



CRECIENTE CONDOMINIUM ASSOCIATION, INC.

7150 Estero Blvd. • Ft. Myers Beach, FL 33931 • (941) 463-9604 • Fax (941) 463-4071

December 3, 2018

Dear Creciente Owners,

On November 6, 2018, the Building and Grounds Committee (B&G) met to identify priorities for the 2019 Master Facility Plan (MFP). This meeting resulted in two major project initiatives:

- **Refurbish the elevators in the South building.** After the problems that arose prior to and during the refurbishment of the elevators in the North building, whereby on many days no elevator was available for use, the Committee felt that a similar result could occur unless immediate steps were taken to refurbish the elevators in the South building. Many essential parts for that elevator have been identified by Creciente's elevator maintenance company as no longer available. If a problem occurs with these parts, the elevators will be inoperable.
- **Correct the continuing plumbing problems in all three buildings.** For the past few years, Creciente has spent funds approaching \$100,000 each year to correct plumbing blockages and line leaks. In addition to the amount spent by Creciente, multiple owners have spent thousands of dollars to replace cabinets, floors, walls, tiles, etc when sewage has backed up into their units. The committee is looking at an approach called Pipe Lining, which will primarily access pipes from the roof to place a thin lining that hardens to the thickness and strength of PVC inside the current cast iron pipes. This approach reduces owner repair to walls, cabinets, etc that pipe replacement requires.

Additionally, the plan is to treat the horizontal pipes that run from commodes and showers to the main vertical pipes. Many Creciente meetings have already taken place to review this technology that has been used in the last 15 years in the US but has been used for 50 years in Europe. Pipe lining has been utilized by other associations in Ft Myers Beach to line their cast iron pipes and are pleased with the results.

On November 15, 2018, the Budget and Finance Committee met to review both the MFP and the Operating Budget for 2019. The attached proposals for the Operating Budget and MFP were created and are being sent to all 171 unit owners for review, prior to being presented to the Board for approval. The committee agreed with both B&G recommendations. These projects cost a substantial amount of money; however, the committee felt that delaying either of the two projects would be at a substantial risk and cost to the association.

The Budget Committee also wants to continue to move Creciente into the showplace of the beach that it once was and is beginning to be again. In the last few months, three Creciente condos have sold for greater than \$700,000. The committee feels that part of this value increase is due to the improved maintenance and upgrades to the property. The committee does not want to slow down this progress. At the same time, the committee believes it must keep operating expenses as low as possible, because of the cost of the South Building elevators and the Pipe Lining projects.

The monthly maintenance fee, \$640, being recommended in this letter is a 2.1% increase over last year, which is less than this year's inflation rate. This increase is substantially less than the 4.5% increase in 2018 and the 5.3% increase in 2017. The attached Operating budget reflects increases in some areas and decreases in others, but for those areas with decreases, the committees and chairpersons feel there are sufficient funds to continue Creciente's progress.

The Operating budget proposal is allocated in the following manner:

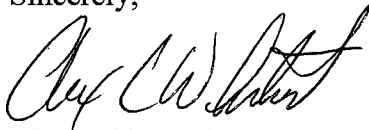
- 25.4% to fund the Replacement Account;
- 23.3% to provide insurance (property, flood, etc);
- 19.6% to provide utilities (cable, water, electricity, etc); and,
- 31.7% to fund the remainder of Creciente costs.

The Budget Committee recommends a special assessment to fund the Pipe Lining project. It is budgeted in the MFP at \$1,300,000. However, B&G is currently working with multiple vendors to identify the most cost-effective manner to accomplish this project, and feels the project has a likelihood of coming in below that cost. The Budget Committee chose to include what it felt was a maximum assessment amount in the MFP. The actual cost will be determined by the Board authorizing the hiring of an engineer, the development of a request for proposal and the acceptance of bids from multiple companies—the actual special assessment will then be determined by the Board.

