

WATERSIDE VILLAGE OF PALM BEACH CONDOMINIUM ASSOCIATION INC.

**BOARD OF DIRECTORS BUDGET MEETING**

NOTICE IS HEREBY GIVEN, in accordance with the bylaws of the Association that the Board of Directors of the Association will hold a meeting for the approval of the upcoming year's budget and other subjects at the following date, time and place:

THURSDAY, OCTOBER 26, 2023 AT 7:30 PM. AT THE CLUBHOUSE AND VIA ZOOM (INFORMATION TO FOLLOW)

The order of business for the budget meeting of the Board of Directors shall be as follows:

**AGENDA**

1. CALL TO QUORUM
2. APPROVAL OF AGENDA
3. APPROVAL OF MINUTES OF THE BOARD MEETING HELD MARCH 8, 2023
4. APPROVAL OF MINUTES OF THE BOARD MEETING HELD JUNE 15, 2023
5. APPROVAL OF DIFFERENT CONTRACTS AWARDED SINCE MARCH 8, 2023
6. RESOLUTION FOR TRANSFER OF POSSIBLE OPERATING SURPLUS FOR FISCAL YEAR 2023/2024 TO THE ROOF RESERVE #2510
7. APPROVAL OF THE 2023/2024 OPERATING BUDGET.
8. APPROVAL OF THE 2023/2024 RESERVE BUDGET.
9. OWNERS' QUESTION PERIOD
10. ADJOURNMENT

Original signed by Michel Thivierge  
Secretary of the Association on 9/26/2023

## **BUDGET 2023-2024 COMMENTS**

The following are short comments on the 2023-2024 budget (from November 1<sup>st</sup>, 2023, to October 31<sup>st</sup>, 2024).

**Please keep up with upcoming email releases, the Budget meeting will be held on Thursday, October 26, 2023, at 7.30pm. Your Board has elected to hold the meeting at the club house. It will also be available via the internet using Zoom technology. Information on how you can join and the technical process you will need to follow will be published during the month of October.**

In total it is recommended that the monthly fee be raised from \$450.00 to \$545.00 a month for the coming fiscal year. It is from \$488.00 to \$545.00 if we prorate the special assessment of \$450.00 for the insurance over 12 months, which is equivalent to \$38.00 a month, if in October 2022 we would have figured out the magnitude of the insurance increase. Estimated budgets for the years 2024-2025 and 2025-2026 are for informational purposes only, the budget will be determined by the then Board of Directors. ***Remember that modifications can be made to the amount in each account depending on what situational changes may occur before the end of October. The increase of \$95.00 (\$545.00 less \$450.00) or \$57.00 (\$545.00 less \$488.00) if we take the special assessment into consideration. The total proposal of \$545.00 cannot change, if there is a reduction it will be invested in the reserve section.***

***The reason for the increase is due to many inflationary pressures, with the insurance increase (which will come to \$930,000.00) having the greatest impact, followed by salary cost increase for a total increase of \$ 77,497.00, by Water and Sewage cost increase of \$ 24,000.00. Also, the necessary increases to our reserve fund contributions and increases in other accounts due to the general inflation. We will describe the main increases in the various budget headings below:***

### **1. REVENUE**

Account 103 "Interest Income" are the interest earned on CD and Annuity; is simply the result of the increase in our investment level and the interest rate on our various investments.

Account 104 "Estoppel fee", we do estimate a reduction in the number of units sold, so far this year, 42 units did change hand and we estimate that there will be 12 of them in the next fiscal year.

Account 107 "Screening Fee" the increase from \$26,000.00 to \$ 39,000.00 is the result in the applicable Florida Statute law that modified the fee from \$100.00 to \$150.00 and the Board decision to charge on a per couple occupation, so each couple will be subject to the \$150.00 charge when processing a lease or a purchase application. This is necessary, as we see a substantial increase in occupation rate and the resulting double occupancy, which is very costly for the Association.

## **2. UTILITIES EXPENSES**

**When compared to the forecasted cost for the utilities expenses the increase is 7.8% and it is mainly due to the Water and Wastewater City of Boynton Beach increase.**

Account 200 "Electric" charges resulted in a substantial increase, from last year's budget of \$57,000.00. The budget for the year 2023/2024 represents an increase of 4.87% when compared to the current year average. We may be at risk for this expense.

