

SANDESTIN OWNERS ASSOCIATION, INC.

ADVISORY BOARD MEETING

OCTOBER 18, 2019

This presentation will be available on the SOA website
for your review.

Please silence your cell phone.

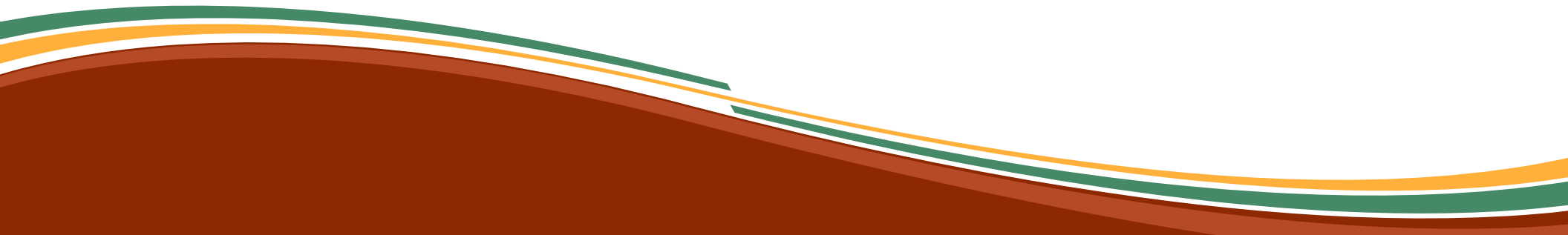
CONFIRM ELECTION COMMITTEE

SOA Staff

- Victoria Klamerus
- Mae Harless
- Jennifer Bailey

Homeowners

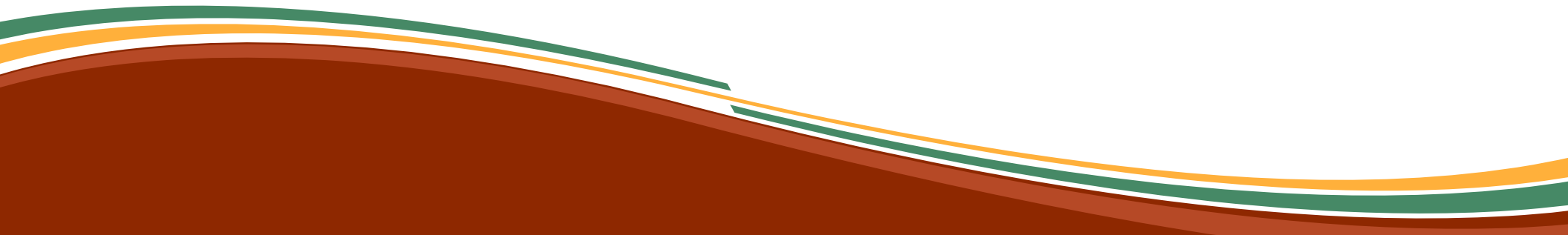
- Jennifer Crawford
- Shirley Williams



SPECIAL PRESENTATION

**WALTON COUNTY SHERIFF'S DEPARTMENT
CRIME PREVENTION PROGRAMS**

SGT. MARK WENDEL

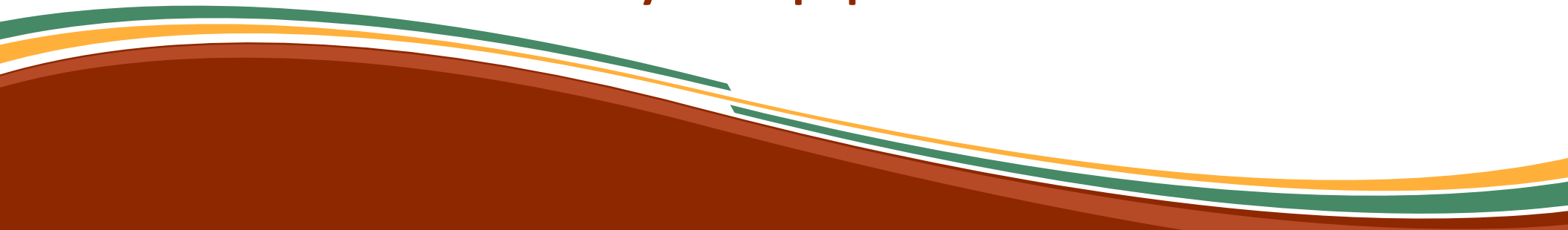


PROPOSAL 1

Excess Funds Reapportionment

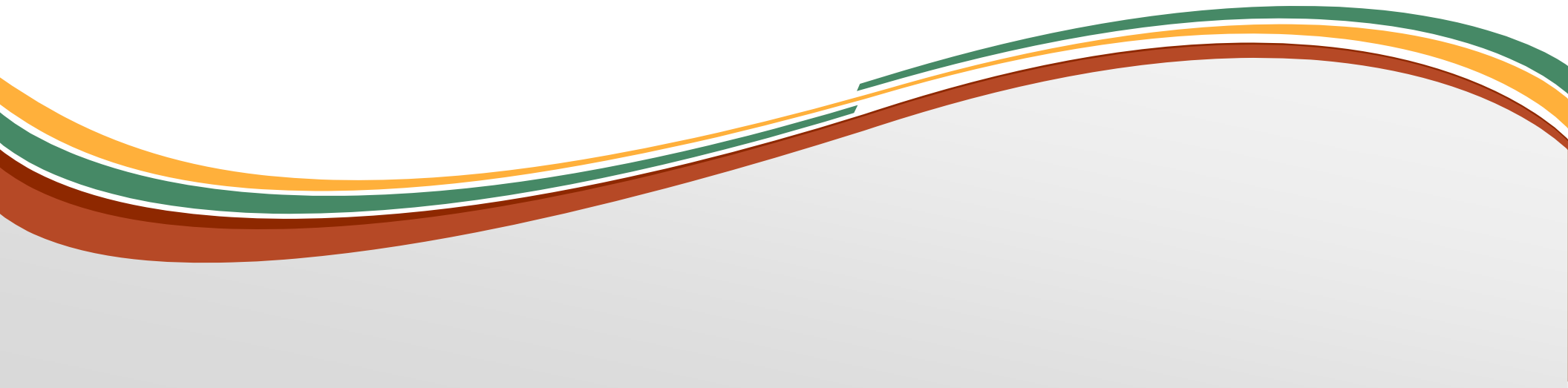
Should any excess of membership income over membership expenses for the year ending December 31, 2019 be applied against subsequent tax year member assessments?

Please complete the ballot provided on the yellow paper.



