

FINAL Approved Minutes

Special Meeting of the LMA Board of Directors November 1, 2016 at East Lake United Methodist Church

The meeting was called to order at 7:00 PM by Ron Schultz, Vice President.

Attendance:

Directors present - Jerry Hannon; Patty Hayes; Eric Honnold (by phone); Bruce Insana; Ron Schultz; Jon Walek.

Directors absent - None

Others in attendance: 15 residents.

Proposed Budget and Other Decisions Required by the Board:

Patty Hayes reviewed her draft budget for 2017, noting that the final budget will be driven by decisions made on the reserve funding methodology for Lansbrook. Patty noted that LMA selected a new reserves analysis company for 2016 because we had been experiencing inadequacies in reserve availability versus the actual cost of repair or replacement.

To that point she observed that Lansbrook's current reserve funding method, the Component Method, would require a 9% increase in fees from the twenty constituent HOA's which comprise LMA. The Component Method does not permit the Treasurer to move funds from one category to pay for the needs of another category. State law restricts the movement of funds between Component Method reserve accounts, and requires a membership vote to do that, which would mean a substantial cost and related delays every time that the Treasurer thought it prudent to move such funds.

However, if Lansbrook switched to the Pooling Method (sometimes called the cash flow method) it would be possible to hold the fees charged to the HOA's by LMA at their 2016 levels. Such a decision, however, would require a membership vote.

With the Pooling Method the replenishment needs of each category is still separately calculated, but all of the reserve funds are pooled and are available to cover potential replacements within any of the categories. Consultations with Lansbrook's auditor indicated that they concur in the recommendation by the reserves analysis company that Lansbrook switch to the Pooling Method for reserves.

There are six individual reserve categories: (a) Entry; (b) Irrigation system; (c) Transportation equipment ; (d) Park amenities; (e) Pavement; and (f) Roofs. Patty reviewed the movements into and out of each category which took place during 2016. Analyses of each of the categories were provided and reviewed. Following

that, Patty reviewed the reasons for any significant changes in operating expense anticipated for the 2017 budget.

One budget issue is the new Community Association Manager (a/k/a Property Manager). To begin, First Service Residential would be reducing its management fee if Al Naguer becomes the CAM. Then, to reflect the duties of CAM, Al's salary would be adjusted to 6 hours at \$21.50 per hour (FSR's rate for entry-level CAM's), and the remaining 34 hours of his work week paid at \$14.50 per hour, his normal maintenance staff rate.

Another budget factor is the cost of health insurance for the grounds and maintenance staff of Lansbrook. Currently, LMA pays 100% of the cost of that health insurance, and Patty proposed that LMA, as is done by most other master associations, shift some of that cost to employees. This proposal, that LMA staff pay 23% of 2017 (and beyond) premiums for health insurance, would result in a 2017 savings of about \$7,200. Jerry Hannon asked what could be done to equalize, for 2017 as a transition year, the increased cost to employees to minimize the economic shock effect. Further discussion focused upon a quarterly special payment, for 2017 only, to basically equalize the increased premium payments by staff.

The proposed budget category for plant and sod replacements and for tree trimming would be \$125,000. Tree trimming, itself, is based upon a three year rotation. There is one other item of a maintenance nature, and that is the low bulkhead at the front of the two ponds at our entrance from East Lake Road. That bulkhead is rotted, and Ed Anderson has proposed that we seek SWFWMD approval for a complete removal of that bulkhead, and a re-grading of that to become a slope into the pond. It would be far cheaper than replacing the bulkhead.

Motions to reflect the discussions followed.

Motion: To recommend to the membership of Lansbrook Master Association that they approve a switch to the Pooling Method for the Reserve Funds of LMA.

Moved by: Patty Hayes
Seconded by: Eric Honnold
Approved: 6 to 0

Motion: To appoint Yanal Naguer as Community Association Manager (CAM) for Lansbrook with his new salary calculated on the basis of 6 hours at the CAM rate, and 34 hours at his normal maintenance rate.

Moved by: Patty Hayes
Seconded by: Ron Schultz
Approved: 6 to 0

Motion: To reduce the subsidization of health insurance premiums for Lansbrook paid staff from the current 100% to 77% effective 2017, and to

provide a supplemental one-time payment to staff, for 2017 only, equivalent to the 23%-of-premium thereafter assumed by staff, to be paid quarterly, in arrears.

**Moved by: Patty Hayes
Seconded by: Jerry Hannon
Approved: 6 to 0**

Motion: To approve the Addendum to the First Service Residential contract which will hold those charges for one year at the current rates.

**Moved by: Patty Hayes
Seconded by: Ron Schultz
Approved: 6 to 0**

Motion: To open a new account at Sterling National Bank, an FDIC covered institution.

**Moved by: Patty Hayes
Seconded by: Jerry Hannon
Approved: 6 to 0**

Motion: To adjourn, at 8:08 PM.

**Moved by: Ron Schultz
Seconded by: Patty Hayes
Approved: 6 to 0**