

WATERSIDE VILLAGE OF PALM BEACH CONDOMINIUM ASSOCIATION INC.

**MINUTES OF BOARD OF DIRECTORS BUDGET MEETING
HELD ON MONDAY OCTOBER 28, 2024 AT 7:30PM AT THE CLUBHOUSE AND VIA
ZOOM**

PRESENT:

André Mongrain, Director, and President
Michael Shane, Director, and Vice-President (via ZOOM)
France Laroche, Director, and Treasurer (via ZOOM)
Michel Thivierge, Director, and Secretary
Daniel Laviolette, Director (via ZOOM)
Steven Robinson, Director

And Stacey Casey, Property Manager

ABSENT: Marc Desrochers, Director

1. CALL TO QUORUM

The quorum was met as six Directors were present and the meeting started at 7:30 PM

2. APPROVAL OF AGENDA

Four items were added to the Agenda (4.1, 4.2, 4.3 and 4.4). The approval of the modified agenda, was moved by Daniel Laviolette, seconded by Michael Shane, and unanimously approved.

3. APPROVAL OF MINUTES OF THE BOARD MEETING HELD JANUARY 27, 2024

The approval of the minutes from the meeting held on January 27, 2024, was moved by Daniel Laviolette, seconded by Michael Shane, and unanimously approved.

4. APPROVAL OF DIFFERENT CONTRACTS AWARDED SINCE JANUARY 27, 2024

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The day-to-day approval of contracts was provided by President, Andre Mongrain. The formal approval of the contracts awarded since January 27, 2024, was moved by Michel Thivierge, seconded by Steven Robinson, and unanimously approved. (List attached – Appendix A)

**4.1.APPOINTMENT OF GRAU AND ASSOCIATES AS AUDITOR FOR THE
ASSOCIATION FOR FISCAL YEAR 2023/2024**

The approval of the appointment of Grau and Associates as the auditor for Waterside Village of Palm Beach, Inc. for the fiscal year 2023/2024, was moved by France Laroche, seconded by Daniel Laviolette, and unanimously approved.

4.2.UPDATE ON PETS

President André Mongrain mentioned that there was ongoing conversations around pets within the community and that one situation was under legal consideration, no information can be provided at this time.

4.3.UPDATE ON COUNTY AND SCHOOL TAXES

President André Mongrain provided information on recent developments regarding county school taxes and the work that was done by himself and Michael Shane to prepare and present at a recent town hall event disputing our increase in property values for the lots owned by Waterside Village in front of the community. A special thanks to Vice President Michael Shane for the handling of this file.

4.4.UPDATE ON POTENTIAL PROJECTS

President André Mongrain provided updates and examples of over 35 different projects that could be done in the coming years if we have available budget to do so.

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**5. RESOLUTION FOR TRANSFER OF POSSIBLE OPERATING SURPLUS
FOR FISCAL YEAR 2024/2025 TO THE ROOF RESERVE #2510**

It was proposed to allow the Board of Directors to transfer funds, if at the end of the fiscal year 2024/2025 there is a surplus of revenue over expenses of more than \$5,000.00, the said surplus would be transferred to the Roof Reserve (account # 2510).

This is necessary due to growing construction costs and the reception of an independent valuation report that shows our current reserve for the roof is insufficient. This may also be beneficial for the negotiation of our insurance. See item 7 for more information.

The vote was proposed by Daniel Laviolette, seconded by Steven Robinson, the Board of Directors unanimously voted to adopt the said resolution.

6. APPROVAL OF THE 2024/2025 OPERATING BUDGET.

The approval of the 2024/2025 operating budget, was moved by Michael Shane, seconded by France Laroche, and unanimously approved. Monthly fees will be \$575.00 starting November 1st, 2024. See attached data and comments. Appendix B attached.

7. APPROVAL OF THE 2024/2025 RESERVE BUDGET.

The approval of the 2024/2025 reserve budget, was moved by France Laroche, seconded by Daniel Laviolette, and unanimously approved. See attached data and comments. Appendix C attached

8. OWNERS' QUESTION PERIOD

WATERSIDE VILLAGE OF PALM BEACH CONDOMINIUM ASSOCIATION INC.

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Several questions and statements were made by owners and answered by members of the board of directors.