PRESIDENT'S REPORT

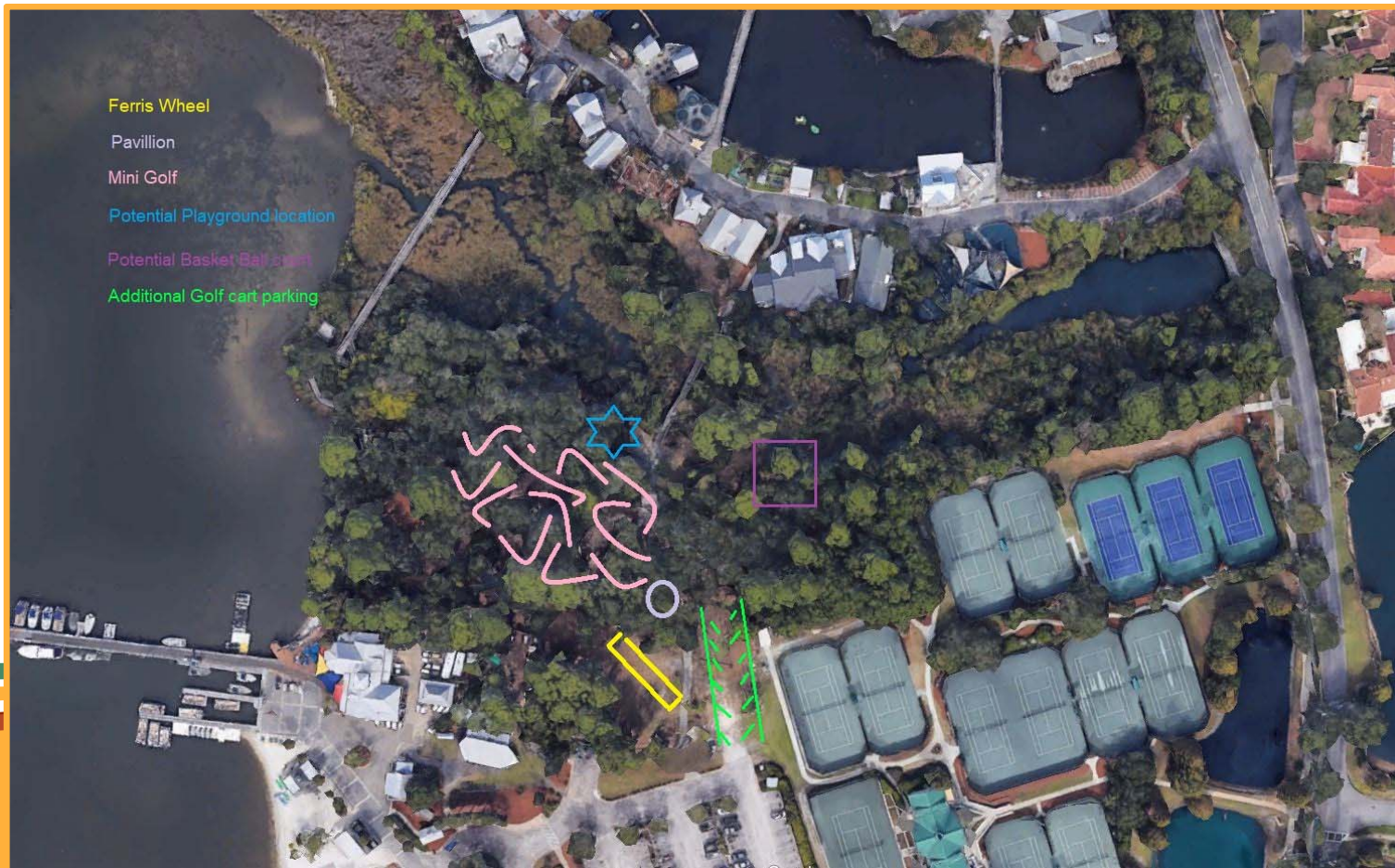
ROGER GANGER



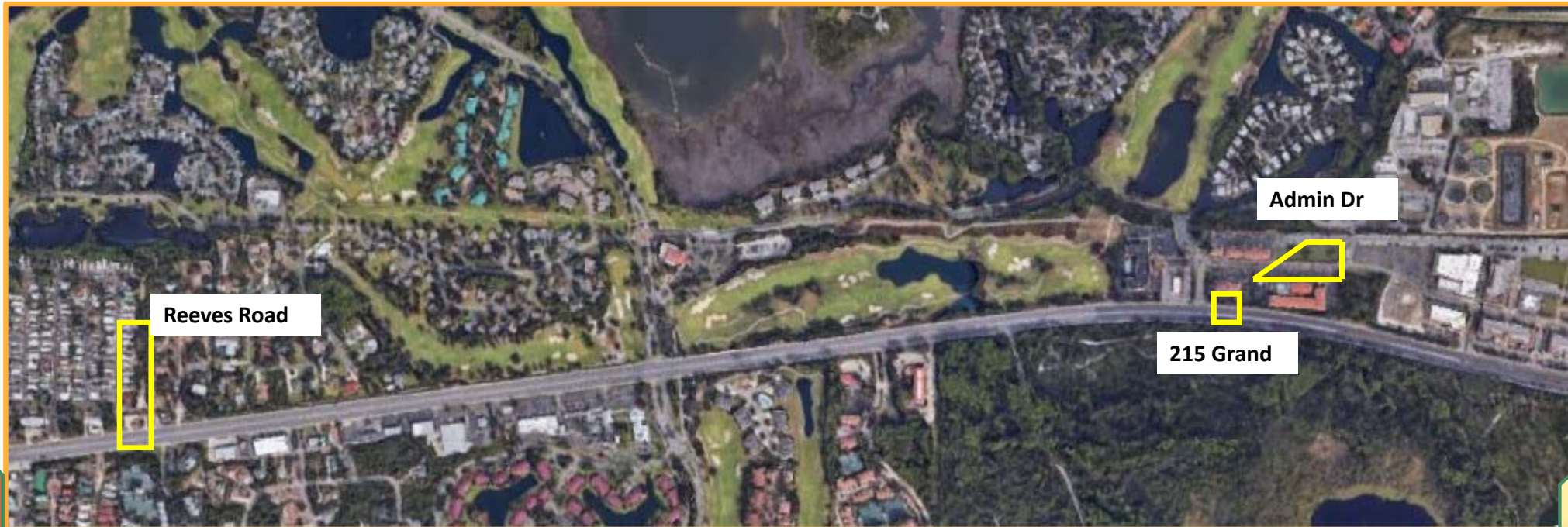
Board Updates

- Village Parking Garage
- Andrews Institute
- Ferris Wheel Update
- Office Site Locations

Ferris Wheel/Putt-Putt Amusements Approved



Location of Office Site Options



Subjective Considerations

	215 (Rent)	Admin	Reeves
Offices	yes	yes	yes
Maintenance	no	yes	limited
Security	no	yes	yes
Parking fleet	no	yes	yes (covered)
Trash	no	yes	no
Comments	•Pay rent 100%	•Must design and build	•Limited access/vendor
		•May meet all needs	•Bridge construction
			•Design & build
			•Additional traffic on Audubon
			•Land use & DO Obstacles

