

Verandah Community Association, Inc.
12201 River Village Way, Fort Myers, FL 33905
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MINUTES 11/1/16 1:00 PM VERANDAH RIVER HOUSE

Meeting Called By: Paul Martin, President

Type of Meeting: Board of Director's Budget Review (via email meeting review)

Attendees: Jim Harvey, Paul Martin, Gary Dittman, David Langhout, Kym Bill

November 1, 2016 – Budget Review:

On October 31, 2017, Kym Bill distributed the 2017 Annual Budget Review via email to all Board Members for review, changes and/or approval.

2017 Budget Review Approval : The VCA Board reviewed and approved the 2017 budget as presented. Budget Assumptions include:

- Assessments for 2017 will be increased by 4% over the rates they were for the 2016 budget year.
- We are budgeting for a loss of (\$136,953) this year which will be funded through a developer subsidy.
- We entered into a new bulk agreement with Comcast Cable as of October 1, 2014 that expires in 2019. The contract allowed for a maximum percentage increase of 3% per year. The new rate for 2017 is \$63.53 including taxes. Budgeted expense for 2017 is \$830,298.
- Increase in mowing contract is due to the increase in landscape area along Verandah Blvd past Willow Bend to the Gatehouse which is an additional 4/10 of a mile. Additionally we are incurring increased lawn care expenses of Fairway Cove, Woodhaven, Willow Bend & Willow Ridge for added units which are offset by the neighborhood assessments for these four neighborhoods.
- We did not budget for any bad debt in 2016 and are anticipating that we will collect enough from existing collections to offset any new bad debt we incur this year. We currently have over \$105,000 in bad debt and are also anticipating that we will collect enough of the existing bad debt to prevent any new bad debt in 2017 therefore, we are not budgeting for any bad debt in 2017.
- Pay increases were entered for 3% starting in January 2017, however we recommend that these be given after we have evaluated each employee for and increases be based on performance and evaluations. Non Exempt wages are off from 2016 due to the increase hours at the Tropic Gate. CPO Supervisor's wages were increased due to new Department of Labor law, effective December 1st. New Salary minimum threshold is \$47,476.00 per year.
- Build out assumptions: Estimated retail closings were approximately 85 per year from 2017-2022 to show completion date of 2022. For 2016 we are projecting 55 new sales and 101 for 2017 which include 20 multi-family units and 81 single-family units.
- Results from the buildout forecast shows that we are charging an assessment that is not over inflated Tropic gate assumption is that development completion will take place in late 2017 to increase the ability in access to our residents by creating an automated (non-manned) option. The VCA is implementing an upgraded security system at the main entrance which is anticipated to be completed by the end of 2016 that will also be able to accommodate the tropic gate.

Motion by: Mr. Martin made a motion to approve the 2017 VCA budget as presented.

Motion 2nd: Mr. Harvey, Mr. Dittman and Mr. Langhout all seconded the motion.

Approval: All approved.