Account 201 "Water and Wastewater", Since the city of Boynton close to no increase in 2022-2023 beside our own consumption, now they have their revenge. Fixed fee went up by 11% and consumption also by same percentage. We suppose that water is also claiming its own share of inflation, I can understand maintenance cost to go up, which is part of the fixed fee, it is harder to understand consumption. Now the fixed portion of our water and sewage costs represents 72% of total cost, consumption or not. Owners are asked to minimize their water consumption and check faucets and toilets for leaks.

Account 202 "Garbage and Recycling", per the Town contract term, Waste Management can increase their charge by 4% each year.

Account 204 "Cable TV", we did not forecast any modification for the coming year, first if there is a modification to our provision of TV or Internet it will only impact 2024-2025 and the future years. At the time of writing this memo, no decision were made on the subject, we will at time of budget meeting.

***This group of Utilities expenses account for \$104.97 of the monthly fee, compared to last year budget of \$96.30 and an actual of \$ 98.80.***

## **3. ADMINISTRATIVE EXPENSES**

**This group of expenses is up from 2022-2023 result of last year budget by 37.7% and by 18.6% from the expected actual for the current year.**

Account # 300 "Payroll Administrative" up from an actual of \$142,000.00 to a budget of \$200,000.00 for the upcoming budget. This include one more full-time employee; explanations will be provided during the budget meeting.

Account 310 "Insurance" indicates a forecast cost of \$930,000.00 for the 2023/2024 fiscal year. It is equivalent to an increase of 18.03% when compared to 2022/2023 result. **Remember that our insurance coverage goes from May to April. We still have some difficult hurdles to go over.**

Our total valuation now stands at \$53,000,000 and we have received an updated valuation report of 163 pages. Construction costs have gone up by 16% for the year 2022 and by a further 6% for the first 6 months of this year.

We will keep our owners posted on any development on the insurance front that may be significant for the Association and its owners. Increase is not at the end of the rope yet and we do not see any changes to the current trend for the next 2 years. We resolved the issue for 2 of the buildings and as soon as the corrections are completed by mid-November, we will be asking for a new mitigation report and file it with Citizens for a possible reduction of the premium.

*This group of administrative expenses account for \$283.08 of the monthly fee. Just for the insurance it is \$ 188.50.*

#### **4. MAINTENANCE EXPENSES**

*This group of Maintenance expenses account for \$118.57 of the monthly fee.*

In total, costs are at the same level as for the current fiscal year. When compared to last year's budget it is up by \$50,400.00 or 9.4%, mainly due to sprinkler (account 401), we now have a firm that do the maintenance and pest control (account 402), due to a surge in termite control.

Account #405 "Building Maintenance" remain a concern, with water infiltration and unit damage generating costly expenses. In addition, our aging infrastructure and buildings require increasing financial investments.

**Finally, the painting program for building 46, 23, 24, 27, 28, 29, 30 and 31 will go ahead, taking into consideration the cash flow required to pay the insurance premium.**

*The existence of account #450 "contingency" allows Waterside to be able to react positively to potential situations or obligations.*

#### **5. RESERVE COMPONENTS**

Please read a separate memo on this subject, as there is a specific item on the agenda for the Approval of the various reserves.

*Thanks for reading and watch for further information that will be released about the meeting process and if you can attend, please do so.*

Andre Mongrain President

Septembre 26, 2023

**WATERSIDE BUDGET FROM NOVEMBER 1ST 2023 TO OCTOBER 31ST 2024**  
**INCLUSIVE OF FORECAST FOR THE YEAR 2024/2025 AND 2025/2026**  
**USING AUGUST 31ST 2023 FORECAST PRIOR TO AUDIT**

