



Draft  
Budget Footnotes  
2021

The Towers of Key Biscayne  
Work Plan & Budget Footnotes  
2021

## Introduction

The Towers of Key Biscayne, INC (Association) is a not-for-profit corporation organized under the laws of the State of Florida. The Association Membership consists of 538 unit owners. The property has two high-rise towers, and has as its direct neighbor to the south, Cape Florida State Park. There is one commercial space within each of the buildings.

The Work Plan sets forth the plan for the long- term health and vitality of The Towers of Key Biscayne community. The Plan will be used by the Board, its Committees and Association Management to guide their operational and capital budget planning decisions and day-to-day implementation of these decisions. It will also serve as an educational and communications vehicle to the community.

The budget analysis is management's estimate for the projections period. Accordingly, the budget analysis reflects management's judgment made under present circumstance of the most likely set of conditions and most likely course of actions. The assumptions disclosed herein are those that management believes are significant to The Plan and budget analysis, or are key factors the Association depends upon. Some assumptions inevitably will not materialize, and circumstances and unanticipated events may occur subsequent to the date of The Plan and budget analysis. Therefore, the actual results achieved during the projection periods will vary from the projections and the variations may be material.

The goal is to maintain and enhance The Towers of Key Biscayne at the highest possible level consistent with a luxury condominium.

### **Interest Operating**

This is the income earned from the different operating bank accounts, and does NOT include the interest that The Towers earns on its Reserve Funds.

### **Roof Rental Income**

This income is due to the rental agreement for the AT&T antenna with an annual increase of 3%.

### **Laundry**

Projections based on income from the purchase and recharge of laundry cards for the washer and dryer machines. We estimate an income of \$15,000.

### **Smartpass/Towels & Other Miscellaneous**

Projections based on income from sales of Smartpasses, Towels, Keys, Fobs, Copies, Contractor ID's, Condo Docs, and condo questionnaires.

### **Construction/Move-In/Out**

Projections based on income from charges for security personnel's time for deliveries, move-ins and move-outs, and trash removals from units under construction or individual residents.

### **Repair Charges**

Projections based on work orders to owners for minor repairs in their units.

### **Golf Cart /Parking Rental**

Projections are based on income from the rental of the Association's owned parking spaces, golf cart charging, etc.

Parking spaces are classified as covered, uncovered and golf cart parking spots. Covered spaces are located throughout the covered garage, uncovered spaces are mainly located next to the park, the exit from Tower F and the entrance to Tower A, all in the Lower Garage; and golf cart spaces are located throughout the covered garage.

### **Screening Fees**

Projections based on income from application fees and Estoppel Letters.

### **Late Fees**

Projections based on income from late fees allocated to delinquent assessments.

### **Interest income owners**

Projections based on income allocated to delinquent assessments.

## **Restaurant Income**

This income represents the restaurant's reimbursement of expenses incurred by The Towers, on behalf of the restaurant and includes:

### **Gas**

Projections based on a sub-meter reading of the restaurant consumption on the last day of each month.

### **Water & Sewer**

Projections based on monthly sub-meter reading on the last day of each month.

## **Management Discussion of Each Department**

### **Landscape Department**

- **Landscape Plants/Equipment/Supplies:** Projections are based on estimated expenditures to purchase new plants and maintain the common grounds.
- **Landscape Trimming:** Projections are based on the estimated cost for the trimming of trees for the coming year.

### **Receiving Department**

The purpose of our Receiving Department includes the signing in and issuance of ID to all contractors working on site, the acceptance and coordination of all parcel deliveries, logging in, and delivering to units, the acceptance from the residents of prepaid deliveries for parcel pick up, and the assistance to residents with luggage pick-up/drop-off. The Receiving Department also supervises the move-in and move-out trucks.

The department is open from 7:00 a.m. to 8:00 p.m. Mondays through Fridays, and 10:00 a.m. to 6:00 p.m. on Saturdays. Saturday hours may change depending on demand.

- **Receiving Supervisor / Construction Coordinator:** Aside of supervising the Receiving Dept duties and operations. The construction coordinator manages and is responsible for the architectural control of all units under construction which include inspecting units throughout the construction phase, calendar deliveries, trash removal, water shut downs, etc.
- **Receiving Personnel:** The department for 2021 will consist of two (4) employees to manage the volume of

parcels that has increased approximately 34% during 2020 alone.

Employees rate of pay for the Dept. ranges from \$12 – \$14.25 per hour, with the exception of the department supervisor whose salary is \$16 per hour. The length of employment for the dept ranges from 2 - 19 years of service.

