



# Life in the Sunshine

## The Towers of Key Biscayne Newsletter

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

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### ANNUAL MEETING

- The results of the election at the 2009 annual meeting for three seats on the Board of Directors were as follows: Ricardo Martinez – 220; Alison Owen – 188; Dr. Elsa Dominguez – 157; Alan Kahn – 106; Patricia Blasser – 61. The three incumbents were re-elected to one-year terms. There are no term limits. A total of 253 owners cast their ballots. We thank all who participated. Starting next year, because of a change in the Florida condo laws, all seven board members will have to stand for election annually. In the past, there have been staggered two-year terms.
- A six-member impartial election committee appointed by the board oversaw the election of the directors. The members, one from each Tower, were Bill Bagshaw, Josephine Cruz, Lois Greenberg, Regina Guben, Tillie Seiden and Alicia Estefani. We thank them for their efforts.
- The following officers were elected by the Board: President: Anthony Ottavio, Vice President: Alison Owen, Treasurer: Ricardo Martinez, Secretary: Dr. Elsa Dominguez, the Directors are: Mario Lopez, Marcos Perez and Irving Singer.

### BOARD MEETINGS

- At the Board meeting on January 22, a representative from Comcast, our cable provider, explained the new contract, which was then approved by the board, subject to legal approval. The contract will be for six years. The service provides full basic cable, HBO premium package, free access to video on demand and one digital box per unit. There is no additional charge to owners for this service. The fee of \$26.69 per unit is covered by our maintenance. The same plan would cost \$68.49 on the open market. Mr. Martinez requested that Comcast do a presentation for owners on how to access the various features. A time and date will be announced.
- The Board passed a motion to approve the initial funding for Team Sepi to create the initial design for the lobbies and common areas. (A report on the subsequent design presentation is included in the newsletter.)
- The Board approved the contract with Sepi Painting and Waterproofing to paint the Towers buildings including the balconies at a cost not to exceed \$550,000, subject to our lawyer's approval.
- At the Board Meeting on February 26, the Board voted to approve the expenditure of \$4000 to replace the roof on the beach elevator tower and all the paneling.

- Mr. Ottavio said that the consensus of residents who had expressed an opinion was that the speed bumps on the main driveway should remain. Even though they are aggressive, they are a safety precaution.
- The Board voted to approve additional eyebrow repairs at a cost of \$12,000.
- In connection with the painting of the building, the Board approved the hiring of an engineer who will do sporadic surprise visits to check that the painting and caulking is being done correctly so that we will not require a bond.
- The Board ratified the purchase of a new key-inventory system, which has been put in place in the office. The system requires a fingerprint of anyone who removes a key. Only one key can be removed at a time.
- The Board approved the purchase of a new commercial-grade washer and dryer for the laundry room in the Phase II upper garage. Tokens may be obtained in the office or from the lobby attendants by check. A bag of 10 tokens cost \$20.
- At the Board Meeting on March 12, which followed the Annual Meeting, the Board voted to approve repairs to the Porte cocheres overlooking the front entrances of the buildings at a cost not to exceed \$60,000.

## **TREASURER'S REPORT**

### December 2008 Financials

In the income accounts we see that the Maintenance Account 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 \$64,850.53. This combined with the Allowance for Bad Debt on the Balance Sheet reflects the full amount. This gives us a clear picture of our actual situation. We also review individually our lien and foreclosed accounts to see any trend due to our economic conditions. We are aggressively collecting our outstanding debts from renters when possible. One item on the income side we are above budgeted is our late fees due to the current economic situation which has caused many people to pay late.

On the expense side, we see in the landscape department we are close to 6,000 below budget in personnel costs and over 9,000 in the Pool Dept. The housekeeping dept. is close to 8,000 below in personnel costs. The administrative is over \$15,000 in personnel costs. In other administrative costs our legal fees are \$13,000 in excess mainly due to all the foreclosures & maintenance fee collections. We also had litigation due to an assessment amount for sq. footage. Here we also see the \$64,000 bad debt write-off. The insurance premiums are below budget by \$87,045, the balcony repairs are \$55,000 below budget because we utilized the amounts left from the Balcony Special Assessment and our contingency acct ended over \$96,000 below budget, our power & water & sewer are over \$31,000 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 were in excess of our budgeted amount at this time. This budgeted amount is arrived at from prior year's experience. We

have contingency items in here, but they are not put in the Contingency account because they more adequately reflect the true expense in this account. 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 \$115,412 in excess of budget and our propane (pool heating & BBQ) are \$7,678 in excess of budget. The usage in these account crept down from the trend at the beginning of the year.

The final unaudited 2008 Net Income is over \$65,000. This adjusted for accruals and accounting adjustments leaves us a net income of \$75,430.

On the balance sheet, we have in excess of \$572,000 in the operating account and \$798,000 in our reserve account. Our security deposit account shows a balance of \$105,865. On the liabilities side, we can see the Allowance for Bad Debt that I mentioned earlier of \$132,875.

