

Lakes At La Paz Condominium Association

c/o Royal Management Group • 1235 Alton Road • Suite A • Miami Beach, FL 33139
Phone: (305) 535-3575 • Facsimile: (305) 532-7242

13 February 2024

RE: Special Meeting of the Membership
FY 2024 Reserve Funding Vote

Dear Unit Owner,

Enclosed with this letter you will find the following important documents:

NOTICE OF A SPECIAL MEETING OF THE MEMBERSHIP (1 page)

- Notes about this document:
 - o The meeting will be conducted via video conference only, with no in-person voting option available. To be counted, your vote must be delivered or recorded on-line *prior to the meeting*.
 - o The sole purpose of the “virtual” meeting is to tabulate the votes received on-line and via mail/delivery concerning the issue of Reserve funding.

LIMITED PROXY/BALLOT (1 page)

- Notes about this document:
 - o You are being asked to decide on the question of Reserve Funding.
 - o **The Board recommends Not Funding the Reserves this year.** The Board considered numerous factors before arriving at this unanimous decision, including:
 - general economic/inflationary conditions
 - acknowledging there will likely be a Special Assessment in Q2 of 2024 as a result of a large assessment paid to the Boca Pointe master association in December of 2023. Much effort was undertaken to not have to pass that cost along to you, but it may not be possible to fully absorb it.
 - in conjunction with the upcoming re-certification inspection, a Reserve study will likely need to be conducted prior to FY 2025 due to changes in Florida statutes – at present, there is no viable method to set aside money for reserve categories that may need to be created as a result of the inspection
 - o The Limited Proxy/Ballot is for the purpose of submitting your vote by mail/delivery or otherwise appointing another person to vote by mail/delivery for you.
 - All owners of the unit must sign it. It may be withdrawn if you decide to register for on-line voting and change your vote. Returning your Limited Proxy/Ballot in advance of the meeting will help ensure required quorum of Members.

APPROVED 2024 BUDGET (4 pages)

- Notes about this document:
 - o The Boca Pointe Association fees increased \$ 11.56 per unit, per month (▲ 9%)
 - o The Recreation Association fees increased \$ 3.30 per unit per month (▲ 5%)
 - o Insurance costs increased \$ 35.16 per unit per month (▲ 28%)
 - Once again, the major challenge with this budgeting has been in the area of insurance coverage. While were able to find alternatives to avoid extreme rate hikes in 2023, this time around we have not been so fortunate. In what seems like an annual tradition, again, just a few days prior to what we thought was an early finalized budget, our insurance broker informed us that neither our general liability policy, nor our umbrella policy would be renewed as a claim was being pursued against the association.
 - The Association set out to find alternatives so as to not have any lapse in coverage, but there was only one company who would underwrite the general liability policy, at a cost of \$ 31,773 (our previous premium was \$ 13,100 – a 242% increase)
 - As of this writing there is no other vendor willing to supply us with an umbrella policy. The Association and its broker continue to pursue a replacement policy, and if one comes along it may be at a substantial cost not accounted for in this budget (there may be a special assessment needed)
 - Regrettably, this last minute problem with insurance pushed the budgeting process into FY 2024, and for that we apologize.
 - o Overall, most FY 2024 costs will increase only slightly, but a few vendors have pushed prices higher by as much as 25%.
 - Known fixed costs are budgeted exactly.
 - Variable costs are generally budgeted at ~3% above last year's budgeted amounts.
 - In the rare instances where FY 2023 expenses are actually running more than 5% below budget, FY 2024's budgeted amount is ~3% over those actuals.
 - o As noted last year, the Association contracts with an outside vendor for janitorial services, and the amount charged varies with individual wage rates. Due to changes in Florida's minimum wage laws, this line item will likely rise year over year until the base labor rate reaches \$15 per hour in/before 2026. (▲ 12%)

Members will be afforded a brief time to speak/ask questions at the Special Meeting, but to keep the process as efficient as possible, the Board will try to address concerns you may have prior to the Meeting. You may contact the Secretary of the Association, James Marinelli (*Mon-Fri, 11 AM to 7 PM*), at (516) 991-5433.

We thank you in advance for your timely response and cooperation in returning your Limited Proxy/Ballot or voting online.

Regards,
Board of Directors
Lakes At La Paz Condominium Association, Inc.

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Please note, you may choose to vote electronically.
To do so, you must register online at the Association's website, www.lakesatlapaz.com

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13 February 2024

**NOTICE OF A
- - - SPECIAL MEETING OF THE MEMBERSHIP - - -
2024 RESERVE FUNDING – VOTE COUNT**

DATE: Wednesday, February 28, 2024

TIME: 6:00 PM *(estimated duration: 25 min)*

meeting site: **www.zoom.us/join**

meeting ID: **227 539 9463**

passcode: **lakes**

- - - AGENDA - - -

- I. Roll Call**
- II. Establish Quorum**
- III. Proof of Mailing**
- IV. Vote of Membership**
 - **Counting of proxy/ballots**
 - **Report of on-line ballot count**
- V. Results of Vote**
- VI. Adjournment**

There will be no in-person voting and this meeting is being conducted on-line. ***Owners must cast their ballots ahead of this meeting.*** Whether voting on-line or by mail/delivery, only votes received by 5 pm on February 28, 2024 will be counted.

