



Waterside III at Bay Beach  
4183 Bay Beach Lane  
Fort Myers Beach, FL 33931

11/6/23

Dear Waterside III Owners,

**Treasurer's Comments on the Proposed 2024 Budget**

Thanks to Sylvie Gauthier, our Property Manager, and Kerry Johnson, our Myers Brettholtz Accountant, for their efforts in preparing the proposed 2024 budget. Thanks also to the Crisci Finance Committee for reviewing the draft budget.

The proposed 2024 WS3 budget shows an increase in owner quarterly assessments of about 4% over the 2023 budget; see the Assessment Schedule and Proposed Budget pages for comparisons with 2022 and 2023. The 4% increase is much less than I forecasted in February 2023, and it is a result of lower-than-expected insurance costs. Our insurance broker's guidance in February 2023 was to expect a four-fold increase to about \$422,000 per year (mainly due to property insurance). Instead, due in part to the beneficial effect of replacing our roof, our 2024 insurance costs will be about \$236,000, still 2.3 times higher than in 2022. The net result is that the \$400,000 special assessment for insurance paid by the owners in February 2023 is sufficient to pay our insurance costs in 2023 (\$163,290.98) and 2024 (\$235,699.67).

Other changes impacting 2024 owner quarterly assessments are as follows:

- We received \$1,250,000 in SBA disaster loan disbursements during 2023. In 2024 we will begin making loan payments, a total of \$37,200 for 8 months. In 2025, that amount will increase to \$55,800 for 12 months of payments. To be clear, the monthly loan payment is fixed at \$4,650 unless the loan amount is changed (see below). By the way, SBA granted WS3 a 3-month extension of its deadline to disburse additional funds, from November 5, 2023, to February 5, 2024.
- The reserve assessment was increased in 2023 to \$153,000 from \$77,000 in 2022. This was due to higher expected replacement costs for various line items. The most significant of these is the cost of replacing our roof. This was estimated at \$695,000 for the 2023 budget based on information we had at the time and much higher than the previously assumed cost of \$70,000 for re-membraning the roof. We now know the roof replacement cost to be \$403,425 (not including the one-time cost of anchoring the roof-top HVAC units). As a result, we reduced the annual reserve assessment to \$135,000 in 2024 (see Proposed Reserve Budget page).
- The contracted costs of a number of operating expense line items (excluding insurance) is increased in the 2024 budget vs the 2023 budget. The net effect on the 2024 budget is an increase of about \$22,000 over the 2023 budget. The main contributors are: \$6,000 for a Florida mandated Structural Reserve Integrity Study; a \$3,750 increase in window cleaning costs; a \$3,080 increase in TV/Internet costs.

Uncertainties that could impact the 2024 financials are as follows:

- Our gross storm repair costs are currently estimated to be \$1,375,576 (about 52/48 operating vs reserve expenses, as shown in the 2022, 2023, and 2024 budget figures in the Budget Cover and Pooling Flat pages). We received a payment of \$231,126 on a flood insurance claim. So our net storm repair cost is about \$1,144,450. If that is the final amount, then we would need to return about \$100,000 to SBA. This would reduce our loan amount and loan payments by 8% over what we have budgeted. On the other hand, replacement of our roof is not complete, and it is possible the final cost could be higher - even significantly so - than the contracted amount.
- We have engaged an insurance adjuster, Altieri Insurance Consultants (used also by Waterside I and Waterside II). Coverage for two big ticket items - repainting the entire exterior of our building and replacing all external glass - and some smaller ones are being addressed by Altieri with our insurer. These are outside the scope of the SBA loan. At this early stage, the outcome of Altieri's efforts is unknown and the impact on our finances cannot be forecasted. Sylvie Gauthier, Scott Kitkowski, and I were briefed by Altieri on October 31. The board then took a decision to continue this process.

