

WATERSIDE VILLAGE OF PALM BEACH
CONDOMINIUM ASSOCIATION, INC.

MONTHLY REPORT FOR THE PERIOD ENDING MAY 31, 2017

The month of May marks the completion of seven months of our fiscal year. We will report on some circumstances that have arisen, mainly the latest development on the club house and provide an updated forecast (as compared to the budget). This month, we made some significant increase in cost and a series of minor modifications to adjust our total year's forecast, when compared to last month produced forecast.

Mr. Mongrain attended the Town of Hypoluxo Council meeting on May 17, and continued to place pressure on a water and sewage agreement with the Town of Boynton, on same occasion Mr. Mongrain, at the request of Mayor Brown, provided our painting specification. Mr. Mongrain was also back at Waterside from June 5 to the 10, the purpose is explained under the heading of the club house. We have attached to this email the latest communication from Mayor Brown that mention the water agreement and their intention to refresh the Town building. It is a first for the Town to produce a monthly report, I am sure it will be appreciated by our resident, any future report from the Town, we do hope, will be posted on our website.

We increased our total expected revenue by \$ 1,275.00 mainly due to transfer fee (\$750.00) and the application fee (\$500.00), previously called screening fee, as there are more costs to handle a screening than just the screening fee.

On cost front, we increased our utilities expenses by \$3,000.00 due to a garbage and recycling (\$2,000.00) rate increase from Waste Management, which is an average increase of 7%. We also increase our cable TV cost by \$1,000.00 to cover the modifications required by the Fire Marshall. We are also under pressure on water and sewage cost due to the increase in number of long term rentals. On the maintenance cost, we increased our forecast by \$5,000.00 all due to building maintenance. In order to offset these forecast increases we have use \$7,325.00 out of the contingency, let's hope some situations improve in the months to come, we do not have that much margin.

All of the reserve accounts are funded monthly and we monitor the cash flow very closely. We did use \$85,000.00 from the working capital reserve account in order to pay the insurance premium of \$290,500.00, due on May 1st. We will reimburse the working capital reserve over the next three months, in addition to the normal monthly contribution per budget, we have as we write this report made total reimbursement of \$30,000.00.

SPECIFIC ITEMS

1. Security and surveillance issue

We have no incidents to report for the month of May, or for ten consecutive months. Remember: "***See something, say something***" and call the Lantana Police at 561-540-5701 or 911 immediately.

2. Site maintenance

President Mongrain was at Waterside during the week of May 15, and the summer projects list was updated and is now available on our website.

We are in the process of getting bids for the current year painting program which we expect to start in early July. We did have some difficulties with our electric feed to the west and east sprinkler pumps and also the lighting at the entrance, this is now corrected. The west pool building painting will be part of the program and also the replacement of the various signs that indicate the rules for the pool and for the spa. We have obtained the minimum requirements from the appropriate County department, like what it should say and the size of the letters, for example the "NO DIVING" needs to be 4 inches in size.

We had a serious issue on building 35, with routed fascia behind the aluminum cover, by the way the portion that we have to replace is the one that was done in 2005, and the original portion still remaining is an excellent condition.

We are investigating the possibility of a major special sealcoating of our asphalt, Stacey our property Manager is visiting reference sites from a contractor and so far, we are very pleased with what we have seen. It will include not only a special sealcoating procedure, it will also include some repairs to our asphalt, the white parking lining, the various sign on asphalt and the painting of car stoppers. Fund from the asphalt reserve will be used in order to do this project.

The overall site is in an excellent condition, and during the week of June 5, we did have rain, which did contribute positively to the site condition and also did reduce pressure on water restriction.



During the Rain



After the Rain

3. Clubhouse

Following the first meeting of the working committee that was held on May 9; Mr. Mongrain and Manager Stacey Casey did meet with the architect and also a series of contractors that did show interest in our project, following the publication of the approval by the Town of Hypoluxo.

The long list of items that were discussed on May 9 was updated and provided to the architect and also to the various contractors. The process for the bid submission is ongoing, each contractor working with same data sheet. The information that they do provide back to Waterside is then compared and this will help us to eliminate all possible overrun. Most of the contractual forms are standardized, from the "Form of Contract" to the "General Conditions" and are published by AIA (American Institute of Architect) and only minor modifications can be made and it is well known by the various general contractors. Our legal firm will review the details before we sign the agreement with the selected contractor.