- **Simple IRA:** The Association provides a 2% contribution to employees who have met their two-year anniversary eligibility if they contribute to the plan.
- **Sick Time/Sick Time Buyout:** The Association provides six sick days per year per employee. In the event an employee does not use his or her sick time for the current year, the employee will be paid out the unused time in the month of January.
- **Bonuses:** Projections are based on awarding merit bonuses based on performance using a seniority formula.
- **Payroll Taxes:** Projections are based on 9% of 2021's total payroll. Payroll taxes include Social Security, Medicare, Federal, and Florida SUI.
- **Worker's Compensation:** Projections are based on a rate of 8%.
- **Insurance Benefits:** Projections are based on providing the Association's full-time employees with health, life, gap, and dental insurance in 2021 at a cost of \$576 per employee. Insurance benefits are allocated at a maximum estimate. Should turnover arise, a significant variance would be found. The health insurance is projected to have a 10% increase from July 1 through December 31<sup>st</sup> 2021, which has been considered on all departments.
- **Receiving Software Package:** Projections are based on the annual cost to maintain the package software subscription.
- **Causeway Tag:** Reimbursements for the renewal/purchase of the annual Rickenbacker Causeway passes are \$60.00 per employee.

## Pool / Beach Department

### **Pool Department**

The services provided by our Pool Department include supervising activity in the pools and enforcing the rules and regulations. An essential responsibility of this department consists of ensuring cleanliness of pools, facilities, deck areas, watercraft area, barbecue area and beach. Other responsibilities include setting up of lounges and chairs for the pool decks, attending to-guests' needs within the pool area. The department is open seven days a week from 7:00 a.m. until dusk.

### **Beach Area**

The services provided include one employee forty hours a week to supervise and enforce the rules and regulations as related to the Beach Management Plan. The function of this employee will be to provide the lounges and chairs for residents, umbrellas per request and if available, and remove all these items at the end of the day, ensure cleanliness of the area (grounds, trash cans, tiki areas, and beach walkways) and monitor aquatic devices storage area. This service will be available from 9:00 a.m. to 8:00 p.m. (varies with Daylight Savings Time), Friday through Sunday including all holidays.

- **Pool Personnel:** The department for 2021 will consist of three (3) employees.
- **Beach Personnel:** The department for 2021 will consist of one (1) employee.  
Employees rate of pay for the Dept. is \$12 per hour, with the exception of the department supervisor whose salary is \$16 per hour. The length of employment for the dept ranges from 0 - 4 years of service.
- **Simple IRA:** The Association provides a 2% contribution to employees who have met their two-year anniversary eligibility if they contribute to the plan.
- **Sick Time/Sick Time Buyout:** The Association provides six sick days per year per employee. In the event an employee does not use his or her sick time for the current year, the employee will be paid out the unused time in the month of January.
- **Bonuses:** Projections are based on awarding merit bonuses based on performance using a seniority formula.

- **Payroll Taxes:** Projections are based on 9% of 2021's total payroll. Payroll taxes include Social Security, Medicare, Federal, and Florida SUI.
- **Worker's Compensation:** Projections are based on a rate of 8%.
- **Insurance Benefits:** Projections are based on providing the Association's full-time employees with health, life, gap, and dental insurance in 2021 at a cost of \$576 per employee. Insurance benefits are allocated at a maximum estimate. Should turnover arise, a significant variance would be found. The health insurance is projected to have a 10% increase from July 1 through December 31<sup>st</sup> 2021, which has been considered on all departments.
- **Pool Equipment and Supplies:** Projections are based on estimated expenditures to maintain both pools - mainly the pool chemicals and the purchases of chlorine and salt. Pool usage has a direct impact on the volume of chemicals needed to maintain the water balance.
- **Pond Supplies:** Projections are based on an estimate of inventory replacement exclusively for the fish pond.
- **Causeway Tag:** Reimbursements for the renewal/purchase of the annual Rickenbacker Causeway passes are \$60.00 per employee.

## Housekeeping Department

The function of the Housekeeping Department is to ensure the cleanliness of all common areas. These services include, vacuuming and dusting of all corridors, cleaning the interior of the elevators, ensuring all trash has been disposed of via the trash chute, removal of cardboard boxes to lower garage level for recycling, and sweeping staircases. Maintaining facilities at lobby levels includes all common area rooms, front entrances, restrooms, and mail rooms, as well as inspecting and cleaning all doors leading to pool deck levels. In addition, this department is also responsible for the cleaning of the parking lots, tennis courts and management office. The waste management and cleanliness of trash compactor areas are also managed by Housekeeping. The department is open 7:00 a.m. through 6:00 p.m. Sunday through Saturday.