The Board of Directors will be establishing both the Operating Budget and the MFP at its December 19, 2018 meeting. While the attached proposal has been developed with input from many individuals and committees at Creciente, this is your time to submit questions and recommendations concerning the proposals. You have 2 weeks to submit your recommendations for any changes. Please submit those recommendations to me at kynack@gmail.com, and I will provide them to each of the Board members.

Thank you in advance for closely reviewing the attached and providing comments back to me.

Sincerely,



Alex Whitenack, Treasurer

CRECIENTE CONDOMINIUM ASSOCIATION, INC.				OPERATING BUDGET			
			Budget	Budget	Budget	Proposal	
			2016	2017	2018	2019	
5100	Personnel						
	5110	Manager Salary	\$ 47,250	48,195	53,560	62,400	
	5120	Salary - Office Admin	13,000	17,160	20,500	24,520	
	5130	Wages - Maintenance..	25,000	25,000	25,200	33,200	
	5140	Wages - House	39,250	39,250			
	5145	Housekeeping Contract			33,540	30,000	
	5150	Overtime - Temp	2,000	0			
	5160	Social Security & Medicare	10,000	9,915	7,593	9,200	
	5170	Unemployment Taxes	350	200	200		
	5180	Health Insurance	6,000	12,000	6,000	16,800	
	5190	Cont Education	250	250	200	200	
	5195	Uniform Allowance	500	300	300	500	
			143,600	152,270	147,093	176,820	
5200	Administration						
	5210	Mileage Reimburse	100	100	100		
	5220	Cell Phone	200	850	800	850	
	5230	Internet	5,300	4,000	3,000	3,000	
	5240	Postage & Delivery	700	700	700	700	
	5250	Copier/Fax Supply	500	1,000	1,000	1,200	
	5260	General Off Supply	2,500	2,500	2,500	3,500	
	5270	Equip Replacement	500	1,500	1,500	1,200	
	5280	Contingency	1,000	1,000	12,404	6,156	
	5290	Bad Dept Expense	6,840	7,632	-		
	5295	Florida Condo Filing Fees	750	750	750	1,000	
			18,390	20,032	22,754	17,606	
5400	Professional						
	5410	Legal Fees	3,500	10,000	8,000	9,000	
	5420	Audit Fees	3,500	3,500	3,500	4,000	
	5430	Bookkeeper	0	0	5,000	8,000	
			7,000	13,500	16,500	21,000	
5500	Insurance						
	5510	General Liability	1,300	9,733	11,000	15,700	
	5520	Flood	200,879	220,402	105,000	137,300	
	5530	Prop	41,500	148,742	169,000	145,100	
	5540	Umbrella	3,324	2,794	3,000	2,900	
	5550	Condo DIS	193,206	-	4,800		
	5560	Worker's Comp	5,402	5,385	3,900	4,500	
	5570	Appraisal for Ins	500	500	500	400	
	5580	Cyber Liability		0	650	1,200	
			446,111	387,556	297,850	307,100	
5600	Buildings						
	5610	General Contracted	4,500	2,500	5,000	7,000	
	5620	A/C Maintenance	2,000	1,000	2,000	1,500	
	5630	Plumbing	30,000	35,000	60,000	60,000	
	5633	Sewer Line Clean Out	4,000	4,500	9,000	5,000	
	5635	Drywall Repairs	1,000	1,500	1,500	2,000	
	5640	Pest Control Services	4,500	4,700	6,624	3,500	

