



Life in the Sunshine

The Towers of Key Biscayne Newsletter

Board of Directors: President: Anthony Ottavio, Vice President: Alison Owen, Treasurer: Mario Lopez, Secretary: Dr. Elsa Dominguez, Assistant Secretary: Judy Rosenblum. Directors: Alan Kahn, Ricardo Martinez.

March 2011 - Volume 11, Issue 1

ANNUAL MEETING

- The seven incumbent board members – Dr. Elsa Dominguez, Alan Kahn, Mario Lopez, Ricardo Martinez, Anthony Ottavio, Alison Owen and Judy Rosenblum - were the only candidates for the Board of Directors so no election was held. They will serve one-year terms. There are no term limits.
- The following officers were elected by the Board: President: Anthony Ottavio, Vice President: Alison Owen, Treasurer: Mario Lopez, Secretary: Dr. Elsa Dominguez. Judy Rosenblum was elected to the new position of Assistant Secretary. The Directors are: Alan Kahn and Ricardo Martinez.

BOARD MEETINGS

- At the regular Board meeting on January 13, Mr. Martinez gave an update on the lobby and common area renovations.
- The Board authorized up to \$88,000 in budgeted 2011 reserve funds for the replacement of damaged trash chutes. We will also analyze the advisability of repairing the chutes in lieu of replacing them as there could be a substantial cost differential.
- A discussion was held about the use of common areas by outside vendors charging a fee for their services such as personal trainers, swim coaches, tennis instructors, etc. Since they are on premises at the invitation of residents, conducting those activities for the benefit of residents, which do not result in a cost to the Association, the Board concluded that no action was needed by the Board.
- After discussion by the Board and comments from the audience, the Board voted to grant Bertofino's restaurant a three year renewal on its lease. After a discussion about requiring contributions or cost recoveries and paybacks from the restaurant, the Board also, by a split 4-3 vote decided to not require any paybacks or cost recoveries of any kind from the restaurant operator for the recent restaurant renovation, or for the Association's other subsidies provided to the restaurant.
- Subsequent to the preparation of this newsletter the restaurant operator submitted his required 60 days notice to the Association indicating that he would be terminating his premises lease with the Association and would be moving on to another venture which he had been contemplating for some time. The Board is actively moving forward to secure a new restaurant operator.

CONSTRUCTION UPDATE

- In Phase II, the multi-purpose rooms are almost complete. The tile work has been completed in all the interior areas. The Venetian plasterwork is underway. The front doors have been ordered. The woodwork is being installed. Phase II internal repairs should be completed by April 15. The outside tile work will be done in conjunction with the installation of the new doors.
- Work in Phase I has been impacted by additional requirements from the Key Biscayne Fire Department, but work is now well underway. Tile is being laid in the lobby. As there are fewer rooms to complete in Phase I than Phase II, because the restaurant and gym have already been completed, Phase I renovations should be completed by June 1.

TREASURER'S REPORT

December 2010 Unaudited Financials

- In the income accounts, Maintenance shows no variance for the year from the budgeted amount, since we accrue this number for book purposes. The other administrative expense account shows a Bad-Debt Write off of \$117,712.50. This combined with the Allowance for Bad Debt on the Balance Sheet reflects the full amount of uncollected accounts. We also review individually our liened and foreclosed accounts to see any trend due to our economic conditions. We are aggressively collecting our outstanding debts from renters when possible. Two items on the income side show positive variances - late fees and interest charges collected from delinquent owners.
- On the expense side, the Landscape Dept. is about \$7,500 below budget and the Receiving Dept. is over by \$1,000. The Pool Dept. is \$15,000 below budget and the Housekeeping Dept. is \$23,000 below budget.
- In other administrative costs, legal fees are \$9,117 higher mainly due to foreclosures & maintenance fee collections. Here we also see the bad debt write-off discussed earlier. The insurance premiums are below budget by \$117,240. This is because we have a mid-year renewal date and must prepare the budget based on projections and premium estimates provided by our agents which may vary.
- The Maintenance Dept. costs are \$43,661 above budget mainly due to additional repairs in conjunction with our lobby and common area repairs as well as the shutter repairs required by the building paint project. The Security Dept. costs are below budget by \$52,000. Though we have been completely staffed, our personnel costs have been positively impacted by timing effects of when new employee benefit costs kick in six months after start date.
- On the Operations account we exceeded our budget by \$22,000 due to balcony repairs (\$45,000) highlighted during inspections for the building paint project. This amount was offset by \$23,330 in the trash removal account due to owner reimbursement for new construction projects.

- On the Utilities side, our common area power is \$79,000 below budget but our oil expenses for water heating are \$12,703 above budget and in excess of \$55,470 for gas for our pool and barbecue. Our Restaurant expenses exceed our income by \$10,000. We expensed certain items during the Restaurant renovation project using approved Reserve Funds for the Lobby Renovation.
- The final unaudited 2010 Net Income is over \$184,000, increasing our Balance Sheet Fund Balance, to almost \$350,000, a major improvement from three years ago. We are targeting the Auditor suggested 10% of Total Expenses "safety net".
- On the balance sheet, the operating account balance is \$965,645 and the reserve account balance is \$1,085,908. Our security deposit account balance is \$175,079.
- The Yearend Reserve Balance is within \$17,000 of our Reserve Budget amount. This is a timing difference due to expenses associated with our Lobby Renovation Project.

