast. Craig noted that he paid \$90 a month plus the association bulk contract amount included in the Shipyard assessments for a total of approximately \$132 a month for 400 megabytes download and 20 megabytes upload. Craig noted that with Hotwire it would be \$80 for both at much higher upload speeds.

Secretary Phil Babuder reported that Hotwire was currently installing their fiber throughout the Community for all 450 units in the Truman Annex, 183 of which were in Shipyard, and that approximately 84% of cold installs had been completed. Phil noted that only small problems had been encountered so far. There was a slight delay in establishing the AT&T main line connection into the CAC offices on Whitehead Street. Phil noted that if owners don't allow cold installs to be done at this time, it will cost them \$100 to \$200 later if Hotwire has to come back. Phil noted that the system should go hot sometime in Feb through March. Craig noted that owners could keep Comcast or AT&T as long as they want to. He also reminded owners that phones should not be turned off until their new phone connection is active, or they might run the risk of losing their existing number. Alan Teitelbaum noted that the crews are coordinating with each other and that the cables going into buildings may need to be protected. Al Metty offered to meet with representatives as to how to better protect the cables where they enter the building. Al provided email contact information for Hotwire representatives in addition to his own email. Owners discussed prices and the six month free service being provided by Hotwire. It was noted that next year additional months will be included in the assessment. It was also noted that rebates will be provided for owners who have incurred additional expenses for having to go month-to-month with Comcast until Hotwire could go live. Al Metty noted that Hotwire is testing equipment as they go along and will need cooperation from the homeowners to turn the equipment on in their units when it comes time to go live. Various owners attending the meeting indicated that Hotwire crews have been very helpful and cordial. Owners asked about location of equipment inside the units.

6. YEAR 2021 FINANCIAL REPORT

President Craig Tellerd noted that the next item on the agenda was the 2021 Financial Report and thanked the Finance Committee and Operations Director Sterling Christian for being spot-on the budget estimates for the prior year, with the exception of insurance which continues to increase annually which when added to reserves equals 60% of the budget. It was noted that treasurers within the Truman Annex were working together to lower insurance costs. It was noted that completing appraisals of properties in the Community and reserve studies assist in this effort. In addition, if owners would install impact windows and doors to complete an entire building, this would assist in lowering the costs for the Association in insuring the buildings. An effort will be made to obtain estimates for group discounts for installations. It was noted that the Association currently has approximately \$1.5 million in reserves and another \$500,000 in operating funds.

7. UNFINISHED BUSINESS

None was presented.

8. NEW BUSINESS

President Craig Tellerd announced the results of the election and congratulated the existing board for being re-elected and thanked the Finance Committee for everything they do and encouraged others to participate.

President Craig Tellerd explained that audits, reviews, and compilations were required by the state depending upon the level of income for each Association. Craig noted that by reducing the requirement for an audit would save the Association money. Alan Teitelbaum indicated that he would prefer an audit in all cases.

President Craig Tellerd reviewed reducing the audit requirement for the next year. Motion was made and duly seconded. The motion passed. It was noted that of the 84 owners participating in person or by proxy in the meeting today, 23 voted no; 11 of those were attending the meeting.

President Craig Tellerd reviewed rolling over excess member revenues to the following year. Motion was made and duly seconded. The motion passed.

President Craig Tellerd reviewed allowing the use of reserve funds in case of a disaster. Motion was made and duly seconded. The motion passed.

President Craig Tellerd indicated that the staggered terms amendment required a 2/3 affirmative vote of all owners in the community. President Craig Tellerd reviewed the proposed amendment to implement staggered terms for the Board of Directors. An insufficient number of members were represented to meet the 2/3 affirmative vote of all owners, in addition 18 voted against implementing staggered terms. The motion did not pass. Alan Teitelbaum asked that the full amendment language be included on future agendas so it can be reviewed prior to voting.

9. ASSOCIATION MEMBER INPUT

It was suggested doing a survey to make Shipyard a no smoking community.

Director Andrea Ellis reported on the pool activity and improvements in addition to the matting that has been a challenge to maintain and that the coping which has been done repeatedly. Chris Sprague reported that the Pool Committee did not recommend painting the pool deck, but the board voted to do so. The Pool Committee recommended the blue matting around the pool to prevent slipping. Owners asked for a special assessment to make significant improvements to the pool including the removal of the blue matting.

President Craig Tellerd asked Mike Caron for his real estate report. Mike indicated that the last 12 months has seen 14 sales. First quarter there were 6 sales at an average of \$653,000 and 31 days on the market. Second quarter had 4 sales at an average of \$649,00 with 79 days on the market. The third quarter had 1 sale with an average of \$723,000 and 23 on the market. Fourth quarter had 3 sales with an average of \$777,000 and 22 days on the market.

An owner suggested installing cameras throughout the community.

Owners asked which buildings would be tented for termites in 2022. Renee indicated that July 11-13 was scheduled for units 188-292. Other buildings have not yet been scheduled.

Owners asked about old bikes in racks and asked that photos of old bikes be sent to owners before removing them.

Owners asked about sales of units with and without transient licenses. Owners indicated that those without licenses would like to be able to buy one if the extension was approved. President Craig Tellerd suggested asking the City to permit everyone to be included in the option to purchase extended transient rental licenses. However, no extension approvals were included in the original 20-year agreement so there is no obligation on the part of the City to extend such agreements. Craig indicated the City may still be interested in extending the agreements if their extension involves additional revenue to the City.

Insurance deductibles were discussed in addition to loss assessment coverages that can be added to owner's individual policies to offset the added expense of special assessments.

Events at the Waterfront Park were discussed and how they can often be very loud. Owners were encouraged to write the City when this occurs.

It was noted that request for repairs can be submitted online at www.tampoa.com or www.cackw.com.

Owners in attendance thanked the Board of Directors for all they've done.

10. ADJOURNMENT

Director Andrea Ellis moved to adjourn the meeting. Secretary Phil Babuder seconded. The meeting was adjourned at 12:02 p.m. It was noted that the Board would reconvene for their organizational meeting at 12:10.

Respectfully submitted,

Sterling Christian
Operations Director