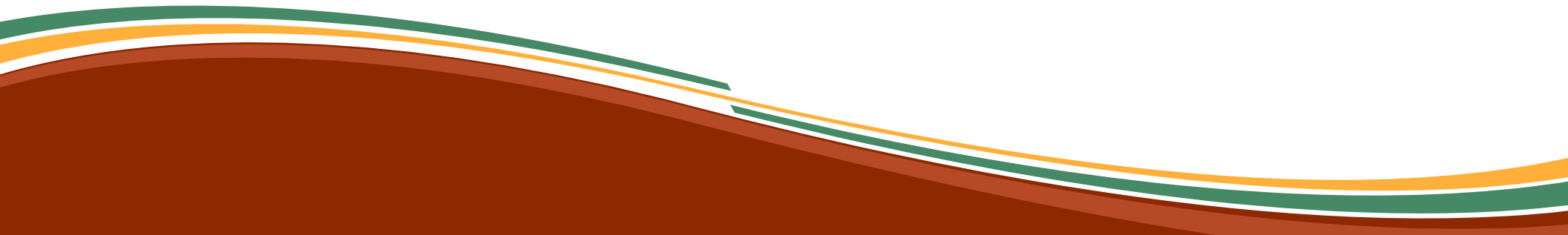
Administration Drive Financial Summary

	(\$000)
20 Yr Total Lease Cash - Undiscounted	\$7,087
Value at end of Lease Term	-
20 Yr Land & Build Cash - Undiscounted	
Total Land & Build	\$3,925
Total Operating Costs	\$1,599
	\$5,524
Cash Savings vs Lease	\$1,563
Appreciation 3% Compounded	\$2,958
20 Yr Appreciated Value - Land & Bldg	\$4,521
Value at end of Lease Term	-
Appreciated Value of Building	\$6,883
TOTAL VALUE (Value of Bldg + Cash Savings vs Lease)	\$8,446

Current Status

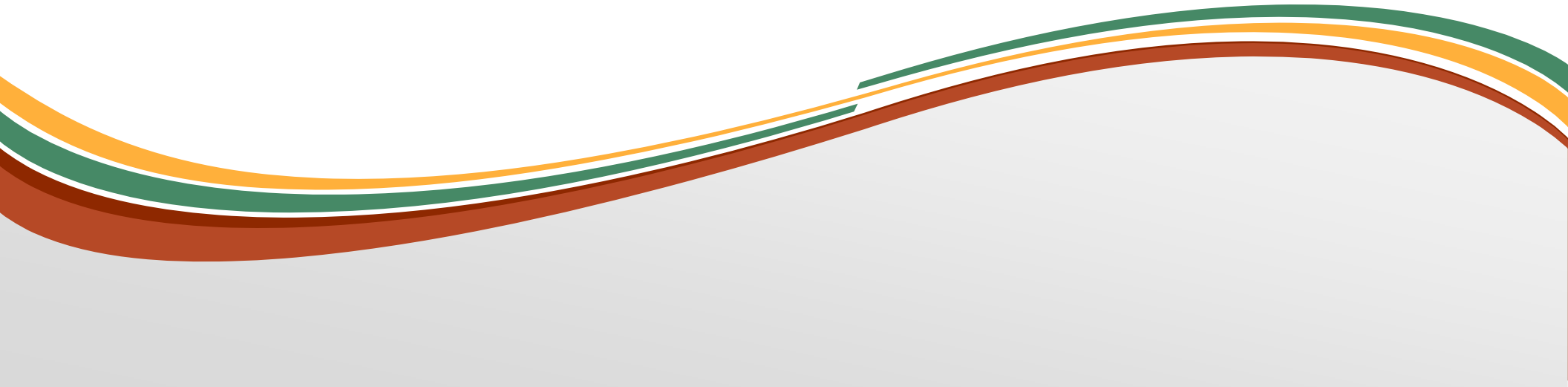
- 215 is not the best long term solution
 - Currently have a 10 year lease with 5 year out clause
- Reeves property may yet be a challenge
 - Need to build a bridge from Audubon Dr.
 - Possible other uses being evaluated (per owner survey)
 - Access from Hwy 98 is limited – no access to the Resort
- Admin. Drive preferred
 - Meets most needs
 - Includes trash agreement extension for 15 years

QUESTIONS?