9. ADJOURNMENT

The adjournment of the meeting was moved by Steven Robinson, seconded by France Laroche, and unanimously approved. The meeting was adjourned at 9:15pm.

Michel Thivierge, Secretary
November 1, 2024

APPENDIX A

CONTRACTS AWARDED SINCE THE BOARD MEETING OF JANUARY 27, 2024

(Presented at Board Meeting of 10/28/2024)

Southern Palms Landscaping

Ficus removal/Clussia planting \$4,075.00

Royal Palm Trimming \$1,350.00

Total = \$5,425.00

Perfect Cut

Hardwood Tree Trimming \$15,550.00

Entrance Flowers installation (summer) \$ 1,098.00

Stump grinding \$ 795.00

Entrance Flowers installation (Fall) \$ 1,250.00

Areca Cleanout \$ 1,400.00

Perimeter Hedger Trimming \$ 1,680.00

Total = \$21,773.00

East Coast Sprayers

Turf/Shrub/Palm root fertilization \$7,390.00

Whitefly treatment \$2,250.00

Turf/Shrub fertilization \$5,480.00

Whitefly treatment \$2,250.00

Turf/Shrub fertilization \$5,480.00

Whitefly treatment \$2,250.00

Total = \$25,100.00

Joyas Greenwise Landscaping

Oak Tree Trimming \$8,525.00

Chabot Irrigation

Tennis timer repairs	\$ 400.00
Mainline repair and valve replacement	\$ 700.00
Valve Replacement	\$ 600.00
Repair valve	\$ 250.00

Total = \$1,950.00

Advance Cooling & Heating

Repairs to clubhouse A/C	\$ 925.00
Clubhouse AC replacement	\$6,900.00

Total = \$7,825.00

Flotech

Pipe inspection under roadway	\$5,250.00
Sleeving of collapsing drainage pipe under road	\$27,560.00

Total = \$32,810.00

KC Tile Restoration

Clean and paint grout lines at east pool restrooms	\$ 995.00
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Mid-South Painting

West pool rail painting	\$500.00
Painting of 8 buildings	\$67,650.00

Total = \$68,150.00

Miami Foam

Decorative Foam Pieces	\$652.80
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R&T Construction

Remodel coping for East Pool renovation \$1,242.28

Blue Fin Builders

East Pool resurfacing \$44,909.00

Proctor Fire Extinguishers

Annual FE service and retagging \$10,166.07

Gustafson Roofing

#544 Roof Repair	\$ 650.00
#515 Roof Repair	\$ 850.00
#323 Roof Repair	\$ 850.00
#637 Roof Repair	\$1,550.00
#723 Roof Repair	\$ 850.00
#655 Roof Repair	\$1,750.00
#639 Roof Repair	\$1,750.00
#202 Roof Repair	\$ 850.00
#685 Roof Repair	\$ 950.00

Total = \$10,050.00

Mako Pools

Repairs to Spa	\$235.00
East Pool Chemical Feeder repairs	\$260.00
East pool replace life ring and throw rope	\$220.75
East pool replace chemical feeder	\$435.00
Replace spa pressure gauge	\$225.00
West Pool replace filter cartridges	\$615.00
East pool replace chemical container	\$157.00

Total = \$2,147.00

APPENDIX B

2024 – 2025 OPERATING BUDGET COMMENTARIES

AND FORECAST FOR 2025 – 2026 AND 2026 – 2027

Monthly fee for the fiscal year 2024 – 2025, running from November 1st, 2024, to October 31, 2025, will be \$575.00, an increase of \$30.00 over the fiscal year 2023 – 2024, \$545.00 monthly fee.

Main contributing elements to this increase of 5.5% is as follows:

