

October 22, 2018

Dear Fellow Homeowner:

Please find attached the Revised Beachwalk FY2019 Budget (2 pages) which will be presented to you for your vote at the Annual Meeting at 10:00 AM at the Clubhouse on Saturday, November 3, 2018. This document shows budget totals as well as how much each item would be per member per quarter (quarterly dues).

Also, please find the Issues for Vote (2 pages) and Capital Improvement Descriptions (4 pages) which will be also be presented to you for your vote.

Operating Expenses will be voted on as a lump-sum but have been broken down in the attached document to show how this number was developed. Individual budget amounts that make up these Operating Expenses are based upon previous years' expenditures and next year's estimated expenses. Capital Improvement items will be voted on individually.

If you have any questions about the revised budget, please email any Board member with your questions.

Best Regards,

Beachwalk Board of Directors

Bill Bryan, President ... billbryan1946@gmail.com

Dan Church, Secretary ... dtchurchkb@gmail.com

Mike Wood, Treasurer ... qa13@bellsouth.net

Megan Garrett, At-Large ... pennypollywog@gmail.com

George Schierle, At-Large ... gschier@verizon.net

Proposed 2019 Budget

Operating Expenses

Annual Expense

300	Management Fees	\$9,000.00	
301	Flag Expense	\$600.00	
302	Storm Water Routine Maint.	\$4,000.00	
303	Meeting Expense	\$0.00	
304	Social	\$750.00	
305	Other Expense	\$0.00	
306	Office Expense	\$1,200.00	
307	Pest Control	\$560.00	
308	Club House Supplies	\$250.00	
309	Telephone	\$800.00	
310	Grounds Maintenance	\$77,700.00	
311	Club House/Cabana Cleaning	\$1,800.00	
312	Pool Services	\$5,750.00	
313	Pool Chemicals & Supplies	\$3,750.00	
314	Electricity	\$9,000.00	
315	Water, Sewer & Trash	\$4,000.00	
316	Bank Charges	\$125.00	
317	Legal & Accounting	\$5,000.00	
318	Insurance	\$7,500.00	
319	Web Site	\$300.00	
501	Pool & Foundation Repairs	\$3,500.00	
502	Common Area Maintenance	\$6,000.00	
			Dues/Qtr
	Total Operating Expenses	141,585.00	416.43

Reserves Note: No vote required

1020	General Reserves	1,700.00	5.00
1030	Storm Water Reserves	2,000.00	5.88
	Total to Reserves	3,700.00	10.88
	Note Voted on for 7 years 2018	145,285.00	427.31
	2nd year of 7		

Proposed 2019 Budget

Note: Each Line Item Requires 66% for Passage			Dues/Qtr
Capital Improvements			
701	Chlorinator for Pool	1,500.00	4.41
702	Remove 2 Gem Magnolia	375.00	1.10
703	Install White Rock at Clubhouse Fountain	726.00	2.14
704	Small "Roll Away" Gym	2,500.00	7.35
705	Pool Lift Access	5,200.00	15.29
706	Projection/Display Capability in Clubhouse	1,300.00	3.82
Total Capital Improvement Expenses		11,601.00	34.12

Total 2019 Budget

156,886.00	461.43
-------------------	---------------

Beachwalk Homeowners Association Annual Meeting

November 3rd, 2018

Issues for Vote

These issues will be voted on by homeowners in attendance at the Beachwalk Annual Meeting to be held on November 3rd, 2018 at the Clubhouse. **The intent to vote by proxy must be indicated on the proxy designation form.**

These items are divided into three sections:

1. The first section is to vote on two members of the Board of Directors. The Board of Directors is composed of five people. Each Director is elected for a term of three years. Terms are staggered to preserve continuity. This year, the seats of two Directors are expiring and must be filled. You may vote for two names in this section. Nominations may be taken from the floor during the Annual Meeting if the nominees are physically present and willing to serve. This is why there are two blank spaces here.
2. The second section is to vote on Changes of Use of Common Elements (51% in favor required to pass). There are a number of Capital Improvements proposed in the budget this year that could be considered a Change of Use. This section is used to indicate your approval or disapproval of the Change of Use, not the funding of this change (that will be voted on in the third section). You may vote "Yes" to a change of use but "No" to the approval of its corresponding budget line item (or "Yes" to both). If you vote "No" to the Change of Use, logically, you should vote "No" to the funding of its corresponding budget line item in Section 3. If a vote passes for a Change of Use, and the change occurs, the Association will be obligated to maintain that use. This may take place even if the budget line item for that particular Capital Improvement does not pass. For example: If a Change of Use was approved (vote passed) to build horseshoe pits behind the Clubhouse, but the budget line for that item did not pass, homeowners could use volunteered labor and materials to install the pits. The Association would then be obligated to maintain the pits once constructed.
3. The third section is to vote on the 2019 Budget. You will be voting on Operating Expenses as a lump sum (51% in favor required to pass), and each Capital Improvement individually (2/3 in favor required to pass). Detailed justifications for each Capital Improvement are included with this document.