OPERATIONS UPDATE

Tom Cooper
Executive Director
tcooper@soaowners.com



Tom Cooper
Executive Director
tcooper@soaowners.com

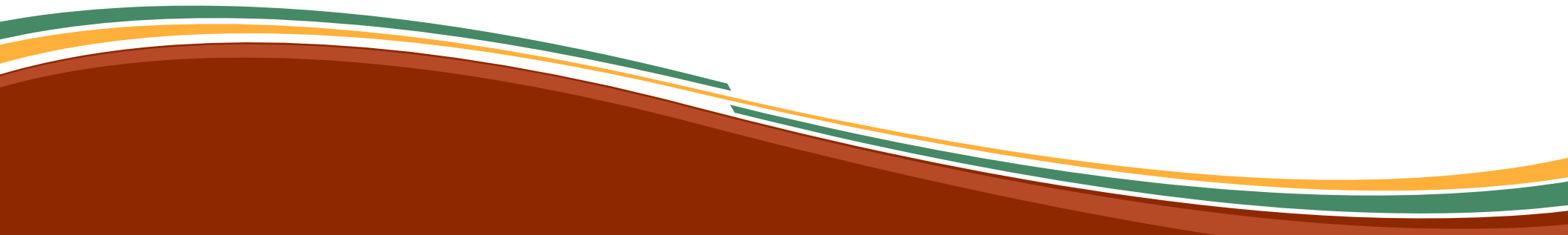
Victoria Klamerus
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Jeff Rocque
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Kyle Ray
Director of Property Services
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Jimmy Willis
Director of Security
jwillis@soaowners.com