- *Account 310, insurance going from \$818,850.00 to \$905,935.00 an increase of \$87,085.00, equivalent to an increase of 10.6%, resulting in an increase of \$17.66 a month out of the \$30.00 total fee increase. This is our best estimate, before the current situation from hurricane Helene or Milton. We do not know how the impact of these latest developments on the insurance market. Insurance cost represents 31.9% of our operating cost. If we add our contribution to the roof reserve (\$166,000.00), which is necessary if we want insurance coverage, then insurance related cost represent 39.9% of our monthly fee or \$229.30 out of the \$575.00. WE MAY NOT BE DONE YET ON THIS SUBJECT SINCE WE DO NOT KNOW THE CLAIMS IMPACT FROM HURRICANE HELENE, NOR WHAT'S IS IN THE MAKING FROM MILTON.*
- *Account 324, cable TV/Blue Stream going from \$109,200. to \$158,000, for an increase of \$48,800.00 or an increase 44.7%, an increase of \$9.90 a month out of the \$30,00 monthly increase. All in accordance with projections made in February 2023.*
- *Account 2510, roof reserve, beside moving previous contributions from either the street reserve (\$20,000.00) and the working capital reserve, we did add an additional \$25,000.00 to our previous contribution. This represent \$5.07 increase out of the \$30.00. The valuation of the roof reserve was performed by an independent firm. See reserve report for explanations.*

The sum of those 3 accounts, account for more than the \$30.00 monthly fee increase, they come up to **\$32.63**. This meaning that the sum of all other accounts went down, like account 205, telephone and account 205.1 WIFI, the Association is getting better rate from Blue Stream Fiber than previous supplier.

Account 201, water and wastewater is an estimated increase, Boynton city water department has not released its cost rate for the coming year, so we used a factor of 4.7%. Remember that last year their increase was 11%, so we do hope for a smaller increase this year.

Salary components the sum of accounts 300, 301 and 302 are up by 4.3%.

Security guard services up by 7.7%, same number of hours of service per week at 60, just hourly rate increase.

Account 403, grass cutting, and 403.2 hedge cutting are now matching the billing process from the supplier meaning all under account 403. What's left in account 403.2 is the perimeter hedge, the Arica palm and the east side of the Quadrille HOA. The average increase for those 2 accounts is 4%.

Account 420, painting is up by 9.5%. The painting program this year includes buildings 25,26, 32, 33, 34, 35, 36 and 37.

Account 428.1, the infrastructure budget figure is back to the year 2023 – 2024 budget, at an estimate of \$10,000.00. This will allow Waterside to do 2 more underground pipe surveys as we continue to build the reserve by \$10,000.00.

The account 450, contingency at \$42,364.00 is a reasonable figure when compared to our total level of expenses and risk.

The RESERVE comments are under a separate report.

Andre Mongrain, President

10/7/2024

COMMENTAIRES SUR LE BUDGET DE FONCTIONNEMENT

DE 2024 -2025

ET LES PRÉVISIONS POUR 2025 - 2026 ET 2026 - 2027

Les frais mensuels pour l'exercice 2024 - 2025, allant du 1er novembre 2024 au 31 octobre 2025, seront de 575,00 \$, une augmentation de 30,00 \$ par rapport à l'exercice 2023 - 2024, de 545,00 \$.

Les principaux éléments contribuant à cette augmentation de 5,5 % sont les suivants :

-- Compte 310, assurance passant de 818 850,00 \$ à 905 935,00 \$, soit une augmentation de 87 085,00 \$, soit 10,6 %, ce qui entraîne une augmentation de 17,66 \$ par mois par rapport à l'augmentation totale des frais de 30,00 \$. C'est notre meilleure estimation, avant la situation actuelle de l'ouragan Helene ou Milton. Nous ne savons pas encore quel sera l'impact de ces derniers développements sur le marché de l'assurance. Le coût d'assurance représente 31,9 % de nos coûts d'exploitation. Si nous ajoutons notre contribution à la réserve de toit (166 000,00 \$), ce qui est nécessaire si nous voulons une couverture d'assurance, alors les coûts liés à l'assurance représentent 39,9% de nos frais mensuels ou 229,30 \$ sur les 575,00 \$. **NOUS N'AVONS PEUT-ÊTRE PAS ENCORE TERMINÉ À CE SUJET PUISQUE NOUS NE CONNAISSONS PAS L'IMPACT DE L'OURAGAN HELENE SUR LES RÉCLAMATIONS, NI POUR CE QUI EST DE MILTON.**

-- Compte 324, télévision par câble/Blue Stream Fiber passant de 109 200 \$ à 158 000 \$, pour une augmentation de 48 800,00 \$, soit 44,7 %, une augmentation de 9,90 \$ par mois sur l'augmentation mensuelle de 30.00 \$. Le tout conformément aux projections faites en février 2023.