So far, we have had exchanges with six of them and we will select the last three bidders and make a final selection from there. For obvious reasons, we cannot provide more details at this time as we are getting bid. Some of them will be rejected because either we feel they do not have the proper expertise, they cannot raise the appropriate Bond or they do not accept fixed price contract or a maximum price contract.

We remain in line with budget objective. Mr. Mongrain returned to Waterside during the second week of June to make an update with the architect and the various contractors and we are almost at a point where a recommendation will be made about the next steps, one more meeting of the working group will be schedule for the last week in June. We have managed a tight cash situation and did not use Desjardins Bank so far to pay related expenses of the club house, we will open the financing bank account during the next visit of Mr. Mongrain from which all payments related to the club house will be processed, so far, we have used our operating cash flow for the payment of the architectural firm.

There was an article in the Palm Beach Post on May 15, about current ongoing construction or just completed new club house, the list was quite long and a lot were missing from the list. The title was "North County sees boom in clubhouses", substantial investment is made in each either to add to existing

services or to rebuilt, most of them are being repaid by substantial monthly fee or a one-time payment, from what we can read the maximum repayment of loan term was twelve and half year.

For our permanent resident, the club house construction specification may end up as a qualified "*shelter*". If this happen Waterside will be one of the first site to have such a designation for the benefit of our resident.

The next steps are: 1. the release of 80% of the drawing, 2. discussion with contractors on what can be done in order to reduce cost, 3. we will have the remaining 20% of the drawing completed, 4. sign contract with the contractor and finally the selected contractor will file with the appropriate authority in order to get a building permits. Only then we will be in a position to start construction, at this time it is hard to determine exactly when, let's hope for mid-August.

4. Unit sale

Over the last seven months 21 units were sold or are under contract. Our owners are our best real estate agents, please always mention Waterside and please maintain your price, the demand is there.

5. Fire Marshall visit

On an annual basis, we receive a visit of the Fire Marshall and this year it was three weeks earlier than normal. Beside the normal report like fire extinguisher covered with furniture or not easy to access due to material on the balcony, the branches laying over railings or the damage of extinguisher cover, there was something unusual that they reported. This year for the first time in over 25 years, yes it was installed then, the surge bars in the TV room cannot be connected in sequence, after discussion with Claude Comtois and Stacey we did find a solution and it will be fixed within the time allotted by the Fire Marshall. Our staff is currently fixing all of the other elements reported. Our fire extinguisher contractor is normally scheduled for July to perform a review, as required by code.

6. Miscellaneous

One more articles from the Palm Beach Post stated that "*January through April in Florida hottest in 122 years*", our residents that were at Waterside during that period can for sure attest to this story. The same trend is still on going with many days over 90 degrees and no real rain, except on two occasions close to the end of May and several days during the second week of June. Lake Okeechobee was down to 11.43 feet above sea level, the lowest it's been since 2011, we did have substantial rain during three days from June 5, over that period of time over 9 inches fell and the State is still allowing us to maintain the right to use sprinklers.

Thanks for reading.

André Mongrain, President
Claude Comtois, Treasurer
June 14, 2017

WATERSIDE FINANCIAL RESULT
AS OF MAY 31, 2017

| <u>REVENUE</u> | <u>DESCRIPTION</u> | <u>YTD</u> | <u>YTD</u> | <u>TOTAL YEAR</u> | <u>2016/2017</u> | <u>VARIANCE</u> |
|----------------|--------------------------|----------------|----------------|-------------------|------------------|-----------------|
| | | <u>ACTUAL</u> | <u>BUDGET</u> | <u>FORECAST</u> | <u>BUDGET</u> | |
| | | | | | 315 | |
| | NSF FEE | 25 | 0 | 25 | 0 | 25 |
| | 100 ASSESSMENTS ** | 851,982 | 852,297 | 1,461,080 | 1,461,080 | 0 |
| | 102 LATE FEE INCOME | 700 | 1,750 | 1,000 | 3,000 | -2,000 |
| | 103 INTEREST INCOME | 0 | 0 | 0 | 0 | 0 |
| | 104 TRANSFER FEE | 2,400 | 875 | 3,750 | 1,500 | 2,250 |
| | 106 ACCESS/GATE CARDS | 600 | 117 | 750 | 200 | 550 |
| | 107 APPLICATION FEE | 16,200 | 14,000 | 25,000 | 24,000 | 1,000 |
| | 108 MISCELLANEOUS INCOME | 1,250 | 875 | 1,500 | 1,500 | 0 |
| | TOTAL REVENUE | 873,157 | 869,914 | 1,493,105 | 1,491,280 | 1,825 |

