

10.22.2025

Lake Tarpon Sail & Tennis Club Common Elements Meeting: Budget Planning and Reserve Analysis

Attendees:

- 'Trixi Emdem Vice President', 'John Haverty Treasurer', "Barry Case Secretary", "John Verdaasdonk Director at Large', Andrew George & Kriseten Marchese, CAM, Ameiri-Tech Property Management

Meeting started at 6:00pm

The group conducted a detailed budget working session to reconcile operating expenses and reserve planning, focusing on insurance, utilities, contracts, and capital reserve allocations. They produced provisional totals while flagging open items—particularly insurance and reserve-study alignment—that require follow-up before finalizing association contributions.

Initial Review of Major Cost Drivers

Participants opened by framing the year's cost pressures and identifying high-impact items before the line-by-line review. They acknowledged generally increased expenses, noting unit maintenance changes and association-related fees. Tree work was highlighted: a bid of 2,200 for a bottlebrush and two oaks behind a house was discussed, with a scenario where total spend could reach 3,000 if additional work (lifting trees and removing one tree) is pursued. Insurance was identified as a central driver: they discussed ranges of 40,000 to 45,000 to ensure coverage, with present indications closer to 43,000. An agent believes beating 40,000 may be possible and suggested comfort with a 5,000 figure in a specific context (the phrasing was unclear), prompting the group to hold a cautious position until new quotes and coverage details are

confirmed. A note was made to average costs (including sprinkler and tree trimming) carefully, given variability and timing across months.

Line-by-Line Review of the Operating Budget

The team proceeded through operating items, balancing historical spend with expected increases and vendor realities:

- General maintenance: Acknowledging typical contractor increases of 3%–15% and uncertainty about vendor continuity, they opted to split differences and set maintenance at 7,500 (after considering interim figures like 7,000 and 7,712).
- Division fees: Rounded to 60 (from 61).
- State dock fees (Lake Tarpon dock permit): Although expenditures this year were closer to 1,000 (one early payment of under 900 and another renewal in June/July around 1,000), the group kept the budget at 2,000 to protect against an additional payment or related charge they could not verify yet.
- Fire safety: Fire extinguishers are on ~2.5-year cycles. The group kept a 1,000 buffer in operating for small safety-related replacements (e.g., extinguishers, detectors), preferring not to draw 600 from reserves for minor items.
- Gym maintenance: Held at 350 due to lack of a formal maintenance contract and minimal historical data.
- Irrigation: A constant contract is in place and trending a bit lower. The discussion referenced a recent contract (Sainz) under common elements; operating retained a small general allowance for incidental common needs (e.g., benches).
- Landscaping/weed control: Weed Busters raised rates by 20% last year and another 20% mid-year this year. The group recognized limited vendor options and the likelihood of higher projected costs through year-end, noting the need to budget monthly contributions (Line E) accordingly and the frustration of not being able to shop competitively.
- Janitorial services: Included a 5% increase.
- Electric (Duke): Added a 4% contingency.

- Trash collection: Unclear ownership and invoicing. The team believes trash is not included with water/sewer; they suspect a plan set up by a prior manager with invoices not currently being received. The clubhouse reportedly pays for a third pickup, but the association is not receiving invoices. Pending clarification, trash was temporarily set to 0.
- Water/Sewer: Prior figures suggested 26,000 for common elements, but analysis of actual bills and reimbursements yielded a more accurate 5,500 figure. The team explicitly rejected prior data as inconsistent and relied on hard numbers and recalculated math.

Several ancillary topics surfaced during this review, including contract timing, safety liabilities, and practical buffers to avoid overdrawing reserves for small repairs.

Analysis of Reserve Funds and Capital Projects

The group focused on transitioning from legacy line-item reserves to pooled reserves. They discussed using funds promptly to clear remaining line items, then relying on pooled reserves thereafter. They also explored timing strategies: for example, temporarily drawing from the seawall reserve early in the year and planning for up to 12 months to repay within the same budget year if needed. “What’s currently in your seawall is there” was noted, yet financial visibility remains inconsistent in the current reports.

