

Windrush Bay Condominium Association, Inc.
Budget Meeting and Board of Director's Workshop
Wednesday August 13, 2014
Ameri-Tech Conference Room – 10:00 a.m.

1. Call to Order: President Mary Currey called the meeting to order at 10:15 AM.

Present were Pat Altyn, Board Secretary; Jim Tallman, member Finance Committee; David Martin, Chair Pool Committee and member Finance Committee; and by conference call Tom McFarland, Chair Finance Committee; Jeff Schram, Board Treasurer and member Finance Committee; and Bob Hutchinson, Chair, Building Committee. Also present was Louis DeSantis, Community Association Manager.

2. President Mary Currey welcomed members and thanked Lou DeSantis for preparing the proposed budget for the association. She then turned the meeting over to Tom McFarland, who guided the discussion of the proposed 2015 budget.

8-13-2014 REVIEW OF 2015 BUDGET PROPOSAL

INITIAL REVIEW:

The figures presented are excellent for a first go round. The forecast of 2014 final figures and prediction for 2015 show good effort and conservative estimates.

2014 estimate of actual \$597,349

2015 estimate of budget \$609,649

Estimate Increase \$ 12,300 (approx. 2% increase)

This proposal represents a modest increase within acceptable range BUT can we adjust some of the figures to have a resulting proposed Budget for 2015 for a ZERO % increase?

REVIEW OF LARGE EXPENSE CATEGORIES:

Acct # 5300 INSURANCE \$150,000 FOR 2014 TO \$150,000 FOR 2015 (Per Lou, the 2014 amount will be \$140,000 and should increase by 10% for 2015. Possible increase of \$14K might require 2015 to be \$154K.

Acct # 5310 FLOOD INS. \$90,000 (2014) TO \$100,000 (2015) (11% Increase reflected)

Acct # 6100 R&M Bldg. \$63000(2014) to \$60,000(2015) Decrease optional room for additional reductions to round off if needed

Acct # 7004 TRASH \$22,000(2014) to \$24,500 (2015) there will be a change in service from 2014 but we do not know the cost Diff as yet therefore the increase proposed is OK for now.

NOTE (All charges related to services provided by the City of Tarpon Springs as well as the taxes,water,back-flow,sewer,storm-water etc. will not be known exactly until later in the year. The estimates are ok for now since we have no control over these fixed expenses.)

RESERVE ANALYSIS

TRACTOR:

The reserve is on target for replacement. Per Jeff, some major overhaul expense was done during the year which will add 2 years to the life of the machine. We can use it for this period and sit on the reserved amount as is or find out during the next year what the actual cost for replacement is up to now. We may have to change useful life and continue the monthly reserve amount to up it to new replacement cost or if not needed, apply the monthly amount to an additions different reserve.

PAINTING

The Al Leach proposal for painting 16 buildings for \$85,000 includes Clubhouse and Laundry, A-H, and J-O breaks down favorably to the reserve for the same buildings of \$93,000. The \$8,000 excess could be used for "surprises" which may occur when the work starts. Also, if repairs and materials are purchased by Patrick to prepare for the project, the costs should be applied to this reserve. Two other estimates will be received by the association. This Al Leach proposal was requested to see if the association was in the ball park of amount needed.

POOL

Will the work needed for the pool be covered by the reserve of \$14,000+. When will this be needed and how long will it take. Per David Martin, the project will require a couple of weeks to complete. We spoke of our relationship with NORTH with the idea of sharing their pool with our residents for that repair period. Mary will look into the possibility and speak to North.

IRRIGATION

This is a major expenditure for the entire property. It has been a time consuming problem for maintenance, and one which sorely needs an upgrade or possible complete replacement. Lou will look into getting us an estimate to upgrade Phase-in as a project. Once we have a ballpark figure we will be able to schedule future reserves to take care of the problem.

LIFT STATION

It was discussed that an expert needs to look at the system to determine what is needed before major problems develop. After we get a ballpark figure we can discuss future reserve.

ROOFING

Per Bob Hutchinson, Chair of Building Committee, it was brought to light that the condominium roofs throughout the property are not holding up as well as hoped. With 7 years still out on the

roofing reserves, the association is going to be incurring roof repair costs throughout the property. Currently two roofs are in need of repair – D and N. It was discussed that the years can be changed in the reserves. It was also decided that a roof evaluation of the condominiums was in order and that Lou DeSantis would initiate contact with a company to do an evaluation of the condo roofs.

CONCLUDING COMMENTS

The difference between 2014 estimated total costs of \$597,349 would result in a loss for the fiscal year end period of \$14,886. This amount would reduce our Reserve from Prior Years of \$45,513 to \$30,627. This remaining surplus balance should act as a CUSHION for 2015 actual vs budget results.

For these reasons, Tom felt it would be both financially sound and a powerful goodwill gesture to the association to propose a zero increase for the 2015 maintenance fees.

Others present concurred. Lou DeSantis was asked to look at the budget and see where some amounts could be reduced to prepare a no increase in fee budget.

It was decided that a second Budget Meeting would take place in September to review the adjustments at a time yet to be determined.

The meeting adjourned at 11:15