EXPENSES
UTILITIES

| | | | | | | |
|--|-------------------------|----------------|----------------|----------------|----------------|---------------|
| | 200 ELECTRIC | 28,358 | 28,583 | 49,000 | 49,000 | 0 |
| | 201 WATER & SEWER | 149,536 | 146,417 | 254,000 | 251,000 | 3,000 |
| | 202 GARBAGE & RECYCLING | 25,916 | 27,417 | 49,000 | 47,000 | 2,000 |
| | 203 PROPANE GAS | 48 | 117 | 200 | 200 | 0 |
| | 204 CABLE T.V. | 48,489 | 39,083 | 75,000 | 67,000 | 8,000 |
| | 205 TELEPHONE | 4,247 | 4,200 | 7,500 | 7,200 | 300 |
| | 205.1 WIFI | 1,747 | 1,458 | 3,000 | 2,500 | 500 |
| | | 258,341 | 247,275 | 437,700 | 423,900 | 13,800 |

| <u>ADMINISTRATIVE</u> | <u>DESCRIPTION</u> | <u>YTD ACTUAL</u> | <u>YTD BUDGET</u> | <u>TOTAL YEAR FORECAST</u> | <u>2016/2017 BUDGET</u> | <u>VARIANCE</u> |
|-----------------------|------------------------------|-----------------------|-----------------------|--------------------------------|-----------------------------|-----------------|
| | 300 PAYROLL-ADMINISTRATIVE | 62,233 | 60,317 | 105,400 | 103,400 | 2,000 |
| | 301 PAYROLL-MAINTENANCE | 51,053 | 53,375 | 92,000 | 91,500 | 500 |
| | 302 PAYROLL TAXES | 9,130 | 6,883 | 11,800 | 11,800 | 0 |
| | 302.1 EMPLOYEE BENEFITS | 5,498 | 3,208 | 5,700 | 5,500 | 200 |
| | 304 SECURITY GUARDS | 33,385 | 34,417 | 61,000 | 59,000 | 2,000 |
| | 305 ACCOUNTING | 14,610 | 15,167 | 25,000 | 26,000 | -1,000 |
| | 305.1 BANK FEES | 459 | 729 | 1,250 | 1,250 | 0 |
| | 305.2 BAD DEBT | 1,988 | 3,500 | 6,000 | 6,000 | 0 |
| | 305.3 COLLECTION COST | 4,822 | 2,333 | 6,000 | 4,000 | 2,000 |
| | 306 AUDITING | 4,400 | 2,683 | 4,400 | 4,600 | -200 |
| | 307 LEGAL | 664 | 875 | 1,500 | 1,500 | 0 |
| | 308 PROPERTY TAX | 3,753 | 2,217 | 3,753 | 3,800 | -47 |
| | 309 INCOME TAX | 0 | 292 | 0 | 500 | -500 |
| | 310 INSURANCE | 171,218 | 172,083 | 292,000 | 295,000 | -3,000 |
| | 311 OFFICE SUPPLIES | 2,436 | 1,458 | 2,800 | 2,500 | 300 |
| | 312 POSTAGE & SHIPPING | 534 | 350 | 700 | 600 | 100 |
| | 313 LICENSES | 1,729 | 1,867 | 3,200 | 3,200 | 0 |
| | 314 TRAVEL & MILEAGE | 621 | 437 | 750 | 750 | 0 |
| | 315 MEETINGS & EDUCATION | 102 | 292 | 400 | 500 | -100 |
| | 316 SCREENING | 6,384 | 4,375 | 7,500 | 7,500 | 0 |
| | 317 ALARM SYSTEM | 315 | 292 | 500 | 500 | 0 |
| | 318 COMPUTER REPAIR/SERVICE | 540 | 1,167 | 2,000 | 2,000 | 0 |
| | 319 COPIER | 2,653 | 2,333 | 4,000 | 4,000 | 0 |
| | 320 MISCELLANEOUS ADMIN.EXP. | 5,211 | 4,083 | 7,000 | 7,000 | 0 |
| | 320.1 WEBSITE IMPROVEMENT | 959 | 1,167 | 2,000 | 2,000 | 0 |
| | 323 SOCIAL FACILITIES | 9,366 | 6,416 | 10,000 | 11,000 | -1,000 |
| | | 394,063 | 382,316 | 656,653 | 655,400 | 1,253 |