- **Housekeeping Personnel:** The department for 2021 will consist of nine (9) employees. Employees rate of pay for the Dept. ranges from \$12 – \$14.75 per hour, with the exception of the department supervisor whose salary is \$17.35 per hour. The length of employment for the dept ranges from 2 - 41 years of service.
- **Simple IRA:** The Association provides a 2% contribution to employees who have met their two-year anniversary eligibility if they contribute to the plan.
- **Sick Time/Sick Time Buyout:** The Association provides six sick days per year per employee. In the event an employee does not use his or her sick time for the current year, the employee will be paid out the unused time in the month of January.
- **Bonuses:** Projections are based on awarding merit bonuses based on performance using a seniority formula.
- **Payroll Taxes:** Projections are based on 9% of 2021's total payroll. Payroll taxes include Social Security, Medicare, Federal, and Florida SUI.
- **Worker's Compensation:** Projections are based on a rate of 8%.
- **Insurance Benefits:** Projections are based on providing the Association's full-time employees with health, life, gap, and dental insurance in 2021 at a cost of \$576 per employee. Insurance benefits are allocated at a maximum estimate. Should turnover arise, a significant variance would be found. The health insurance is projected to have a 10% increase from July 1 through December 31<sup>st</sup> 2021, which has been considered on all departments.
- **Housekeeping Equipment and Supplies:** Projections are based on estimated expenditures to maintain all of the common area spaces and include the purchase of all housekeeping cleaning chemicals and supplies.
- **Causeway Tag:** Reimbursements for the renewal/purchase of the annual Rickenbacker Causeway passes are \$60.00 per employee.

## Administration

This department is open from 8:00 a.m. – 1:00 PM and 2:00 p.m. - 5:30 p.m. Monday through Friday.

- **Administration Personnel:** The department for 2021 will consist of five (5) employees. Employees rate of pay for the Dept. ranges from \$12 – \$56.58 per hour. The length of employment for the Dept ranges from 0 – 17 years of service.
  - **Receptionist:** Manages incoming calls, e-mails, walk-ins, assists with filing, email blast to residents, maintains calendar for deliveries as well as move-ins/outs, assist with registration of vehicles and resident items, data entries.
  - **Executive Administrative Assistant:** Manages incoming calls, e-mails, walk-ins, responsible for purchases/rental process, filing, assist office with security, deliveries & reservations coordinator, maintains calendar for move ins/outs, assist with registration of vehicles and resident items, data entries, TKB website, and assists the general manager and project manager.
  - **Project Manager:** This position is responsible for overseeing the completion of projects, and is involved with every step of the process from hiring to fulfillment including expenses, legal consultations, and coordination. Maintains project plans and schedules for all short and long-term repairs and improvements. This includes attending meetings related to such and attending presenting at all Board and Committee meetings.

Due to the involvement in upcoming projects required to coordinate and carry out the projects (Fire Alarm, Fire Door Replacement, Drain System, Roof Replacement, etc.) 85% of the salary will be charged in a prorated basis to each of the projects in the reserves.

- **Office Manager/Bookkeeper/Human Resource Coordinator:** Oversees office procedures, condo association accounting, includes assisting treasurer, bookkeeping, processing miscellaneous deposits, prepares billing scans and coding, assists with the production of the routine monthly financial statements, does annual audit/budget preparation, research, and emails. Prepares Estoppel and Condo Questionnaires. Handles processing of new hires, as well as the processing of payroll, benefits, and employee requests. This position is responsible for overseeing and managing purchases per issued guidelines as well as office staff support as needed.

Due to ongoing involvement on the Special Assessment payments, we are taking into account a reduction of 25% of the bookkeeper's salary from the operating budget of 2021 which will be charged through the Special Assessment.

- **General Manager:** Hires and manages staff, establishes and accomplishes business and Board of Directors' objectives. Is responsible for maintaining the day-to-day operation of the Association in all its aspects, within budget, and in compliance with all applicable laws and governing documents. Completes the annual budget, assists with the reserve study and monitors/controls variances in monthly financial statements. Prepares for regular and annual Board meetings. Makes recommendations to the Board as needed to implement necessary functions. Oversees, measures and improves the process by which issues brought by residents

are properly addressed. Meets on a daily basis with all supervisors to implement better procedures and make improvements.