MANAGER'S REPORT

- All the unregistered bicycles parked in the garages without with new stickers affixed and photographs taken, have been removed to the tennis court parking lot. Please check with the office if you still wish to register your bike. Those not claimed by April 15 will be donated.
- Replacement of the sliding glass doors scheduled for 2011 will begin in April. The office is now taking requests for 2012.
- Taxis are now allowed to enter the garages so that luggage can be delivered directly to or picked up from the appropriate upper level tower elevator thus avoiding the lobby steps. In addition, students whose backpacks have wheels are asked to carry their backpacks across the lobby in order to protect our new marble floors. Anyone with a baby carriage or other wheeled device is asked to use the garage exits and not go through the lobby.
- Some extra parking spaces in the garage are available for rent from the Association for \$30 a month. Payments are due in December and June for six months in advance.
- The fee for golf cart charging is \$15 a month for a single battery and \$30 a month for a double battery. Payments are due in December and June for six months in advance. The charging areas are for charging only and are not to be used as parking spaces.
- Installation of brighter, cost reducing lighting in the garage is almost complete.
- Residents who are leaving at the end of the winter season should remove all items from their balconies and notify the office to have the shutters closed in preparation for hurricane season.
- Replacement of parking bumpers continues and should be completed within a year.
- New luggage carts will be available May 1 at each the Upper and Lower Garage elevator lobby.
- New pool furniture has been purchased and should be installed by May 15.

ANNOUNCEMENTS

- Packages will not be held in either lobby during construction. However, Receiving will be open from 10 a.m. to noon on Saturdays and from 8 a.m. to 6 p.m. Monday through Friday to give residents additional opportunities to pick up packages. You can now e-mail Receiving at receiving@tkbonline.com.
- The following units are currently under construction or waiting for permits: A401, A504, A605, A908, B106, B401, B1201, C601, C707, C1005, C1204, C1206, D208, E904, E1203, F503, F703.
- Please do not park your car in front of either lobby. **As per Fire Regulations** These areas must be kept free for emergency vehicles. You can leave your car for a few moments to pick up mail but for no other purpose. If you are waiting to pick someone up, please stay in the car close to the curb, turn off the motor, and please don't block the driveway, to allow other vehicles to get by.
- If you have guests leaving late in the evening, please minimize noise and conversation as the guests leave the lobbies and get into their cars. Please be considerate of the residents in the apartments above the lobbies. They are often woken up by the noise from below.
- Remember that it is illegal to toss anything off the balconies. Falling objects can be a hazard, and cigarette and cigar butts also cause litter and possibly fires.
- Owners and guests must use approved yellow towels at the pools. All owners should purchase towels if they do not have any. The cost is \$42. The towels can be ordered at the office. A limited number of guest towels are available at the pool cabana. ID is required so that the towels will be returned.
- Please don't let your children ride their bicycles or skateboards in the garage. This is not a play area, and serious accidents could result.
- Kitchen trash bags are available from the office.
- The trash chutes are open from 7 a.m. to 10 p.m. Use the chute, and please don't leave trash on the floor.
- Please make sure you have a decal on your car indicating your assigned parking space. The decals are available from the office.
- The barbecue area cannot be exclusively reserved. Residents renting the Ocean Room for a party do not also have exclusive use of the barbecue.
- If you require an additional transponder on a temporary basis because you are using a rental car, you may obtain an additional transponder good for a maximum of 30 days at the office for a refundable fee of \$300. The money will be refunded when the transponder is returned to the office in working order.

RECYCLING

- There are recycling bins - paper, plastic, glass and cans - in the lower garage in both Phase I and Phase II. The following items can be placed in the bin for paper: cardboard boxes, magazines, newspapers and books. The only items that can be placed in the plastic bin are plastic bottles without lids and plastic bags. **No food or kitchen waste is permitted in the recycling bins.**
- Please commit to recycling, and please make an effort to place the correct items in the correct bins.

SUGGESTIONS, COMMENTS, CONCERNS, COMMUNICATION

Your Board of Directors urges you to communicate and participate. Come to the meetings or watch them on Channel 98. Write to us. Let us know what you think. Elsa Dominguez at elsa_tel@hotmail.com, Mario Lopez at mrlopez1@bellsouth.net, Ricardo Martinez at ricardomartinez@bellsouth.net, Tony Ottavio at tonyottavio@prodigy.net, Alison Owen at aowen310@aol.com, Alan Kahn at alankahn@bellsouth.net, judy.rosenblum@yahoo.com.

Board meetings can usually be seen live on Channel 98 and also Friday through Thursday at 9 a.m., noon, 6 p.m. and 9 p.m. the week following a Board meeting. However, during the repairs to the Auditorium, meetings may be held in the Ocean Room where they cannot be televised.

The Board requests that all owners ensure that the Management office has your updated phone numbers, e-mail addresses and fax numbers on file. This information is becoming more and more essential not only for basic communications but also for functions like hurricane status reports and other notifications that have a pressing time element. You can e-mail Joe at: jmaura@tkbonline with your updated information.

The Towers' website can be accessed at www.tkbonline.com.

This newsletter was prepared by Alison Owen, Tony Ottavio and Ricardo Martinez. E-mail Alison with suggestions for the next edition. The newsletter is published four times a year and distributed with the quarterly statements.