

Budget Meeting #1 Minutes from Master Assoc. Board (MAB)

Mtg Held August 26 at 3pm at Remax Conference room

MAB Meeting Attendees:

Al Berzett	President
Dan Sheffer	Vice President
Cole Baas	Treasurer
Kelli Whitehall	Secretary
Bob Sedge	Board Member
Robert Weber	Resident
Susan Anderson	CMA (management company formerly Landmark)
Kevin Davis	CMA (management company formerly Landmark)
Michelle McKee	CMA (management company formerly Landmark)

Meeting was called to order by Al Berzett at 3:03 pm.

The meeting began with a short discussion on setting up a Special Meeting to vote on the new Security options that have been completed by the Security committee. The results will impact the 2023 Budget. In addition, Al Berzette asked that we include a preview of the annual Master Assoc Board member election process, as well as a preview of the 2023 Budget that is in work. This preview should include the major items, such as insurance, landscape maintenance, and roadway reserve.

Bob Sedge reviewed the Security Plan options. See the addendum at the end of these minutes. Option 3 seemed the most beneficial to the MAB. Robert Weber made the comment that homeowners' insurance is discounted for 24x7 security and was concerned about not having a manned gate 24x7. The MAB clarified that the new options were a 24x7 security system, regardless of which hours were manned at the gate. Bob Sedge suggested that we implement fines for contractors that use the back gate, as this is prohibited. Susan Anderson pointed out that our bylaws and covenants only apply to residents and that we would likely fail to enforce fines on contractors. The MAB agreed to not pursue this.

The new Villas developer has received the first invoice for dues, as specified in the declaration, to begin September 1. The invoice is for 35 lots, as specified in the declaration.

Using the 2022 Budget, the MAB evaluated the following expenses:

Expense	2022 Budget	2023 Budget	Notes
Security	202,000	Need to vote	See addendum
Landscape	60,960	Cole to get new estimates	
Roadway reserve	30,000	Dan and Bob to complete expenditure calculations	See addendum
Boardwalk reserve	15,000	15,000	
Add irrigation maintenance budget		TBD	
Management (CMA)	38,000	Bob collecting input on MAB tasking from board members	

		for new service agreement quote	
Office space rent	5,000	Contract is June to June, need new estimate	
Website dev/maintenance	1100	50/mo= 600	
Accounting	350	400	
Utilities	21,000	Increase for inflation, 20% ??	
Insurance	11,000	31,000 + 10%	No longer under the Honours corporate rate
Guard house insurance	3500	3500 + 15%	
Add boardwalk maintenance		TBD, ~5000	
Repairs/maintenance	5000	5000	
Supplies/printing	1300	1300	
Tax, license fees	5000	5000	
Bank Fees	350		
Capital Reserve		TBD	
Maintenance	12,000		
Unplanned Exp	10,000		

The next Budget meeting date was not set.
The meeting was adjourned at 4:59pm.

ADDENDUM

Security System Changes

(Security Committee)

Report to Voting Members on Options for Security System Changes

The Security Committee identified three issues needing to be addressed:

- 1). The overall cost of The Peninsula Security Systems
- 2). “Unauthorized” use of the East Gate entrance/exit by contractors.
- 3). “Unauthorized” (non-owner) pedestrian and bicycle access through the East Gate.

Security Costs/Savings Analysis:

Quotes for manned security were requested from six local firms; three sent quotes. Gulf Coast Security (Kiva) was 0.1% higher than Sidwell; Global Security (Beach Club) was 11% lower, but we did not get good references for them.

Committee’s Recommendations:

The only way to achieve significant cost savings is to replace manned security with electronic gate access, at least for part of the day. Continue to use Sidwell for manned security services and use electronic gate access from 10:30PM to 6:30AM.

