

Verandah Community Association, Inc.
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MINUTES 10/28/14 3:00 PM Verandah River House

Meeting Called By: Paul Martin, President

Type of Meeting: VCA Budget Board Meeting &
2014 Annual Meeting

Note Taker: Kym Bill

Attendees: Randy Noble, Jim Harvey, Paul Martin, Kym Bill
Absent: David Langhout

AGENDA TOPICS

I. Call to Order

Discussion/Action: The meeting was called to order by President Paul Martin at 3:00 pm. Present are Randy Noble, Paul Martin and Jim Harvey which constitutes a quorum.

II. Resident Comment/Right to Speak

Discussion/Action: There were no residents that requested to speak regarding VCA business.

III. Voting Unit Requirement

Mr. Martin reported the purpose of the annual meeting is to fulfill the requirements of the Florida Statutes and the Verandah Community Association documents by giving an annual update to the members on the status of the Community Association. On October 7, 2014 notification was given to the neighborhood representatives of the Community Association of the time and date of this meeting in accordance with the By-Laws. This notice was emailed in the Verandah Community Association newsletter and also posted on our website, www.verandahlife.com. Accordingly, the 15% minimum vote requirement to hold this meeting has been met.

IV. Approval of Minutes – 3/25/14

Discussion/Action: Mr. Martin asked if anyone had any questions or comments regarding the minutes of the Board Meeting on 3/25/14.

Motion by: Mr. Harvey made a motion to accept the minutes as written.

Motion 2nd: Mr. Noble seconded the motion.

Approval: All approved.

V. General Manager Update

Discussion/Action: Kym Bill, General Manager of the VCA provided an update to the Board with the following:

Contract Updates:

Comcast – We have recently signed the bulk cable agreement with Comcast for an additional 5 years. Equipment included in the bulk cable agreement are: 1 HD digital receiver, 2 HD digital adapters & 1 cable modem with wifi. Home Wiring Checks are also included in our agreement, for a period of 1 year from the date of execution. Comcast will provide 1 home wiring check at each home “at the request of a resident and at no cost” to verify that the wiring inside the home meets the Company's specifications regarding signal level. If the wiring inside the home does not meet the Company's signal level specifications, the Company will repair the wiring if requested to do so by the resident.

A letter from Comcast will be going out to all residents in the near future updating them on the new agreement and they are currently working on an audit of all Verandah resident bills so they receive proper credits for anyone that is currently paying for an HD receiver or HD adaptor.

There are 3 options the residents have to replace and/or exchange their equipment:

1. Resident can call and schedule the professional install to receive new equipment or replace old equipment (at no cost). My suggestion is for all residents to take this option so they can also request a home wiring check at that time as well.
2. Verandah is scheduling an on-site Comcast event on November 18th - Comcast will give a presentation and residents will be able to speak with a Comcast Representative, preregister to exchange or upgrade equipment and/or schedule a professional install.
I'm currently ironing out the details with Comcast & will be sending out an update to the residents on the specifics once we get them finalized.
3. Resident may also pick up or exchange equipment at local Comcast Office in Gateway. The resident will be responsible for hooking up equipment on their own with this option.

More updates will be sent out once we get all the details finalized with Comcast.

Landscape Contract - We have recently renewed the landscape contract for the common areas in Verandah. Vision's contract automatically renews in 12 month intervals. This year, we have added some additional services to the contract such as adding additional fertilizer, fungicide and pesticide applications. As our grass and shrubs age, it is imperative that we use proper applications to keep the grass and shrubs healthy and green. Vision has also incorporated trimming all of the palm trees in their contract to keep the tree trimming consistent in all areas of Verandah. We will continue to outsource tree trimming for the oak trees. We replaced all of the soil in the beds where we plant the flowers and the flowers are being installed today throughout the community. Our pinestraw application will begin November 10th

Dog Park Update:

The addition and expansion of the dog park was completed in mid-September. Additional benches have been purchased for both sections of the dog park for adequate seating. We have added a water station and dog disposal station to the new addition and additional landscaping along the fence line. We recently received the permit approval on the shade structures for both sides of the dog park. Shade structures will be installed on November 3rd and the pavers will be installed for the shade structures and front entrance on November 10th.

Playground

The playground is in need of repair and/or replacement. Most of the wooded posts are beginning to deteriorate and rot out. Kym has had one playground inspector out which stated it needs to be replaced. Kym is currently getting some estimates and will determine what our options are at that time. She will be in contact with the Board in the near future with the potential costs that may be incurred which may need to be used out of reserve funds.