<u>DESCRIPTION</u>	<u>2022/2023</u> <u>NON AUDIT</u>	<u>Y 22/23</u> <u>BUDGET</u>	<u>MONTHLY</u> <u>COST</u>	<u>Y 23/24</u> <u>BUDGET</u>	<u>VARIANCE TO</u> <u>22/23 FORC</u>	<u>Y 24/25</u> <u>FORECAST</u>	<u>Y 25/26</u> <u>FORECAST</u>
							665
<b><u>REVENUE</u></b>	<b>488</b>	<b>450</b>	<b>545</b>	<b>545</b>		<b>610</b>	<b>690</b>
NSF FEE	445	0		0	-400	0	0
100 ASSESSMENTS **	2,219,400	2,219,400		2,687,940	468,540	3,008,520	3,279,780
102 LATE FEE INCOME	2,000	1,200		1,200	-800	1,200	1,200
103 INTEREST INCOME	38,125	25,000		42,000	9,500	47,000	52,000
104 ESTOPPEL FEE	9,000	3,000		3,000	-5,250	3,000	3,000
106 ACCESS/GATE CARDS	2,300	400		400	-1,700	400	400
107 SCREENING FEE	26,000	23,000		39,000	13,000	39,000	39,000
108 MISCELLANEOUS INCOME	300	1,000		500	200	500	500
115 INSURANCE SPECIAL ASSESS	184,950	0		0	-184,950	0	0
RESERVE ACCOUNT	-188,500	-188,500	40	-200,500	-12,000	-210,500	-220,500
2544 INTEREST TO RESERVE	-38,125	-25,000		-42,000	-9,500	-47,000	-52,000
<b>TOTAL REVENUE</b>	<b>2,255,895</b>	<b>2,059,500</b>	<b>513.29</b>	<b>2,531,540</b>	<b>276,640</b>	<b>2,842,120</b>	<b>3,103,380</b>

**EXPENSES**

**UTILITIES**

200 ELECTRIC	62,000	57,000		65,000	3,000	66,000	67,000
201 WATER & WASTEWATER	217,000	215,000	<b>49.27</b>	243,000	24,000	270,000	285,000
202 GARBAGE & RECYCLING	88,000	87,000	<b>19.57</b>	96,500	8,500	100,400	104,400
203 PROPANE GAS	300	250		300	0	350	400
204 CABLE T.V.	104,000	104,000	<b>20.88</b>	103,000	-1,000	147,910	153,829
205 TELEPHONE	4,500	7,700		5,500	1,000	6,000	6,500
205.1 WIFI	4,200	4,000		4,400	200	4,400	4,600
	<b>480,000</b>	<b>474,950</b>	<b>104.97</b>	<b>517,700</b>	<b>35,700</b>	<b>595,060</b>	<b>621,729</b>

<u>DESCRIPTION</u>	<u>2022/2023</u> <u>NON AUDIT</u>	<u>Y 22/23</u> <u>BUDGET</u>	<u>MONTHLY</u> <u>COST</u>	<u>Y 23/24</u> <u>BUDGET</u>	<u>VARIANCE TO</u> <u>22/23 FORC</u>	<u>Y 24/25</u> <u>FORECAST</u>	<u>Y 25/26</u> <u>FORECAST</u>
<b><u>ADMINISTRATIVE</u></b>							
300 PAYROLL-ADMINISTRATIVE	142,000	135,000	<b>40.55</b>	200,000	58,000	207,500	215,000
301 PAYROLL-MAINTENANCE	75,050	96,000	<b>17.23</b>	85,000	9,950	100,000	106,000
302 PAYROLL TAXES	22,500	19,500	<b>6.08</b>	30,000	7,500	32,300	33,700
302.1 EMPLOYEE BENEFITS	6,457	7,000		6,500	43	7,000	8,000
304 SECURITY GUARDS	60,200	66,000	<b>12.57</b>	62,000	1,800	69,000	73,000
305 ACCOUNTING	25,000	26,000	<b>5.27</b>	26,000	1,000	27,000	28,000
305.1 BANK FEES	250	200		300	50	300	300
305.2 BAD DEBT	4,000	10,000		6,000	2,000	8,000	10,000
305.3 COLLECTIONS COST	1,000	2,500		1,500	500	2,500	2,500
306 AUDITING	5,800	6,500		6,200	400	7,500	8,000
307 LEGAL	8,800	2,500		3,500	-5,300	3,750	4,000
308 PROPERTY TAX	5,270	4,750		5,385	115	5,870	6,200
309 INCOME TAX	0	0		0	0	0	0
310 INSURANCE	787,879	603,000	<b>188.50</b>	930,000	142,121	1,097,000	1,294,500
310.1 INSURANCE CASH SHORT.	0	0		0	0	0	0
311 OFFICE SUPPLIES	1,200	1,200		1,400	200	1,500	1,600
312 POSTAGE & SHIPPING	800	850		900	100	950	1,000
313 LICENSES	2,523	2,500		2,600	77	2,600	2,700
314 TRAVEL & MILEAGE	450	300		450	0	450	450
315 MEETINGS & EDUCATION	300	300		300	0	300	300
316 SCREENING	6,000	7,000		6,000	0	7,000	8,000
317 ALARM SYSTEM	500	600		600	100	700	700
318 COMPUTER REPAIR/SERVICE	2,000	2,000		2,000	0	2,000	3,000
319 COPIER	4,200	3,800		4,200	0	4,200	4,200
320 JANITOR, WATER, MISC.	6,000	7,500		6,500	500	7,000	7,500
320.1 WEBSITE IMPROVEMENT	3,000	3,000		3,000	0	3,000	3,000
323 SOCIAL FACILITIES	6,000	6,000		6,000	0	6,000	7,000
	<b>1,177,179</b>	<b>1,014,000</b>	<b>283.12</b>	<b>1,396,335</b>	<b>219,156</b>	<b>1,603,420</b>	<b>1,828,650</b>