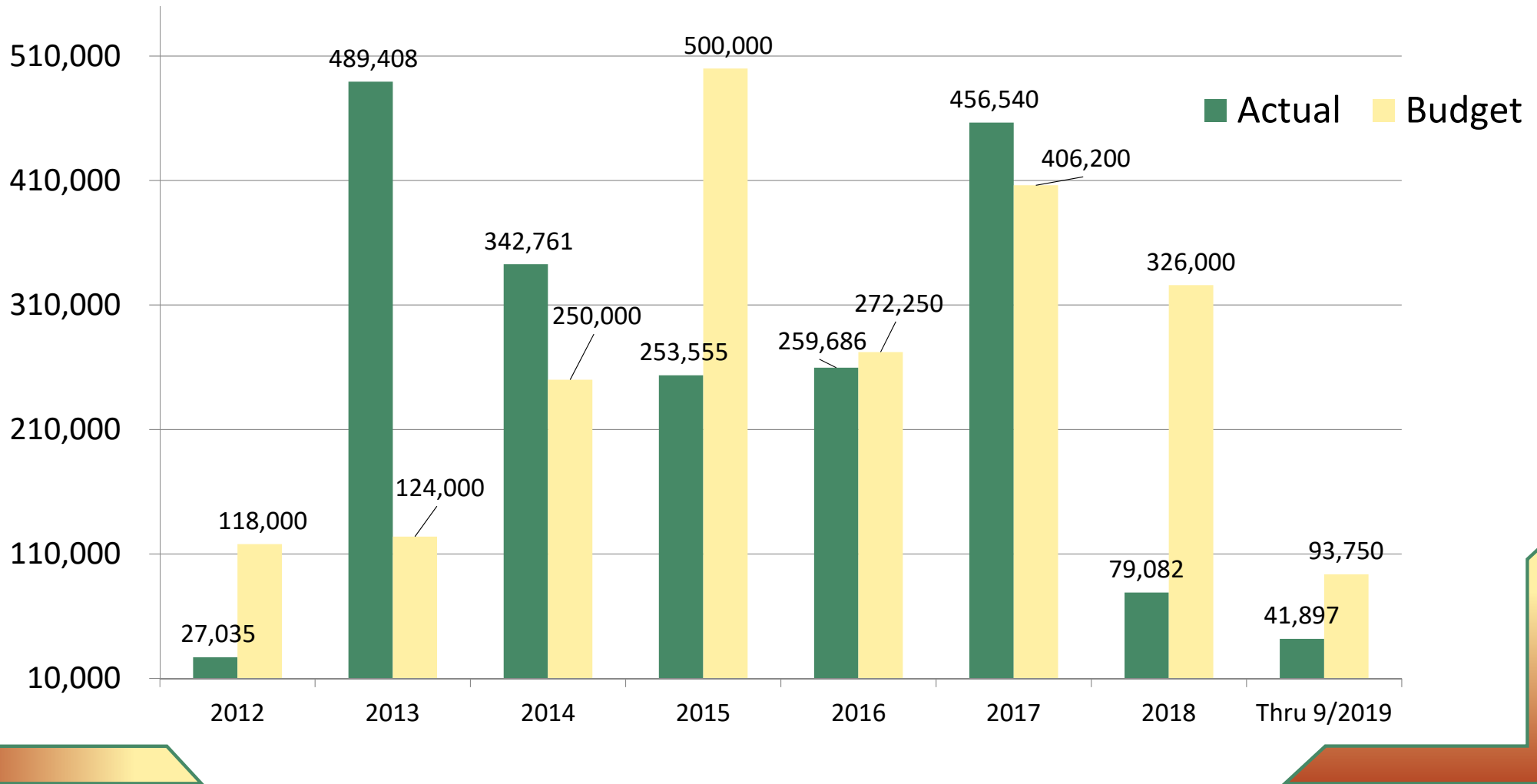


LEGAL EXPENSES ACTUAL VS BUDGET

	General Rep		Litigation (2016)		Reeves Rd (2016)*		215 Partnership (2016)		NOPC (2017)		TOTAL PER YEAR	
Year	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
2012	27,035	118,000	-	-	-	-	-	-	-	-	27,035	118,000
2013	489,408	124,000	-	-	-	-	-	-	-	-	489,408	124,000
2014	342,761	250,000	-	-	-	-	-	-	-	-	342,761	250,000
2015	253,555	500,000	-	-	-	-	-	-	-	-	253,555	500,000
2016	17,203	47,250	141,065	225,000	97,602	-	3,816	-	-	-	259,686	272,250
2017	44,309	31,200	8,622	275,000	203,436	100,000	6,221	-	193,952	-	456,540	406,200
2018	16,575	30,000	4,378	50,000	30,019	86,000	-	10,000	28,109	150,000	79,081	326,000
Sep 30 2019	29,383	45,000	2,295	37,500	9,980	11,250	0	0	239	0	41,897	93,750

*Prior to Jan. 2016, legal expenses for Reeves Road were paid from Capital Fund for \$351,503 for a total of \$661,416.

Legal Expenses



Phil Hummel Aquatic Center (Pool 2 Remodel)



BEFORE



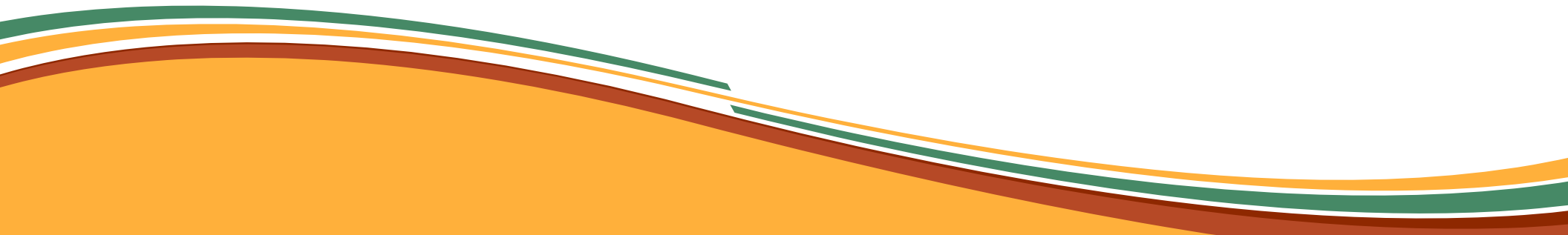
Phil Hummel Aquatic Center (Pool 2 Remodel)