| <u>DESCRIPTION</u> | <u>YTD ACTUAL</u> | <u>YTD BUDGET</u> | <u>TOTAL YEAR FORECAST</u> | <u>2016/2017 BUDGET</u> | <u>VARIANCE</u> |
|--------------------------------|-----------------------|-----------------------|--------------------------------|-----------------------------|-----------------|
| <u>MAINTENANCE</u> | | | | | |
| 400 GASOLINE | 380 | 292 | 500 | 500 | 0 |
| 401 SPRINKLERS | 20,565 | 4,667 | 25,000 | 8,000 | 17,000 |
| 402 PEST CONTROL | 8,136 | 12,250 | 17,000 | 21,000 | -4,000 |
| 402.6 MISC. MAINT.EXP. | 368 | 583 | 1,000 | 1,000 | 0 |
| 403 LANDSCAPING | 71,750 | 71,750 | 123,000 | 123,000 | 0 |
| 403.1 FERTILIZATION-WEED CONT. | 14,266 | 14,583 | 20,000 | 25,000 | -5,000 |
| 404 TREE TRIMING | 6,028 | 5,833 | 10,000 | 10,000 | 0 |
| 404.2 NEW TREES & BUSHES | 4,410 | 4,667 | 7,000 | 8,000 | -1,000 |
| 405 BUILDING MAINTENANCE | 15,582 | 14,583 | 28,000 | 25,000 | 3,000 |
| 406 GROUNDS MAINTENANCE | 9,875 | 11,667 | 20,000 | 20,000 | 0 |
| 407 SECURITY GATE EXPENSE | 13,899 | 5,250 | 17,000 | 9,000 | 8,000 |
| 408 CAMERA & VIDEO EXP. | -616 | 2,333 | 3,000 | 4,000 | -1,000 |
| 409 PLUMBING EXP. | 1,610 | 2,917 | 4,000 | 5,000 | -1,000 |
| 410 ELECTRICAL EXP. | 3,087 | 2,917 | 5,000 | 5,000 | 0 |
| 411 POOL SUPPLIES & REPAIR | 10,778 | 6,417 | 16,000 | 11,000 | 5,000 |
| 412 STREET MAINTENANCE | 660 | 2,042 | 4,500 | 3,500 | 1,000 |
| 413 UNIFORMS | 377 | 233 | 400 | 400 | 0 |
| 414 GOLF CARTS | 857 | 1,167 | 2,000 | 2,000 | 0 |
| 415 LOCKSMITH | 53 | 117 | 200 | 200 | 0 |
| 416 FIRE SAFETY | 231 | 2,917 | 5,000 | 5,000 | 0 |
| 417 JANITORIAL SUPPLIES | 1,565 | 1,750 | 3,000 | 3,000 | 0 |
| 418 AWNINGS REPAIRS | 550 | 10,500 | 15,000 | 18,000 | -3,000 |
| 420 PAINTING PROGRAM | 0 | 27,416 | 47,000 | 47,000 | 0 |
| 421 STREET LIGHT | -1,980 | 1,750 | -1,000 | 3,000 | -4,000 |
| 425 POOL CHAIRS/TABLES | 0 | 1,458 | 3,500 | 2,500 | 1,000 |
| 429 BENCHES REPLACEMENT | 0 | 292 | 500 | 500 | 0 |
| | 182,431 | 210,351 | 376,600 | 360,600 | 16,000 |

| <u>DESCRIPTION</u> | <u>YTD</u> <u>ACTUAL</u> | <u>YTD</u> <u>BUDGET</u> | <u>TOTAL YEAR</u> <u>FORECAST</u> | <u>2016/2017</u> <u>BUDGET</u> | <u>VARIANCE</u> |
|-------------------------------------|-----------------------------|-----------------------------|--------------------------------------|-----------------------------------|-----------------|
| 450 CONTINGENCY | 6,112 | 21,222 | 7,152 | 36,380 | -29,228 |
| INTEREST DURING BUILT | 0 | 8,750 | 15,000 | 15,000 | |
| 487 EAST WELL | 450 | 0 | 0 | 0 | 0 |
| CLUB HOUSE PROJECT | 31,799 | 0 | 0 | 0 | 0 |
| | 38,361 | 29,972 | 22,152 | 51,380 | -29,228 |
| <u>GRAND TOTAL EXPENSES</u> | 873,196 | 869,914 | 1,493,105 | 1,491,280 | 1,825 |
| <u>EXPENSES OVER REVENUE</u> | 39 | 0 | 0 | 0 | 0 |

