

Minutes
Promenade Towers
Special Meeting
November 14, 2024
6:30 p.m.

1) The special budget meeting was called to order by Treasurer Judy Katzel at 6:35 p.m.. President Zafirson is unable to make the meeting today. Board member Jim Gwilym is excused.

2) Budget Discussion

This meeting is for the owners to vote whether or not to accept the budget adopted by the Board and circulated to owners with a cover letter on November 1, per section 10.5 of the By-Laws.

Katzel noted the proposed budget reflects an increase in operating costs, most notably in an estimated increase of 40% in the cost of insurance. Unlike last year, the Board decided not to borrow from reserves to pay the increase. This is resulting in an increase in dues of approximately 17%.

The reserves budget is still under discussion and will be posted on the website when approved by the board in December.

Comments from the audience included:

- requesting more detail in the monthly minutes when the board approves use of reserves,
- considering different deductibles on the insurance to reduce the cost increase,
- deferring the EV charging installation until the cost of required sprinklers is known, and
- showing operating and reserves cash as distinct items in the budget and minutes.

The board noted that insurance costs are going up across the entire east coast, as well as due to the recent claims Promenade Towers has made. Our insurance broker is reviewing all our options to contain the cost increase, including increasing the deductible. But associations like ours are not getting multiple offers for coverage as we were in the past, so our choices may be more limited.

Treasurer Katzel proceeded to explain that, based on questions raised by an owner, there appears to be a discrepancy in the increased dues for 2025 compared to 2023 and 2024. The Board takes its responsibility for clarity and transparency seriously and is evaluating what happened. The adjustments per unit appear to vary from a few to several hundred dollars per year. The Board directed Jeanette to send a letter to each owner and propose either a credit or a payment when we are clear what happened and what is a fair resolution.

Audience comments requested a clear explanation of how the change in the dues is calculated each year. The Board noted that the unit ratios were established when the complex was built and cannot be changed without 100% agreement from owners. The Board will provide clarity about this when it is resolved.

3) Counting and recording of proxy votes for 2025 budget.

Jeanette confirmed that a quorum of owners have either provided proxies or are in attendance, allowing the owners' vote to proceed. Three owners objected to the proposed budget (in person and by proxy).

Budget for 2025 is approved as presented.

4) Board meeting follows Budget meeting at 7:00 p.m. today.