Beachwalk Homeowners Association Annual Meeting

November 3rd, 2018

Issues for Vote

Section 1: Board of Directors (2 Directors)

You may choose up to two (2).

Mike Wood

Section 2: Change of Use of Common Element

Removing trees (Magnolias) beside mailboxes

Install white rock at Clubhouse fountain

Small "Roll Away" Gym in Clubhouse

Section 3: 2019 Budget

Dollar amounts shown are total budgeted expense and then what that breaks down to per lot per quarter as part of quarterly dues.

Operating Expenses \$141,585 (\$416.43/Quarter)

Chlorinator for Pool \$1,500 (\$4.41/Quarter)

Remove 2 Gem Magnolias \$375 (\$1.10/Quarter)

Install White Rock at Clubhouse Fountain \$726 (\$2.14/Quarter)

Small "Roll Away" Gym in Clubhouse \$2,500 (\$7.35/Quarter)

Pool Lift Access \$5,200 (\$15.29/Quarter)

Projection/Display Capability in Clubhouse \$1,300 (\$3.82/Quarter)

Proposed Capital Improvements for 2019

701 - Chlorinator for Pool

Justification: By adding two CCH Auto Feed Chlorinators we will eliminate the need to drain the pool each spring. The Chlorinators will chlorinate, remove organics and metals, boost hardness and shock treats, all in one simple process. It also prevents hazardous chlorine gas. Creates and maintains chemical balanced, clean and clear water.

Budget Basis: \$1,500 is included in the 2019 Budget for this Capital Improvement. The pool holds 62,370 gallons of water. Each spring McGee Pool has to drain between 60 to 75% of the pool to reduce the high levels of Cyanuric Acid, which comes from the chlorine sticks we presently use. The cost for water/sewer is about \$.0195/gal per the town. Cost saving would be between \$730 to \$910 per year. The cost of the CCH Auto Feed Chlorinators are \$600 each and labor to install about \$300. Return on investment would be between 19 to 24 months.

702 - Remove 2 Gem Magnolia

Justification: Two Magnolia trees are planted on either side of the mailboxes. These trees drop dead leaves, flowers, and branches year-round (see photos). This debris is removed weekly by the lawncare providers. The leaves present a slip hazard during rain showers. These trees will continue to grow up to 25-30 feet tall. This Capital Improvement includes removing these trees and grinding the stumps.



Budget Basis: \$375 is included in the 2019 Budget for this Capital Improvement. Rick Morton had a Gem Magnolia of about the same size as the ones at the mailboxes removed from his yard in July 2018 for \$200 by PI Tree Care. He had also gotten a quote from Fitness Tree to remove his tree and grind the stump for \$385. While PI Tree Care was on site, they gave Rick a quote of \$375 to remove and grind the stumps of both Gem Magnolia trees at the mailboxes.

703 - Install White Rock at clubhouse Fountain

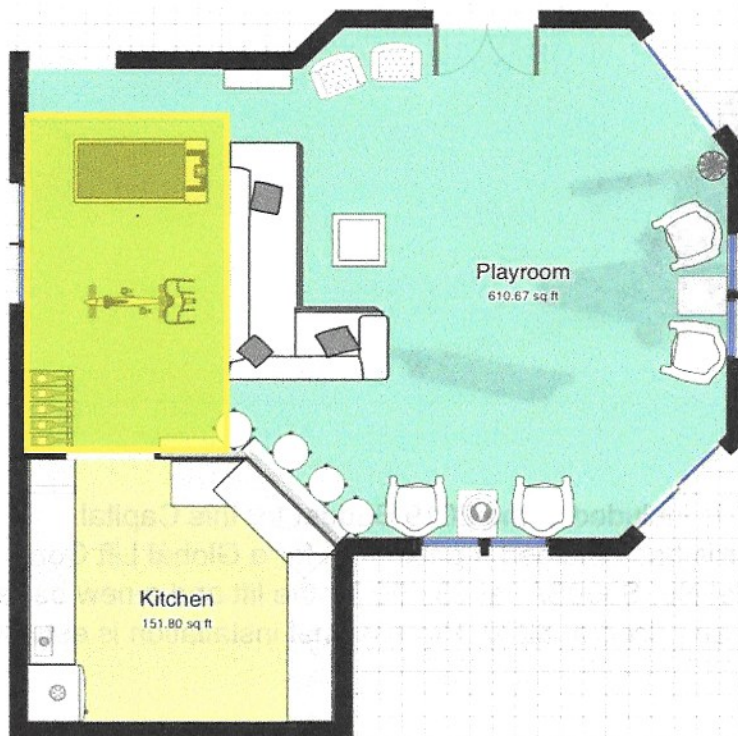
Justification: The dolphin fountain uses chlorinated water which is inadvertently sprayed onto the planting bed by the wind. After paying for many replantings as a result of plants dying due to this spray, it was decided that this bed would no longer be planted with flowers. This Capital Improvement would replace planting soil with a weed preventative and decorative white stone. This stone should not be negatively affected by the water spray and will provide an aesthetically pleasing solution to the problem.