- There could be above budget maintenance costs due to other storm related damage that has not yet been recognized.
- A lobby renovation project is under development. A current estimate of the cost is \$80,000 including \$20,000 for furnishings and \$60,000 for structural and cosmetic modifications. The former (\$20,000) can be paid with a combination of already disbursed SBA loan funds (\$12,700) and reserve funds (\$7,300). The latter (\$60,000) would need to be paid through an added owner assessment.
- We will be earning interest on operating and reserve fund balances through WS3 money market accounts at Fidelity that are currently earning about 5%. We have not attempted to budget this revenue given that the invested balance will soon be significantly reduced after paying for the roof project and a full-year of insurance.

Looking ahead to 2025, I expect owner quarterly assessments will be at least 50% higher than in 2024. This assumes that insurance costs are the same as in 2024 and there are other modest operating cost increases. Reserve funding in 2025 is uncertain at this time due to the impact of Florida's 2022 Condo Safety Act. It requires a Structural Integrity Reserve Study (SIRS, included in the 2024) which is designed to ensure that Condo Owners Associations are reserving funds for the long-term maintenance and necessary replacement of critical structural elements in their buildings. Upon completion of the SIRS for our building, we should know if significant adjustments in our reserve funding are needed in 2025.

Respectfully submitted,

Jeff Lievense, Treasurer

**Waterside III at Bay Beach Condominium Association, Inc.  
NOTICE TO ASSOCIATION MEMBERS  
OF A BUDGET APPROVAL MEETING OF THE BOARD**

**NOTICE IS HEREBY GIVEN** that a Budget Approval Meeting of the Board of Directors of Waterside III at Bay Beach Condominium Association, Inc. will be held at the following date, time and place:

**Date of Meeting:                      Wednesday, November 22<sup>nd</sup>, 2023**

**Time:    10:00 AM**

**Place of Meeting:                      Waterside III Social Room**

**AGENDA**

1. Call to Order
2. Proof of Notice.
3. Establish a Quorum
4. 2024 WS III Budget Review – Jeff Lievense
5. 2024 Budget Approval
6. Comment and discussion by unit owners.
7. Adjournment.

**Waterside III at Bay Beach Condominium Association, Inc.**  
**2024 Proposed Operating Budget**  
**For the period January 1, 2024 - December 31, 2024**

	2022 Actuals	Approved 2023 Budget	Projected 2023 Total	Proposed 2024 Budget	Average Annual Per Unit	Average Quarterly Per Unit
<b>Income:</b>						
Assessments - Operating	\$ 364,079.00	\$ 296,273.38	\$ 296,415.95	\$ 293,271.86	\$ 5,056.41	\$ 1,264.10
Assessments - Cable	55,105.00	56,188.00	56,188.07	59,268.22	1,021.87	255.47
Assessments - SBA				37,200.00	641.38	160.35
Operating Interest	64.59	-	73.29	-	-	-
Special Assessment		400,000.00	399,999.95	-	-	-
Application Fees	750.00	1,000.00	1,050.00	1,000.00	17.24	4.31
Housekeeping Reimbursement	5,935.00	4,000.00	1,305.00	3,000.00	51.72	12.93
Late Fees/Interest	97.92	-	-	-	-	-
Insurance Claim	475.00	-	231,125.62	-	-	-
Miscellaneous	165.00					
Prior Year Surplus/Deficit		-	-	236,709.00	4,081.19	1,020.30
<b>Total Income</b>	<b>\$ 426,671.51</b>	<b>\$ 757,461.38</b>	<b>\$ 986,157.88</b>	<b>\$ 630,449.08</b>	<b>\$ 10,869.81</b>	<b>\$ 2,717.46</b>