		Budget 2016	Budget 2017	Budget 2018	Proposal 2019
	5650 Carpet Cleaning	-	500	6,000	6,000
	5660 Water Pump Inspect	1,000	2,000	2,000	2,000
	5670 Decorating Supplies	1,000	1,000	1,000	1,000
	5680 General Supplies	7,000	9,500	9,500	9,500
	5690 Equipment Replace	2,300	1,500	1,500	1,000
		57,300	63,700	104,124	98,500
5700	Elevators				
	5710 General Maintenance..	500	2,000	2,000	5,000
	5720 Annual Contract	8,000	12,500	12,338	9,200
	5730 License	450	450	450	450
	5750 State Inspections	1,500	1,000	1,000	1,000
		10,450	15,950	15,788	15,650
5800	Grounds				
	5810 General Contracted	1,500	-		1,000
	5820 Landscape Contract	25,000	25,750	26,525	26,525
	5825 Annual Plants/Mulch	10,600	14,550	15,000	7,400
	5830 Tree & Mangrove Trimming	8,850	9,300	9,300	6,000
	5840 Irrigation	3,500	3,500	3,500	5,000
	5850 Beach Raking	1,225	1,400	1,400	1,345
	5860 Palm Injections	460	460	460	350
	5870 General Supplies	1,000	500	1,200	500
	5880 Equip. Replacement	800	800	1,000	500
	5890 Damaged Plants/Frost	1,500	2,500	2,500	2,500
		54,435	58,760	60,885	51,120
5900	Pool				
	5910 General Contracted	800	2,000	5,000	10,200
	Other Contracted Work				1,000
	5920 Permit	250	250	250	250
	5930 General Supplies	5,600	6,000	6,000	1,000
	5940 Equipment Replace	4,000	1,000	2,000	2,000
		10,650	9,250	13,250	14,450
6000	Fitness & Entertainment				
	6010 Tennis& Gym Repair & Mair	800	1,000	1,000	1,000
	6020 Gym - General Contract	1,000	600	600	600
	6030 Community Internet	740	-		
		2,540	1,600	1,600	1,600
6100	Security				
	6110 General Contracted	8,000	-	2,000	500
	6120 Fire Protection	1,000	18,500	18,500	19,000
	6130 Fire Pump Inspection	1,350	-		
	6140 Fire Alarm Inspection	5,000	-		
	6150 Fire Alarm Monitoring	2,300	-		
	6160 Fire Ext Inspection	2,000	-		
	6170 Fire Standpipe Inspect	1,500	-		
	6180 Generator repair, Maintenanc	1,500	2,000	2,000	2,000
	6190 General Supplies	1,000	-	1,000	500
		23,650	20,500	23,500	22,000

			Budget 2016	Budget 2017	Budget 2018	Proposal 2019
6200	Utilities					
6210	Bulk Cable TV		89,600	92,200	96,000	103,584
6220	Electricity		35,000	35,000	35,000	35,700
6230	LP Gas		1,000	2,000	3,800	3,800
6240	Telephones		4,000	5,000	5,000	3,500
6250	Trash Removal		11,000	12,000	12,000	12,500
6260	Water & Sewer		96,000	102,720	100,000	100,000
6270	Cleaning Contingency			9,239		
			236,600	258,159	251,800	259,084
Total Expenses, before transfer			1,010,726	1,001,277	955,144	984,930
5300	5310	Transfer to Replace	210,000	230,520	334,210	335,400
TOTAL EXPENSES			\$ 1,220,726	1,231,797	1,289,354	1,320,330
REVENUES						
4120	Interest		550	300	300	1,500
4130	Late Fee / NSF Charges		500	700	700	700
4140	Consent to Transfer		1,000	1,200	500	500
4150	Security keys		250	100	100	500
4160	Faxes and Copy Fees		100	25	25	50
4165	Rental Application Fees					2,000
4170	Mailbox Locks		45	25	25	
4180	Condo Docs		50	-	-	300
4190	Misc Income /		591	400	1,100	1,500
	Prior Year Carry Over		48,000	-	-	
			51,086	2,750	2,750	7,050
4110	Maintenance Fees		1,169,640	1,229,047	1,286,604	1,313,280
			\$ 1,220,726	1,231,797	1,289,354	1,320,330
Total expenses, excluding transfer			1,010,726	1,001,277	955,144	984,930
Transfer to replacement			210,000	230,520	334,210	335,400
Miscellaneous revenues			(3,086)	(2,750)	(2,750)	(7,050)
Prior years carryover			(48,000)	-	-	
Maintenance fees			\$ 1,169,640	1,229,047	1,286,604	1,313,280
Per Unit / Month						
	Operating Expenses		493	488	465	480
	Transfer to maintenance		102	113	163	163
	Miscellaneous revenues		(2)	(1)	(1)	(3)
	Prior years carryover		(23)	-	-	
			\$ 570	600	627	640
				+5.3%	+4.5%	+2.1%

