

## Meeting summary for 2026 Budget Workshop (09/15/2025)

### Quick Meeting summary

The budget committee reviewed various maintenance and operational expenses, including elevator and alarm system services, insurance costs, and pest control contracts, while discussing potential alternatives and cost-saving measures. The group addressed reserve funding requirements and budget planning, focusing on SIRS assessments and a proposed line of credit increase with Sunrise Bank. The conversation ended with discussions on vendor relationships and service contracts, including lawn care and concrete restoration costs, with emphasis how are we going to pay for cost overruns and on the need for competitive bidding and proper documentation.

### Next steps

- Marvin: Contact the fire marshal for recommendations on local fire alarm system companies.
- Marvin: Follow up with the alarm company again this week and escalate to management if no response.
- Rick: Provide estimated numbers for electricity, water and garbage for 2026
- Don: Follow up with Kirk in mid-October for updated insurance forecasts for all insurance policies
- Paul/Sandi: Continue discussion and review of termite pest contracts and Spectrum contract.
- Budget Committee: Consider whether to continue the flood insurance policies for the five-story buildings.
- Don: Provide Custom Reserves with current reports, balance sheet, and profit and loss statement as of August 30th.
- Don: Follow up with Sunrise Bank regarding the request to increase the line of credit from \$1 million to \$1.5 million.
- Doug: Continue attempts to contact Pool Troopers (Pool Service) and Blue Bell (Lawn Service) for budget estimates
- Budget Committee: The group agreed to prepare a budget by October 1st, with budget deadline dates being fixed by state statute and prepare for a proxy vote to move existing reserve monies into two buckets: SERS and non-SERS reserves.

## Summary

### Elevator and Insurance Review Meeting

The budget committee discussed elevator and alarm system maintenance, with Paul expressing concerns about TK Elevators' service quality and response times. They agreed to explore alternatives, including Otis Elevators. Marvin is planning to contact the fire marshal for recommendations for alarm companies. The committee also reviewed insurance costs, with Kirk forecasting a potential 5% reduction or increase for 2026, though final numbers won't be available until February or March. They discussed the possibility of dropping flood insurance, which Don explained had been required for 45 years due to floodplain status but may no longer be necessary.

### SIRS Reserve Funding Strategy Review

The committee discussed budget planning and reserve funding strategies, with a focus on SIRS (Structural Integrity Reserve Study) requirements. They were informed that Paul Grifoni, their SIRS engineer, will provide updated SIRS report numbers later this week, which will help determine reserve funding needs for both SIRS and non-SIRS items. The committee noted that while current monthly assessments are at \$700, this is an increase from previous years (\$550 and \$600) but this will be the first year impacted by SIRS requirements. They also discussed a potential line of credit increase from \$1 million to \$1.5 million with Sunrise Bank, which is pending Sunrise board approval, and reviewed new legislation (House Bill 913) that allows alternative funding methods including special assessments and lines of credit with unit owner approval.

### Screen Enclosures and Vendor Management

The meeting focused on budget planning and operational issues. The group discussed screen enclosures, with approximately 64 units still under their responsibility, and the need to verify these numbers with John for budgeting purposes. The discussion highlighted the challenges of managing vendors.

### Pest Control Contract and Spectrum Review

The meeting focused on reviewing contracts and documentation for pest control services, where it was discovered that only three contracts were available, with one currently valid. The team discussed the need to obtain more detailed service descriptions from the pest control companies, as current documentation was insufficient. They also addressed pest control billing, noting inconsistencies in documentation and service levels across buildings. They also addressed Spectrum services, noting that the monthly cost per unit was approximately \$65, and discussed the need to explore potential concessions because of a budget of 130,000 for 2025.

### Garbage Service and Vendor Relations

The meeting then focused on garbage pickup services and vendor relationships. Rick explained that garbage pickup in Cocoa Beach is paid through municipal fees and contracts with Waste Management, with uncertain cost increases for the next year. The group discussed challenges in contacting vendors and obtaining callbacks.

#### Lawn Restoration Budget Discussion

The group discussed issues with lawn care services, including problems with chinch bugs and dead grass areas that would cost over \$20,000 to replace. They reviewed two bids for lawn restoration, with one coming in at \$22,000 and another at \$18,000

#### Concrete Restoration Budget Overruns

The board discussed concerns about concrete restoration costs, particularly for Building 6 which is \$75,000 over budget. Rick asked where the money for the additional cost would come from. Rick raised questions about the \$205,600 mobilization fee in the contract, which he felt was excessive. Don acknowledged that concrete restoration costs were difficult to predict due to varying damage discoveries during work, and indicated that additional funding, if needed, would likely come through special assessments in 2026 as they had in the past, though they were still determining exact requirements for the two-story buildings.

Disposition of Motions presented during the meeting. There were no committee motions to vote on – this meeting was a working session.