



Sanibel Moorings Annual Owners' Meeting November 6, 2021

Call to Order: The annual SMCA owner's meeting was called to order at 9:00 AM by President Jim Fox via Zoom.

Introduction of the Board of Directors and the General Manager.

Quorum established: 78 units were represented through limited proxy.

Proof of Notice of Meeting: Established.

Approval of Minutes of Annual Meeting of November 2020: Passed.

Announcement of Directors: An election of directors was not necessary this year because there were the same number of candidates as open positions. Bill Hallberg, Mark Lorenger, and Dick Arnould will remain on the board for another two years.

President's Comments: Jim Fox

We just had a record year, the biggest year we've ever had. With all we have gone through, we have been able to hold our own financially, which we attribute to Kari and her staff.

We have received many awards this year. Congratulations, again, to all for this recognition:

- 2020 Couples' Choice Award
- AAA Inspector's Best of Housekeeping Award
- TripAdvisor Traveler's Choice "Best of the Best" in 2021, a huge honor!

Dick Arnould, Treasurer: Thank you for approving the 2021-22 budget. Your approval makes life much easier for the board and gives us some idea that you endorse important activities of the board.

Financially 2020-2021 was a very good year for the Sanibel Moorings.

- Surplus (profits) were more than \$350,000 above budget
- Investment funds are in great shape with \$2,150,470 in the general fund and \$1,427,184 in the insurance reserve.
- We added \$500,000 to the general fund over the year (as there simply is no place to store money that is low risk and generates significant earnings.)
- All loans are paid off.
- PPP loans of \$318,870 were forgiven.

- We have a low interest line of credit that we did not need to draw on.

Based on advanced registrations we seem to be looking at a very good year ahead of us.

Very important to our operation was keeping our staff intact when ‘things’ were not always positive. And I think our management and staff deserve a real thank you from us –the owners for the great job they have done- from Kari and all her team.

Let me turn now to next year and respond to a couple questions and comments made by owners.

First, as I stated in my pre-meeting letter, we are being very conservative in our projection of occupancy for next year. We hope to do better than the 1% growth projected but several uncertainties remain (Covid, red tide, weather, inflation, etc.) We are not at full occupancy but do not have a great deal of room for growth in occupancy because it has been quite high this year.

Second, we are once again raising the condo fee. We do this because the previous small increases in the condo fee have not kept up with increase in expenses. Increases in costs keep occurring in many areas, especially major increases in the cost of insurance. The short falls in condo fees are made up by the rental program. These fees cover costs that fall on all owners whether in or out of the rental program. Therefore, the board feels they should be paid by all owners. Rather than make the entire catch up in one year, we decided to spread it over 2-3 years when we started this action last year and expect to include all common expense items by next year. Emphasis here should be placed on the fact that the condo fee is to cover items that benefit all owners whether they are in the rental program or not and therefore should be paid by all owners.

Third, we have proposed, and you have approved, salary increases to management and staff of approximately 5%. This is a very reasonable increase. As I said in my pre-meeting letter, we have a very excellent staff. For that reason, we do not want to lose any one of them and any loss would be very difficult to replace in today’s environment. As you know from following the news and driving around your communities, there are help wanted signs posted on many if not most businesses. Many of these business (and particularly those in the hospitality industry) are operating at less than full capacity because of lack of employees. Many businesses are offering high salaries and even signing bonuses to attract employees. Also 5+ % inflation is projected. I think the raises we have proposed are very reasonable in this scenario.

Fourth, we had a question regarding having an annual audit. Florida no longer requires an audit every 3 years (which we did it in the past). Rather than eliminate the audit, the board decided to have a full audit every 4 years. Please note that Walker Harris does an annual review (audit) every year and looks at each of our monthly statements before they are distributed. The issue here is costs. The annual reviews costs roughly \$8500 and a full audit costs over \$12,500. We feel well protected from an audit standpoint with the monthly and annual reviews and 4-year audits.

Finally, I again thank our management and staff for the great job they have done and thank you, the owners for the positive support you have given to the board.

Kari Cordisco, General Manager:

This has been another year of change and challenges...some of the same challenges you have all have faced in your businesses and in your homes. Material and supply shortages have been a difficult reality for us. From fountain pumps for the garden, to shampoo and paper towels, computers, and coffee packets, and even water heaters and appliances, we have seen many difficulties obtaining the supplies we need everyday operations. We are hoping that no one noticed these challenges as we worked hard to mask the difficulties and minimize the effect on our guests and owners. Our team of professionals has worked tirelessly to be resourceful and flexible to meet the increased needs of the entire operation and the people we serve. On top of the supply shortages. our subcontractors and vendors have had severe staff-shortages, making it more difficult for them to help us, which has delayed projects. Our staff has faced their own battles with COVID, including sickness and deaths of staff family members which resulted in more time away from work. Our team all pitched in to cover each other during these times.

