

**Amended and approved 04/10/17**

**POLO PARK HOMEOWNERS ASSOCIATION SECOND ANNUAL BUDGET MEETING  
CHALLENGER CLUBHOUSE  
MARCH 13, 2017**

**Call to Order**

The meeting was called to order at 6:05 PM by President Peter Sampiere with the following Board members present: Dawn Bissell, Dot Dorrington, Marletta Frantal, Patti Kares, Larry Parker, and Drew Poteracki.

**Counting of Votes:**

Chris Stephens stated the number of homeowners present and it was determined that the quorum necessary to conduct the meeting had been reached.

**Homeowners Comments:**

Pete Sampiere turned the meeting over to Dawn Bissell. Dawn thanked Christine Stephens and all the volunteers for doing the registration. Dawn also thanked everyone who helped stuff the envelopes for the mailing of the second budget proposal. Dawn asked that if anyone had questions to come to the front microphone to speak, and, stated, that after the question session, the budget would be voted on.

Pat Munifo has a problem with the new golf irrigation reserve account. Part of the problem with the previous budget being turned down was the funds proposed for the irrigation system because we did not need a new golf irrigation system. Pat stated that reserve accounts are approved as part of the budget approval. So if this budget is approved we are approving a new golf irrigation system and to save and put money away for a new system which could be tomorrow or a week or 10 years or 25 years. Putting money in this account that cannot be touched for anything but replacement of the irrigation system is not needed. This park already has over a quarter of million in reserves. This park has over 700 some homes and we do not need this in our budget. She is not aware of any golf courses that have actually replaced the entire sprinkler system. Systems are repaired. Our system has been repaired and it works very well. Why do we want to put money in this account and never be able to touch it? She feels that this is kinda a foolhardy thing to do. If you vote for the budget in its entirety, you are approving this reserve item. This gives the Board the chance to add this new reserve account. We chose whether we want reserve accounts or not. She does not agree with the account. The money could go for better uses...the maintenance of the golf course or equipment for the golf course or something we could use on a daily or yearly basis. There is \$5000.00 in the proposed reserve account that will sit there and we cannot touch this for anything but replacement of the irrigation system. She thanked the members for listening to her. Pete thanked Pat. Dawn Bissell stated that she probably would not live long enough to see a new system. However, it was decided that we needed to start putting a little bit of money away in case we do need it. We did take out \$40,000.00 and put a little bit in the reserve to start funding it. Dawn further stated that if we do not use this money down the road, a homeowner vote can take this money out of this reserve to use for another purpose. This has been done when a vote of the homeowners took money from one account to fund the building at the golf compound. Down the road ten years, if the irrigation system does not need to be replaced, a homeowner vote can move that funding for another use. Pat commented that she is well aware of that according to the Florida statutes,

but, she wonders why even bother to add this reserve item when it could be put in reserve items that need to be funded and used now, not just have it sit there and we can't touch it.

Peg McNeish wanted to know if we are required to reserve these accounts in order to maintain our tax status. Ethel Wise replied that we are required to fund our reserve accounts. Ethel further stated that these are amenities that we need to take care of and she does not believe that this has anything to do with our tax status. Peg thought this was to maintain our tax status to be an over 55 park. Peg then asked who determines the amount of reserves needed for the park. Dawn replied that basically, in 2004 and 2014, there was an update done on the reserve items to see what replacement costs and life expectancy would be for each item. This determines how much needs to be funded each year to meet repair/replacement if something break downs and is done by the budget committee. Peg asked then if we are required to have all this money in reserves. Dawn explained that if there is not enough money in reserves for replacement or repairs, it would require a special assessment. Peg asked that if we did not increase our reserves, the money we have right now – the tennis courts need to be replaced and need \$55,000 - does that mean we could not draw out \$55,000 to replace the tennis courts. Dawn stated that we do not have \$55,000 in the Game Court reserve; there is only about \$16,000. She and Pete have looked at the tennis courts and there are some cracks that can be repaired. So at this point, there is no \$55,000.00 to replace the tennis court. Peg wondered why, if we are not required to have all this money in the reserve account, break these items down to specifics; we have the money so why not replace the tennis court; why save the money for specific items? Dawn responded that we could do a pool for reserve accounts without specific items. She is not in favor of this because approval from a pooled reserve, for instance, \$150,000 for the irrigation system was approved, then we could be in trouble for all the other items we have to fund. Peg mentioned that there are many things that are not being saved for... we have roofs and air conditioning, but not for carpeting, ceiling. Dawn said that items like paint would come out of general maintenance. Peg then asked why put more funds in the reserves when we have all this money. Ethel stated that each account has projected life years. Peg stated that the projected life years for the irrigation system have already gone so why are we putting money in it now. Ethel explained that we are starting over now. She stated that was never put in as a line item before so we have to start over. Peg asked where are the reserves for the irrigation system for the pools and common grounds. If the irrigation system breaks and cracks the pool – either pool – because the irrigation system is old, where are the reserves for that? Marletta offered that that would be under the common grounds reserve and general maintenance. Peg does not feel we have enough funds to fix a pool crack and irrigation system and volunteers could not fix this. Peg doesn't feel we are funding things we should be funding. Marletta stated that there are reserves for the pools to repair them. She also stated that there might be insurance coverage, too. Peg questioned the insurance coverage and thanked the Board.

