



HAMMOCKS UPDATE

Fall 2019

<http://www.hammockscapehaze.net/>

ARE THESE MORE SNOWBIRDS?!



We are fortunate to have so many beautiful birds visit the Hammocks. The osprey was spotted checking out the Hammocks' osprey nest in the corner vacant lot near villas. There are at least two bald eagles who enjoy sunning themselves on the roof of 10501 Amberjack Way. There are these other birds, too but maybe the kind only a mother would love?



IMPORTANT!! OWNERS TO VOTE ON POOLING RESERVES

The Florida Condominium Act¹ requires a condo association to produce both a *reserve budget* and an *operating/maintenance* budget annually. The *operating budget* (also called maintenance budget) covers day-to-day costs for running the association, including items such as management contracts, landscape maintenance, pool supplies, electricity, cable TV and Wi-Fi, etc. The law requires *reserve funds* to be set aside for roof replacement, paving, painting, and any other item of association responsibility with a replacement cost or deferred maintenance expense of \$10,000 or more.

During the January 29, 2020 Hammocks Owners' Meetings, both the Hammocks Master and Preserve Associations' Boards of Directors² are recommending owners vote to change the accounting method for computing reserve funds from the *straight-line method* to the *pooling method*. Based on new data from reserve studies conducted in 2019, both associations will require dramatic increases in monthly assessments if continuing to use the straight-line accounting method to compute reserves. Changing to the pooling accounting method, however, will negate the large increases. Using the *fully-funded straight-line method*, the 2020 monthly association fees could increase by \$70 for the Master Association and by \$160 for the Preserve Association! However, using the recommended *pooling method*, the Master reserve fees will increase by \$2 and the Preserve will increase by \$8 per month. (For those of you who are adding up your monthly increase, the total *proposed* increase for Preserve owners for both operating/maintenance budget and reserves budget is \$17. The increase for the Villas Association owners will be \$17 for their combined budgets.)

Why Is there An Increase? Over the years, annual reserve budgets for the three Hammocks associations have been based on the first Hammocks' reserve studies³, which were put into effect in 2014. Over the years, subsequent reserve studies have added additional items requiring reserve funding and have increased replacement costs for a number of components.

What is the Difference between Straight-Line and the Pooling Accounting Methods?

Many Florida condo associations have changed to the pooling method over the last decade after the State of Florida Division of Florida Condominiums, Timeshares, and Mobile Homes, Rules 61B-22.003 and 61B-22.005 of the Florida Administrative Code (amended in 2002) were changed to allow associations to establish *pooled* reserve accounts instead of, or in addition to, *individual* reserve accounts. This means that an association may have a single source of funds to pay for multiple categories of reserve expenses. For example, if an association establishes a pooled reserve account for roof replacement, painting, and paving, funds may be drawn from this account to pay for any of those items. Prior to the change in the rules, associations were required to maintain *separate* accounts (the straight-line method) for each of reserve item and approval from the membership would be required in order to use funds from one category to pay for another.

¹ Chapter 718.112(2)(f)

² The Villas Association Reserve Budget contains only two items so that pooling is not helpful.

³ What is a Reserve Study? It is considered good practice for condominium associations to hire companies specializing in conducting reserve studies to provide an analysis of the basic components owned by the association. Components often include roads, roofs, painting, swimming pool, elevators, security systems, fences, electronic entry gates, as well as any component of \$10,000 or more that will require deferred maintenance or future replacement. The reserve study is also a complete inventory of components owned by the association.

Pooling requires using a financial calculation (formula) to ensure the association has the amount of reserve funds needed for necessary deferred maintenance (e.g., painting) and to replace required components (e.g., pool motors) in any given year. The calculation results in a lower contribution amount from owners while ensuring cash is available when needed.

When considering reserve funds, it is important to remember that all the Associations have accumulated funds over the years. At the end of 2019, the Master Association will have \$287,000 in reserve accounts; the Preserve Association's reserve accounts will have \$853,000 on hand; and the Villas Association will have accumulated \$180,265.

To learn more about the pooling method, see <https://beckerlawyers.com/procedure-to-convert-to-pooled-reserves/>

JOIN A HAMMOCKS BOARD

We need your help! Please consider volunteering to serve on one of the three Hammocks associations boards of directors! Every Hammocks' owner is eligible to be a Master Association Board member; the Villas owners qualify for their Association's Board and the Preserve Association owners qualify for their Board. This is your opportunity to make an impact on our lovely community. Every Board has openings waiting for you!

There will be a mailing at the end of November announcing the January 29, 2020 Annual Owners' Meetings. The information will also include a form for owners to submit their intention to run for the Board. There is a real need for YOU to step up!! Your time will be appreciated.

The owners who serve on these boards generally have no condominium board experience. However, they quickly realize there is an abundance of information and help at hand to assist them with their work. Additionally, when the board is filled to its proper level, the work is shared by many. Also, some may feel because they are seasonal owners, they would not be able to contribute. With today's technology ~ Skype, teleconferencing ~ it is really quite easy.

UPCOMING MEETINGS

December 4, 2019 Boards of Directors Annual Budget Meetings: Owners are encouraged to attend the December 4 Master, Villas, and Preserve Associations' Boards of Directors Meetings. This is your opportunity to discuss the Proposed 2020 Budgets, provide input to Boards and ask questions. The budget and agenda for all three associations have been mailed to all owners. If you have not yet received your budget/agenda, please contact Lynn Lakel **email** lynn@sunstatemanagement.com

January 29, 2020 Annual Owners' Meetings: The Annual Owners' Meetings are scheduled for Wednesday, January 29, 2020 at 3:00 PM. The purpose of these meetings is to elect new members of the Boards of Directors, vote on presented issues, discuss events of the past year, and answer questions of the owners. More information about the meeting, including a form for members to volunteer to be candidates for one of the Boards will be mailed by the end of November. Please contact Lynn Lakel or a Board member for questions.

HAMMOCKS HAPPENINGS

Board Budget Meetings - December 4

Master Association	10 A.M.
Villas & Preserve Board	Following Master

Annual Owners' Meetings - January 29, 2020

Master Association	3 P.M.
Preserve and Villas	Following Master Meeting

Regular Board Meetings

Preserve Board	3 rd Wednesdays, 9 a.m.
Master Board	3 rd Wednesdays, 11 a.m.
Villas Board	As needed

Note: Boards may cancel meetings when they have no business before them.

Mahjong	Clubhouse, Fridays, 1 p.m.
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Friday Evening Socials 5-7 p.m.	November 22; December 6, & 20; January 3, 17, & 31; February 14 & 28; March 13 & 27; April 10 & 24; May 8 & 25 (Memorial Day)
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Office Hours and Contact Information

Hammocks Office Weekdays

Wednesday: 8:00 a.m. - 11:00 noon

Non-emergency Issues: Complete a Work Order or Contact Sunstate Management's Staff

Contact Sunstate: Phone 941-870-4920 -- Available 8:30 - 4:30 M-F OR email lynn@sunstatemanagement.com

Nights/Weekends or Emergencies - 24/7: Phone 941-870-4920

Questions? Contact a Board Member

(Contact Info at <http://www.hammockscapehaze.net/>)

The *Hammocks Update* is developed by Carolyn Maddy-Bernstein and Debbie Maysack. Please contact Carolyn if you have any comments or suggestions. (434-996-6033; hcmaddybernstein@gmail.com)