- **Simple IRA:** The Association provides a 2% contribution to employees who have met their two-year anniversary eligibility if they contribute to the plan.
- **Sick Time/Sick Time Buyout:** The Association provides six sick days per year per employee. In the event an employee does not use his or her sick time for the current year, the employee will be paid out the unused time in the month of January.
- **Bonuses:** Projections are based on awarding merit bonuses based on performance using a seniority formula.
- **Payroll Taxes:** Projections are based on 9% of 2021's total payroll. Payroll taxes include Social Security, Medicare, Federal, and Florida SUI.
- **Worker's Compensation:** Projections are based on a rate of 8%. The Association has one of the lowest rates for worker compensation.
- **Insurance Benefits:** Projections are based on providing the Association's full-time employees with health, life, gap, and dental insurance in 2021 at a cost of \$576 per employee. Insurance benefits are allocated at a maximum estimate. Should turnover arise, a significant variance would be found. The health insurance is projected to have a 10% increase from July 1 through December 31<sup>st</sup> 2021, which has been considered on all departments.
- **Administrative Equipment and Supplies:** Projections are based on the cost of office supplies, equipment and related services.
- **Causeway Tag:** Reimbursements for the renewal/purchase of the annual Rickenbacker Causeway passes are \$60.00 per employee.

### **Maintenance Department**

The maintenance department works around the clock, 24/7. The function of the department is to make sure that the building is running effectively, and without any interruption. Some of the duties are as follows: annual toilet & a/c riser inspections, light bulb replacement throughout the entire building, inspections and repairs, when possible, of the 12 boilers, 6 chillers, 6 cooling towers, 96 exhaust fans, 172 ventilating valves and making sure that all domestic water lines on the roof have no leaks. Department staff is responsible for the windows and doors of all units as well as the common areas. The Association performs a few tasks for the residents in their respective units. Maintenance is also required to prepare the grounds for storm closure, which involves starting four days prior and depending on damages could take up to six to ten days to be back in operation. Also, the department is responsible for closing the shutters in the event of a hurricane. PLEASE SEE MAINTENACE GUIDELINES SHEET as posted in the Association's website for further details.

- **Maintenance Personnel:** The department for 2021 will consist of eleven (11) employees. Employees rate of pay for the Dept. ranges from \$11.68 – \$15.10 per hour, with the exception of the department supervisor whose salary is \$32.22 per hour. The length of employment for the dept ranges from 0 - 12 years of service.
  - **Maintenance Supervisor** - responsible for monitoring the performance of the department and ensuring that all work orders are processed, performed satisfactorily, and closed. This supervisor does hands-on projects with the rest of the team.
  - **Painter:** The painter is responsible for the painting of all corridors and back hallways of the 6 towers, all staircases and railings, all corridor doors, and painting of the 12 elevator landings, including the doors. Other areas to be painted are the office, beauty salon, gymnasiums, deck railings, garage walls as needed, sidewalks, entrances to elevator garage landings, etc. Based on the demand and the work load increase, this department needs to increase the staff by one employee in order to maintain the building.

- **Maintenance Technicians:** Two employees are responsible for the daily inspection and repairs of some parts of the mechanical equipment. Employees are responsible for the 12 boilers, 6 chillers, 6 cooling towers, 96 exhausts, 172 ventilating vaults, all domestic water vaults at the roof, diesel pumps, and water pumps, the pumps that provide water to the units.
  - **Work Order Personnel:** Two employees assist on a daily basis for the fulfillment of unit work-order requests. Request such as A/C service, clogged facilities, replacement of light bulbs and electrical outlet/transformers, repairs of walls, balcony titles, plastering, and painting. They address daily emergencies, leaks, manage water shut downs, etc. These tasks could require additional personnel, depending on volume. When this happens, an employee from within that department is pulled temporarily to meet these needs.
  - **Maintenance Personnel** (various shifts): Afternoon and graveyard employees, one for each shift is responsible for emergencies, after hour resident requests, and daily tasks.
  - **Common Area Personnel:** Two employees are assigned to the common area repairs and service.
- **Simple IRA:** The Association provides a 2% contribution to employees who have met their two-year anniversary eligibility if they contribute to the plan.
  - **Sick Time/Sick Time Buyout:** The Association provides six sick days per year per employee. In the event an employee does not use his or her sick time for the current year, the employee will be paid out the unused time in the month of January.
  - **Bonuses:** Projections are based on awarding merit bonuses based on performance using a seniority formula.
  - **Payroll Taxes:** Projections are based on 9% of 2021's total payroll. Payroll taxes include Social Security, Medicare, Federal, and Florida SUI.
  - **Worker's Compensation:** Projections are based on a rate of 8%. The Association has one of the lowest rates for worker compensation.
  - **Insurance Benefits:** Projections are based on providing the Association's full-time employees with health, life, gap, and dental insurance in 2021 at a cost of \$576 per employee. Insurance benefits are allocated at a maximum estimate. Should turnover arise, a significant variance would be found. The health insurance is projected to have a 10% increase from July 1 through December 31<sup>st</sup> 2021, which has been considered on all departments.
  - **Causeway Tag:** Reimbursements for the renewal/purchase of the annual Rickenbacker Causeway passes are \$60.00 per employee.