Seanna Bennett stated that she believes the confusion is coming from the fact that we always budgeted for the golf course irrigation system under the golf course maintenance reserve. The irrigation system is now shown as a separate reserve item. The replacement of the irrigation system was voted down. This is confusing as now it appears as a separate item, instead of in the golf course maintenance reserve - as if replacement has been approved. Funds should still be shown in the golf course maintenance reserve and should be repaired as we go along. We should continue to repair as we have always done. She has called The Legends and Kings Ridge and Highland Reserves and they have never heard of replacing an entire irrigation system at one time unless there is an earthquake, a bomb or something catastrophic. We do have insurance to cover this, too. She would suggest putting an extra \$2,000 per year into golf course maintenance in the reserve budget. She believes that by adding the reserve item, it seems to everybody that the Board is still trying to shove down the complete replacement of the irrigation system

on the golf course. She suggests that the Board make a motion to remove the irrigation line and put the irrigation funds back in the Golf Course with "irrigation" shown in parentheses. Pete stated he thought that the irrigation system also includes the replacement of the pump which we just replaced at almost \$40,000. Seanna agreed and said we did not need it. Pete says we need funds in the irrigation reserve in case the pump would need to be replaced again. Seanna stated that pump had lasted 22 years so we should not need another pump for another 22 years. Seanna stated that if a catastrophic event occurs, money can be approved by the members to pay for this and then money is funded back to accounts where money was taken. The Budget Committee determines the funding for reserves; it is approved by the Board, and then the members approve it. We should always have money left over for reserves if the budget is followed. Pete thanked Seanna for her comments.

Marty Kordos thanked all the Board Members for volunteering and he thinks they are doing a great job. If anybody has a better idea, get your butt out there and get on the ballot the next time.

William Sousa stated that he is appreciative of everyone that does work in this park. He would like to have a preventive maintenance budget. If you have preventive maintenance, you can take money out of it at any time you want. Just one budget for preventive maintenance. Just his idea.

Vinny McCrave stated that we have Golf Irrigation, Golf – Equip & Bldgs, and Golf Carts in the HOA reserves. Is the golf course double-dipping by taking \$40,000 to \$50,000 from the HOA and then scooping a little from reserves? Wouldn't it be better to have a golf course reserve budget? Ethel replied that we only have one reserve budget and account. It covers both the HOA and the golf course. The only reason there is a golf course budget is for tax purposes. Other than that, we have to maintain it just like any other HOA amenity and that is why there is only one reserve account. Vinny thinks that there should be a separate golf course reserve budget. Patti offered that the funding of a golf course reserve would still come from the same funds. Vinny agreed. Patti asked why separate it. Vinny said that way there would be a better picture of how the golf course is doing. Patti said the money from the golf course comes from the HOA and would not give a better picture. Vinny said he would give it up for another year.

Dave Murosky talked about the golf irrigation issue. The right idea for the golf irrigation system is to repair it, not replace it. He worked eight weeks along with others and with Rich. They replaced 4 cases of heads at 30 apiece (about \$1500.00) and also did pipefittings and a couple of valves. The whole system does not need to be replaced. There is nothing wrong with the pipe. That is why the course looks so good now. The pump that was replaced needed to be replaced. The old pump kicked on at 90 pounds of pressure and created a water head. The new pump has a variable pressure that starts slow and then goes to full speed. He feels that we could have a little more money in the irrigation system reserve. He commented on the reserve for the bridge. The bridge should last for 50 years or more. There is \$5500 in there now; this could be cut back to \$300 to \$500 per year and put the funds in other accounts. He asked why there was no money in the budget for the RV storage. Dawn replied that she had checked when we were doing the budget and we had collected \$500.00. There is now \$1900.00. There was no history to base projected income on because of rates and whether anyone was going to park there. Last year's budget included \$9300.00 and it never came about. Dave wonders why we don't try to add at least a ¾ year projection and then adjust at the end of the year. Pete thanked Dave and all the people that helped on the irrigation.

Norm Young stated that he had been in the park a long time and he has a lot of friends, but they forget about their other friends. Whether you want to swim or golf or whatever, we need to stop being greedy

and only want to pay for the things we want to do. There is something wrong in this park and it is called greed when you only want to help pay for what you want to do. Pete thanked Norm.

Pat Munofu asked Dave if he was aware that the irrigation reserve line item is for replacement of the entire irrigation system only and not for repairs. Dawn responded that the prior budget had irrigation grouped in with other items in the reserve account. All of the money was taken out of this reserve item to purchase a blower for the golf course, as she recalls. This left us with no monies for some needed items for eight months. The irrigation reserve is specifically for the irrigation system including parts and repair and was done as a one -line item so that money could not be spent on items other than the irrigation system.

Pete asked if there were any more questions. Hearing none, Dawn called for a vote. Pat Munofu then had an additional question. She understood that the reserves were for high maintenance or one-line item capital expenditures only. Dawn explained that reserves are for repair and replacement only and not for maintenance or new expenditures. Pat thanked Dawn for the explanation.

Dawn asked if we were ready to vote. Chris asked that the votes be sent up one table and down the next. Dawn explained that the "yes" card would approve the budget. Chris explained that "yes" was for approval and "no" for non-approval. Chris asked that one or the other card be passed to the end of the tables.

Chris announced the outcome of the vote: 119 "yes" and "25" no. Budget approved.

Pete announced that the budget had passed and that the Association fees would remain the same.

Patti made a motion to adjourn the meeting, seconded by Larry; motion passed unanimously. Meeting adjourned.

Respectfully transcribed and submitted,  
Patti Kares