



HAMMOCKS UPDATE

Budget Edition, November 2020

<https://www.hammockscap haze fl.com>

Tis the Budget Season at the Hammocks!

The Hammocks Cape Haze is governed by three associations: The Master, Preserve and Villas. The major function of the associations' Boards of Directors is to develop an annual budget for their associations.

The process for each board to develop and approve an annual budget is driven by Florida statute. The proposed budgets must be mailed to owners 14 days prior to the annual budget board meeting when boards vote on the budget. Receiving the budget in advance of the meeting provides owners the opportunity to review the budgets, discuss them with board members, and develop questions for the annual owners' meeting. Unfortunately, the pandemic has triggered board meetings via Zoom this year, which limits open discussion. Thus, this article is meant to help owners understand the budget more extensively in advance of the meeting. *Owners are encouraged to submit* questions, prior to the meeting, to allow board members to address those issues up front. Most likely, several people will have the same question. There will be opportunity for additional questions during the meeting. **Please email written questions about any of the three budgets to Kathy Dressel, propertymanager@hammockscap haze net. She will forward the questions to the appropriate board members.**

Board Governance and Budgets

Master Association: All 162 units belong to Master Association. The Master oversees all the grounds, facilities (clubhouse, fitness center, pump house, tennis courts), and staff.

Preserve Association: Consists of 134 units (83% of all units/pays 83% of Master Budget). The Preserve Association oversees the 13 buildings that house condominiums.

Villas Association: Consists of 28 units (17% of all units/pays 17% of Master Budget). The Villas Association oversees the 28 villas located in the seven villas buildings.

The owners' fees include the Master costs plus the costs of the association where the unit is located.

2021 Budgets: The Master and Preserve Associations gave preliminary approval to their 2021 budgets in early November and their budgets have been mailed to all owners for their review and comments. The Villas' preliminary budget has been mailed to owners although their Board has not yet given the budget preliminary approval.

All boards will meet December 1, 2021 to approve their budget. **See p. 5 for meeting times.**

Preserve owners will receive a budget packet (by mail) containing *two budgets*: The Master budget and the Preserve Association budget. The Villas owners will also receive a budget packet (by mail) containing two budgets: The Master and the Villas budgets.

For owners to understand their total annual/monthly assessment, owners need to review *both* the Master budget and the budget for their association (either Villas or Preserve, depending on where their unit is located). While the Master budget is presented separately from the Preserve and Villas budget for owners' review prior to the final budget vote, each association incorporates the commons allocation (i.e., Master costs) into their budget.

Master Association 2021 Budget Compared to 2020

TOTAL EXPENSES	2020	2021
Total Operating Expense	606,920	648,686
Total Reserves	50,544	50,544
TOTAL OPETATING + RESERVES	657,464	699,230
UNIT ASSESSMENT - MONTHLY		
**Maintenance (Operating)	\$ 312	\$ 334
**Reserves	\$ 26	\$ 26
TOTAL	\$ 338	\$ 360
** The Master Budget is incorporated into the Preserve and Villas Budgets		
Fees presented above are based on 162 units, 12 monthly payments		

Master 2021 Budget Increases

The Master Board found costs are higher this year in several areas largely due to increases beyond the Board's control, either by contract increases or by increase in utilities. Some of the increases include:

- Grounds: The Hammocks maintenance contract with ArtisTree Landscape Maintenance & Design increased by \$12,000 to \$80,000 annually. However, the next bid was over \$130,000!! Two other landscape companies decided the job was too big.
- Administration: Increases in the management company contract, payroll, accounting fees, and office expenses.
- Insurance: Both property and flood insurance have increased premiums.
- Utilities: Cable TV/Wi-Fi and Water/Sewer both have sizable increases this year. Cable/Wi-Fi is under contract and is still a bargain; Hammocks water/sewer costs are at the mercy of the utilities company.

NOTE: Insurance is one of the largest costs to all three Hammocks associations. Those costs are becoming increasingly expensive due to insurance companies' payments for the extraordinary number of forests fires, storms, and other natural disasters worldwide. The 2021 expenses included in the three proposed association budgets are based on the Hammocks insurance broker's estimates for the coming year. Unfortunately, the actual premiums will be announced near the end of December, too late to be included in the 2021 budget and premiums may increase in January.

What Do Your Master Association Fees Buy?

The Master Association pays for myriad homeowners' costs. An overview of the 2021 costs include:

- **Cable TV/Wi-Fi** - \$80 monthly per owner. (Costs are around \$200 monthly for the same services if paid individually)
- **Staff** (office/maintenance/janitorial); **legal** advice; regulation **fees**; **website**; and **management company** to oversee accounting, collections, and operations - \$71/month
- **Garbage/recycling** costs - \$11/month
- **Water/Sewer** - \$48/month
- **Building Maintenance** including pest control for the property *and* once a year in unit service (more, if needed) - \$4/month; Security Cameras \$.26; building repairs \$8/month
- **Grounds Maintenance** Entry gates; irrigation; refurbishing plantings as needed; mowing; trimming trees and bushes; storm cleanup; pond maintenance; preserve maintenance; etc. - \$79/month
- **Building maintenance** of clubhouse, pumphouse, fitness center, and gatehouse - \$9/month
- **Pool service and maintenance** - \$5/month
- Flood and property **insurance** on the Master facilities - \$17/month

Preserve Association 2021 Budget Compared to 2020

The Preserve Association is located on the preserve/wetland area bordering Lemon Lake. And oversees the 13 Preserve buildings with their 134 condo units. The Association is responsible for the exterior areas of the buildings while owners are responsible for the interior of their units only, "from the paint in."