| <u>DESCRIPTION</u> | <u>YTD</u> <u>ACTUAL</u> | <u>YTD</u> <u>BUDGET</u> | <u>TOTAL YEAR</u> <u>FORECAST</u> | <u>2016/2017</u> <u>BUDGET</u> | <u>VARIANCE</u> |
|------------------------------|-----------------------------|-----------------------------|--------------------------------------|-----------------------------------|-----------------|
| <u>RESERVES</u> | | | | | |
| 2510 ROOFS | 19,833 | 19,833 | 34,000 | 34,000 | 0 |
| 2515 PAINTING | 0 | 0 | 0 | 0 | 0 |
| 2530 ASPHALT | 16,917 | 16,917 | 29,000 | 29,000 | 0 |
| 2542 POOLS | 2,625 | 2,625 | 4,500 | 4,500 | 0 |
| 2543 AWNINGS | 0 | 0 | 0 | 0 | 0 |
| 2546 SPRINKLERS | 1,458 | 1,458 | 2,500 | 2,500 | 0 |
| 2547 TV CABLE INFRASTRUCTURE | 7,292 | 7,292 | 12,500 | 12,500 | 0 |
| 2545 WORKING CAPITAL | 5,833 | 5,833 | 10,000 | 10,000 | 0 |
| 2544 INTEREST REV. RESERVE | 7,917 | 5,833 | 12,000 | 10,000 | 2,000 |
| | 61,875 | 59,791 | 104,500 | 102,500 | 2,000 |

Andre Mongrain President

Claude Comtois Treasurer

June-14-2017

Fellow Hypoluxo residents and friends,

As Mayor I want to keep you informed as to what is happening here in the Town of Hypoluxo, your town. Your elected officials and staff are dedicated to keeping Hypoluxo a town of which you can be proud. Your input and suggestions are always welcome, and I encourage you to participate in your local government through the election process and by attending the monthly Council meetings scheduled on the third Wednesday of each month at 7:00 PM.

So what's been happening in Hypoluxo of interest to you? First, after receiving competing proposals from the Town of Manalapan and the City of Boynton Beach for providing water and sewer services to our residents, several Council meetings were held to discuss the various issues contained in the proposals. Input from residents on this important matter was sought at a Community Workshop where the two proposals were presented and all Hypoluxo residents had an opportunity to express their views and concerns. After deliberation of the proposals and resident input, the Town Council voted at the May 2017 meeting to terminate our current contract with the Town of Manalapan. The 30-year contract expires in 2020, but Council decided to pursue an early termination, if possible. I will keep you updated as to our success in the early termination.

Second, the area commonly known as Porter Place or Hypoluxo Commons, which is the vacant property located on the corner of Hypoluxo Road and Overlook Road next to the Hypoluxo Scrub Park is in the permitting process to be developed with forty-nine townhomes and apartments along with a small commercial section. In May The Town's Planning and Zoning Board recommended approval of the project and their recommendation will be presented to Town Council at the June meeting. Upon approval by Town Council of this project, construction should begin shortly thereafter.

Third, at the May 2017 Council meeting, Council gave approval to have our Town Hall refurbished by painting the outside of the building, replacing or restoring the wood exterior, and having the windows replaced with hurricane impact windows. Upon completion of the outside refurbishing, portions of the inside of Town Hall will be spruced up with painting and redesigning of the police and building official offices. The audio/visual system in the Al Merion Council Chamber will be replaced. Town Hall is in bad need of these refurbishments. These expenses will be submitted for use of the half percent sales tax revenue passed by Palm Beach County.

Additionally, because of the age of the town clock in front of Town Hall, repairs can no longer be made and the whole clock is showing its age. This clock is being replaced with the same model as the current clock with upgrades for lighting, surge protection, and automatic time resetting. This expense, too, will be submitted for use of the half percent sales tax revenue passed by Palm Beach County.

FPL is championing the removal of the remaining wooden poles along Federal Highway. Their representative has indicated, after many persistent calls to them requesting their assistance with AT&T, the poles are to be removed by the end of June, hopefully.

Finally, a bronze plaque honoring the late Honorable Mayor Schultz will be placed in the main entrance to Town Hall. A brief dedication ceremony at a future Council meeting will be held when the plaque is received.

I hope this information is useful to you. Please continue to check the web site for updates.

Sincerely,

Michael Brown, Mayor
Town of Hypoluxo