

LakeRidge Falls

4200 LakeRidge Blvd.
Sarasota, FL 34243

07-20-2018

Here are the more important stories we had this past and upcoming weeks:

Capital Improvement – Most homeowner associations have assets. What are assets one may ask? Well, assets can be anything of value to any particular association such as a clubhouse, a pool, or even roads. In order to maintain these assets, the legislature and most associations' governing documents require associations to establish and fund reserve accounts. In really super simple terms and without going into legal definitions, reserve accounts are pretty much saving accounts established for a specific purpose. Because assets are of value to any given association, it is therefore not uncommon to see associations creating more reserve accounts than required by law or governing documents.

Let's use an example. Association ABC has a nice large clubhouse. The clubhouse has a shingle roof. Association ABC finds out that the estimated life expectancy of this roof is 20 years. It also discovered that the cost of replacing it would be \$100,000, of course taking inflation into consideration. The association therefore decides to create a reserve account called Roof. As one can imagine, this reserve/savings account is established to save the \$100,000 over the course of 20 years so when the time comes the association will have the funds to replace the roof.

The logic of reserve accounts is pretty straightforward. Collect the required funds over the course of several years to ease the financial burden on the residents of the community.

Over a course of a few years, some associations, however, realized that this method of collecting reserve funds is not quite fair. Here is why. These associations realized that new homeowners who are moving into their communities are enjoying the fruits of reserve accounts while not financially participating in replenishing them. Consider the following example to further emphasize this point. After 15 years of collecting \$100,000 under the Pool Reserve Account, Association DEF decides it is time to resurface the pool and buy new pool furniture. Association DEF collects bids, chooses a contractor, and executes its plan. A month after the work is completed, Mr. & Mrs. Schmoe buys into the community. This raised a concern/question among residents: why Mr. & Mrs. Schmoe are going to enjoy the new pool/furniture without contributing a dollar into this project while we paid into it for the last 15 years?

To make it just, associations amended their documents to include a "capital improvement" clause. In super simple terms, a capital improvement is a one-time fee charged to new homeowners when buying into a new community. This fee is then used to fund reserve accounts.

How this relates to LakeRidge Falls? Good question. During the past months, the Board of Directors investigated the issue of capital improvement and its merit. Considering a significant amount of reserve funds are going to be used towards the renovation project, the Board concluded it would be only fair to ask potential/new homeowners to participate in these efforts. Consider this simple mathematical practice. LakeRidge Falls averages 23 sales a year. Assuming a \$500 capital improvement fee would be implanted, this means projected revenue of approximately \$11,500 annually or \$115,000 over the course of 10 years. In more simple terms, a significant amount of money long time residents do not need to pay towards reserve funds.

Therefore, the Board voted during its last meeting to obtain an approval of the membership, i.e. LakeRidge Falls' homeowners, to amend LakeRidge Falls' governing documents. The Board is asking for your vote on initiating a capital

improvement fee for new homeowners. The fee will NOT, however, be implemented on transfers between a) family trust, b) children of the owner(s), c) or between spouses.

Hopefully by next week you will receive a ballot in the mail asking for your vote on the matter. Once you receive it, please make sure to mark your vote in one of the two appropriate boxes. In addition, please make sure to fill out the date and address and please don't forget to sign and print your name. Once complete, please make sure to mail, email, or fax the ballot back to the Association. You can always drop the ballot in Paula's or my office located in the Clubhouse.

Your Board urges a "Yes" vote on the proposal to amend the Association declaration. Please remember that this fee will NOT be implemented on transfer of ownership into a family trust or to the children of the owner(s) of the Lot or between spouses.

Your attention and participation is highly appreciated.

Backflows – Most likely than not, you have received this week a letter from Manatee County directing you to test your backflow.

As most residents know, Manatee County requires homeowners to certify their backflows on a yearly basis. The backflow prevention device is the standing C-shaped pipes next to the sidewalk in front of your house. The backflow is designed to protect the drinking water from being polluted by contaminated water due to reduced pressure in the system. For this reason, Manatee County requires that all homeowners in the County perform a yearly test assuring the backflow prevention device is operating properly.

As some also may know from the past, the Association contracts each year with a certified and reputable plumbing company to perform this task for you. For this reason, LakeRidge Falls decided to contract with a plumbing company in advance of Manatee County sending their reminder notices. This was done back in April when the Board of Directors signed an agreement with Arctic Air Services | Plumbing Department.

Arctic Air Services is scheduled to start the certification process in the next couple of weeks. We will inform you on a separate email on the exact date, and time. It should take them up to two weeks at most to complete the job. A few things one must consider while they perform this process:

1. When done with the inspection of all backflows, Arctic Air Service will submit the proper forms with Manatee County on behalf of LakeRidge Falls' homeowners ensuring the proper certification process was completed.
2. Some of Lakeridge Falls' backflows are the original installed backflows. Therefore, it should be no surprise if the failing rates of backflows will be higher than previous years.
3. Arctic Air Service will install a tag on each backflow when done. The tag indicates the month the certification took place and serves as an advertising tool used by most plumbing companies to help residents locate their contact information in case an issue ever arises with the backflow.
4. The members who do NOT pass the certification process will receive a notice from Arctic Air Service and/or us stating the problem with the backflow.
5. If you receive a notice that your backflow didn't pass, please be advised that you can use any plumbing company recognized by the County to correct the matter. After the matter is fixed, the plumbing company you use should submit the proper certification for you with Manatee County.

Please note that failing or passing a backflow may be a subjective matter. There are some situations that are not clear cut and are open for interpretation. This usually happens when wear is discovered in one of the backflow's elements. While one company may feel this wear warrants a repair (i.e. fail certification) another may suggest waiting a little bit longer before performing the repair (i.e. pass certification) and vise versa. In these situations, residents might be left uneasy, thinking the vendor might have provided them with a false report. However, please understand that this is not the case. Arctic Air Service goal is to ensure residents satisfaction while meeting the County requirements.

Waterfall – The Waterfall is currently closed for maintenance work (i.e. electric issue). More about it in next week report.

Have a great and save week,

Sincerely,

Oded Neeman - CAM
LakeRidge Falls Community Manager
4200 LakeRidge Blvd.
Sarasota, FL 34243
Email: propertymanager@lakeridgefalls.org
Tel: 941-360-1046
Fax: 941-359-6827