There are basically 3 parts to the Preserve Association budget: 1) Day-to-day operating costs; 2) Reserve funds for roof replacement, painting, structural repairs, and elevator replacement; and 3) Preserve owners' share of the Master Association budget.

Preserve Assoc Costs	2020	2021
Total Operating Cost	333,704	353,874
Total Reserve	151,152	155,976
Total Preserve Cost	484,856	509,850
Preserve Assoc Portion of Commons (Master Assoc) Budget	2020	2021
Total Portion of Master Operating	502,020	536,992
Total Portion of Master Reserve	41,808	41,808
Total from Master Association	543,828	578,800
TOTAL EXPENSE + RESERVES	1,028,684	1,088,650
MAINTENANCE	546	580
RESERVES	94	97
TOTAL	640	677
<i>Fees presented above are based on 162 units, 12 monthly payments</i>		

What Does Your Preserve Association Fees Buy?

The lion's share of the Preserve Association fees pays for property and flood insurance (\$113 month per unit) and the commons (Master Assoc) allocation (\$360 month). In addition, the Association pays for monitoring fire alarm system, background checks for new renters and owners, and management fees. The major portion of the 2021 increases came from insurance premiums and Master Association costs.

Villas Association 2021 Budget

The Villas Association oversees the buildings housing the 28 villas units. The Villas Association budget is less complicated than the Master and Preserve due to their small number of units. Traditionally, the common allocation (i.e., Master Association costs) comprise over half of the Villas Association budget, with their building insurance and reserve funds being the other major components. Their reserve fund has only two items: replacing roofs and painting.

Villas Association Allocation		2020	2021
Total Operating Allocation		62,764	71,618
Total Reserve		25,200	25,200
Total Villas Allocation		87,964	96,818
Villas Portion of Commons (Master Assoc) Allocation		2020	2021
Total Portion of Master Operating		104,900	112,224
Total Portion of Master Reserve		8,736	8,736
Total from Master Association		113,636	120,960
TOTAL EXPENSE + RESERVES		201,600	217,778
MAINTENANCE		499	547
Reserves - Villas		75	75
Reserves - Master		26	26
TOTAL		600	648

Fees based on 28 units, over 12 months

MARK YOUR CALENDARS! IMPORTANT OWNERS' MEETINGS

There are several upcoming meetings of special importance to owners. In particular, the January 26 annual owners' meetings require a quorum of owners to be present *in person OR by proxy* in order to conduct business.

IMPORTANT!! PLEASE RETURN PROXIES BEFORE THE JAN 26 MEETINGS!

In late December, you will receive *two* packets of information and each packet will include a *proxy* for the two January 26, 2020 Owners' Meetings: one for the Master Association where all owners are members and one for *either* the Preserve Association or Villas Association, depending on where your unit is located. *A quorum is required by state statute for a condominium association to conduct business.* This year, the three associations will meet via Zoom so the proxy must be received prior to the meeting time for you to be counted to make a quorum. You will receive more information about the meetings and how to complete and return the proxies within the next 60 days.

~ All Meetings Via Zoom ~

Tuesday, December 1, 2020 Board Meetings to Approve 2021 Budgets

9 AM - Master BOD 10 AM - Preserve BOD Villas BOD – To be Announced

Boards to vote to approve 2021 Budgets

Tuesday, January 26, 2021: Owners' Annual Meeting

9 AM - Master BOD 10 AM - Preserve BOD 1 PM - Villas BOD

Call for Board Members

The first notice of the 1/26/2021 Owners' Meeting will be mailed the last week in November. It will include a **call for candidates** to run for each of the three Associations' Boards.

The Master and Preserve Associations' have two two-year openings.

The Villa's has five one-year openings.

Please consider running for one of the Boards. This is an opportunity for residents to become involved in the community, meet new people, and contribute to the community's growth. Whether you are new or a longtime owner, please consider serving on a board. Watch for the mailings and notices on *OneCallNow*.

Candidate cutoff date is **December 17, 2020, by 3 p.m.**; candidate information sheet due **December 22, 2020, by 3 p.m.**

If interested and have questions, contact a current board member to answer your questions. The Master Association is presenting amended and revised governing documents (Declarations, Articles of Incorporation, and Bylaws) for owners to confirm. See more detailed information on p.3.

Connecting to Hammocks Wi-Fi

Clubhouse	ID: Hammocks Clubhouse	Password: hammocks.
Pool Area	ID: Community Xfinity	Password: Personal Xfinity Password
Fitness Center	ID: Cable Wi-Fi	Password: Personal Xfinity Password



Office Hours and Contact Information

Hammocks Office is staffed Wednesday's from 2-5 pm by appointment only
Office closed Until Further Notice

Contact Information at All Times - Weekdays, Nights and Weekends

Contact Property Manager Kathy Dressel ~ Phone 941-698-2989 or
propertymanager@hammockscapehaze.net

Non-emergency Issues: Complete a Work Order or Contact Property Manager
(Work Orders Are On-line or in Rack on Wall Outside Office)

Questions? Contact a Board Member

(Contact Info at <http://www.hammockscapehazefl.com>)

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)

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