## **Security Department**

Security and the feeling of safety are primary goals of The Towers of Key Biscayne. The Plan addresses both. This community consists of two buildings, six Towers, each on a 10-acre property. Projections are based on providing the Association with the following security services:

- **Security Personnel:** The department for 2021 will consist of twenty and a half (22.5) employees. Employees rate of pay for the Dept. ranges from \$12 – \$15.76 per hour, with the exception of the department supervisor whose salary is \$33.08 per hour. The length of employment for the dept ranges from 0 - 24 years of service.
  - **The Chief of Security:** is responsible for monitoring the performance of the department and how it provides security services.
  - **Security Staff:** Twenty and a half (22.5) full-time employees, that cover a twenty-four hour, 365-day schedule.
  - **Two (2) rovers** per shift: for coverage of either (2) building, including coverage of lunches and breaks for all security personnel. They patrol the property, enforce the rules and regulations, handle lockouts, deliveries, and attend to residents' requests.



- **Two (2) lobby attendants:** one at each building per shift, monitor the security surveillance system, answer the telephones, greet residents and guests, distribute packages at lobby areas, and attend to resident's requests.
  - **Front Gate one employee (1) per shift:** greets residents and guests along with managing their arrival and inputting information into the system, coordinates the arrival of deliveries and construction workers, manages the tennis court reservation log, directs traffic when needed, and assists whenever possible.
  - **Floater:** attend to pest fumigation, move-ins and move-outs, deliveries, lockouts, vehicle registrations and patrolling.
  - **BBQ Security:** due to higher usage of the BBQ the association implemented a dedicated security guard on Fridays, Saturdays, Sundays, holidays or as determined by management to supervise access, usage and enforce rules and regulations on the area.
- **Simple IRA:** The Association provides a 2% contribution to employees who have met their two-year anniversary eligibility.
  - **Sick Time/Sick Time Buyout:** The Association provides six sick days per year per employee. In the event an employee does not use his or her sick time for the current year, the employee will be paid out the unused time in the month of January.
  - **Bonuses:** Projections are based on awarding merit bonuses based on performance using a seniority formula.
  - **Payroll Taxes:** Projections are based on 9% of 2021's total payroll. Payroll taxes include Social Security, Medicare, Federal, and Florida SUI.
  - **Worker's Compensation:** Projections are based on a rate of 8%. The Association has one of the lowest rates for worker compensation.
  - **Insurance Benefits:** Projections are based on providing the Association's full-time employees with health, life, gap, and dental insurance in 2021 at a cost of \$576 per employee. Insurance benefits are allocated at a maximum estimate. Should turnover arise, a significant variance would be found. The health insurance is projected to have a 10% increase from July 1 through December 31<sup>st</sup> 2021, which has been considered on all departments.
  - **Security Equipment and Supplies:** Projections are based on providing the security personnel with the necessary items to assist on their duties such as flashlights, raincoats, telephone, etc.
  - **Causeway Tag:** Reimbursements for the renewal/purchase of the annual Rickenbacker Causeway passes are \$60.00 per employee.

## Other Administrative

### Postage

Projections are based on an estimate of expenditures for all mailing notifications.

### Printing

Projections are based on all printing projects of high volume for mail outs, different forms and stationery and leasing fee of office printing machine.

### Legal

Projections are based on the cost of retaining counsel and estimated expenses for the coming year.

### Accounting/CPA

Projections are based on the contract with the CPA firm providing the Association with an annual certified audit of the Association's financial statements and preparation of the Association's annual tax returns.

### Financial Services

Projections are based on the Association retaining Sharma & Associates, Inc. to provide accounting services for the reconciliation of the Association's monthly financial statements, as well as budget preparation. In addition, the accounting company will be handling the monthly processing of accounts payable with the usage of Strongroom, a system integrating software that assists with streamlining the accounts payable process. The use of the "TOPS" software is included in the contract.

