

Questions and Answers for the November 10, 2020 2021 Proposed Budget Presentation

Bill Green

Q. How many quotations were solicited for lawn services? If there were less than three, why are proper business protocols not being followed?

A. As has been experienced by former board members when they have tried to solicit bids for lawn service, most companies decline to bid as they prefer either only commercial or only single homes, and not a combination of 572 single homes and common areas. In fact, a prior board received only one bid at a cost of \$100,000 more than Rusticscapes. Last year when the initial contract was signed with Windsor Lakes Lawn Service, the decision was between Rusticscapes and Windsor Lakes Lawn Service. Windsor Lakes Lawn Service had a one-year contract with a four-year extension if the terms of the contract were fulfilled. Those terms were fulfilled, although not necessarily to everyone's expectations. The Board solicited comments and concerns from residents prior to renewing this contract. Taking those concerns into consideration, we beefed up the new contract with more details of expectations using residents' recommendations. We again signed a one-year contract with a potential three-year extension if the terms of the contract are fulfilled. The board will be monitoring Windsor Lakes Lawn Service closely and will hold quarterly performance reviews with them to address areas that need improvement. More information on the lawn service will be distributed tomorrow via eBlast.

Q. How many quotations were solicited for insurance coverage? If there were less than three, why were proper business protocols not followed?

A. We are currently in the quotation process with two agents and are trying diligently to obtain a third quotation. We had also tried unsuccessfully earlier in the year to get a quotation from another agent. The problem we have in Windsor Lakes is the volume and insured value of the properties. There are many more complexities in insuring our properties than in a homeowner going out for bids on a single family home. We are responsible for insuring 174 townhomes and the clubhouse/guardhouse, fencing and other common areas. The 2020 insured property value is \$33,615,240 with the townhomes comprising the majority of that number at \$30,574,232. Unlike large corporations, a single insurance carrier is less prone to be willing to underwrite this total amount for an HOA the size of Windsor Lakes. Therefore, we have to go through surplus carriers and have multiple companies providing the coverage. In 2020, there are 10 carriers that are providing varying amounts of our property insurance.

Jack Burger

Q. Is the \$476,000 for 2021 townhomes roofing one third of the total contract?

A. Yes, that is correct. The contract will, of course, be subject to potential changes in the pricing of materials.

Q. What is the lake management cost?

A. The cost is the line item "Lake Management" in the Community Maintenance section of the common operational expenses for \$6,000 in the 2021 budget as compared to an estimated actual for 2020 of \$5,375.

Q. What is the townhomes repair/maintenance cost for homes that will not be replaced in 2021?

A. I am assuming that this is referring only to the roofs. The cost is in the line item "Townhouse Roof Maintenance" in the Individual Home Maintenance section of the common operational expenses for \$6,000 in the 2021 budget as compared to an estimated actual for 2020 of \$8,650. We are assuming that it will be less in 2021 due to the beginning of the roof replacements.

Q. Does the \$136,000 payroll provide a salary increase, such as COLA? Is it for 3 full-time and 1 part-time positions?

A. Yes, the \$136,000 provides a 3% increase over 2020 and is for 3 full-time and 1 part-time positions.

Q. What are the current salaries for Lisa, Jose, Louise, and Karina?

A. You can make some estimation using your own calculations, but this information will not be provided to you as it is confidential.

Q. Does the increase for Sterling to \$40,542 reflect only a COLA increase?

A. Sterling's contract allows for an increase in their monthly management fee on each January 1 as agreed by Sterling and the Windsor Lake Board of Directors. There was no increase in 2020. The agreed increase for 2021 is 2%.