Status of the Reserve Study

This year we were scheduled to have another Reserve Study done. Reserve Advisors was here in mid-September and we are currently waiting on the report. Kym spoke to them last week and they are anticipating to have the report back to us by mid November. They are including an additional study which will include all the additional streets and storm drains for all neighborhoods, per the request of the Board.

Foreclosure Home

We were informed by our attorney's this week that the Bank has taken over the title of the Shady Bend property. The attorney informed Kym that since the Association took title to a property and there was a first mortgage on it, the Association is always subordinate to the first mortgage. The bank's lien is the one in first position. Kym is waiting to hear back how long we can collect rent from our tenants. The attorney is sending a demand letter on what is owed on the property, which is approximately 11,000 in back assessments and attorney fees.

VI. Amendment to the 2014 Budget

Discussion/Action: After the 2013 audit was completed, it was recognized that we have 291,655 left over in excess revenues from previous years contributions. We will need to use previous years excess revenues to cover the short fall of assessments in 2014 & the cable/internet charge that was not budgeted for in November & December which will leave an amount of \$282,824.00.

Motion: Mr. Harvey made a motion to amend the 2014 budget to reflect the loss of 282,824.00.

Motion 2nd: Mr. Noble seconded the motion.

Approval: All approved.

VII. Budget Review and Approval

Discussion/Action: Paul Martin Reviewed the budget in detail. The assumptions are as follows:

- Assessments for 2015 will remain the same as they were for the 2014 budget year with the exception of lot owners. Lot assessments are based on the Home assessment rate minus the bulk cable/internet fee which was reduced in 2015. The lot assessment rate for 85' lots increases from \$1,324.04 to \$1,584.80 and for 100' lots from \$1,924.04 to \$2,184.80. This represents an increase of \$260.76 per lot.
- We are budgeting for a loss of (\$108,831) this year and are recommending that we offset that with previous year's excess revenues over expenses which was shown as \$291,655 at the end of 2013 based on our audited financial statements. Estimated Deficiency of expenses over revenues for 2014 is at (\$282,824).
- We have entered into a new bulk agreement with Comcast Cable as of October 1, 2014. The net result of this agreement reduced the per unit monthly rate from \$81.33 to \$59.60 which is a savings of \$263,544 for 2015. The new bulk cable agreement is a five year agreement.
- Increase in mowing contract is due to the increase in landscape area along Verandah Blvd past Woodhaven and the increased lawn care expenses of Fairway Cove and Woodhaven which are offset by the neighborhood assessments for these two neighborhoods. In addition, we have also assigned numerous small areas that were not previously in the contract and also requested additional fertilizer and fungicide/pesticide application to better maintain the quality of the grasses. Further, we have included tree trimming of the palms that were not previously in the contract.
- We did not budget for any bad debt in 2014 but due to several tax deed foreclosures and bank foreclosures we are estimating that we will incur at least \$20,000 in bad debt in 2014 but conservatively we are budgeting \$70,000. We do still have over \$150,000 sitting in bad debt and approximately 60% of these are old debts that we are working through. Mortgage amounts vs property values seem to be the driving factors which are delaying the foreclosure of most of these remaining units.
- Changes taking place in regards to staff are as follows:
 - In 2015 we will be transferring the Activities Director from the Association to Verandah Club.
 - Pay increases were entered for 3% starting in April 2015, however we recommend that these only be given after we have evaluated the state of new closings vs projections at the first quarter meeting in 2015 to decide

whether they should be granted or not. The net effect of this increase after taxes and benefits is \$6,436.46.

Build out assumptions:

- Estimated retail closings were approximately 100 per year from 2015-2020 to show completion date of 2020.
- Increases in major expenses were additional landscaping to complete Verandah Blvd & additional Comcast connections to match absorption.
- Results show that we are charging an assessment that is not over inflated and does not produce an excess in revenues.
- Items for future years consideration:
 - Back Gatehouse opening – increase automation to make gate more accessible 24 hours a day.
 - We still have \$150,000 in bad debt that has been written off in previous years that we are still collecting. This can be used to offset deficits.

Motion by: After discussion, Mr. Harvey moved to approve the 2015 budget as presented.

Motion 2nd: Randy Noble

Approval: All approved.

Adjournment: Mr. Martin made a motion to adjourn the meeting at 3:48 p.m.