#### **Reserve Study**

Projections are based on the Association's engagement of a Reserve Advisor who performs an annual review of the reserve study which will include site inspection on 2021.

#### **BB&T Lock Box**

Projections are based on the Association's engagement of a bank institution to provide service for the quarterly processing of maintenance and reserve payments, which include the mailing of statements.

#### **Bad Debit**

Projections are estimates based on prior years bad debt from unit in arrears.

#### **Business Training/Seminars**

Projections are based on estimated cost of seminars and on-going training for the staff.

#### **Computers**

Projections are based on the purchase of any new computer equipment for new positions and replacements.

#### **IT Service**

Projections are based on the cost for service of computer hardware and software for all departments.

#### **Web Hosting**

Projections are based on the cost for hosting association's website and Constant contact. These services will be included as part of the new management software once the system is fully operational.

#### **Condo Fees**

Projections are based on the annual fee to the Department of Business and Professional Regulations.

#### **Payroll Processing**

Projections are based on a bi-weekly processing from ADP and the preparation of the Federal and State quarterly payroll tax filing. This also includes the current financing of the biometric hand clock.

#### **Election Processing**

Projections were based on the prior engagement of Sokol & Sokol, our current CPAs, to receive and process the annual election ballots. However, on 2021 the line item will be removed as this service will be negotiated and included as part of the CPA agreement.

#### **Taxes and Licenses**

Taxable income consists principally of tokens. Projections are based on cost incurred for the pool, manager's license renewal, and fees payable to the State and the Village of Key Biscayne.

#### **Income Taxes, Federal and State**

Federal and State income taxes are based on the Association's projected taxable income.

### **Insurance**

**Property Insurance**

Projections are based on the current coverage and estimated premiums for the buildings, as well as other structures such as the tennis courts, pools and cabanas, gazebo structures and the guardhouse. We are considering a 14% increase of the premium as a result of hurricane activity, claims against the association and recommendations by the insurance agent. Insurance renews each year on the month of May.

**Insurance Deductible**

Projections are based on an estimate for claims filed against the Association. Each claim deductible can range from \$2,500, \$5,000 or \$10,000 depending on the policy that applies to the claim.

**Interest and Bank Fees**

Projections are based on estimates for bank fees, services, and interest.

**Repairs/Supplies Breakdown****A/C Filters**

Projections are based on estimate on the purchasing of A/C filters for 538 resident units. A/C Filters are replaced on a monthly basis.

**A/C Common Area & Conduit Repairs**

Projections are based on estimates for service and repairs to all common areas outside of the contractual agreement, including the installation of new a/c conduits on each hallway.

**Animal Feed/Control**

Projections are based on annual the purchase of food for the birds and fish in the Japanese Garden as well as the annual wild life control.

**BBQ Area Umbrellas/Miscellaneous**

Projections are based on estimates for repairs and purchases of umbrellas, parts and miscellaneous items for the BBQ area.

**Boiler Service and Repairs**

Projections are based on estimates for minor repairs of the 12 boiler units, which are done in-house.

**Camera Repairs/ Visual / Audio**

Projections are based on estimates for repairs and purchases of cameras, visual and audio equipment.

**Carwash Area Repairs and Car Service**

Projections are based on estimates for repairs to the carwash area as well as any cleaning or repairs of vehicle due to damage caused by the association.

**Covid Expenses**

Projections are based on the expensed incurred during 2020 for purchase of sanitizers, cleaning supplies, signs, etc, needed to comply with cleaning requirements in accordance with New Normal guidelines.

**Electrical Repairs (Common Area)**

Projections are based on estimates for repairs and service to common areas.

**Engineering Equipment / Supplies**

Projections are based on estimated expenditures for equipment and supplies that are to maintain and service the common areas.

**Elevator Landing Door Repairs**

Projections are based on repairs and service to doors in the UG/LG elevator landings.

**Elevator Repairs & Parts**

Projections are based on repairs/service that fall outside the contractual service agreement.

**Entry Door Access Keys and Fob Purchases**

Projections are based on estimated purchase of keys and fobs for all common areas.

**Entry System Maintenance and Repairs**

Projections are based on estimates for repairs of the entry system gates and software, as well as any purchases for additional equipment if needed.

**Fire Extinguisher Inspection/Replacement**

This is for the annual inspection of the fire extinguishers throughout the common areas. We have a total of roughly 400 fire extinguishers throughout the property.