-- Compte 2510, réserve de toit, en plus de transférer une partie des contributions antérieures de la réserve du bitume (20 000,00 \$) et de la réserve de fonds de roulement, nous avons ajouté 25 000,00 \$ à notre contribution précédente. Cela représente une augmentation de 5,07 \$ du 30,00 \$ d'augmentation. L'évaluation de la réserve de toit a été effectuée par une firme indépendante. Voir le rapport de réserve pour plus d'explications.

La somme de ces 3 comptes représente plus de 32.63\$ de l'augmentation des frais mensuels de 30,00 \$, ils s'élèvent à 32,63 \$. Cela signifie que la somme de tous les autres comptes a diminuée, comme le compte 205, le téléphone et le compte 205.1 WIFI. L'Association obtient un meilleur prix avec Blue Stream Fiber que le fournisseur précédent.

Compte 201, l'eau et les eaux usées, est une augmentation estimée. Le service de l'eau de la ville de Boynton n'a pas publié son taux de coût pour l'année à venir, nous avons donc utilisé un facteur de 4,7%. N'oubliez pas que l'année dernière, leur augmentation a été de 11%, nous espérons donc une augmentation plus faible cette année.

Composantes salariales, la somme des comptes 300, 301 et 302 sont en hausse de 4,3%.

Les services d'agents de sécurité ont augmenté de 7,7 %, le même nombre d'heures de service par semaine à 60, juste une augmentation du taux horaire.

Le compte 403, la tonte de gazon et la coupe de haies 403.2, correspondent maintenant au processus de facturation du fournisseur, ce qui signifie que tout est sous le compte 403. Ce qui reste dans le compte 403.2 est la haie de périmètre, les palmiers Arica et le côté est du Quadrille HOA. L'augmentation moyenne pour ces 2 comptes est de 4%.

Compte 420, la peinture, est en hausse de 9,5%. Le programme de peinture de cette année comprend les bâtiments 25, 26, 32, 33, 34, 35, 36 et 37.

Compte 428.1, le chiffre du budget des infrastructures est de retour au budget de l'année 2023-2024, à une estimation de 10 000,00 \$. Cela permettra à Waterside de faire 2 autres analyses de tuyaux souterrains alors que nous continuons à construire la réserve de 10 000,00 \$.

Le compte 450 contingence à 42 364,00 \$, est un chiffre raisonnable par rapport à notre niveau total de dépenses et de risques.

Les commentaires de LA RÉSERVE font l'objet d'un rapport distinct.

André Mongrain

Président

10/7/2024

WATERSIDE VILLAGE OF PALM BEACH CONDOMINIUM ASSOCIATION, INC.
BUDGET from NOVEMBER 1, 2024 to OCTOBER 31, 2025
 Inclusive of Forecast for the Year 2025/2026 and Year 2026/2027

DESCRIPTION	2023/2024 NON AUDIT	Y23/24 BUDGET	MONTHLY COST	Y24/25 BUDGET	VARIANCE TO 23/24 FORE	Y 25/26 FORECAST	Y 26/27 FORECAST
REVENUE	545	545	575			595	623
NSF FEE	300	0		0	-300	0	0
100 ASSESSMENTS **	2,687,940	2,687,940		2,835,900	147,960	2,934,540	3,072,636
102 LATE FEE INCOME	1,300	1,200		1,200	-100	1,200	1,200
103 INTEREST INCOME	46,000	42,000		50,000	4,000	55,000	58,000
104 ESTOPPEL FEE	4,500	3,000		3,000	-1,500	3,000	3,000
106 ACCESS/GATE CARDS	1,350	400		400	-950	400	400
107 SCREENING FEE	29,000	39,000		32,000	3,000	37,000	38,000
108 MISCELLANEOUS INCOME	0	500		500	500	500	500
115 INSURANCE SPECIAL ASSESS	0	0		0	0	0	0
RESERVE ACCOUNT	-305,500	-200,500		-225,500	80,000	-225,500	-225,500
2544 INTEREST TO RESERVE	-46,000	-42,000		-50,000	-4,000	-55,000	-58,000
TOTAL REVENUE:	2,418,890	2,531,540		2,647,500	228,610	2,751,140	2,890,236