AFTER



Phil Hummel Aquatic Center Capital Project Expense

Approved:	\$1,650,000
Total Cost to Date:	<u>\$1,553,286</u>
Variance:	\$ 96,714



New Furniture Pool 1 (Audubon Drive)

OLD FURNITURE



NEW FURNITURE



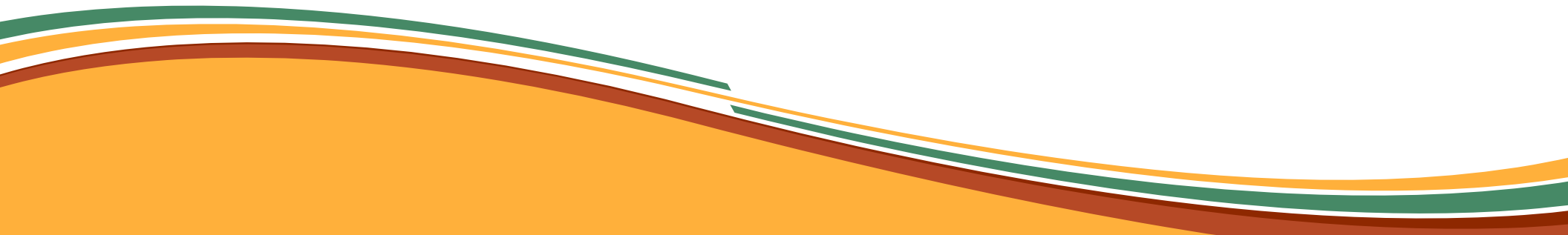
Baytowne Ave Traffic Circle

Three Way Stop



Baytowne Ave Traffic Circle Capital Project Expense

Approved:	\$1,093,136
Total Cost to Date:	<u>\$ 959,300</u>
Variance:	\$ 133,837



Crosswalk Relocation



EXISTING LOCATION



PROPOSED LOCATION

North Gate Circle Water Feature



Upcoming Projects

- Redesign of Entryway Landscape/Hardscape
 - October 16 - Board approved \$23,200 to move forward with the project
 - Phase I - Draft designs for new landscape and entry monuments for all three gates for landscape and hardscape design to be done.
- Pool 1 Remodel (Audubon Drive)
 - Committee reviewing survey for preliminary design ideas
 - Project to start possibly Fall 2020

Sandestin Investments

Seawall repairs complete along Links golf holes 8 and 9.