### January 2009 Financials

In the income accounts we see that the Maintenance Account shows no variance for the year from the budgeted amount since we accrue this number for book purposes. The other administrative expense should show a Bad-Debt Write off. We have reviewed 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. We currently have 10 units which are either in lien or foreclosure. One item on the income side we are above budgeted is our late fees due to the current economic situation which has caused many people to pay late.

On the expense side, we see several departments below budget in personnel costs. We do have increase expenses in sick Time buyout because we accrue it for book purposes but actually pay it out in January. The housekeeping dept. is close to 8,000 below in personnel costs. In other administrative costs our legal fees are again in excess mainly due to all the foreclosures & maintenance fee collections and contract negotiations dealing with the paint contract, sliding glass door contract and expansion joint contract. The insurance premiums are below budget but we will get a better picture in a few months when we get our insurance renewal. The oil expenses are below budgeted which is a good sign but many are saying fuel costs will rise again so we will keep a close eye on this.

I would like to discuss Maintenance equipment and supplies account. Mr. Maura has personally made it his project to minimize this expense which we exceeded the budget last year. We are a little below the budgeted number which was already a \$140,000 reduction from the prior year. We also broke out some accounts that where in the account but we have substantially reduced the expense.

The Net Income is over \$20,000 despite all the sick time buyout.

On the balance sheet, we have in excess of \$955,799 in the operating account and \$918,000 in our reserve account. Our security deposit account shows a balance of \$101,511.

### Banking Situation

As you remember, we were using current FDIC insurance amounts and the CDAR's program at Colonial Bank to secure our deposits and maximize return. I had some concerns due to Colonials falling stock prices and the stumbling returns on the CDAR's program. So we have diversified our banking options by opening accounts at BofA, Citibank, SunTrust and U.S. Century Bank in the amounts of \$250,000 in order to secure our money and maximize our returns with higher yields in their MMA.

## **MANAGER'S REPORT**

- Painting of the Towers will begin at the end of the month.
- All the boilers have been overhauled.
- The trash chutes have been cleaned, and the springs on the chute openings repaired.
- The children's playroom has been completed and is much used and enjoyed.
- The area behind the gazebo where the kayaks and canoes are stored is being cleaned and reorganized. If you have a boat there, please contact the office.
- All the stairwells and railings have been painted.
- The painting of all the pipes in the upper garage is almost complete. Work will then start on the lower garage.
- The removal of the earth and some trees and the replacement of the pipes in the East Lanai are almost complete. Earth had gotten into the pipes and caused major drainage problems. Most of the area has already been replanted.
- We are waiting for estimates on repairs to the men's steam room.

## **FEEDBACK FROM INITIAL DESIGN PRESENTATION**

- The presentation of the initial design for the lobbies and common areas was held on March 9 in Chuck Shaver Auditorium. The presentation by the designer Doreen Hernandez of Team Sepi included sketches, photographs, upholstery samples, and wall colors as well as renderings of all the main rooms. About 75 people attended. Over 95% of the units responding to the feedback form voted to continue with the design presented. The video of the renderings is available in the office along with feedback forms. The proposal is well within the reserve budget. There will be no special assessment.

## ANNOUNCEMENTS

- 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. For instance, the south end of the recently replanted east lanai is already littered with cigarette butts. **Please don't throw cigar or cigarette butts off the balconies.**
- 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.
- Please don't forget to register any overnight guests with the office. Also maids who come here on a regular basis should be registered.
- In order to ensure security, residents who don't have a Smart Pass and come through the visitor's lane into the Towers will be asked for identification if they are not known to the guard.
- In the last few months, Comcast has installed new cable boxes in most units. If you do not have a new box, call 305-266-2278 to arrange for installation.
- The Comcast office on Key Biscayne has closed. There are offices in downtown Miami, Coral Gables and Coconut Grove.
- Receiving is open from 8 a.m. to 6 p.m., Monday through Friday. You can now e-mail Receiving at [receiving@tkbonline.com](mailto:receiving@tkbonline.com).
- 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.
- 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](mailto:elsa_tel@hotmail.com), Mario Lopez at [mrlopez1@bellsouth.net](mailto:mrlopez1@bellsouth.net), Ricardo Martinez at [ricardomartinez@bellsouth.net](mailto:ricardomartinez@bellsouth.net), Tony Ottavio at [tonyottavio-board@prodigy.net](mailto:tonyottavio-board@prodigy.net), Alison Owen at [aowen310@aol.com](mailto:aowen310@aol.com), Marcos Perez at [map@maperez.com](mailto:map@maperez.com), Irving Singer at [singer4747@aol.com](mailto: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](mailto:jmaura@tkbonline) with your updated information.**

The Towers' website can be accessed at [www.tkbonline.com](http://www.tkbonline.com).

This newsletter is 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