**EXPENSES
UTILITIES**

200 ELECTRIC	59,000	65,000	12.43	61,300	2,300	62,000	64,000
201 WATER & WASTEWATER	230,000	243,000	48.86	241,000	11,000	249,000	259,000
202 GARBAGE & RECYCLING	92,500	94,500	19.76	97,500	5,000	101,000	105,000
203 PROPANE GAS	300	300		300	0	300	300
204 CABLE T.V./BLUE STREAM	109,200	103,000	32.03	158,000	48,800	161,700	168,200
205 TELEPHONE	3,600	5,500		1,900	-1,700	2,000	2,100
205.1 WIFI	4,200	4,400		850	-3,350	1,000	1,050
TOTAL:	498,800	515,700	113.71	560,850	62,050	577,000	599,650

	DESCRIPTION	2023/2024 NON AUDIT	Y23/24 BUDGET	MONTHLY COST	Y24/25 BUDGET	VARIANCE TO 23/24 FORE	Y 25/26 FORECAST	Y 26/27 FORECAST
ADMINISTRATIVE								
	300 PAYROLL-ADMINISTRATIVE	161,700	200,000	34.27	169,000	7,300	175,000	182,800
	301 PAYROLL-MAINTENANCE	85,000	85,000	17.92	88,400	3,400	92,200	96,000
	302 PAYROLL TAXES	25,750	30,000	5.44	26,825	1,075	27,850	29,050
	302.1 EMPLOYEE BENEFITS	6,037	6,500		6,500	463	7,000	8,000
	304 SECURITY GUARDS	63,500	62,000	13.87	68,400	4,900	71,700	75,300
	305 ACCOUNTING	24,540	26,000	4.99	24,500	50	26,700	27,600
	305.1 BANK FEES	400	300		300	-100	300	300
	305.2 BAD DEBT	2,500	6,000		6,000	3,500	6,000	6,000
	305.3 COLLECTIONS COST	500	1,500		1,000	500	1,000	1,000
	306 AUDITING	7,800	6,200		8,000	200	8,500	9,000
	307 LEGAL	4,500	3,500		4,000	-500	4,000	4,000
	308 PROPERTY TAX	7,753	5,385		8,000	247	9,500	10,500
	309 INCOME TAX	0	0		0	0	0	0
	310 INSURANCE	818,850	930,000	183.68	905,935	87,085	980,000	1,060,000
	310.1 INSURANCE CASH SHORT	0	0	0.00	0	0	0	0
	311 OFFICE SUPPLIES	1,200	1,400		1,400	200	1,500	1,600
	312 POSTAGE & SHIPPING	900	900		1,000	100	1,050	1,100
	313 LICENSES	3,600	2,600		3,600	0	3,700	3,800
	314 TRAVEL & MILEAGE	500	450		450	-50	450	450
	315 MEETINGS & EDUCATION	175	300		300	125	300	300
	316 SCREENING	4,500	6,000		6,000	1,500	6,000	6,000
	317 ALARM SYSTEM	600	600		600	0	700	700
	318 COMPUTER REPAIR/SERVICE	2,000	2,000		2,000	0	2,000	3,000
	319 COPIER	4,200	4,200		4,200	0	4,200	4,200
	320 JANITOR, WATER, MISC.	6,200	6,500		6,500	300	7,000	7,500
	320.1 WEBSITE IMPROVEMENT	2,300	3,000		2,000	-300	2,500	2,500
	323 SOCIAL FACILITIES	6,000	6,000		6,000	0	6,500	7,000
	TOTAL:	1,241,005	1,396,335	273.93	1,351,010	110,005	1,445,650	1,547,700