We also have had some serious challenges presented by the City's new "improved" online licensing and permitting process. Like all of you who had encountered issues with the on-line system, the association has also been affected with our licensing. Also, permits for work at Sanibel Moorings are taking much longer to be approved, and require much more documentation, making it difficult for our vendor partners to conduct their business.

This year has also had some very positive aspects! Travelers have flooded SWFL and specifically Sanibel Moorings! Last year at this time, we were unsure of what to expect, but hoped for the best. Fast forward just twelve short months, and Sanibel Moorings has had another record-setting year for the rental program!

Our final quarter of the previous fiscal year (July-Sep) revenue from the rental program ended 54% ABOVE the previous record-setting year! October ended 85% over last year, November is 78% over last year. December is 29% over and January is projected to be 118% over last year! This record setting continues into the spring. Gross rental revenue for the fiscal year was up nearly \$2 million dollars (45%) over the previous year!

Nine units changed ownership this year. They are:

- 112 – Jan Giessman, Town and Country, MO. Jan also owns unit 442.
- 211 – Alexander and Heather Cianfrocco, Allison Park, PA
- 242 – Christian and Marina Ionita, Madison, CT
- 441 – Joseph and Mary Ann Brady, Plymouth Meeting, PA
- 512 – Daniel and Virginia Brown, Evansville, IN
- 842 – Michelle and Bill Land, La Porte, IN
- 921 – Don Schenker, Davie, FL
- 932 – Tim and Mary Jo Foley, Evergreen Park, IL
- 1512 -Brad and Kristen Burns, Sycamore, IL

With all the uncertainty, we held off on any unnecessary projects, but with the recent success we have seen, many projects have been completed:

- Buildings #5 and #12 were painted and #1 will be painted in December.
- The breezeways have recently received a fresh coat of paint on the storage doors and breezeway floors.
- Tree trimming is moving along nicely.
- The beachfront preserve trimming is still in the permitting stage. The city is running behind this year with all the changes they have instituted. We anticipate the bi-annual trimming to happen in the next few weeks. Your views will return shortly.
- One of the largest projects completed last year was the WIFI project. New fiber service was negotiated, new wiring was run to each unit from their respective building's utility closets, and new access points were installed in every unit. Sanibel Moorings now has the fastest, most reliable internet for any association here on the Island.
- The other large project was the PMS Software Conversion to our new system. This is ending, but there will be clean-up work in the system. It has been a long and arduous process and we appreciate your patience while we work to produce October's owners' statements.
- Our standardized bedspread program was rolled out early last year. We have received incredibly positive feedback from owners, guests, and staff (especially housekeeping!) We anticipate that this will stay in place for the foreseeable future as it has many positive attributes. Because of this, it would also be very helpful if owners could clean out any old spare bedspreads, blankets, and pillows from all storage areas. Many of you have asked where the big, blue chair is! Don't worry! It will be back in no time; it was time for it to be re-built.... the elements and constant use had taken its toll on it.

Upcoming later this year or next:

Unit surveys will be completed for every unit in the rental program, beginning this month.

We are planning a large project to re-surface the breezeway floors of each building, but this is still in the research and pricing stage. This comprehensive project will include some concrete work to repair damages in each breezeway.

We have researched the need for Electric Vehicle (EV) charging stations and intend to install some sometime next year.

Employee Recognition: Gretchen Frederick was presented with an engraved vase in recognition of 40 years with Sanibel Moorings and Bill Zak was recognized for his 24 years of service. Bill, along with Andi and Rosi, were given MVP awards for their team effort during the pandemic.

New Business:

1. The vote to approve waiving of the audit of the financials for FY 2021/2022 passed.
2. The vote to approve the waiving of reserves for 2021/2022 did not pass (which was our recommendation.)
3. The vote to approve the 2021/2022 budget passed unanimously.
4. The vote to approve carrying forward excess operating income from the current fiscal year to the next fiscal year passed.

Other Business: Tom Ware reported that the social plans for the evening have been cancelled and that we have rebooked the Lady Chadwick boat trip for the owners' dinner at Tarpan Lodge on Pine Island for 2022.

The meeting was adjourned at 9:50 AM.

Respectfully submitted,
Bill Hallberg, Secretary