



Life in the Sunshine

The Towers of Key Biscayne Newsletter

Board of Directors: President: Anthony Ottavio, Vice President: Alison Owen, Treasurer: Ricardo J. Martinez, Secretary: Dr. Elsa Dominguez, Directors: Mario Lopez, Marcos Perez, Irving Singer.

December, 2008 - Volume 8, Issue 4

BOARD MEETINGS

- At the Board meeting on September 25, the president announced that the internal components of all the hallway lights had been replaced by the lighting company at no cost to us except for the light bulbs.
- The Board voted to approve the accounting firm of Kane & Co. for the audit of the December 31, 2008 financial statement at a cost of \$16,500 – no increase from last year.
- Norma Blum reported on the Enforcement Committee meeting held in September. Some items were resolved; others are still pending. Mrs. Blum suggested a \$100 fine for residents still in violation.
- A study group headed by Mr. Perez was formed to explore possible children's play area here, since there are an increasing number of children who are residents at the Towers. The board has received a number of requests from parents to come up with a solution.
- The board ratified the installation of new roofs for the gazebo, cabanas, bird house and guard house
- At the Board meeting on November 12, the Towers insurance broker, Susan Sanchez-Armengol explained the changes to the Florida Condominium Statutes requiring that all unit owners purchase condo unit owner insurance effective 1/1/2009 and provide written evidence of hazard and liability insurance to the Condominium Association. The Condominium Association must be included as an additional named insured and loss payee on the policy which must include a \$2000 loss assessment per occurrence. In the event that an owner fails to comply, the Association may purchase a policy for the owner and collect from the owner in the manner provided for the collection of assessments. Subsequent to the meeting, it was announced that there now exists the possibility that you could self-insure. Please check with your insurance agent for the latest developments and call the Towers office if you have any questions.
- Mr. Martinez presented the proposed budget for 2009 with a .68% decrease in the Maintenance and Reserve assessment. The board approved the mailing of copies of the proposed budget to all owners.
- The Board approved a charge of \$15 for the first half hour and \$10 for each additional hour for in-apartment maintenance requested by individual owners -- changing light bulbs, unclogging drains, etc.
- Painting of the Towers and expansion joint repair will begin in January 2009 and will probably take six months.

- We are currently negotiating with Comcast on a new contract. We are trying to get wireless feeds for the pool and common areas. We are also looking into making both buildings wireless.
- The issue of installing awnings over the lanai units was tabled for further study.
- Mr. Perez reported on the findings of the study group regarding play areas for children. A test was done using the Card Room Library in Phase II. This received high use, but noise was an issue. So it was suggested that a store room in Phase II be converted to a play room. The committee is also looking at the possibility of enclosing part of the grassy area next to Grapetree with access beside the tennis court to be used as small park. The Board voted to proceed with these efforts. The play room should be ready by early January.
- The president appointed a committee to revive the lobby and public rooms project. There will be money in the budget based on the collections projected in the mailed out proposed 2009 Budget. Mr. Martinez was appointed chairman. The other members of the committee are Alison Owen, Lorie Eschmann and Carmen Amilibia. The committee will report at the December meeting.

TREASURER'S REPORT

At the November Board Meeting, Treasurer Ricardo Martinez stated that the Budget committee had met and reviewed our September Financial Statements as part of the budget process. In the income accounts as we have stated before we see that the Maintenance Account shows no variance for the year from the budgeted amount since we accrue this number for book purposes. However, after our auditors made an adjustment to our financial statements for bad debts for 2007, Laura Garcia from our office sends our list of accounts which are either liened or under association foreclosure to Francine Portuondo, our outside bookkeeper. Francine has then set-up a bad debt expense item on the expense as well as Allowance for bad debt on the balance sheet reflects the full amount. This gives us a clear picture of our actual situation. At this point, we also reviewed individually our liened and foreclosed accounts with the committee. Several questions were raised regarding our ability to more aggressively collect and the committee is asking several questions of our attorney. Mr. Ottavio and Mr. Timothy Davis will be meeting with our attorney to ascertain our rights. Mr. Davis has offered initial assistance from his bank with guidance on these accounts and the committee approved his offer.

On the expense side, insurance premiums are below budgeted by \$41,000, balcony repairs are \$80,000 below budget because we are still utilizing \$65,686 left from the Balcony Special Assessment and our contingency account is \$54,000 below budget, our power and water and sewer are about \$34,000 below budget. On the other side, we are over budget in the Maintenance equipment and supplies account. This variance is calculated based on expense apportioned evenly throughout the year on a monthly basis. As we know, in real life, these expenses cannot be predicted and as such, we are in excess of our budgeted amount at this time. This budgeted amount is arrived at from prior year's experience. The fuel expense account is unpredictable because we could not have seen

the price of fuel rising to its current levels nor do we know where it will end up. As such, our oil expenses (hot water) are \$97,665 in excess of budget and our propane (pool heating & BBQ) are \$13,280 in excess of budget. The usage in these accounts has crept down from the trend of a few months ago due to less people in residence and the summer temperatures. We continue to ask our residents to please be mindful of hot water usage, as we know when one is not paying for it directly it is easier to overlook.