Item	Year Last Replaced	Life Expectancy	Estimated Year of Replace	Estimated Cost	Estimated Actual 2018	2019	2020	2021	2022	2023
Beginning Cash Balance:					719,993	343,223	130,886	291,241	334,869	510,304
Audit adjustments accrual										
Annual Reserve Income					334,210	335,400	375,250	375,250	375,250	375,250
Interest Earned					3,000	700	700	700	700	700
Transfer from Operating Reserves										
Insurance Proceeds										
Special Assessment						1,300,000				
Reserve Fund										
Building Exteriors	Concrete Restoration - Buildings	2008	2043	580,700	0	33,000	16,344	33,000	33,000	33,000
Building Exteriors	Concrete Restoration - Sea Wall	2004	2039	25,000						
Building Exteriors	Concrete Restoration - Walkways	2007	2042	20,000						
Building Exteriors	Concrete Restoration -ParkingDeck	2018	2053	50,000	260,781		16,656			
Building Exteriors	Screen Cages	1991	2024	1,083,750						
Common Area Interior	Carpeting Interior	2016	2029	165,070						
Common Area Interior	Trash Chute Door Replacement	1972	2022	20,000					20,000	
Common Area Interior	Storage Locker Area Updates North	1972	2022	10,000					10,000	
Common Area Interior	Storage Locker Area Updates South	1972	2022	10,000					10,000	
Common Area Interior	Storage Locker Area Updates East	2018	2043	10,000						
Common Area Interior	Tile Flooring	2016	2066	50,000						
Common Area Interior	Ceiling Tile System	2000	2025	7						
Common Area Interior	Fitness Equipment	2015	2027	16,200	7,127					
Common Area Interior	Furnishings	2010	2024	16,000						
Common Area Interior	Painting - Interior Garage	2018	2030	43,624						40,000
Common Area Interior	Painting - Interior Halls	2003	2023	40,000						
Common Area Interior	Painting - Interior Stairs - North (in house)	2018	2025	10,000						
Common Area Interior	Painting - Interior Stairs - South (in-house)	2013	2020	10,000						
Common Area Interior	Painting - Interior Stairs - East (in-house)	2013	2020	10,000						
Common Area Interior	Pest Control Building Sealing	2016	2041	25,000						
Common Area Interior	Rethling drain pipes	2020	2070	900,000		1,300,000				25,000
Common Area Interior	Major Plumbing as needed	2018	2019	25,000		25,000				25,000
Common Area Interior	Dryer Lint Removal	2004	2014	13,000						
Interior	Reserve Study	2014	2019	4,000		10,000				
Interior	Flood Zone Elevation Study	2016	2041	30,000						
Interior	Office Equipment	2018	2026	5,000	2,640					
Interior	Office Furniture	2007	2022	10,000						10,000
Interior	Unit #105	2005	2020	15,000	751					
Mechanical/Electrical	Domestic Water Pumps	2011	2035	65,004			15,000			
Mechanical/Electrical	Security Cameras	2014	2019	3,200		3,200				
Mechanical/Electrical	Security Access Keypads	2008	2018	15,708		15,708				
Mechanical/Electrical	Electrical Upgrades	2016	2021	5,000				5,000		
Mechanical/Electrical	Lighting Rod System	2015	2025	10,000						
Mechanical/Electrical	Elevator rebuild 7146 North	2018	2068	300,000	332,672					
Mechanical/Electrical	Elevator rebuild 7148 East	2015	2065	300,000						
Mechanical/Electrical	Elevator rebuild 7150 South	1973	2019	300,000		280,000				
Mechanical/Electrical	Fire Alarms	2007	2032	137,600						
Mechanical/Electrical	Fire Pump 5 yr inspect	2018	2023	3,000						3,000