Electronic Gate Access Security System Options:

Option 1: NO CHANGE	2022 Estimate	2023 Estimate	2024 Estimate
Labor/Guards	\$202,000	\$217,150(+7.5%/hr*)	\$233,400(+7.5%/hr*)
Utilities	\$ 4,000	\$ 4,000	\$ 4,000
Maintenance	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ 5,000</u>
Total	\$211,000	\$226,150	\$242,400

(* Estimated increase in costs per Jim Sidwell)

Option 2: Change MAIN GATE only to manned security from 6:30AM to 10:30PM, “Call back” keypad entry system for Owners and Owners’ Guests, temporary assigned keypad codes for Renters. Install cameras and License Plate Readers on Main Gate; **NO CHANGE to East Gate.**

Labor/Guards	\$202,000	\$145,500(+7.5%/hr)	\$156,400(+7.5%/hr)
Security Eqmt (Gates/Cameras)	\$ 40,000	\$ 0	\$ 0
Database Management	\$ 0	\$ 600	\$ 700
Utilities	\$ 4,000	\$ 2,200	\$ 2,200
Maintenance	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ 5,000</u>
Total	\$251,000	\$152,800	\$164,300

Pros: \$60K+ savings per year

Cons: No improvement in East Gate Security:

*(Cloneable Clickers, no LPR's, same gates)
Increased Property Management costs to maintain
keypad database*

Option 3: Change Main Gate to manned security from 6:30AM to 10:30PM, **RF transmitters for Owners**, "Call back" keypad entry system and Owners' Guests, temporary assigned keypad code for Renters; **Upgrade East Gate gates** to use RF Transmitters (non-cloneable") and update cameras and install license plate readers.

Labor/Guards	\$202,000	\$145,500(+7.5%/hr)	\$156,400(+7.5%/hr)
Security Eqmt (Gates/Cameras)	\$ 60,000	\$ 0	\$ 0
New RF Transmitters	\$ 35,000*	\$ 0	\$ 0
Utilities	\$ 4,000	\$ 2,200	\$ 2,200
Maintenance	\$ 5,000	\$ 5,000	\$ 5,000
Total	\$306,000	\$152,200	\$163,600

*(*Assuming 1100 transmitters paid for though the Master Association Budget)*

Pros: \$60K+ savings/yr & improvement in East Gate Security
Two entry systems, with call back system as a back-up system.

Cons: *Requires replacement of existing clickers
Requires Owners to have RF transmitter to enter or exit from the East Gate*

Committee's Recommendations:

Use electronic gate access for 8 hours each day for the Main Gate and upgrade the East Gate with two button RF Transmitters, new gates and new security cameras.

Questions Requiring Voting Member Approval:

- 1). *Should we change our current security systems? If we change, which Option should we use?*
- 2). *If we change, how should the costs be paid?*

Special Assessment in 2022 or "borrow" from the Roadway Reserve in 2022 and "repay" the Roadway Reserve from the security savings in 2023?

- 3). *If Option 3 is chosen, how should we pay for the new RF Transmitters?*

- a). *Master Association purchases them for ALL Owners (2+ per Lot); Cost \$35,000.*
- b). *"Trade out" existing clickers at no charge (or small administrative fee); cost (\$8-12K?)*
- c). *Any Owners who want new RF Transmitters pay for them (\$32 + admin fee)?*

(Note: Owners can enter the Main Gate without RF Transmitter using the "call back system, but access through the East Gate will ONLY be by using RF Transmitter)

ADDENDUM

Roadway Reserve Planning

Dan Sheffer reported the following:

No roads have been repaved since the initial development, only repairs.

The City of Gulf Shores was consulted on current cost of repaving using asphalt.

\$227,000/mile

There are 6.5 miles of roadway in the Peninsula

Assume 10% inflation on price each year

A simple calculation results in \$2.5 million in 7 years

There is currently \$600,000 in reserve

We are \$1.9 million short over 7 years

Estimated assessment is \$50/lot/mo over 7 years

Storm sewer repair \$240,000 for 27 identified repair locations, these repairs are part of roadway reserve