<u>DESCRIPTION</u>	<u>2022/2023</u> <u>NON AUDIT</u>	<u>Y 22/23</u> <u>BUDGET</u>	<u>MONTHLY</u> <u>COST</u>	<u>Y 23/24</u> <u>BUDGET</u>	<u>VARIANCE TO</u> <u>22/23 FORC</u>	<u>Y 24/25</u> <u>FORECAST</u>	<u>Y 25/26</u> <u>FORECAST</u>
<b><u>MAINTENANCE</u></b>							
400 GASOLINE	1,400	1,100		1,200	-200	1,200	1,200
401 SPRINKLERS	33,000	8,000	<b>6.49</b>	32,000	-1,000	32,000	32,000
402 PEST CONTROL	37,000	17,500		30,000	-7,000	30,000	30,000
402.6 MISC. MAINT.EXP.	2,500	2,000		2,500	0	2,500	2,500
403 GRASS CUTTING	101,640	101,640	<b>21.13</b>	104,200	2,560	110,000	115,000
403.1 FERTILIZATION-WEED-BUGS	20,000	27,000	<b>5.06</b>	25,000	5,000	27,000	30,000
403.2 HEDGE TRIMMING	54,000	43,560	<b>10.14</b>	50,000	-4,000	52,000	53,000
404 TREE TRIMING	18,000	32,000		25,000	7,000	25,000	25,000
404.2 NEW TREES & BUSHES	20,000	35,000	<b>4.06</b>	25,000	5,000	23,000	20,000
405 BUILDING MAINTENANCE	102,000	85,000	<b>18.25</b>	90,000	-12,000	95,000	100,000
406 FENCE, SIDEWALK, SIGNS	19,000	13,000		15,000	-4,000	17,000	20,000
406.1 DIRT, SODS & MULCH	10,000	15,000		11,000	1,000	13,000	15,000
407 SECURITY GATE EXPENSE	16,000	5,000		10,000	-6,000	10,000	10,000
407.1 MAJOR GATES EXPENSES	0	0		0	0	0	0
408 CAMERA & VIDEO EXP.	2,500	5,000		5,000	2,500	5,000	5,000
409 PLUMBING EXP.	5,000	2,000		5,000	0	5,000	5,000
410 ELECTRICAL EXP.	4,500	3,000		5,000	500	5,000	5,000
411 POOL SUPPLIES & REPAIR	31,500	25,000	<b>6.49</b>	32,000	500	34,000	36,000
411.1 POOLS MAJOR REPAIRS	0	0		0	0	0	0
412 STREET MAINTENANCE	14,000	10,000		10,000	-4,000	5,000	5,000
413 UNIFORMS	300	300		300	0	300	300
414 GOLF CARTS/GROUND EQUIP.	2,300	1,500		2,000	-300	2,000	2,000
415 LOCKSMITH	2,000	300		500	-1,500	500	500
416 FIRE SAFETY	5,500	5,500		5,500	0	6,000	6,500
417 JANITORIAL SUPPLIES	2,000	2,500		2,500	500	3,000	3,000
418 AWNINGS REPAIRS	5,000	10,000		10,000	5,000	10,000	10,000
420 PAINTING PROGRAM	74,150	75,000	<b>15.21</b>	75,000	850	80,000	85,000
421 STREET LIGHT	600	500		600	0	600	600
422 SHUFFLE BOARD CANOPY	0	0		0	0	0	0
424 TENNIS COURT RESURFACING	100	0		0	-100	0	0
425 POOL CHAIRS/TABLES	2,500	2,500		2,500	0	2,800	3,000
427 RESTROOM ADA UPGRADE	0	0		0	0	0	0
428.1 INFRASTRUCTURE	0	5,000		5,000	5,000	5,000	5,000
429 BENCHES REPLACEMENT	0	500		500	500	500	500
434 PETANQUE CANOPY	0	0		0	0	0	0
477 PERGOLA	0	0		2,500	2,500	2,500	0
479 LIGHTS RETENTION POUND	0	0		0	0	0	0
	<b>586,490</b>	<b>534,400</b>	<b>118.57</b>	<b>584,800</b>	<b>-1,690</b>	<b>604,900</b>	<b>626,100</b>