On the Balance sheet, we have \$887,837 in the operating account and \$354,735 in our reserve account. Our security deposit account shows a balance of \$108,790. On the liabilities side, we can see the allowance for Bad Debt that I mentioned earlier of \$132,875.

We discussed the project list and informed them that the pool resurfacing, the new paver at the front gate and the roofs in the gazebo, cabana and the guardhouse are all finished and paid for except the guardhouse roof. The building roof restoration, which we discussed at the last meeting, which was not on our reserve list, has been completed and paid for.

Projects still in going are the 2008 balcony repairs, the beach gazebo and installation of the final sliding of the final sliding glass doors for this year.

The treasurer addressed the issue of the security, our cash position. The Towers currently has the Operational and Reserve cash balances invested in Repurchase (Repo)/Sweep accounts. This repurchase investment is an investment at all times and not only when the account sweeps in the evening. The securities that collateralized the account are the US Treasury issued guaranteed by the US government-sponsored agency or a security rated AAA by at least two nationally recognized rating agencies. These securities are adjusted on a daily basis automatically for 100% market value of the securities for the amount of the repurchase balance. The treasurer has contacted Colonial to possibly limit it to only US Gov. or Gov. backed securities. He will work with the new FDIC guidelines and the use of Money Market Accounts and the Board approved CDARS program at Colonial Bank to secure the associations cash position.

MANAGER'S REPORT

- A golf cart has been purchased to help residents with their luggage and to assist the rover to move around the property more rapidly. Call the front desk in Phase I or Phase II for luggage assistance.
- The restaurant has been painted.
- All the sliding glass doors for the units scheduled for 2008 have been installed. The 2009 doors are on order. The price for 2009 has been reduced by over \$100,000 due to additional bidding of the project by the Treasurer and Manager. The list for 2009 has been filled. We are currently taking requests for 2010. Please call the office if you wish your name to be put on the list. All sliding glass doors will eventually be replaced.

- The steam room in the Ladies Gym is once more in operation.
- The co-ed gym is being repainted and the carpet shampooed.
- The wall sconces in the hallways in both buildings will be turned off from 12 a.m. to 6 a.m. each day to save energy.
- The Christmas lights in the driveway have been installed.
- We recommend that every apartment have a fire extinguisher. Our local fire department can demonstrate how to use an extinguisher.
- The tennis courts have been pressure cleaned.
- An increased security system will be instituted early in the New Year so that any employee taking a key to do work in an apartment will be fingerprinted.
- A new elevator company is inspected all the elevators and repairs are being made.

IN MEMORIAM

- Eleanor Weingast who served on the Towers Board for a number of years, part of the time as President, died December 4, at the Towers surrounded by her family. Tony Ottavio, who is now president of the board, said of Eleanor: "without her efforts in taking leadership in so many areas we would not now enjoy the benefits of the many improvements she was instrumental in initiating. She will be sorely missed."

ANNOUNCEMENTS

- ComCast, our cable provider, has installed new receiver boxes in most units at the Towers. If you do not have a new box, call 305-266-2278 to arrange for installation.
- Because of the changes and upgrades to Comcast, the Towers Channel is now Channel 98.
- Receiving is open from 8 a.m. to 6 p.m., Monday through Friday. You can now e-mail Receiving at receiving@tkbonline.com.
- Tokens for the laundry machines in the upper garage in Phase II can be purchased from the office or from the lobby attendants by check. A bag of 10 tokens cost \$20.
- There is a golf cart charging area in the lower garage between Phase I and II. The charge is \$15 per month for 6 batteries and \$30 for 12 batteries.
- 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 have your air conditioning checked periodically by an air conditioning company to avoid leaks and carpet damage.
- 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.

- 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.
- 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.
- Starting in 2010, Florida law will require Board members to run for office on annual basis. There will be no more staggered terms.

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 place in the bin for paper: cardboard boxes, magazines, newspapers and books. The only items the 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 J. Martinez at ricardomartinez@bellsouth.net, Tony Ottavio at tonyottavio@prodigy.net, Alison Owen at aowen310@aol.com, Marcos Perez at map@maperez.com, Irving Singer at singer4747@aol.com.

Board meetings can 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.

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