	DESCRIPTION	2023/2024 NON AUDIT	Y23/24 BUDGET	MONTHLY COST	Y24/25 BUDGET	VARIANCE TO 23/24 FORE	Y 25/26 FORECAST	Y 26/27 FORECAST
MAINTENANCE								
400	GASOLINE	1,000	1,200		1,200	200	1,200	1,200
401	SPRINKLERS	26,400	32,000	7.62	27,600	1,200	33,000	34,000
402	PEST CONTROL	30,000	30,000		31,800	1,800	32,500	33,500
402.6	MISC. MAINT EXP.	3,500	2,500		3,000	-500	3,000	3,500
403	GRASS CUTTING	104,200	104,200	22.00	154,776	50,576	157,000	165,000
403.1	FERTILIZATION-WEED-BUGS	30,223	25,000	6.35	31,360	1,137	32,000	34,000
403.2	HEDGE TRIMMING	52,700	50,000	11.61	10,860	-41,840	10,000	11,000
404	TREE TRIMMING	30,500	25,000		20,000	-10,500	22,000	23,000
404.2	NEW TREES & BUSHES	15,000	25,000	6.08	30,000	15,000	30,000	30,000
405	BUILDING MAINTENANCE	155,000	90,000	30.41	150,000	-5,000	150,000	150,000
406	FENCE SIDEWALK SIGNS	13,000	15,000		13,000	0	16,000	17,000
406.1	DIRT,SODS & MULCH	12,000	11,000		12,000	0	13,000	14,000
407	SECURITY GATE EXPENSE	9,000	10,000		10,000	1,000	10,000	10,000
407.1	MAJOR GATES EXPENSES	0	0		0	0	0	0
408	CAMERA & VIDEO EXP.	3,000	5,000		5,000	2,000	5,000	5,000
409	PLUMBING EXP.	10,000	5,000		7,500	-2,500	7,500	9,000
410	ELECTRICAL EXP.	12,500	5,000		7,000	-5,500	8,000	9,000
411	POOL SUPPLIES & REPAIR	30,000	32,000	6.08	30,000	0	34,000	36,000
411.1	POOLS MAJOR REPAIRS	0	0		0	0	0	0
412	STREET MAINTENANCE	9,000	10,000		5,000	-4,000	5,000	5,000
413	UNIFORMS	211	300		300	89	300	300
414	GOLF CARTS/GROUND EQUIP.	200	2,000	1.82	9,000	8,800	2,000	2,000
415	LOCKSMITH	1,000	500		1,000	0	500	500
416	FIRE SAFETY	12,000	5,500		6,000	-6,000	6,000	6,500
417	JANITORIAL SUPPLIES	2,700	2,500		3,000	300	3,000	3,000
418	AWNINGS REPAIRS	9,500	8,000		10,000	500	10,000	10,000
420	PAINTING PROGRAM	71,240	75,000	15.82	78,000	6,760	80,000	85,000
421	STREET LIGHT	600	600		600	0	600	600
422	SHUFFLE BOARD CANOPY	0	0		0	0	0	0
424	TENNIS COURT RESURFACING	1,600	0		5,780	4,180	3,000	3,000
425	POOL CHAIRS/TABLES	4,500	4,500		4,500	0	4,500	4,500
427	RESTROOM ADA UPGRADE	0	0		0	0	0	0
428.1	INFRASTRUCTURE	30,186	5,000		10,000	-20,186	10,000	10,000
429	BENCHES REPLACEMENT	0	500		500	500	500	500
434	PETANQUECANOPY	0	0		0	0	0	0
477	PERGOLA	0	4,500		0	0	2,500	2,500
479	LIGHTS RETENTION POUND	0	0		14,500	14,500	0	0
	TOTAL:	680,760	586,800	140.60	693,276	12,516	692,100	718,600

DESCRIPTION	2023/2024 NON AUDIT	Y23/24 BUDGET	MONTHLY COST	Y24/25 BUDGET	VARIANCE TO 23/24 FORE	Y 25/26 FORECAST	Y 26/27 FORECAST
326 DEMOCRATIC PROCESS	0	0		0	0	0	0
435 NEW FOUNTAIN	0	0		0	0	0	0
450 CONTINGENCY	0	32,705	8.55	42,364	39,127	36,390	24,286
561 OFFICE FLOOD	0	0		0	0	0	0
TOTAL:	0	32,705	8.55	42,364	39,127	36,390	24,286

GRAND TOTAL EXPENSES:	2,420,565	2,531,540	536.80	2,647,500	226,935	2,751,140	2,890,236.0
SURPLUS OR -LOSS	-1,675	0	0	0	0	0	0

