



Jupiter Bay Condominium Association Newsletter

November, 2016

Paul St.Clair - President
Marie Rapp - Vice-President
Frank Kania - Secretary
Daryl Kosloske - Treasurer
Alma Bjorklund - Director

President's Message:

- With colder weather settling into the North, people have begun returning to the warm fall days of Jupiter. As they return, most are encouraged by the friendly atmosphere, renovated and professionally managed restaurant, and the beautifully landscaped and well maintained community. Island waterfall and roadway lighting has been enhanced and holiday lighting installed. Many summer projects were completed including repair of the West pool deck.
- The Strategic Planning Committee has completed their work, and the Bocce Ball Committee is busy securing and analyzing bids for construction of the new court. These initiatives will be discussed further in this newsletter.
- The 2017 proposed budget, previously sent to all owners, was presented and approved by the Board of Directors at the November 21 Board meeting. It will assure that required maintenance is addressed, essential services are provided, and our quality of living is enhanced.

Financial Update:

- **2016 Financials:** We are projected to spend \$1,993,179 this year, \$1,581,074 of Operating Expense and \$412,105 of Reserve Transfers. Operating Expense is expected to be \$15,316 (approximately 1%) over budget. However, we are projected to bring in an additional \$26,771 from late fees, transfer fees (West C), reimbursed attorney fees and the West F Special Assessment. This will result in a projected surplus (income minus expense) of \$11,456, which will more than offset our \$4,426 negative fund balance reported in the 2015 Audit Report. We've had positive variances in payroll/benefits, fire protection systems, office supplies and postage, and legal fees. Negative variances occurred almost exclusively in the repair and maintenance of common areas, buildings,

irrigation systems and pools. The one other significant negative variance was Citizens wind insurance, which was \$11,000 over budget due to an unanticipated rate increase. (Wind insurance options are being explored).

- **Major Expense Items:** Recent major expenditures, reported at our November 21st Board Meeting, include:
 - ✓ \$52,715 - West D building concrete repair (Vendor: Complete Repairs)
 - ✓ \$51,138 - West E building concrete repair (Vendor: Complete Repairs)
 - ✓ \$24,373 - East A building elevator upgrade deposit (Vendor: Otis Elevator)
 - ✓ \$10,500 - West pool concrete & decking repair (Vendor: Complete Repairs)
 - ✓ \$6,918 - Palm Ave & Villas Neighborhood Grant landscaping (Vendor: World Class Landscaping)
 - ✓ \$3,047 - Installation of new Intelliflo spa pump (Vendor: Crystal Blue Pools)
 - ✓ \$2,850 - Replacement of 3 sections of sidewalk northeast of West E (Vendor: Complete Repairs)
 - ✓ \$2,454 - Holiday lighting down payment (Vendor: Randy's Holiday Lighting)
- **Capital Expenditure Reserves:** As reported in our October 31st budget letter, our total reserves, invested in CDs, bonds and money market funds, are projected to be \$1,447,156 at year end 2016. This is \$221,611 (18%) higher than they were at year end 2015. Reserve contributions in 2016 were 412,105, and our 2017 budget calls for a \$31,143 (7.56%) increase. This increase covers a replacement-cost inflationary adjustment of 1.1% as well as accelerated contributions for East elevator upgrades and West buildings painting. We expect to build our reserves to over 1.6 million in 2017 assuming typical capital-replacement expenditures. The reserve contribution level is consistent with our full funding strategy and reduction in the number of special assessments. Reserve contributions are the largest factor driving higher quarterly assessments. They have increased 124% since 2010. This increase is driven by the aging of our buildings and infrastructure.
- **2017 Budget:** The proposed budget, sent to all Jupiter Bay condominium owners on October 31st, was approved by the Board of Directors at our November 21st Budget Board Meeting. Since the budget has not changed from the initial mailing, we are not resending it with this newsletter. Copies can be downloaded from the "Financial" page of the Association's website, and they will be emailed or mailed by the office to any owner requesting a copy.

The \$2,031,852 budget for 2017 reflects the following cost-reduction initiatives:

- ✓ Switching Office phones from AT&T to Ooma;
- ✓ Switching Elevator phones from AT&T to Kings III;
- ✓ Increasing reliability, and reducing maintenance, of our fire-protection systems;

- ✓ Replacing lights with LED and other high-efficiency bulbs, and replacing remaining timers with photo cells;
- ✓ Doing more copying in-house using high-speed printers/copiers;
- ✓ Eliminating/reducing legal actions; and
- ✓ Increasing preventative maintenance.

Quarterly Maintenance Fees for 2017 are up between \$6 and \$53 depending on association/building. As shown below, the range between the highest and lowest fee is \$53 per quarter.