Most owners have already registered to vote on-line, but if you have not, you can do so by visiting **www.lakesatlapaz.com** and following a few simple steps.

Respectfully Submitted

Board of Directors

Lakes At La Paz Condominium Association, Inc.

- - - LIMITED PROXY/BALLOT - - -

IMPORTANT: Due to the vast majority of unit owners participating in our electronic voting program and the recent resurgence of COVID-19, there will not be an in-person meeting, please complete, sign and date this Limited Proxy/Ballot and return it in the enclosed self-addressed, return envelope. If you are not voting on-line, this form must be received no later than 5 pm Wednesday, February 28, 2024. Forms received after that date and time will not be counted. Early returns are appreciated.

LIMITED PROXY

The undersigned hereby appoints (Check only one of the choices below):

_____ a) **James Marinelli**, Secretary of the Association, on behalf of the Board of Directors.

_____ b) _____

[If you checked b), please write in the name of your proxy. If you fail to check either a) or b), this proxy will be deemed to appoint the Secretary of the Association on behalf of the Board of Directors to cast your vote.]

as my proxy, to vote and act for me, with full powers of substitution, for and in the names, place, stead of the undersigned, to appear at the Special Meeting of the Membership, of The Lakes At La Paz Condominium Association, Inc., to be held on Wednesday, February 28, 2024, at 6:00 P.M., via video conference, and at any adjournment thereof, to cast my vote, as indicated below, on the issue of Reserve Funding.

I specifically authorize and instruct my proxy to cast my vote in reference to the following matters as indicated below:

BALLOT

PLEASE VOTE FOR ONLY ONE (1), if you vote for more than one (1), the Ballot portion of this Limited Proxy/Ballot will be invalid and will not be counted:

A vote for any option in this box shall be deemed a vote to WAIVE full funding of the Reserves

_____ **I vote to pay monthly maintenance fees of \$ 584.00**
Fiscal Year 2024 Budget of \$ 445,225 WITHOUT full reserve funding of \$ 120,124

A vote for any option in this box shall be deemed a vote to NOT WAIVE full funding of the Reserves

_____ **I vote to pay monthly maintenance fees of \$ 830.00**
Fiscal Year 2024 Budget of \$ 445,225 WITH full reserve funding of \$ 120,124

(Print Unit Owner Name and Unit #)

(Signature of Unit Owner)

Dated: _____, 2024

Unit Owner(s). Please DO NOT complete the "Substitution Of Proxy" below: thank you, it is to be filled out by your proxy, and only in the event he/she cannot attend the Special Meeting of the Membership.

SUBSTITUTION OF PROXY: The undersigned appointed proxy above does hereby designate _____ to substitute for me in the proxy set forth.

Signed: _____ Dated: _____, 2024

NOTE: This Limited Proxy/Ballot is valid for only Ninety (90) days from original Meeting date and may not be used for any other purpose than the Meeting that is was issued or any adjournment thereof.

WAIVING OF RESERVES, IN WHOLE OR IN PART, OR ALLOWING ALTERNATIVE USES OF EXISTING RESERVES MAY RESULT IN UNIT OWNER LIABILITY FOR PAYMENT OF UNANTICIPATED SPECIAL ASSESSMENTS REGARDING THOSE ITEMS.

Fully funding the reserves does NOT GUARANTEE there will not be special assessments.

Lakes at La Paz Condominium
Approved Budget
February 1, 2024 - January 31, 2025

OPERATING EXPENSES

Fixed Fees

(no alternate vendors available)

Boca Pointe Association Fees	104,138	
Cable T.V.	35,787	
Dumpster Removal	1,639	
Electric	3,497	
FL Dept of Condo	280	
La Paz Recreation Association Fees	53,350	
Licenses, Permits & Fees	522	
Water & Sewer	31,700	
<i>Sub-total</i>		230,912

Semi-Fixed Fees

(alternate vendors available)

Insurance		
Wind	39,387	
Flood	3,618	
Differences in Conditions	13,738	
Boiler & Machinery	2,442	
Mold & Sewer Backup	4,555	
Directors & Officers	1,786	
Crime	658	
General Liability	31,773	
Umbrella	-	
<i>Sub-total</i>		97,957

Security / Fire Safety		
Fire Alarm Monitoring	1,206	
Fire Alarm Repairs	4,824	
Security Alarm Monitoring	10,340	
<i>Sub-total</i>		16,371

Elevator Service & Repairs		
Service & Repairs	5,856	
Telephone	1,313	
<i>Sub-total</i>		7,169

General & Administrative		
Financial Audit	-	
Legal	1,449	
Management Company Fee	16,346	
Office & Administration	890	
Web and Internet Services	768	
<i>Sub-total</i>		19,453