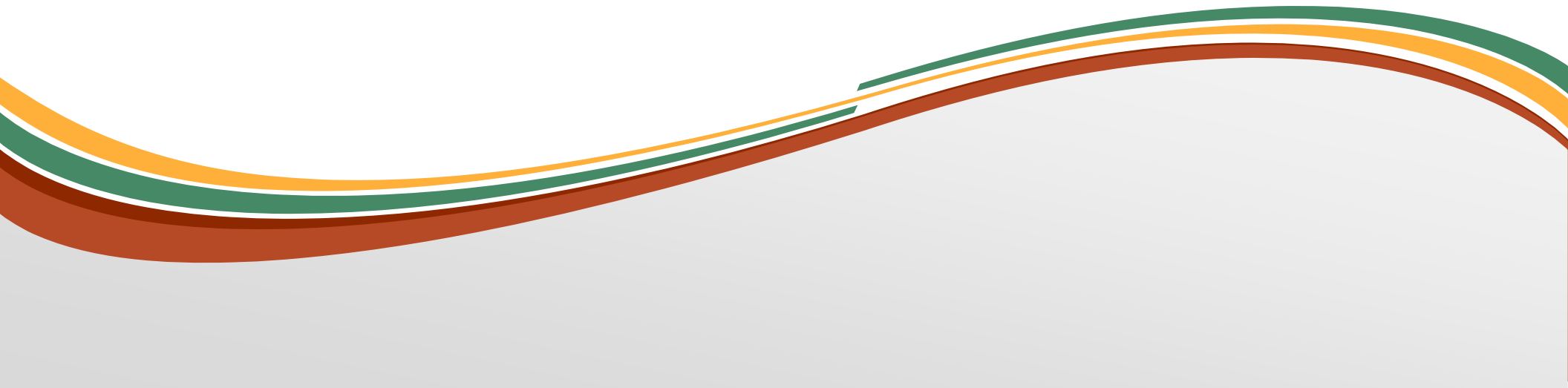
Sandestin Investments

Seawall repairs complete along Links 14 & 15



PROPERTY SERVICES

Kyle Ray
Director of Property Services
kray@soaowners.com



Waste Disposal Procedures

- Magnets have been created to improve communications regarding waste disposal procedures.
- Staff has distributed supplies to the rental management companies for posting in all units.
- Be sure to pick one up at today's meeting or at the SOA office so your guests and family members are familiar with the procedures.



SANDESTIN COMMUNITY WASTE DISPOSAL PROCEDURES

- Failure to comply may result in a fineable offense. -

All household garbage must be in securely tied bags.

- If your neighborhood has central trash bins, dispose of bagged household garbage in the bins.
- If your neighborhood does not have central trash bins, place bagged household garbage curbside between 6 a.m. and 10 a.m.
- Do not leave trash out overnight.
- Large cardboard boxes should be broken down.
- Bags containing pet waste must be placed inside your household garbage bag. For the safety of our staff, pet waste bags will not be picked unless they are in your household garbage bag.
- Large items are not to be left at the curb or in trash bins. Owners may dispose of large items such as beach chairs, furniture, bicycles, etc. in the dumpsters on Administration Drive. Do not place household garbage in the open top dumpsters.
- Do **NOT** dispose of hazardous materials/fluids in trash bins or curbside. This includes items such as car/cart batteries, computers, motor oil, paint cans. Call Walton County at (850) 892-8180 regarding the disposal of hazardous materials.
- All hypodermic needles must be placed in a puncture proof container, with the contents clearly marked on the outside.

***We appreciate your cooperation for the safety of our staff
and to help keep our community looking beautiful.***

Thank You!

Help Control Environmental Fees

- Waste must be disposed of in the correct dumpster in order for the SOA to avoid non-compliant fees.
 - Three open top dumpsters for non-household garbage (IE: furniture, light remodel debris, rugs, etc.
 - Landscape debris dumpster
 - Recycle dumpster
 - Compactor, located under the metal shelter, for bagged household garbage.
- Hazardous Waste, such as paint, tires, chemicals, etc., must be disposed of by calling Walton County Landfill.



Homeowners can dispose of Hazardous Waste at no cost - Walton County Amnesty Day is November 2, 8 a.m. to 12 p.m. at the Topsail Hill State Park on Hwy 30A. Weekly Email will have more details!