**Fire Sprinkler Inspections and Repairs**

This is for annual inspection of the fire sprinklers system. It includes an allocation for any repair or replacement as encountered in the inspections. Previous years required very minimum charges.

**Floor Polishing**

Projections are based on estimates for quarterly polishing of elevators floors; twice a year polishing of marble floors in the Ocean Room, and annual polishing of the lobbies and elevator landings and the Office.

**Fuel Tank Service & Repairs**

Projections are based on estimates for service and repairs of the fuel tanks.

**Gas Purchases**

Projections are based on estimates for the purchase of gas for pressure cleaning, equipment or any other machinery that requires the use of gasoline.

**Generator Repairs**

Projections are based on an estimate for repairs not covered under the service agreement or warranty of the equipment.

**Golf Cart Repairs**

Projections are based on an estimate of repairs to our current golf carts. The Security golf cart is used to patrol the grounds and assist residents when needed.

**Gym Equipment Repairs**

Projections are based on estimates of repairs for items not covered under the service agreement.

**Holiday Lighting/Lobby Decorations**

Projections are based on estimates for the purchase of holiday lights and decorations for the lobby areas.

**Hurricane Shutter Removal**

Line item shows \$0 allocation of funds, project will be phase out starting with Building 1111 on 2021. Estimated cost for shutter removal in Building 1111 will be paid from funds collected from the sale of shutters as scrap metal in past years. Building 1121 has no allocation of funds at this time.

**Lighting Supplies**

Projections are based on an estimate for purchases of light bulbs, transformers/ballasts, and miscellaneous lighting supplies.

**Movie Night/Lobby Music**

Projections are based on estimates for the purchase and/or rental of movies for the residents' Movie Nights as well as the monthly subscription fee to Pandora service for the lobby music.

**Painting Supplies**

Projections are based on an estimate for the purchase of actual painting and supplies for the common areas, excluding the hallways and building exterior. This allocation is for a portion of the garages and the rest of the common areas.

**Playroom**

Projections are based on an estimate for the upkeep and any items that may be needed.

**Plumbing/HVAC Repairs**

Projections are based on estimates for repairs, service, and replacement of any of our plumbing risers. Towards year end, the pipes in the garage area are evaluated and replaced as needed.

**Purchasing Mileage**

Projections are based on estimates for the cost of reimbursement of traveled miles to employees who are sent on errands for the management of the Association.

**Radio Communication**

Projections are based on estimates for repairs and purchases of radio devices within all departments.

**Recreational Room Supplies/Repairs**

Projections are based on estimated cost of supplies and repairs.

**Sliding Glass Door Repairs**

Projections are based on estimates of repairs to residents' sliding glass doors.

**Trash Chute Repairs**

Projections are based on estimates of repairs of trash chute doors and hardware.

**Trash Bag Purchases for Residents**

Projections are based on estimated cost of trash bags, which are provided to residents by the Association.

**Operations****Trash Removal**

Projections are based on estimate for the removal of the 40-yard open top container two (2) times a week, the 2-yard containers three (3) times a week, and recycling once a week. The income from the construction trash removal fee for the use of the 40-yard container is allocated towards this line item.

**Uniforms**

Projections are based on the contractual agreement for the rental of uniforms for the Housekeeping, Maintenance, Pool, Security and Receiving Depts.

**Pool Towel Purchase**

Projections are based on estimates for the purchase of pool towels by the associations which are sold to residents at the pool cabana as well as the lobbies. The income for towels is then reimbursed to the association as towels are sold.

**Smartpass Purchases**

Projections are based on estimates of purchase of resident smartpasses.

**Resident Screening Fees**

Projections are based on estimates for screening of new owners and prospective tenants.

**Contingencies and Special Projects**

Contingencies include anticipated & unanticipated expenses, as well as projects that come up.

**Utilities****Common Area Power**

Projections are based on estimates of current expenditures.

**Water and Sewer**

Projections are based on estimates of current expenditures.

**Telephone and Internet Service**

Projections are based on estimates of current expenditures for telephone reimbursement and internet services.

**Diesel Consumption for Boilers**

Projections are based on estimates of current expenditures at current market price for the diesel used to heat domestic water.

**Gas for the BBQ and Pool Heater**

Projections are based on estimates of current expenditures at current market price for gas used in the heating of the pools and the BBQ grill.

**Contractual Agreements****A/C Maintenance**

Amount is based on the contractual expenditure. This is for service and some repairs for all common area HVACs, including the six air handlers on the roof. Additionally, this includes the monthly exchange of all A/C filters for the common areas.

