

Budget Workshop Minutes from Master Assoc. Board (MAB)

Mtg Held October 26 at 4pm at Remax Conference room

MAB Meeting Attendees:

Dan Sheffer	Vice President
Kelli Whitehall	Secretary
Bob Sedge	Board Member
HOA Presidents	
Cindy Sedge	Lakes
Markel	Links Condo
Anne Berger	Baywalk
Wiley Russell	Haven
Ron Hill	Retreat
JD Sneed	Boulevard
Joe Lapinsky	Preserve
Maryanne Pflueger	Links Golf Villas
Darrell Manning	Racquet Club Condos

Meeting was called to order by Dan Sheffer at 4:00 pm.

The workshop purpose was to review the 2023 Budget and allow the HOA Presidents to ask questions in order to have a good understanding of how the budget was assembled. The HOA Presidents can then go back to their residents and collect input on how the HOA should vote on this 2023 Budget. This will be a weighted vote, for or against. If the budget is not approved, as stated in the First Amended and Restated Master Declaration of Covenants, Conditions, and Restrictions Section 10.03, the 2022 budget will be used for the 2023 year until "such a time as a budget shall have been determined".

Dan Sheffer reviewed the following line items of the proposed 2023 Budget. See the table below.

The Master Association dues are calculated by adding up all foreseen expenses and dividing equally by the number of lots. For 2023, there are 480 lots, which increased from 461 in 2022, as a result of the new Villas declaration going into effect in September of 2022.

The Haven President expressed the following concerns of his residents:

1. Will the Roadway Reserve increase be maintained in a general fund, and will it be spent on other things? Accounting is maintained by CMA, our management company, and Reserves are tracked as separate line items in the balance sheet. Below is an excerpt of the September balance sheet. The Master Association Board Treasurer must approve expenditures, and provides the oversight on these reserves, just as oversight is provided on all expenditures.

Roadway Reserves - PWB MMA \$162,855.70

Boardwalk Reserves - PWB MMA \$24,472.37

Roadway Reserves CD - Wells Fargo \$422,423.84

2. Some people may not be here in 7 years, or whenever the time of the roadway re-paving occurs, and believe there is no benefit to them to pay into the reserve, therefore they do not want to pay increased dues for the Roadway Reserve.

The Master Association has an obligation to maintain common areas, including the Peninsula privately owned roads. Every member (resident) is a person who is an Owner of a Lot in the Properties and who is entitled to

membership in the Master Association. Every member is using the roads in the Peninsula every day, and therefore is benefitting from current and planned maintenance of the roads, including contributing to planned re-paving events. Common area maintenance, including roadway maintenance, contributes to the value of our properties, and keeps our community desirable. If the Master Association can't maintain funding for roadway maintenance, it directly impacts the value of our community, as well as impacting current residents using our aging roadways.

3. Residents would rather have an assessment for roadway re-paving at the time of the event, not a dues increase.

Some points to consider:

A onetime assessment at every re-paving event would cost approximately, \$1.925M in today's dollars. This equates to \$4010 per lot. This does not include inflation. This assessment would need to be levied on every lot every 15 to 20 years. Putting this assessment in place for the Peninsula community may affect the value and desirability of the properties, as assessments tend to scare home buyers away. In addition, having an underfunded reserve for a period of years leaves our community vulnerable to being unable to adequately address natural disasters (hurricanes) should our roads suffer damage. Increasing the dues so that the Roadway Reserve is building quicker, and collecting this money from each lot owner at a much lower rate over time is something that each lot owner, or potential home buyer, can plan for as a known dues expense.

The Preserve President had the following discussion items:

1. Please show the financial report on a monthly basis so residents can follow along with how the budget is being spent, and if there are gaps in funding.

The Master Association Board reviews the balance sheet every month, and any gaps are written in the meeting minutes. In addition, the monthly financial reports are available to all residents on the website Peninsulamaster.com under Documents, Secure Neighborhood Documents. These folders are password protected for residents only (PWD Gator100). The Master Association Board members are available to answer questions by emailing Peninsulamasterassoc@gmail.com.

