

The Strand Master Property Owners Association

To The Strand Master Property Owners Association Members:

The purpose of this letter is to notify you of our upcoming budget workshop meeting to review the 2018 Strand Master Property Owners Association Proposed Budget and update you on some of the factors that affect the 2018 Proposed Budget, Reserve Fund and Capital Account.

The Strand Master Property Owners Association Board of Directors, at our September 27, 2017 Board meeting, agreed to a 2018 Proposed Budget. This budget is posted on our Community web site in the Budget Information section, which you can access by clicking on the following link- <http://thestrandmaster.com/index.php>. It will be presented to all members at our Annual Budget Workshop meeting scheduled for **Thursday, October 26, 2017 at 2PM at the Strand Clubhouse.**

At the budget workshop meeting we will review the Proposed 2018 Budget and address all questions or comments regarding it and any questions regarding the Reserve Schedule items.

Below are some highlights of the Proposed 2018 Budget and Reserve Schedule that will be presented at our Budget Workshop meeting.

2018 Proposed Budget:

Based on the most current August 2017 financial reports, our estimated end of the year (EOY) account funds are forecasted to be: Operating Account EOY fund balance approximately \$89 K; the Reserve Account EOY fund balance approximately \$606 K; the Capital Contribution Account EOY fund balance \$ 22 K.

It has been assumed that the 2017 Operating Account will have sufficient net funds at the end of the year to allow \$49 K to be carried forward to supplement the 2018 Proposed Budget.

Last year, 2017, our regular quarterly assessment was \$325 per unit. This year we have a Comcast Bulk video and Internet increase of 3%. However, with the carryover and other items shown in the Proposed budget, this year the 2018 Proposed Budget indicates a quarterly assessment to remain the same as last year, **\$325 per unit.**

Some of the highlights of the 2018 Proposed Budget are presented below.

Maintenance – Change - Net Increase about \$32 K. Includes:

1. Updated the Comcast cost by 3% (\$21 K).
2. Minor increases for Tree Trimming, Landscaping and others.
3. Decrease in landscaping plant replacement – any monies for other Landscaping Projects will be from Capital Fund.

Environmental – Change - Net Minor Decrease. Includes:

1. Monies for more lake Littoral plants, approximately \$7 K.
2. Increase in Irrigation/Reporting costs.
3. NO Change in Preserve Maintenance costs.

Security – Change – Net Decrease of \$ 5 K. Includes:

1. Increased Est Final Cost by \$5K.
2. Minor decrease in other accounts based on EOY final numbers.

Administrative – Change – Net decrease \$ 2.6 K. Includes:

1. Decrease in legal expenses.
2. Minor increase in Consultant fee per Comcast per agreement.
3. Reduced Reserve Funding by \$ 6 K (based on Interest from new CD and Money Market accounts).
4. Adjust Contingency to allow \$325 fee.

Budget Summary:

2018 Proposed Budget has a gross total expense of \$1,443,900. This compares to the 2017 Budget gross total expense of \$1,419,900.

Hurricane Irma Recovery and Landscape Changes 2017-2018:

Over the last several weeks, we have been actively clearing Strand Blvd and Ashford Lane of Hurricane Irma tree and shrub debris. This weekend our tree service contractor will starting with the final tree and stump removals. The work will include numerous crew and trucks to ensure the work is done as quickly as possible. Our landscaper has produced a 12 minute video of the current appearance of Strand Blvd. showing what has been cleaned. We want to commend Landscape Florida for their efforts in the cleanup of Strand Blvd and our special thanks to Jim Farese, our Property Manager, for his major efforts in supervising the cleanup activities. The link to the Video is below:

<https://youtu.be/Ai-5kbpIMU>

We will also be reviewing the options for landscape replacement of those areas damaged by Hurricane Irma. We anticipate that the proposal for this work will be available for our Budget Meeting at the end of October.

At that time we anticipate that we will also have the final costs for the cleanup work along Strand Blvd. We will be in discussion with the Club regarding the East and West concrete perimeter wall replacement.

We understand members are concerned about the total impact to the members in regards to both tree and shrub debris removal and perimeter wall replacement costs. Once we have this information and examine how to fund these extraordinary costs, we will update our members.

IMPORTANT COMCAST INFORMATION:

Some members have additional services with Comcast, e.g. phone, DVR, etc. that are paid directly by the member. Due to the impact of Hurricane Irma, Comcast is offering a credit to your account for these extra services for up to 6 days that the Strand was without Comcast service. You can access the credit form from Xfinity (Comcast) below:

<https://www.xfinity.com/florida-form>

We are also reviewing with Comcast if any credit is due the Strand Master Association for the impact from Hurricane Irma.

Reserve Funding:

The Reserve funding from the operating account will decrease from the \$96,000 per year in 2017 to \$90,000 per year in 2018. If you recall, in 2015 we added to the Reserve Funding requirement: perimeter wall / fencing maintenance; maintenance of Ashford Lane.

The total estimated Reserve **Funding Requirement** for the EOY 2018 is projected to be \$790 K. When we add the \$90 K funding for 2018 and CD interest, this provides an estimated **2018 EOY actual fund cash of \$703 K.**

This \$87 K shortfall is reduced each year by an additional \$30 K contribution over the required amount. With this additional funding, the reserve fund will be fully funded within approximately 3 years, which is ahead of the anticipated major road repaving project.

Other Changes:

Please see the 2018 Reserve Schedule provided on our web site for further details and notes.

Capital Account - This account is funded from the sale of units within the Strand.

The account values and proposed quarterly assessment in the proposed budget are not final and may be modified prior to and at the adoption meeting. The official adoption of the 2018 Strand Master Property Owners Association budget is scheduled for November 8, 2017 at the regular Board meeting at 3 PM at the Strand Clubhouse.

We hope you can attend the upcoming Budget Workshop meeting.

Also visit our web site for additional information from our County Commissioner regarding updates on Hurricane Irma and Other News. These updates are found under the Emergency Information tab.

Thank you,
For the Board

Bob Polizzotto, President
The Strand Master Property Owners Association
September 29, 2017