

Windrush Bay Condominium Association  
Board of Directors/Finance Committee Workshop Meeting  
to work on 2014 Budget Proposal  
August 16, 2013

Ameri-Tech Presence: Louis DeSantis, Janice Sofia

Board Members Present:

Carol Lovejoy, P  
Jeff Schram, T (by phone)  
Mary Currey, S (by phone)  
Pat Altyn, D

Finance Committee Members Present:

Bob Peretti, Finance Committee Chairman  
Tom McFarland, Incoming Finance Chairman (by phone)  
David Martin  
Jim Tallman

Introductory comments:

Carol Lovejoy opened the meeting at 10:00 a.m. This has been posted as a Board of Directors/Finance Committee workshop meeting to work on the 2014 budget proposal. We have a majority of the board of directors present; two in person and two via phone. We have the finance committee present; three in person and one via phone. Absent are Walter Cain and Evelyn Lemin. Because it is a board of directors meeting, it was started off with the agenda that was on the posting. It is a review of the financials through July and an estimate of the remainder of the expenses for this year. It covers an initial estimate of the 2014 expenses and identifies items to be researched. Carol turned the meeting over to Bob Peretti.

Bob went over expenditures through the end of July 2013. Year-to-Date there is a variance of plus \$50,000. In terms of revenue we are doing quite well. Bob pointed out two areas this can be attributed to: 1) The number of delinquencies has gone down. 2) Some units were sold and back dues were collected. Delinquencies are going very well in terms of being paid down.

We spent \$36,000 less than budgeted year-to-date. Building maintenance repair and material could cost \$15,000. Building will assess what needs to be done in the fall. Expenses incurred over the summer have not been accounted for. Unless something catastrophic happens, the budget is in good shape. Lou said the cost for storm drains would be closer to \$10,000 instead of \$3,500 to \$4,000. Tom asked for clarification and Lou explained it was for engineering drawings that specified greater detail for excavation and fortifying areas removed. We are looking at \$5,000 to \$7,000 on top of the removal of mangroves and silt and the amount required to provide a benefit to clear the area. The county required this. It is possible the cost could exceed \$10,000.

The board voted for a \$5,000 insurance deductible that created a \$20,000 savings. Some of it was spent on flood insurance, which should leave \$10,00 remaining. We should come in under budget unless there is a catastrophic event.

Carol discussed summer work, the mangrove project, electrical panels, and tree removal. Some electrical work and tree removal has already been done, but not all. The lawn vender is changing in early September. Gas and electric was paid for by the old vender but is not by the new vender. Bob suggested we change the way money comes in. The rate has been set based on usage. This will be discussed at a later date.

#### Proposed Operating Expenses:

5010 Copies/Supplies/Bank - This is currently \$1,800 over budget ytd. Janice went over the expenses and not all are recurring. Jim asked if the money could come from the special assessment. Carol asked if expenses from Staples should be billed to 6110 and it was clarified it should be 5010. Bob asked Lou to look at the numbers and advise him at the next meeting.

5015 Application Expenses - Tenant background checks are based on the number of purchases and leases (\$60 for local background checks). The numbers are off by a few dollars but are offset by application income. The board picked ten for the year. This which was the same as last year.

5200/5210 Pest Control and PCS Termite Warranty (Pestguard) – These two categories should be lumped into one under Pestguard.

5215 Building B&C Warranty – Greentech has the contract for termite foaming which covers subterranean and dry rot termites.

5300 Insurance - The rates for next year are not known at this time. Lou said they could be increased six to ten percent. Bob suggested making it \$140,000 (a 10% increase) that can be adjusted in September. Bob suggested adding a mailer for the November meeting requesting the board be able to borrow from reserves to pay the December insurance premium and pay it off throughout the next year the same way the finance company is paid without incurring finance charges. Janice requested the finance committee discuss their options prior to the September meeting. Janice thinks if you borrow against reserves it has to be paid back in the same year. Bob suggested borrowing from the insurance agent for one month at a low interest rate. Carol asked Tom to research this and he agreed. Bob also asked Jeff for input because of his involvement in insurance.

5310 Insurance - Flood - Flood insurance includes villas. Lou will research what the premium is for the condominiums and villas and add 10% to that. He believes there are two separate policies.

