

Grand Isles homeowners and home renters,

This is Doug Stark again writing about our community and issues you should find interesting and a recap of our most recent Board Meeting, November 14, 2019. This meeting was to approve our 2020 budget, then we had our Annual Election of Board Members, then the Organizational Meeting.

Two positions were up for election and we had three candidates who submitted paperwork for consideration. I'm told that zero proxy ballots were received prior to the meeting. We hope this is a signal that residents are satisfied with this Board's work, not just apathy. I believe sixteen residents were in attendance. Since a quorum of residents wasn't present to vote at the meeting, the board re-elected Doreen Levy and Doug Stark to the board with three-year terms. Then the Board motioned to approve the 2020 board positions as follows:

Doug Stark, President- Emerald Point; Joe Smith, Vice President-Harbor Cove; Alan Apfel, Treasurer-Carmel; Doreen Levy, Secretary- Harbor Cove; Andrew Plevin, Director- Harbor Cove .

I am proud to serve with these individuals as they all have this community's best interests in mind at all times and are willing to give the necessary time to Grand Isles with zero personal gain.

I am always asking for residents to volunteer for committees and I will continue to do so; this HOA doesn't exist if we don't have volunteers. Thankfully, since the last newsletter, we have added four new volunteers. The Board approved Kathy Quenneville of Sausalito, Tara O'Callahan of Carmel, and Andy and Iretha Millar of Carmel to committees. Please feel free to contact Property Manager Marty Wainer or anyone on the Board to volunteer. We'd really like you to participate and help us make a difference in Grand Isles.

After my 2020 Budget presentation, I answered all questions residents and the Board had. We then voted to approve the Budget as it was presented. The 2020 Budget is in this mailing.

Coupon Books will be mailed out to residents right after December 1st. Starting January 1st, 2020 all 611 Homeowners will have monthly dues of \$160.00. Carmel homeowners will pay an additional \$47.00 per month in dues totaling \$207.00. Carmel's additional expense covers the landscape contract that includes mowing their front lawns, and sprinkler system for front lawns. Other Carmel expenses include pool maintenance, Carmel Reserve accrual, and an overrun in expenses we have to carry over from 2019.

I want to take some time to explain the overall increase from \$139 to \$160 per month. First, this community is just like our homes. They are over twenty years old. Things are aging and need to be repaired more frequently, or even replaced.

Second, this community's assets need more attention to maintain or upgrade its appearance, which greatly impacts our home values. This includes our clubhouse, pools, common areas etc.

Third, I went back ten years and reviewed each annual official Audit and each year-end financial report. I noticed that in 2016 the Board at that time spent nearly \$460,000 of Reserve money, which left this community extremely low in reserves and cash flow. We have been playing catch-up ever since and have been doing it without a special assessment. I am hopeful we never need a special assessment.

I believe I am the seventh Board President Grand Isles has had in 20+ years. Each Board and president has had their own way of managing our community assets; each has done what they felt was best for that time. We believe we

need to bring assets up-to-date and this budget reflects it. Some of the items of interest that are being addressed are the following.

Our everyday bank account cash flow is inadequate, per our Property Management Company and accounting firm who manages many communities of various sizes. We have been getting by because some residents prepay their dues both monthly and annually, which inflated our balance, but proper accounting practices don't allow us to count money which isn't officially ours yet. Currently, we have \$45 to \$50,000 in our account and I am told we need to get it built up to \$175,000. We have budgeted \$51,000 to improve our cash flow position to approximately \$100,000 by year-end 2020. I intend to do the same in 2021.

Another big item is Reserve Funding. Our 2019 Reserve budget was about \$198,000 and we are increasing it to about \$236,000 in 2020. This is what funds our forecasted expenditures into the future, as well as current improvement plans. This year's improvements scheduled to take place are the complete clubhouse remodel including four bathrooms & furniture, new pool furniture, new canvas over the seating area at the Carmel pool, sidewalk repair, tree removal, and irrigation pump replacements. Those are most of the known items being addressed in this budget with the Reserve monies.

However, we always need to allocate as much money as we can into the reserve account for replacing roofs on our buildings, resurfacing our pools and, of course, the major item being refinishing our streets. We will call in an expert to check on the estimated years left on those major items.

I think that, after our planned expenditures from the Reserve budget, we will have approximately \$425,000 heading into 2021.

Another item that is budgeted for an increase is legal fees. I increased the budget to nearly \$52,000 from last year's \$30,000 as I am hopeful our one pending lawsuit, that is over three years old, will finally go to trial, thus the increase.

I increased community activities by \$5,000 as we want to have a Grand Reopening Party for our Clubhouse for the adult residents. The Holiday party annually is focused toward children and rightly so.

Many of the basic items I budgeted for a 3% increase for 2020.

Our Maintenance/Janitorial service expense is decreasing by \$5,000. Anthony and Joshua are doing a fine job.