Physical / Groundskeeping		
General Repairs & Maint	18,869	
Irrigation Maintenance	2,364	
Janitorial		
Labor	23,014	
Labor Benefits	-	
Phone	-	
Supplies	120	
Landscape Supplies	2,500	
Lawn Maintenance	13,800	
Pest Control/Fertilization	6,696	
Tree Trimming / Removal	5,000	
Landscaping Improvements	1,000	
<i>Sub-total</i>		73,363

Additional Projects		
Project A	-	
Project B	-	
<i>Sub-total</i>		-

TOTAL EXPENSES: \$ 445,225
(rounded to nearest dollar):

Lakes at La Paz Condominium
Reserve Funding - Supporting Documentation
February 1, 2024 - January 31, 2025

Item	Estimated Life (Years)	Replacement Value	Estimated Remaining Life (Years)	Projected Reserve (as of 1/31/2024)	Balance Due Reserves (Replacement Value - Current Reserve)	Required FY 2024 Funding (Balance due / Estimated Remaining Life)
Awning Repairs & Replacment	22.5	\$ 100,000	20	\$ 0	\$ 100,000	\$ 5,000
Elevator (Significant Repairs & Replacement)	45	\$ 100,000	8	\$ 11,676	\$ 88,324	\$ 11,041
Painting	10	\$ 120,000	4	\$ 0	\$ 120,000	\$ 30,000
Parking Lot Surface	5	\$ 5,500	4	\$ 0	\$ 5,500	\$ 1,375
Roof - Tile & Flat (Significant Repairs & Replacement)	25	\$ 875,000	12	\$ 2,500	\$ 872,500	\$ 72,708

notes:

- The elevators in both buildings were inspected in Q1 of 2023. As per conversations between inspector and Assoc. Pres. DeLucia, the elevator cars and hydrolics are, substantially the same as last year, that is to say, in "great" mechanical condition. In 2023 there was a \$ \$ 23,200 retrofit to both elevators (a particular safety component to comply with a new regulation effective 01/01/2024). Beyond regular maintenance, near term costs should be limited to as of yet unknown "code changes. The estimated remaining mechanical life is "al least another 15-20 years." As previously noted, some parts for the elevator were "end-of-lifed" in 2021, and some are still scheduled to be "end-of-lifed" in 2025 -- as such, they may be difficult to replace, or may require entire systems be replaced rather than individual components.
- During FY 2019, the flat roof of building 7519 was replaced and has an estimated remaining life of 20-25 years, though it now seems that new insurance regulations will mandate replacement at the end of 20 years. Should that become the case. the reserve schedule will be adjusted accordingly for FY 2025.
- **IMPORTANT... Changes to governing statutes go into effect for FY 2025 and will require additional reserve accounts be created and maintained. Some of the newly required categories have never been accounted for by this Association (or most other smaller-sized condominium associations), and will require a reserve study to be conducted. Depending upon the associated expenses of such a study, and whether or not, by law, the study will have to be regularly updated, It is entirely possible that a non-capital improvement reserve account will have to be maintained to fund the bookkeeping costs.**
- **IMPORTANT... Beginning in FY 2025, the Association will no longer be able to waive funding of any reserve account.**

Lakes at La Paz Condominium
Proposed Monthly Maintenance - RESERVES WAIVED
February 1, 2024 - January 31, 2025

BUDGETED EXPENSES

Total Operating Expenses	445,225	445,225
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RESERVE FUNDING

(by Membership vote)

Awnings	-	
Elevator	-	
Painting	-	
Parking Lot Surface	-	
Roof	-	
<i>Sub-total</i>		-

		445,225
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Prior Year's Surplus Applied

(not to exceed \$ 22,400)

(>\$22,400 to be refunded): **398**

Projected Monthly Maintenance

(per unit): **\$ 579.20**

CONTINGENCIES

(based on current cash flow)

Estimated Bad Debt contingency	-	
<i>Sub-total</i>		-

Projected Monthly Maintenance

(per unit, rounded to nearest dollar, adjusted for 11 months remaining): **\$ 584**

Lakes at La Paz Condominium
Proposed Monthly Maintenance - RESERVES FULLY FUNDED
February 1, 2024 - January 31, 2025

BUDGETED EXPENSES

Total Operating Expenses	445,225	445,225
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RESERVE FUNDING

(by Membership vote)

Awnings	5,000	
Elevator	11,041	
Painting	30,000	
Parking Lot Surface	1,375	
Roof	72,708	
<i>Sub-total</i>		120,124

<i>EXPENSES and RESERVE FUNDING:</i>	565,348
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Prior Year's Surplus Applied (not to exceed \$ 22,400) (>\$22,400 to be refunded):	398
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Projected Monthly Maintenance (per unit):	\$ 735.61
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CONTINGENCIES

(based on current cash flow)

Estimated Bad Debt contingency	52,964	
<i>Sub-total</i>		52,964

Projected Monthly Maintenance <i>(per unit, rounded to nearest dollar, adjusted for 11 months remaining):</i>	\$ 830
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