Tom will check on a low rate bridge loan and see if we can get a policy for one month, or thirteen months and if rates are lower in December than January.

5400/5405 Lawn Contract/Lawn Pest Control (Laurose) - Bob suggested combining both into 5400.

5410 Mulch - Carol asked Mary to research what Laurose suggests budgeting for mulching. Funds can be moved into tree trimming and shrubs if mulch is reduced.

5420 Irrigation - Carol suggested thinking about a professional sprinkler service and advised there is an issue with the sprinkler under the new pavement. Lou said Laurose could do the work. Bob asked Lou to check on the cost for the September meeting.

5450 Tree Trimming/Removal - Bob flagged this for the next meeting.

Lou advised the bills for rodent boxes should go under 5200/pest control. He will check with Laurose to see if they do bait boxes.

5600 Income Taxes - Make it \$100.

5610 Annual Report - Leave at \$70

5620 Division Fees - Leave at \$556.

5800 Management Fee - This is staying the same. Carol asked if we are we still month to month and suggested we may want to consider locking something for a year. Carol and Lou will look into it.

5900 Legal - Some major expenses were incurred this year. Bob felt Ameri-Tech should be able to answer many questions without having to pay for a paralegal or attorney. Keep it at \$3,000.

5910 CPA Services - This is going up because of the audit. Janice will check what was paid four years ago. Bob wants Ameri-Tech to shop around for a lower fee and get competitive bids. Bob will provide the name of the previous auditor.

6100/6110 Repair Maintenance Buildings/Repair Maintenance/Materials - Bob wants to combine both into 6100 and keep the amount at \$63,000. He will research this for the September meeting.

6190 Lift Station/Repairs - Keep at \$1,600.

6200 Pool - Contract - \$4,850 is ok.

6210 Pool - Maintenance - Keep at \$1,200.

6220 Pool Permit - Keep at \$300.

6300 Clubhouse Cleaning - Keep at \$2,220.

6400 Salaries/Payroll - Bob wants the board to decide if Patrick gets this amount based on Ameri-Tech's hourly rate. Mary offered to write a position description for a full time maintenance person for the September meeting. Bob asked Lou to check what the difference would be between a full and part-time position and what the impact would be to Windrush outside of hourly cost. Carol said it could be two part-time people or one full time person. Keep at current rate until Mary completes the job description.

6996 Electric - Lift Station - amount ok.

6997 Electric - Irrigation - amount ok.

6998 Electric - Street Lights - amount ok.

6999 Electric - Laundry - amount ok.

7000 Electric - Buildings - amount ok.

7001 Electric - Pool/Clubhouse - amount ok.

7002 Water/Backflow - leave it at \$17,000.

7003 Sewer - leave at \$24,000.

7004 Trash - leave at \$22,000.

7005 Telephone – amount is ok.

7007 Storm Water - See if that should be reduced.

7008 Utility Tax Water – amount is ok.

7008 Gas-Laundry - leave at \$1,800.

#### Reserves:

Bob wants somebody to study the reserves pertaining to what it is going to cost and how long will it last. We should use the chairperson from each committee for the study to look into the scheduling of work and what the costs would be. This builds into the credibility of the reserves. Carol asked David to research with Anchor Pools to get an estimate as well as with other pool contractors. Carol also asked if there should be a reserve for electrical issues, irrigation (sprinkler system), and seawall. Reserve numbers will be determined at the September meeting. Bob assigned Tom McFarland to manage this. Carol will provide information for each committee.

4200 WRN Income - Anything that goes into what we supply for WRN should be looked into. Itemize what we pay and what their portion is.

4300 Laundry Income - amount is ok.

4500 Application Income - amount is ok.

4990 Prior Year Surplus - amount is ok.

Bob would like a documents committee. We need a 75% vote to allow the board to bring documents up to date to include current statutes.

The board agreed to raise unit maintenance fees \$5.00

The clubhouse should have a reserve so money could be put in where you can decide

what you are going to use it for (deferred maintenance).

Janice asked if we want the budget to go out with the annual meeting mailing. Candidates are mailed sixty days prior to the meeting. The budget is mailed in October with proxies and the ballot.

Carol extended a huge thank you to Bob Peretti for his contribution in the finance area.

Carol motioned to adjourn the meeting, seconded by Pat.

The meeting was meeting adjourned at 12:09 p.m.