Our Property Management expense is going down by about \$20,000. Germania will only work Friday mornings, starting at the first of the year. She was brought on to assist our previous Manager and we no longer need her as many hours since Marty is our Manager and doing a great job for us.

Our Gatehouse Guard expense is going up about \$15,000 this year as we must raise the guards' rate of pay. Due to low wages, we have lost two in the past two months. Their new rate of pay will be \$12 per hour, from \$11 currently, and we will likely need to do the same next year as they can go elsewhere for much more. It is a tight labor market as Palm Beach County unemployment is at 3%.

Next year, we are going to use bagged mulch rather than blowing mulch on our common areas, as has been our practice. It will go on thicker by hand and look better longer, and at a lower rate. In the past we mulched once a year; next year we will mulch twice per year (May & Nov).

We are going to pressure spray the common area sidewalks twice per year in 2020. Currently once per year.

We intend to patch the street in the spots showing wear on Narragansett Bay Court, so they don't get any worse.

We are working with a Grand Isles resident, Dewitt Huang, who is founder and owner of Afix Advertising. Dewitt's company is going to provide us with a fabulous new web site we will all be proud of. They will also serve as web master and maintain the site for us. We will pay \$100 per month. We intend to go live at the first of the year. More to come in the next letter. He will present a progress report at our next board meeting.

Our pools are now being serviced by TMZ Pools, which is owned by Tony Blakeney who is a long time Carmel resident. Our pool service has gone up from three days to four per week, and TMZ has trained our new maintenance men Anthony and Joshua how to clean the pools on days when TMZ isn't scheduled. TMZ is doing a great job.

Enclosed in this mailing is a page from Marty explaining our new upgraded security and guardhouse access system. This is great news for us residents.

I think I have recapped the major increases and decreases for the 2020 Budget.

I have also included a second newsletter about the upcoming December 15th Holiday Party. Plenty of food and fun for those who attend. Hope to see you there.

Please find a page from Andrew Burnstine, of Sausalito, who wants to start up a "Neighborhood Watch" group in this community. It would be helpful if we had more sets of eyes in the community. Please consider joining and contact Andrew.

I have mentioned the board members, new volunteers, residents who are serving this community like Tony Blakeney of TMZ Pools and Dewitt Huang of AFIX who's company is building our new web site. I would also like to say that this community has so many talented residents. My immediate neighbors are an Office Depot executive, an FPL executive, a Realtor®, a Flight Attendant, a Financial Manager. I have met so many terrific individuals (and of course a few that may have been having a bad day).

A talented couple who resides in Sausalito is Jim and Kathy Quenneville. Among other things, Kathy is the lead singer for their Tribute Band "ALL HEART". Jim plays guitar and keyboard. My wife and I had the privilege of sitting in on a practice session at their home recently. I say this because they are very good, and they are part of a huge fundraiser called Divinyl Intervention to benefit the Hurricane victims of the Bahamas. The concert is at the Wellington Amphitheater on Dec. 15th. I have enclosed a flyer for you to review and encourage residents to attend and see some of our own perform.

I'd like to share some other information with you that pertains to our community.

Doreen Levy (Secretary on the Board) is also a Realtor® and provided us with the following information.

Over the past 12 months (ending in September 2019,) Grand Isles had 40 properties sell and close. The average number of days a home was on the market was 56. The average square foot on homes sold was 2460. The average list price was \$416,794 and the average sale price was \$404,875. The average sale price per square foot was \$169.07.

Across the street at the Isles, the average sale price per square foot was \$161.67, on 41 properties for the same timeframe. Down the street at Wellington Shores, the average sold price per square foot was \$161.19.

All three communities benefit from having an Elementary School on one side and the Middle School on the other. A HUGE benefit we have over other HOA's (including the nearby one's) is our low monthly dues. Even after our increase this year, we are still way below the others. Below is what I discovered the dues were as of September 2019 for different communities.

Equestrian Club \$468 monthly, Versailles \$411 monthly, Isles of Wellington \$360, Black Diamond \$290, Olympia \$283, Wellington Shores \$275, Greenview Cove \$275, Bellagio \$533, and these rates don't include any increase for 2020. At \$160 & \$207 we are still way below the others.

More Grand Isles Information:

40% of homes in Grand Isles have their own swimming pools in their back yard. Excluding Carmel, 51% of homes have pools. 33 of 41 (80%) homes in Emerald Point have pools. 57 of 87 (65%) homes in Emerald Bay have pools. 99 of 180 (55%) homes in Sausalito have pools. 30 of 120 (25%) home in Harbor Cove have pools. 24 of 183 (13%) homes in Carmel have pools. Of course, all homeowners in Carmel are deeded ownership of the Carmel Pool. These numbers are based on a visual search on Google Earth and are probably short of any added in the last 4 years.

Like many of you, I will likely never use the community pool. Or the workout facility. If I wasn't on the Board, I'd likely not use the Clubhouse. However, I see the great value in all these assets. They make people want to live in a gated community. We feel and are safer with very little crime. The better these assets look, the more valuable our homes become and the more Realtors® want to show our community and its assets.