DESCRIPTION	2023/2024 NON AUDIT	Y23/24 BUDGET	MONTHLY COST	Y24/25 BUDGET	VARIANCE TO 23/24 FORE	Y 25/26 FORECAST	Y 26/27 FORECAST
RESERVES							
2510 ROOFS	75,000	75,000		166,000	91,000	166,000	166,000
2515 PAINTING	0	0		0	0	0	0
2530 ASPHALT	61,000	61,000		40,000	-21,000	40,000	40,000
2535 ASSURANCE DEDUCTIBLE	105,000	0		0	-105,000	0	0
2542 POOLS	5,000	5,000		5,000	0	5,000	5,000
2546 SPRINKLERS	4,500	4,500		4,500	0	4,500	4,500
2547 TV CABLE INFRASTRUCTURE	0	0		0	0	0	0
2545 WORKING CAPITAL	45,000	45,000		50,000	-45,000	0	0
2544 INTEREST REV. RESERVE	46,000	42,000		50,000	4,000	55,000	58,000
2550 INFRASTRUCTURE	10,000	10,000		10,000	0	10,000	10,000
TOTAL:	351,500	242,500	55.86	275,500	-76,000	280,500	283,500

10/6/2024
Andre Mongrain, President

2024 – 2025 RESERVES BUDGET COMMENTARIES

AND FORECAST FOR 2025 – 2026 AND 2026 – 2027

Per Florida Statutes, a separate report and a formal approval is required for reserve accounts. This year we hired a specialized firm to do an evaluation of our roof reserve, as we have expressed our concern in previous communications on the expected life of our roof and of the costs to replace our roof shingles. The study demonstrated that we needed to increase our contribution to roof reserves to have adequate funds for roof replacement.

We did not do other reserve valuations, like street paving which is our second largest reserve requiring funding contribution. This reserve can always be postponed, or the work can be spread over many years, doing damaged sections when repairs are necessary instead of the entire Waterside development at one time.

The first report produced by the firm showed that we needed to replace our roofs 4 years from now. This means that our shingle guarantee of 45 years will need to be replace after 22 years of installation. We discussed this with the firm, and they added 4 years, which will we still consider the low end. In addition, they did spread the work on a 3 financials exercise, which we modified. Still 3 years but different amount for each year. The attachments indicate the result. We are conservative in accepting the revised version of the study.

In order to achieve the cash requirement for the roof reserve we moved funds normally committed to street reserve and the working capital reserve to the roof reserve and adding \$25,000.00 in extra contribution to the roof reserve.

Remember that we are always at the mercy of the insurance providers, and if they say they will not provide coverage unless we replace the roofs, then we must replace the roofs, either by requiring a special assessment or borrowing money. This did happen to 2 associations in Hypoluxo last year, one of them resulted in a special assessment of \$24,000.00 per unit, the other Association did the required replacement. Currently for Waterside If THIS EVER HAPPEN, FOR EXAMPLE, BY NEXT MAY, we expect a special assessment close to \$2,000.00. If we increase contribution to \$166,000.00 per year, we should be in good standing as demonstrated in the attach chart.

When you compare the summary page from the roof consultant, you can notice that we contribute a bit less every year and are earning more interest revenue every year. We are using an interest percentage of 2.5%, where she is using just less than 1%. We also made change to the schedule of the work per year. In year one we spend \$739,468.00 or 29.4% of the expected total cost of \$2,513,454.00. In year two we spend \$1,109,433.00 or 43.9% of the of the expected total cost and in last year we spend \$664,553.00 or 26.7%. This work will go on for 18 months, to be negotiated with the selected roofing company.

In addition to the funds available from the roof reserve, we can either borrow funds if necessary or use funds from the working capital reserve, following an appropriate members resolution to allow such and then reimburse over time.

Andre Mongrain

President

10/7/2024

COMMENTAIRES SUR LE BUDGET 2024 - 2025 RÉSERVES

ET LES PRÉVISIONS POUR 2025 - 2026 ET 2026 - 2027

Conformément aux statuts de la Floride, un rapport distinct et une approbation officielle sont requis pour les comptes de réserve. Cette année, nous avons retenu les services d'une entreprise spécialisée pour évaluer notre réserve de toiture. Nous avons exprimé nos préoccupations dans des communications antérieures sur la durée de vie prévue de nos toits et les coûts de remplacement de nos bardeaux. L'étude a démontré que nous devons augmenter notre contribution aux réserves de toiture afin d'avoir des fonds suffisants pour le remplacement des toits.

Nous n'avons pas fait d'autres évaluations de la réserve, comme le pavage des rues, qui est notre deuxième plus grande réserve nécessitant une contribution financière. Cette réserve peut toujours être reportée, ou les travaux peuvent être étalés sur de nombreuses années, en faisant des sections endommagées lorsque des réparations sont nécessaires au lieu de l'ensemble du développement Waterside en même temps.