They reviewed the reserve analysis drawn from prior work (“Frankie” last year), acknowledging special assessments and querying whether seawall and retention allocations are sufficient. Some uncertainty persists: statements suggested reserve studies every three years in one part of the discussion, and “you can get away with every five years” in another—highlighting a need to reconcile policy and practice. They agreed an appraisal for insurance is needed every three years, and confirmed the clubhouse appraisal was recently done, implying reduced immediate need for another

appraisal but planning a larger appraisal update (~6,000) in the following cycle. The current year's appraisal was described as "paper," with no engineering study implied.

Reserve funding levels were examined against the recommended reserve study: this year's spending was 212,000, with a proposed 224,000 next year. They discussed increasing a reserve contribution to 36,000 from 23,000 (adding 6,000 relative to a referenced baseline). Topics slated in the reserve plan include:

- Windows: First replacement set projected at 24,000 in 2030; a question was raised about window spend toward the end of last year.
- Stucco: Walls/stucco paint finishes at 16,000 in 2027; current wall work underway now should be pulled out from future projections to avoid overfunding duplicative items.
- Air units: Noted for 2028.
- Seawall/bulkhead wood replacement: Terminology at the marina was mentioned; clarity is needed.

Overall, the team stressed that reserve allocations must reflect projects already underway (e.g., wall work now), and they should adjust projections accordingly when reconciling the reserve study with actuals.

Final Budget Reconciliation and Open Issues

The spreadsheet reconciliation phase revealed several formula errors and placement issues. Insurance was shown at 36,000 in the sheet, with the team emphasizing that this remains flexible pending research and agent consultation. The total expenses calculated to 178,000, and at one point the total with 36,000 was shown as 178,200 (placement correction flagged). Calculated revenue was 164,400. The group confirmed that formulas should reflect total expected expenses cascading properly to each association. A per-association figure was discussed (e.g., "46 because there's two points," though the remark lacked context and requires review).

They recognized that they cannot finalize certain lines until open items—especially insurance and reserve numbers—are clarified. Trixie’s current contribution (based on the working figures) would be 1,084. Highlands One is contributing 29,500 this year; the draft budget puts Highlands One at 33,323. Prior to this year, payments were monthly; Andrew will look up historical monthly amounts to inform planning. The group closed the meeting acknowledging that updated insurance inputs (and potential premium reductions from recent appraisal and completed projects like windows) could materially improve the final budget.

Action Items

Andrew

Look up historical monthly contribution amounts prior to this year to benchmark current figures - No due date specified

Confirm existence and timing of the latest reserve study; provide the document if available (discussion referenced “every three years” while another comment suggested “every five years”) - No due date specified

- Unidentified Speaker (facilitator/accounting role)

Contact Desiree to clarify trash service arrangements, pickup schedules (including the clubhouse’s third pickup), and why invoices are not being received; determine correct account/association attribution - No due date specified

Save the updated budget workbook with all in-meeting changes so participants can access the latest version - No due date specified

Correct all spreadsheet formulas and placements (e.g., insurance line, totals, cascading per-association allocations) - No due date specified

Make reserve numbers fully visible and traceable in the financials (ensuring pooled vs. prior line-item clarity) - No due date specified

Consult with the insurance agent to reassess premiums, validate assumptions (40,000–45,000; current ~43,000), and advise on potential

reductions due to recent appraisal and completed scope - No due date specified

Review appraisal timing and requirements for the clubhouse to align insurance documentation (recent appraisal on file; next comprehensive update targeted in the following cycle at ~6,000) - No due date specified

Adjust reserve projections to remove items already being done now (e.g., current wall/stucco work) so future-year contributions are not overstated - No due date specified

- Meeting Administration

Close out the meeting (completed during session) - Completed