I felt that I couldn't ask homeowners to tidy up their property if the HOA didn't first set a good example. Our common area sidewalks have been pressure sprayed, the areas below our trees and bushes now have new mulch, our community went through a thorough weeding a couple of weeks ago. Our Holiday Lights are up and lit. After much frustration by many, including me, our lakes have now been sprayed along the banks and should look good soon. Our road at the back entrance now has posts with reflectors that are doing their intended job by keeping cars off our sprinkler system. Over time, we will benefit by not incurring expense replacing sprinkler lines.

What I'm getting at is it's time for all of us to step up and spend some time focusing on our yards and house exteriors. Over 500 violation letters were sent out recently. I'm not saying 500 homes got letters as some got multiple letters. I got one too. I corrected my situation. To those of you who have already addressed your issue or issues, we thank you. This time around, the focus was primarily on the basics- dirty roofs, driveways, sidewalks, aprons, and swales. A few garage doors need repair, a few homes need paint and some driveways need to be refinished. Next go-around will go a little deeper.

Five, ten, even 15 bags of mulch, or rock if you choose, would make a great difference in your yard's appearance. Flower gardens need to be weeded and refreshed. Landscapes need to be tended. Vehicles can't sit in driveways or streets and leak oil. Ruts or depressions in driveways need to be corrected.

Article VI of our By-Laws states that we are to maintain our property in first class, good, safe, clean, neat, attractive condition. Someone stated they thought these violation letters were just a revenue source for the community. Nothing could be further from the truth. I hope we never have to fine anyone and that we all do what our rules state. The vast majority of letters or issues are corrected immediately; very few make it to the next step.

We all have at least two things in common. It doesn't matter if you own or rent, we all first signed an agreement that we would abide by the rules set forth by this HOA. Then, we all moved into this community, hopefully because this is where we want to be.

Not knowing the articles, by-laws, amendments, rules etc. is not a legitimate excuse. We should all read them and abide by them. Please don't be someone who thinks rules are for everyone else. If the previous owner or Realtor® at time of close didn't give you the entire set of by-laws, go to our website and find them.

I have a couple of other items I'd like to address.

It has been brought to my attention that a couple of residents and guests have been verbally abusive to our guards at the front gate. If it happens in the future, you will receive a call or knock on your door to speak with you. It won't be tolerated. They make \$11 an hour. They are doing their job. And if not, we want to hear about it. But, please don't be upset at them.

If you have an issue about anything controlled by the HOA, there are two ways of addressing it. First, call Marty Wainer at the office (561-333-5253). If Marty doesn't handle the situation to your satisfaction, then go to our Grand Isles web site and send an e-mail to the Board. You will hear from us within 24 hours. Do not call Davenport Management Company as they will just refer you to Marty. Davenport works for us all, but they don't make decisions for us. Lastly, unless you want to make your community look bad, please don't put your complaints on "Next Door". Residents from other communities can't solve our issues. The Board will never respond to something posted on Next Door.

Also, everyone needs to understand that you cannot start or complete any project that requires Architectural Control Committee approval without submitting a request to the ACC and getting the Committee's authorization. Check our web site to review our guidelines and, if you need clarification, call Marty. Trying to circumvent the system is unacceptable.

Everyone must abide by our rental guidelines. No AirBNB's etc.

Do not feed the wildlife. This includes ALL WILDLIFE. If you observe someone doing so, please contact Marty at once. We can't allow the potential liability.

I think all residents should want to know that Grand Isles is properly insured. We have an Umbrella policy with National Surety, General Liability with Aspen Specialty, Property with Aspen Specialty, Business Auto with Aspen, Crime with Aspen, Worker's Comp with Zenith Ins., Flood with Wright National Flood, Boiler & Machinery with Travelers. The coverage in dollars seem reasonable and the deductibles do too. I budgeted a 17% increase for 2020, per the Brokers recommendation.

I want to remind everyone that our Clubhouse remodel is scheduled to begin on January 6th, 2020 and we expect it to be completed about February 28th. There will be periodic gym and office closures during this time, and we will not take any reservations during that timeframe. By the time the remodel project begins, we should have a phone text system to notify residents of any issues to include when the clubhouse will be closed for business. Of course, you will have to provide cell phone numbers so you can receive messages. That will be addressed in December.

Our next Board Meeting is scheduled for 6:30 PM, Tuesday, December 17th. We thought we need to get one more meeting in before the remodel starts. It is uncertain when we will be able to have another in January or February. The preliminary agenda includes an update on our new web site, an update on our new communication with the Guardhouse and residents, a resident is scheduled to speak about security concerns, and another will speak about the flooring in our Kiddie Play area. We will update the Board on the remodel project. Likely, other items will be added. We'd like to have your attendance.

This is a long newsletter, but full of information. I would much rather provide you too much information than too little. I hope you have found this worth your time.

In closing, I know we have residents from all over the world and many different religions. I wish each of you and your families a great Holiday Season. Take care. Doug Stark