**A/C Controls**

Amount is based on the contractual expenditure. This is for labor and parts for the A/C valves located on the roof.

**Cable TV/ Internet Bulk Rate**

Amount is based on the contractual expenditure with Hotwire Communications. This service covers resident units,

common area rooms and gymnasiums.

**Compactor Maintenance**

Amount is based on the contractual expenditure with A1 Bailers & Compactors. This is for maintenance service to the trash compactors.

**Concierge Plus**

Amount is based on contractual agreement expenditure for management software.

**Elevators Maintenance**

Amount is based on the contractual agreement expenditure.

**Elevator Monitoring**

Amount based on the contractual cost for remote monitoring of the elevator systems, to proactively provide maintenance to elevator components and reduce elevator downtime.

**Elevators Inspection**

Amount is based on contractual expenditure. In the event that additional inspections are needed, they will be at an additional cost.

**Entry Gate Service**

Amount is based on the contractual expenditure with TEM for the service of the entry gate system. Agreement become effective as of January 2019 for a term of 5 years.

**Fire Alarm Maintenance**

This is for the maintenance of the smoke detectors, speakers, and fire panels in the common areas. Allocation for building 1121 has not been included as the system is currently being replaced and its covered under the contract.

**Fire Alarm Monitoring**

Amount is based on the contractual expenditure with Red Hawk Fire and Security. This is for the monitoring of the fire panels. With this service, the Fire Department is deployed automatically. Contract ends in February and it automatically renews.

**Fitness Service**

Amount is based on the contractual expenditure with Life Fitness. This contract includes maintenance of the gym equipment twice a year, and it does not include repairs and parts.

**Floor Mats**

Amount is based on the contractual lease agreement expenditure for lobby mats.

**Generator Service**

Amount is based on the contractual expenditure with Megawattage, LLC. The contract is for quarterly maintenance service of the generators.

**Total Key Control**

Amount is based on the contractual service agreement expenditure.

**Landscaping Ground Management**

Amount is based on the contractual expenditure with Gorgeous Landscaping for the management of the landscaping grounds.

**Lobby Landscaping**

Amount is based on the contractual expenditure with Foliage Design System for a lease and maintenance agreement that includes all lobby plants, as well as the flower beds at each lobby entrance. Also includes the agreement for the lobby center pieces.

**Pest and Rodent Control**

The amount is based on the contractual expenditure with Power Exterminator. This is for the monthly pest extermination for units and common areas. The pest control contract is under a thirty-day cancellation notice. The rodent service is as needed and under a month-to-month agreement.

**Pond**

This amount is based on the contractual expenditure with PASSA. This is for the monthly cleaning of the fish pond. This contract is under a thirty-day cancellation notice.

**Water Cooling Tower**

Amount is based on the contractual expenditure with Cascade. This is for the monthly service charge for the cooling towers water chemicals. Under a thirty-day cancellation notice, month-to-month agreement.

**Additional Agreements****Restaurant**

Lease agreement with GKB Towers Corp, expiring on October 31, 2024.

**General Manager**

Contractual employment agreement as the General Manager, expiring on December 31, 2023.

**1121 Hair Design**

Lease for the beauty salon that expires on July 31, 2023.

**Pitney Bowes**

Lease for the stamp machine, which expires on July 2025.

**United Screening**

This agreement is for the background checks done on new owners and renters. This is a month-to-month agreement.

**Restaurant/Beauty Salon Expenses****Beauty Salon A/C repairs**

Projections based on an estimate for repairs to 2 A/C units.

**Beauty Salon Maintenance and Equipment**

This item refers to painting, lighting, plumbing

**Restaurant Electrical (FPL)**

This service is the responsibility of the restaurant operator, according to the contractual agreement.

**Restaurant Equipment**

This service is for repairs of the kitchen and bar equipment of the restaurant.



**Restaurant Floor Polishing**

Projections are based on estimates for one annual polishing of the restaurant's marble floors.

**Restaurant Gas**

Projections based on a sub-meter reading on the last day of the month. The cost will be billed to the restaurant through The Towers office on the monthly invoice.

**Restaurant Legal**

Projection is based on estimated legal cost for contract negotiation and implementation.

**Restaurant Maintenance**

This item refers to painting, lighting, and plumbing of the restaurant.

**Restaurant Water & Sewer**

Projections based on monthly sub-meter reading on the last day of the month. The cost will be billed to the restaurant through The Towers office on the monthly invoice.