<u>DESCRIPTION</u>	<u>2022/2023</u> <u>NON AUDIT</u>	<u>Y 22/23</u> <u>BUDGET</u>	<u>MONTHLY</u> <u>COST</u>	<u>Y 23/24</u> <u>BUDGET</u>	<u>VARIANCE TO</u> <u>22/23 FORC</u>	<u>Y 24/25</u> <u>FORECAST</u>	<u>Y 25/26</u> <u>FORECAST</u>
326 DEMOCRATIC PROCESS	7,794	0		0	-7,794	0	0
435 NEW FOUNTAIN	9,500	0		0	-9,500	0	0
450 CONTINGENCY	0	36,150		32,705	32,705	38,740	26,901
561 OFFICE FLOOD	5,000	0		0	-5,000		
	<b>22,294</b>	<b>36,150</b>	<b>6.63</b>	<b>32,705</b>	<b>10,411</b>	<b>38,740</b>	<b>26,901</b>
<b>GRAND TOTAL EXPENSES</b>	<b>2,265,963</b>	<b>2,059,500</b>	<b>513</b>	<b>2,531,540</b>	<b>263,577</b>	<b>2,842,120</b>	<b>3,103,380.0</b>
<b>EXPENSES OVER REVENUE</b>	<b>-10,068</b>	<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<u>DESCRIPTION</u>	<u>2022/2023</u> <u>NON AUDIT</u>	<u>Y 22/23</u> <u>BUDGET</u>	<u>MONTHLY</u> <u>COST</u>	<u>Y 23/24</u> <u>BUDGET</u>	<u>VARIANCE TO</u> <u>22/23 FORC</u>	<u>Y 24/25</u> <u>FORECAST</u>	<u>Y 25/26</u> <u>FORECAST</u>
<b>RESERVES</b>							
2510 ROOFS	58,000	58,000		75,000	17,000	80,000	85,000
2515 PAINTING	0	0		0	0	0	0
2530 ASPHALT	61,000	61,000		61,000	0	61,000	61,000
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	5,000	5,000		0	-5,000	0	0
2545 WORKING CAPITAL	45,000	45,000		45,000	0	50,000	55,000
2544 INTEREST REV. RESERVE	32,500	25,000		42,000	9,500	47,000	52,000
2550 INFRASTRUCTURE	10,000	10,000		10,000	0	10,000	10,000
	<b>221,000</b>	<b>213,500</b>	<b>49.17</b>	<b>242,500</b>	<b>21,500</b>	<b>257,500</b>	<b>272,500</b>