Item	Year Last Replaced	Life Expectancy	Estimated Year of Replace	Estimated Cost	Estimated Actual 2018	2019	2020	2021	2022	2023
Beginning Cash Balance:					719,993	343,223	130,886	291,241	334,869	510,304
Audit adjustments accrual										
Annual Reserve Income					334,210	335,400	375,250	375,250	375,250	375,250
Interest Earned					3,000	700	700	700	700	700
Transfer from Operating Reserves										
Insurance Proceeds										
Special Assessment						1,300,000				
Reserve Fund										
Mechanical/Electrical	Fire Pumps/Controllers - Rebuild	2010	10	2020	53,480					
Mechanical/Electrical	Generator East - New	2011	40	2051	44,960		53,480			
Mechanical/Electrical	Generator North Rebuild	1994	40	2034	29,340					
Mechanical/Electrical	Generator Propane Tanks	2005	20	2025	30,000					
Mechanical/Electrical	Generator South - New	2011	40	2051	29,340					
Mechanical/Electrical	Electrical Switch Gear Replacement	2019	1	2020	35,000			35,000		35,000
Mechanical/Electrical	Cable TV Upgrade	2019	30	2049	86,000					
Mechanical/Electrical	HVAC Units	2018	2	2020	15,000		15,000			15,000
Mechanical/Electrical	Misc Equipment/Repairs	2014	5	2019	10,000					
Mechanical/Electrical	Water Bladder Tanks/Htrs	2008	10	2018	6,000			10,000		
Painting & Waterproofing	Painting Exterior	2015	10	2025	189,200					
Pavement	Asphalt Overlay	2004	20	2024	43,493					
Pavement	Asphalt Rejuvenation	2002	40	2042	75,000					
Pavement	Asphalt Sealcoat	2016	10	2026	6,600					
Pavement	Garage floor clean/strip	2017	10	2027	8,690					
Pool & Equipment	Pool Furniture & Outdoor Furniture	2014	10	2024	10,000					
Pool & Equipment	Pool Deck Resurfacing	2018	10	2028	14,872	13,935				
Pool & Equipment	Pool Equipment	2014	5	2019	5,000			5,000		
Pool & Equipment	Pool Interior Recoating	2009	12	2021	31,322					31,322
Pool & Equipment	Sauna	2016	5	2021	15,000					
Roofs	Garage Deck Waterproof	2018	20	2038	200,000					
Roofs	Garage Deck Joint	2018	5	2023	20,000					20,000
Roofs	Garage Deck Top Coat	2018	5	2023	30,000					30,000
Roofs	Planter Box Restoration - garage roof	2009	15	2024	62,054					
Roofs	Pool House pergola	2016	20	2036	6,000					
Roofs	Recoating/Patch/Repair	2016	5	2021	8,000					8,000
Roofs	Roof 7146	2016	20	2036	198,847					6,600
Roofs	Roof 7148 plus pool house	2014	20	2034	97,770					
Roofs	Roof 7150	2016	20	2036	198,847					
Site Improvement	Beach Sand Renourish	2008	10	2018	10,000					10,000
Site Improvement	Storm Damage Repairs	2017	10	2027	200,000	66,374				
Site Improvement	Door Replacement - Metal	2018	2	2020	10,000	4,700				
Site Improvement	Landscaping	2016	2	2018	20,000			15,000		
Site Improvement	Lighting, Parking & Drives	2016	2	2018	17,515					
Site Improvement	Perimeter Fencing	2004	20	2024	83,141					17,515
Site Improvement	Pergola	2015	20	2035	20,000					
Site Improvement	Fountains	2017	10	2027	15,000			20,000		
Site Improvement	Signage as needed	2016	10	2026	5,000					