**Expenses:**

**Administrative Expenses**

Accounting Fees	\$ 9,804.00	\$ 10,152.00	\$ 10,152.00	\$ 10,920.00	\$ 188.28	\$ 47.07
Additional Accounting Fees	1,668.34	3,000.00	2,909.00	3,000.00	51.72	12.93
Activities	1,463.81	1,500.00	1,443.23	1,500.00	25.86	6.47
Appraisal Fees		290.00	-	290.00	5.00	1.25
Corporate Annual Report	61.25	61.25	61.25	61.25	1.06	0.27
EBIA	22,272.00	22,272.00	21,576.00	21,576.00	372.00	93.00
Fees To Division	232.00	232.00	232.00	232.00	4.00	1.00
Legal	340.00	1,000.00	13,709.00	3,000.00	51.72	12.93
Miscellaneous Contingency	780.13	500.00	2,556.53	500.00	8.62	2.16
MB Office	729.04	2,198.00	3,121.28	2,198.00	37.90	9.48
Professional Fees	5,141.00	1,700.00	-	6,000.00	103.45	25.86
Taxes, Licenses & Fees	150.00	150.00	150.00	150.00	2.59	0.65
Website	33.99	500.00	29.20	500.00	8.62	2.16
<b>Total Administrative</b>	<b>42,675.56</b>	<b>43,555.25</b>	<b>55,939.49</b>	<b>49,927.25</b>	<b>860.82</b>	<b>215.23</b>

**Insurance**

Insurance - Cyber Liability	957.81	-	449.78	-	-	-
Insurance - D & O	2,236.75	2,621.50	2,625.91	2,832.00	48.83	12.21
Insurance - Fidelity Bond	269.65	292.65	284.98	286.67	4.94	1.24
Insurance - Flood	9,170.05	10,200.00	11,892.25	14,799.00	255.16	63.79
Insurance - General Liability	5,943.38	7,009.20	7,458.82	10,304.00	177.66	44.42
Insurance - Plate Glass	2,883.50	2,891.00	2,850.60	2,902.00	50.03	12.51
Insurance - Property	79,977.40	396,001.25	133,593.63	200,000.00	3,448.28	862.07
Insurance - Umbrella	3,252.93	3,484.40	4,135.01	4,576.00	78.90	19.73
<b>Total Insurance</b>	<b>104,691.47</b>	<b>422,500.00</b>	<b>163,290.98</b>	<b>235,699.67</b>	<b>4,063.80</b>	<b>1,015.97</b>

**Maintenance Bldg/Amenity**

Air Conditioning System	6,939.68	8,572.00	6,540.90	8,572.00	147.79	36.95
Building Repair/Maintenance	18,029.77	25,000.00	7,594.43	25,000.00	431.03	107.76
Building Supplies	3,572.11	3,000.00	6,423.87	5,000.00	86.21	21.55
Elevator Contract	7,129.56	8,000.00	7,578.92	8,300.00	143.10	35.78
Elevator Repairs & Maintenance	1,899.96	2,000.00	1,796.64	2,000.00	34.48	8.62
Entry System	769.79	1,000.00	194.36	1,000.00	17.24	4.31
Exercise Equipment	926.33	1,472.00	1,119.86	1,500.00	25.86	6.47
Fire Alarm System - Repair/Maintenance	5,355.83	8,000.00	3,959.05	10,230.00	176.38	44.10
Guest Suite Maintenance	3,532.62	3,000.00	1,000.00	3,000.00	51.72	12.93
Janitorial Service	20,826.00	23,629.00	22,432.00	23,508.00	405.31	101.33
Janitorial Supplies	360.58	750.00	475.92	750.00	12.93	3.23
Pest Control	933.33	1,344.00	1,486.67	1,480.00	25.52	6.38
Window Cleaning	1,550.00	5,250.00	5,400.00	9,000.00	155.17	38.79
<b>Total Maintenance Bldg/Amenity</b>	<b>71,825.56</b>	<b>91,017.00</b>	<b>66,002.62</b>	<b>99,340.00</b>	<b>1,712.74</b>	<b>428.20</b>