Budget Basis: \$726 is included in the 2019 Budget for this Capital Improvement.

704 - Small "Roll Away" Gym

Justification: Staying fit and healthy is something appealing for all ages. Offering a small gym would be very appealing to people buying in our neighborhood. There aren't many neighborhoods on the island that offer this and it would help ours stand out a little more when people are choosing where to buy. Our Clubhouse is paid for 24/7 (insurance, basic heating/cooling, etc.) whether it is being used or not. The main room of the Clubhouse has approximately 610 square feet of floorspace that is rarely fully utilized. See the following image for a figurative interpretation of what this gym may look like in this space (gym area highlighted by yellow rectangle containing 2 machines and weight rack). This Capital Improvement would add the functionality of a gym to this space. This small gym would provide an area for strength training as well as somewhere to get some cardio in during those winter months. The equipment in the proposed gym would be portable so that it could be rolled away during times when the entire clubhouse floor is desired such as social events and annual meetings. Portable gym flooring that snaps together could be used if deemed appropriate for this area. The proposed exercise equipment for purchase includes 1 portable treadmill, 1 portable elliptical machine, and a set of small free weights.

Beachwalk Proposed 2019 Capital Improvements



Budget Basis: \$2,500 is included in the 2019 Budget for this Capital Improvement. Elliptical and treadmill machines have been priced at around \$600 each. A weight set with 5 pairs of dumbbells ranging in size between 10 and 30 pounds with rack has been priced at Walmart.com between \$300 and \$600 and lighter sets priced around \$50. Cost for removable gym flooring for the area is estimated at \$500. Taxes, shipping, and other miscellaneous accessories (ex: exercise instructional posters) are included in the additional budgeted amount.

705 – Pool Lift Access

Justification: As our population continues to age, and mobility becomes an issue, more of us will be limited in the enjoyment of some of our neighborhood amenities. Some of our neighbors currently have mobility restrictions not due to age, and clearly any of us could find ourselves in a mobility limited situation. One amenity that can be improved to accommodate mobility limitations is our swimming pool by way of a pool lift. This Capital Improvement includes the purchase and installation of a Global Lift Corp Model S350SA (or similar) lift (see photo). This lift is battery operated, eliminating the need to run electricity under the pool deck to the lift.

Beachwalk Proposed 2019 Capital Improvements



Budget Basis: \$5,200 is included in the 2019 Budget for this Capital Improvement. Julie Farris has obtained a price from for a Global Lift Corp manufactured lift (Model No. S350SA) at \$3,450 for the lift and a new battery. A cover for the lift has been priced at \$270. Professional installation is estimated at \$1,500.

705 – Projection/Display Capability in Clubhouse

Justification: The Board of Directors often reviews various documents (financial statements, committee reports, funding requests, etc.) at monthly and annual meetings. Homeowners attending these meetings have requested that they be able to view these documents so they fully understand the discussions and decisions of the Board. A projector or large monitor (optimal and most cost-effective set-up to be determined at time of purchase) would be connected to a laptop which would show the documents being reviewed. Adding the capability to project or display these documents for all to see during meetings would benefit everyone attending these meetings and would assist in the transparency of Board actions. In addition to use at Board meetings, this capability could be useful for other social events.

Budget Basis: \$1,300 is included in the 2019 Budget for this Capital Improvement. Monitors (televisions) at 65" or larger and projectors capable of projecting adequately in our setting range in price from about \$700 to a few thousand dollars based on online and in-store market research done by Megan Garrett. The budget estimates the purchase price of one of these items at \$900. A mounting bracket would be required for either set up and is estimated, for budgeting purposes, to cost \$150. An electrical outlet would need to be installed at the location of the new monitor/projector and is estimated at \$200. Miscellaneous wires or other hardware (ex: wireless HDMI) needed for final operation of chosen set-up is estimated at \$50.