**20-Sep-23**

Andre Mongrain President

## **COMMENTS ON FUTURE MAJOR REPAIRS AND REPLACEMENTS RESERVE 2023/2024**

As mandated by the Florida Statutes, Waterside does contribute on a yearly basis to the funding of its various reserves. Some are specified in the Statutes, and Waterside does contribute to additional ones like the Working Capital reserve. This one is necessary to fund the short fall at time of payment of our insurance, that runs from May 1<sup>st</sup> to April 30, it is mid fiscal year. With this reserve we can cover a portion of the last 6 months of our fiscal year.

The roof reserve is for the replacement of 300,000 square feet of shingles. The Association is using 10 years as the life expectancy of our roof and the mitigation report does state a 7-year life expectancy as agreed in our last insurance negotiation, we are within range. There is always a concern that the insurance company does refuse those estimates and force Waterside to replace its roofs sooner. One nearby association was forced to do so last year even if a contractor and a mitigator firm stated that their roofs were in good condition, we need to prepare for this eventuality.

The asphalt reserve is a substantial one. Our total square footage of road and parking spaces is 356,000 square feet. We do have some latitude in the life expectancy of our roadways, and we do maintain them in fair condition. We would like to accelerate crack repairs, and if we have some available funds or even use funds from the asphalt reserve, we will hire a company to do so and extend the expected life of our road.

By the end of October 2024, our reserve should be over \$2,109,000.00 most of it invested in CD and annuity.

Thanks for reading,

Andre Mongrain, President

September 26,2023

**FUTURE MAJOR REPAIRS AND REPLACEMENTS RESERVE 2023/2024**

<u>RESERVE ACCOUNT</u>	<u>BALANCE</u> <u>10/31/2022</u>	<u>2022/2023</u> <u>TRANSFER</u>	<u>2022/2023</u> <u>ADDITIONS</u>	<u>BALANCE</u> <u>10/31/2023</u>	<u>2023/2024</u> <u>TRANSFER</u>	<u>2023/2024</u> <u>ADDITIONS</u>	<u>BALANCE</u> <u>10/31/2024</u>
ROOFS	602,729	5,853	58,000	666,583	13,898	75,000	755,481 A
PAINTING	54,879	533	0	55,412	1,155	0	56,567
ASPHALT	380,128	3,790	61,000	444,918	9,276	61,000	515,194
POOLS	91,724	891	5,000	97,615	2,035	5,000	104,650
AWNING	83,572	812	0	84,384	1,759	0	86,143
SPRINKLERS	78,005	758	4,500	83,263	1,736	4,500	89,499
TV INFRASTRUCTURE	92,073	894	5,000	97,967	2,043	0	100,010 A
INFRASTRUCTRE	10,000	97	10,000	20,097	419	10,000	30,516
WORKING CAPITAL	231,122	2,244	45,000	278,366	5,804	45,000	329,170
INTEREST	15,872	-15,872	38,125	38,125	-38,125	42,000	42,000
	<u>1,640,105</u>	<u>0</u>	<u>226,625</u>	<u>1,866,730</u>	<u>0</u>	<u>242,500</u>	<u>2,109,230</u>

NOTE A: IN 2024/2025 TV INFRASTRUCTURE WILL

RECEIVE \$2,043 OUT THE \$42,000 AND ROOFS WILL GET \$15,349 OUT OF THE \$42,000.00 INTEREST  
THIS WILL BRING THE TOTAL OF THE TV INFRASTRUCTURE TO \$101,739 WICH WILL THEN BE TRANSFERRED TO ROOFS  
THE ROOFS TOTAL WI LL BE \$ 870,519. ( \$753,4 431 + \$101,739 + \$15,349)

NOTE THESE FIGURE ARE ESTIMATE AS THE INTEREST REVENUE ARE NOT AUDITED FIGURE FOR 2022/2023/2024

IF FORECAST FOR YEAR 2024/2025 AND 2025/2026 ARE USED WE WILL HAVE IN RESERVE OVER \$2,634,000.

ACMONGRAIN SEPTEMBER 26, 2023