**Maintenance - Grounds**

Domestic Water Pump	-	750.00	478.85	750.00	12.93	3.23
Grounds - Landscape Plan	8,649.83	-	-	-	-	-
Gardening Contract	444.77	-	-	-	-	-
Grounds - Maintenance Contract	5,254.80	7,308.00	5,190.00	7,200.00	124.14	31.04
Grounds - Mulch	948.00	1,000.00	2,000.00	1,000.00	17.24	4.31
Grounds - Repair/Maintenance	3,158.19	2,000.00	445.97	2,000.00	34.48	8.62
Irrigation - Repairs/Maintenance	1,292.95	1,000.00	1,631.26	1,000.00	17.24	4.31
Tree Trimming	-	1,000.00	1,444.99	1,000.00	17.24	4.31
<b>Total Landscape Maintenance</b>	<b>19,748.54</b>	<b>13,058.00</b>	<b>11,191.07</b>	<b>12,950.00</b>	<b>223.27</b>	<b>55.82</b>

**Utilities**

Electricity	11,283.07	16,000.00	17,556.80	18,000.00	310.34	77.59
Telephone	2,921.03	4,300.00	4,445.45	4,600.00	79.31	19.83
Trash Removal	5,036.98	5,500.00	4,321.58	5,500.00	94.83	23.71
Water/Sewer	31,574.59	40,000.00	32,001.15	40,000.00	689.66	172.42
<b>Total Utilities</b>	<b>50,815.67</b>	<b>65,800.00</b>	<b>58,324.98</b>	<b>68,100.00</b>	<b>1,174.14</b>	<b>293.55</b>

**Property Management**

Golf Cart	94.07	500.00	4,504.32	500.00	8.62	2.16
Insurance - Workers Compensation	1,245.58	1,500.00	477.20	1,500.00	25.86	6.47
Office	1,288.45	1,000.00	545.51	666.67	11.49	2.87
Office Utilities	1,200.00	1,200.00	1,200.00	1,200.00	20.69	5.17
Payroll - Health Benefits	326.76	333.33	326.76	333.33	5.75	1.44
Payroll - Maintenance	19,014.14	20,439.47	20,689.55	21,411.44	369.16	92.29
Payroll - Manager	25,912.82	27,900.00	28,149.91	29,514.00	508.86	127.22
Payroll - Other	5,476.14	5,333.33	5,949.95	5,333.33	91.95	22.99
Payroll - Retirement Benefits	779.74	833.33	780.32	866.67	14.94	3.74
Payroll - Taxes	3,671.43	3,637.00	3,759.63	3,921.83	67.62	16.91
Payroll - Processing Fees	-	1,000.00	876.53	1,050.00	18.10	4.53
Telephone	1,429.20	1,666.67	1,196.48	1,666.67	28.74	7.19
<b>Total Property Management</b>	<b>60,438.33</b>	<b>65,343.13</b>	<b>68,456.16</b>	<b>67,963.94</b>	<b>1,171.78</b>	<b>292.98</b>

Storm Damage	189,793.15	-	524,024.12	-	-	-
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TV/Internet	46,299.63	56,188.00	59,268.22	59,268.22	1,021.87	255.47
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SBA Loan Payment			-	37,200.00	641.38	160.35
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<b>Total Expenses</b>	<b>\$ 586,287.91</b>	<b>\$ 757,461.38</b>	<b>\$ 1,006,497.64</b>	<b>\$ 630,449.08</b>	<b>\$ 10,869.80</b>	<b>\$ 2,717.57</b>
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**Waterside III at Bay Beach Condominium Association, Inc**  
**2024 Proposed Reserve Budget**  
**For the period January 1, 2024 - December 31, 2024**