2. Regarding the reduction on CMA desk hours on site, could the guards give out window stickers and back gate clickers?

This process requires each request for an entry sticker is verified as a resident by showing a copy of the property deed, and then entering the record into a maintained database. Clickers are also recorded in a database. This task is not in the Sidwell contract and Sidwell is likely not setup to maintain the records.

3. Regarding the pier maintenance, a resident has suggested that in order to reduce the cost of pier maintenance, we could prohibit golf carts and motorized vehicles on the boardwalk and pier.

The Master Association Board is not considering this alternative, as the community values and enjoys the Cabana boardwalk and pier and it is a wonderful perk to our community. The pier was designed for golf carts and prohibiting them would greatly reduce many resident's ability to use the pier.

4. If the Controlled Access Gate (no longer using the term security) changes are approved and the Master Association saves \$60K/year, will the dues be decreased?

The Master Association Board will evaluate the savings against future cost increases, and may determine that the savings will be used to offset future cost increases.

The Voting Members agreed they would be ready to vote on the 2023 Budget by Nov 7, at the same time as the Controlled Access Gate change vote. The Nov 7 Special meeting agenda will be updated and a new meeting notice will be sent to the Voting Members.

The meeting was adjourned at 5:30pm.

Expense	2022 Budget	2023 Budget	Delta in Cost	Notes
Security Services	\$202,000	\$217,150	\$15,150	Changed security cost
Landscape Maintenance	\$60,960	\$71,960	\$11,000	Includes irrigation system, pine straw, mowing, seeding, well maintenance, Bayside and Baywalk piers, cabana pier: trash, cleaning, supplies, Rye seed
General Maintenance&Repairs	\$4,000	\$0	-\$4,000	General maintenance has been divided up into landscape maintenance, gate maintenance, boardwalk maintenance for 2023
Gate Maintenance	\$0	\$500	\$500	Includes Door king back gate
Roadway reserve	\$30,000	\$288,000	\$258,000	50/mo/lot times 480 lot increase
Boardwalk reserve	\$15,000	\$15,000	\$0	
Boardwalk maintenance	\$0	\$5,000	\$5,000	Baywalk, Bayside, Cabana Pier/boardwalk Repairs, path upkeep
Management (CMA)	\$38,000	\$40,200	\$2,200	Option A Reduces manned desk time to one 8 hr day for stickers, clickers
Office space rent	\$5,000	\$6,000	\$1,000	Rate stayed the same, 2022 rent was not a full year as the building was sold to a new owner and rent started at closing date, full 12 month cost for 2023
Computer and software	\$2,000	\$0	-\$2,000	Computer and software was a one time purchase for the new computer
Website /maintenance	\$1,100	\$900	-\$200	\$50/mo plus an annual fee of \$300, Not unlimited postings, extra postings \$35 each
Accounting	\$350	\$500	\$150	filing fees for taxes
Utilities	\$21,000	\$25,450	\$4,450	Electricity, water & sewer, (eliminate cable) phone and internet only
Insurance	\$11,000	\$34,100	\$23,100	No longer under the Honours corporate rate, includes 10% inflation on the estimate
Guard house insurance	\$0	\$3,850	\$3,850	
Supplies/printing	\$1,300	\$1,500	\$200	
Tax, license fees	\$5,000	\$5,000	\$0	Susan to check with Gary Spivey on property tax
Legal Fees	\$0	\$1,000	\$1,000	as needed
Bank Fees	\$300	\$350	\$50	

Capital Reserve Unbudgeted expenses	\$12,000	\$0	-\$12,000	Guard house insurance \$3500, Boardwalk maint \$5000 in 2022. Note 2022 Capital Reserve was realized from Landscape costs saved. This Reserve is now applied to specific line items in 2023 budget
Capital Reserve Additional Misc Repairs	\$10,000	\$0	-\$10,000	Note 2022 Capital Reserve was realized from Landscape costs saved. This Reserve is now applied to specific line items in 2023 budget
Total	\$419,010	\$716,460	\$297,450	
Dues per Lot	\$75.74	\$124.39	\$48.64	Dues overall increase \$48.64/lot/mo