Le premier rapport produit par l'entreprise a montré que nous devons remplacer nos toits dans 4 ans. Cela signifie que notre garantie de bardeaux de 45 ans devra être remplacée après 22 ans d'installation. Nous en avons discuté avec l'entreprise, et ils ont ajouté 4 ans, ce qui nous permettra toujours de considérer cela comme le minimum. De plus, ils ont réparti le travail sur 3 exercices financiers, nous avons modifié la répartition. Toujours 3 ans, mais avec un montant différent pour chaque année. Les pièces jointes indiquent le résultat. Nous sommes conservateurs dans l'acceptation de la version révisée de l'étude.

Afin de répondre aux besoins de trésorerie pour la réserve de toit, nous avons déplacé les fonds normalement engagés dans la réserve du bitume et la réserve de fonds de roulement à la réserve de toit tout en ajoutant 25 000,00 \$ en contribution supplémentaire à la réserve de toit.

N'oubliez pas que nous sommes toujours à la merci des compagnies d'assurance, et s'ils disent qu'ils ne fourniront pas de couverture à moins que nous ne remplacions les bardeaux, alors nous devons remplacer les bardeaux, soit en exigeant une cotisation spéciale, soit en empruntant. Cela est arrivé à 2 associations à Hypoluxo l'année dernière, l'un d'eux a abouti à une cotisation spéciale de \$24,000.00 par unité, l'autre Association a fait le remplacement requis. Actuellement pour Waterside, Si CELA SE PRODUIT, PAR EXEMPLE, D'ICI MAI PROCHAIN, nous nous attendons à une cotisation spéciale de près de 2 000,00 \$. Si nous augmentons la contribution à 166 000 \$, nous devrions être en règle, comme le montre le tableau ci-joint.

Lorsque vous comparez le résumé du consultant en toiture, vous pouvez remarquer que nous contribuons un peu moins chaque année et que nous gagnons plus de revenus d'intérêts chaque année. Nous utilisons un pourcentage d'intérêt de 2,5 %, alors qu'elle utilise un peu moins de 1 %. Nous avons également modifié l'échéancier des travaux par année. Au cours de la première année, nous dépensons 739 468,00 \$, soit 29,4 % du coût total prévu de 2 513 454,00 \$. Au cours de la deuxième année, nous dépensons 1 109 433,00 \$ ou 43,9 % du coût total prévu et la dernière, nous dépensons 664 553,00 \$ ou 26,7 %. Ces travaux se poursuivront pendant 18 mois, qui seront négociés avec l'entreprise de toiture sélectionnée.

En plus des fonds disponibles à partir de la réserve de toit, nous pouvons soit emprunter des fonds si nécessaire, soit utiliser des fonds de la réserve du fonds de roulement, à la suite d'une résolution appropriée des membres pour le permettre, puis rembourser au fil du temps.

André Mongrain

Président

10/7/2024

ROOF RESERVE DATA MODIFIED FROM CONSULTING FIRM RELEASE (SEE SEPARATE ATTACHEMENT)

ROOF RESERVE CASH FLOW REQUIRED

<u>PERIOD</u>	<u>OPENING BALANCE</u>	<u>CONTRIBUTION</u>	<u>INTEREST EARNED</u>	<u>EXPENDITURE</u>	<u>ENDING BALANCE</u>
11/24 - 10/25	848,364	166,000	25,359	0	1,039,723
11/25 - 10/26	1,039,723	166,000	30,143	0	1,235,866
11/26 - 10/27	1,235,866	166,000	35,046	0	1,436,912
11/27 - 10/28	1,436,912	166,000	40,072	0	1,642,984
11/28 - 10/29	1,642,984	166,000	45,225	0	1,854,209
11/29 - 10/30	1,854,209	166,000	50,505	0	2,064,714
11/30 - 10/31	2,064,714	166,000	37,281	739,468	1,528,527
11/31 - 10/32	1,528,527	166,000	14,627	1,109,433	599,721
11/32 - 12/33	599,721	166,000	2,529	664,553	103,697
11/33 - 10/34	103,697	166,000	6,742	0	276,439
				<u>2,513,454</u>	

ACM 10/7/2024