	Current Cost	Useful Life Years	Remaining Life Years	2024
Asphalt/Concrete Pavement	98,000	22	-	98,980
Awnings	25,000	12	6	
Doors - Interior	66,780	50	27	
Elevators	250,000	25	5	126,250
Exercise Equipment	18,000	12	1	
Floors - Fitness, Social, Guest Stes, Living & Lobby	75,000	15	3	
Furnings/Appliances	36,000	25	17	7,300
Garage Doors - metal rollup	39,950	20	19	
Terrace Decks	60,000	10	8	
Garage Standing Seam Roof	10,000	40	17	
Glass Door & Window - Common Area	60,000	35	12	
HVAC	30,000	10	-	
Life Safety Systems	198,865	25	24	
Lighting - Exteriors	16,000	30	7	
Metal Doors & Frames - Exterior	70,000	25	2	
Painting - Exterior	127,197	10	6	
Painting - Interior	82,000	15	1	
Pavers	30,000	40	16	
Railings - Exterior	119,000	35	12	
Roof	403,425	20	19	
Screen Enclosures	194,000	25	23	
Tele-com/Security	10,000	10	9	
Water Pump - Domestic	62,000	20	13	
<b>Totals</b>	<b>2,081,217</b>	<b>531</b>	<b>247</b>	<b>232,530.00</b>

<b>Projected 12/31/23 Reserve Fund Balance</b>	<b>306,618.81</b>	<b>Beginning Balance</b>	<b>\$ 306,618.81</b>
		<b>Expenses</b>	<b>(232,530.00)</b>
		<b>Funding</b>	<b>135,000.00</b>
		<b>Interest</b>	<b>-</b>
		<b>Other</b>	<b>-</b>
		<b>Ending Balance</b>	<b><u>\$ 209,088.81</u></b>

**Waiving of reserves in whole or in part, or allowing alternative uses of existing reserves may result in unit owner liability for payment of unanticipated special assessments regarding those items.**

**Waterside III at Bay Beach Condominium Association, Inc**

**2024 Assessment Schedule**

Based on 58 Units

	2024	2024	2024	2023
	Annually	Quarterly	Qtr Per Unit	Qtr Per Unit
<b>Channel Mark (1,440 Sq. Ft.)</b>				
Operating Assessment (19 Units) (1&2)	\$ 84,346.98	\$ 21,086.75	\$ 1,109.83	\$ 1,121.19
TV/Internet Assessment	19,415.45	4,853.86	255.47	242.19
SBA Assessment	10,698.97	2,674.74	140.78	
Reserve Assessment	38,826.92	9,706.73	510.88	580.89
<b>Total Assessment</b>	<b>\$ 153,288.32</b>	<b>\$ 38,322.08</b>	<b>\$ 2,017.00</b>	<b>\$ 1,945.00</b>
<b>Gulf Mist (1,630 Sq. Ft.)</b>				
Operating Assessment (19 Units) (5&6)	\$ 95,475.71	\$ 23,868.93	\$ 1,256.26	\$ 1,269.12
TV/Internet Assessment	19,415.45	4,853.86	255.47	242.19
SBA Assessment	12,110.59	3,027.65	159.35	-
Reserve Assessment	43,949.74	10,987.44	578.29	657.53
<b>Total Assessment</b>	<b>\$ 170,951.49</b>	<b>\$ 42,737.88</b>	<b>\$ 2,250.00</b>	<b>\$ 2,169.00</b>
<b>Tide Water (1,840 Sq. Ft.)</b>				
Operating Assessment (20 Units) (3&4)	\$ 113,449.29	\$ 28,362.32	\$ 1,418.12	\$ 1,432.63
TV/Internet Assessment	20,437.32	5,109.33	255.47	242.19
SBA Assessment	14,390.45	3,597.61	179.88	-
Reserve Assessment	52,223.40	13,055.85	652.79	742.25
<b>Total Assessment</b>	<b>\$ 200,500.46</b>	<b>\$ 50,125.11</b>	<b>\$ 2,507.00</b>	<b>\$ 2,418.00</b>
<b>Total Assessments</b>				
Total Operating Assessment Due	\$ 293,271.86	\$ 73,318.00		
TV/Internet Assessment	59,268.22	14,817.05		
SBA Assessment	37,200.00	9,300.00		
Total Reserve Assessment Due	135,000.00	33,750.02		
<b>Total</b>	<b>\$ 524,740.08</b>	<b>\$ 131,185.07</b>		