Association	2017 Qtr. Maintenance	2016 Qtr. Maintenance	Increase Amount	% Increase
East	\$1,399	\$1,355	\$44	3.25%
Villas	\$1,369	\$1,363	\$6	0.44%
West A	\$1,422	\$1,369	\$63	3.87%
West B	\$1,414	\$1,363	\$51	3.74%
West C	\$1,397	\$1,353	\$44	3.25%
West D	\$1,406	\$1,377	\$29	2.11%
West E	\$1,414	\$1,387	\$27	1.95%
West F	\$1,417	\$1,391	\$26	1.87%

Building variations are due to differences in reserve contributions, insurance costs, building repair/maintenance, license & fire inspection fees, fire protection systems, pest control, East generator costs and elevator maintenance costs.

Strategic Planning:

- Jupiter Bay began its strategic planning process on May 6th, 2016, with the Board's development of a Mission, Vision and set of Core Values. These are published on the "Planning" page of the Association's website.
- On May 13th, a Strategic Planning Committee was formed, under the leadership of Daryl Kosloske, consisting of eight members: Tom Davis, Paul Thomas, Ray Larson, Paul Odegard, Josie Brown, Paul St. Clair, Daryl Kosloske and Doug Strong.
- The Committee began meeting on May 19, 2016, and their final meeting was on September 8th. There was a total of 12 meetings, a minimum of 18 hours of meeting time, and many hours of individual time doing "homework".
- The Committee defined the Association's Current State, Goals and Action Plans:
 - ✓ **Current State:** They assessed Jupiter Bay's Current State/Condition by documenting Positives and Negatives within 4 areas: Capital Assets, People Assets, Financial Assets and Governing Documents & Communication.

- ✓ **Goals:** Using the Current State data as input, the Committee established 12 Goals to achieve the Board's vision, which is "An Enhanced Lifestyle for Members of Jupiter Bay". These goals, published on our website, address the community's negatives and accentuate the positives.
- ✓ **Action Plans:** 226 Action Plans were initially brainstormed to meet the Goals. These were consolidated into 72 Short-term and 25 Long-term plans.
- The Committee's work resulted in a draft Strategic Plan, which was presented to the Board.
- There was Committee consensus that there should be a method of gaining input to the Plan from a broader sampling of owners. As an initial step, the Board published the Strategic Plan on the "Planning" page of the Association's website, together with a form for receiving owner feedback. We will await comments before proceeding further.

Neighborhood Matching Grant (Update):

- Work is completed on the three projects for our Town of Jupiter Neighborhood Matching Grant: Palm Avenue landscaping, Villas landscaping and Villas signage.
- World Class Landscaping completed landscaping at the Palm Avenue medial island and at the US Highway entrance to the Villas. Liberty Signs and Graphics installed their sign (shown here) at the entranceway to the Villas from US Hwy #1.
- In mid-September, the Association received a \$3,780 EFT from the Town of Jupiter as their reimbursement for 50% of the project's cost.
- Thanks again to Doug Strong, Beverly Thompson, and other homeowners who participated by selecting projects, obtaining vendor bids, supervising work, and providing documentation to the Town of Jupiter.



Fire Sprinkler Opt-Out Vote:

- Thanks to all members who participated in the fire sprinkler vote and promptly returned their "Written Consent to Action" form. As of the October 31st requested return date, we received a total of 296 forms, an 82% response rate.
- As mentioned in our previous newsletter, FL Statute 718.112(2)(l) says that "By December 31, 2016, a residential condominium association that is not in compliance with the requirements for a fire sprinkler system and has not voted to forego retrofitting of such a system must initiate an application for a building permit for the required installation demonstrating that the association will become compliant by December 31, 2019."
- Some FL associations chose to ignore this requirement and risk sanctions by the DBPR (Department of Business & Professional Regulation) or legal action by condominium residents.

- Upon the advice of the Association's attorney, the Board chose to take the safe position and proceed with obtaining an "opt-out" vote of the membership of each of the 8 associations/buildings. Based on the following results, this was a good decision:

Bldg./ Assoc.	Needed / Received "YES" Votes	"NO" Votes	TOTAL
East	68 / 103	6	109
Villas	17 / 25	1	26
West A	17 / 25	0	25
West B	17 / 23	2	25
West C	17 / 27	0	27
West D	17 / 30	0	30
West E	17 / 27	2	29
West F	17 / 25	0	25

- As shown in this chart, all 8 associations obtained a majority vote to opt-out of the fire-sprinkler requirement.
- The Statute requires that "Within 30 days after the associations opt-out vote, notice of the results of the opt-out vote must be mailed or hand delivered to all unit owners, and evidence of compliance must be filed among the official records of the association." This newsletter satisfies the owner notice requirement.
- As part of the information collected annually from condominiums, the Division requires condominium associations to report the membership vote of each association.

Restaurant Update:

- The Beach House Restaurant reopened as planned on Friday, September 23.
- John and Kimberly Krizka (Jupiter Beach House, LLC) signed a Management Agreement with Mr. Bob Perrin which includes 1) managing and operating the restaurant, and 2) maintaining and repairing the restaurant. The Agreement, reviewed by the Association's attorney, has an initial term of 5 years, with several possible term extensions.
- Kimberly, who has previously worked at our restaurant and has considerable experience working with her husband at another local restaurant that they manage, will be responsible for day-to-day Beach House Restaurant management.
- Since taking over, John and Kimberly have made improvements to the kitchen, dining room, outside patio, Tiki Bar, and landscaping. The focus now is completing and updating the upstairs facility to be named the "Light House". The room will be utilized for banquets, special events, and private use for Jupiter Bay residents. The renovations will be numerous including ADA compliant restrooms, flooring, service bar, outside decks, and the kitchen to service the various functions.

- The new management team has announced the "Beach Club" program, exclusive to Jupiter Bay residents, providing:
 - ✓ \$10.00 off every \$100.00 spent,
 - ✓ Discounted weekly bar and dinner specials posted by calendar each month,
 - ✓ Extended Happy Hour prices,
 - ✓ Private use of the Light House banquet room (when not booked during certain time periods), and
 - ✓ Holiday discounted dinners with priority reservations.
- Owners can stop by the restaurant to sign up for this exclusive VIP program and receive their "Beach Club" card.
- The restaurant is now open 7 days a week, with the following hours of operation:
 - ✓ Monday through Thursday from 11:30 am to 10:00 pm
 - ✓ Friday and Saturday from 11:30 am to 11:00 pm
 - ✓ Sunday 11:30 am to 10:00 pm

East "A" Elevator Upgrade:

- Due to various delays in the fabrication of replacement parts and scheduling of the upgrade, Otis had projected a new project start date of mid-October. This would mean that the East "A" elevator could be out of service for days or weeks at a time when many Jupiter Bay residents have returned for the fall season.
- Because of the project delay and the dependency on elevator operation by several of our residents, the Board, with owner input, has opted to reschedule the upgrade for next summer.

Bocce Ball Court Status:

- As most of you are aware, in April a campaign was started to obtain an affirmative vote of 80% of our homeowners to install a bocce ball court on vacant property adjacent to the wall separating Jupiter Bay from the Sea Palms' recreational area.
- A cover letter and "Consent to Action" form was sent to all Jupiter Bay owners. The results, confirmed by a group of owners who verified the ballot votes, was 289 "Yes" votes and 24 "No" votes. Since 288 votes were needed to proceed, the Bocce Ball Court decision passed by one vote.
- The Bocce Ball Committee is proceeding with the following steps as required by the Board:



- ✓ Establish committee membership and committee leadership - These are: Gary Weil (leader), Henry Freda, Mike LaPaglia, Jack McColgan & Gary Weibler.
 - ✓ Finalize detail specifications for the Bocce Ball Court, staying within the parameters of the Consent to Action:
 - ✓ Solicit two or three vendor proposals to construct the Bocce Ball Court.
 - ✓ Obtain required approval from the Town of Jupiter Planning & Zoning Department.
 - ✓ Present the Committee's final proposal, including detail specifications, vendor selection criteria, chosen vendor and costs (construction and maintenance) to the Board of Directors for approval.
 - ✓ Present the Committee's proposal to JB owners at a future Board Meeting.
 - ✓ Provide project oversight, together with our Property Manager, during construction.
- Please contact Frank Kania (Board member), Gary Weil, Jack McColgan or other members of the Committee with any questions or input.

Elevator Phones:

- As previously reported, the Association has already switched our management office phones from AT&T to Ooma, a VoIP (voice over internet protocol) system. This has resulted in \$2,076 annual savings.
- We were also using AT&T, together with Otis, to monitor our elevator phones. The cost was \$61.40 for each West elevator phone and \$222.43 in total for the 4 East elevator phones. This is \$590.83 per month or \$7,089.96 annually.
- On August 31st, we signed a contract with Kings III to take over our elevator phones monitoring. With free installation and free equipment, our cost will be \$430 per month or \$5,160 annually for the monitoring of all 10 elevators. The net save would be \$1,929.96 annually.
- Kings III provides services that we're not currently receiving from AT&T or Otis including:
 - ✓ CPR certified dispatchers able to respond to owner emergency questions,
 - ✓ Recording of every phone call with date/time stamp,
 - ✓ Monthly phone testing,
 - ✓ Free servicing of equipment during regular business hours, and
 - ✓ Staying on the line with person stuck in elevator and notifying others for the person. Calling up to 3 phone numbers plus Fire Rescue
- The Kings III phones will be installed in late November.

We hope that you are having an enjoyable fall.

Please call the Association Office at (561) 746-5857 with any questions