Non-Compliant Dumpsters

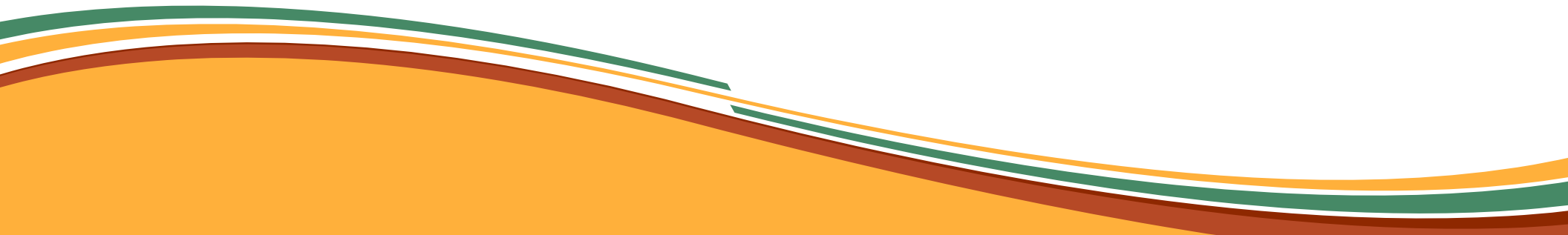


Club Drive Pump Station Update

- Coupling of the intake pipe broke due to corrosion
- Diver will be lining the inlet pipe today, weather permitting.
- Current inspections do not allow access to these areas for preventive maintenance. Researching additional options for future inspections.



COMPLETED PROJECTS SINCE FEBRUARY 2019



Heron Walk Weir and Seawalls

New Weir



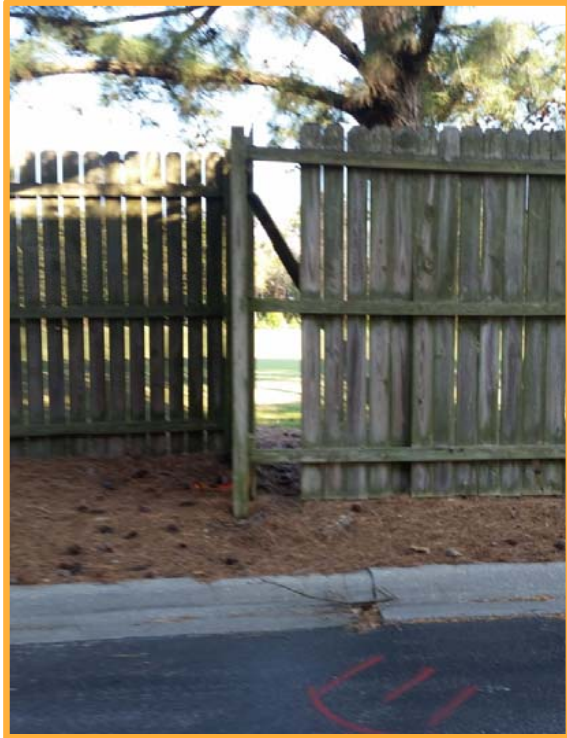
BEFORE



AFTER



West Perimeter Fence

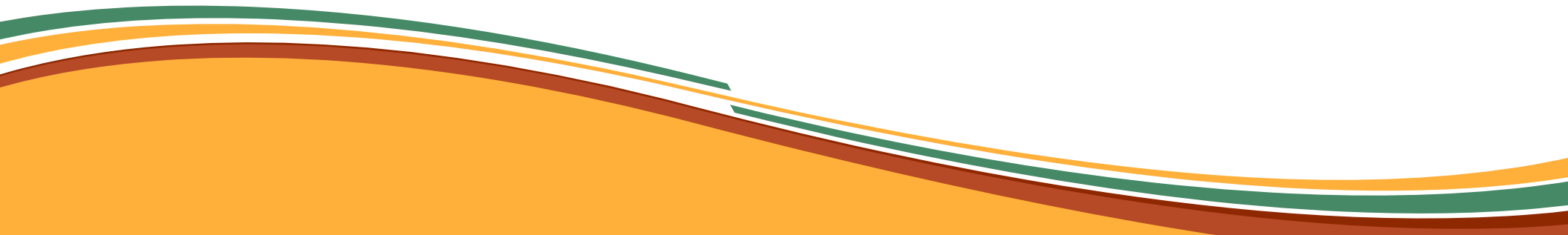


Landscape material to be installed this month to screen this fence.



Chain link installed at the north end of the perimeter.

ONGOING AND FUTURE PROJECTS



Heron Walk Drive - Road and Drainage Repairs



- Drainage plan using pipes rather than swales is being designed.
- SOA Engineer is working with SDI Engineer to ensure the roadway repairs and turn lane project are done concurrently.

WALLS AT HWY 98 TUNNEL ENTRY

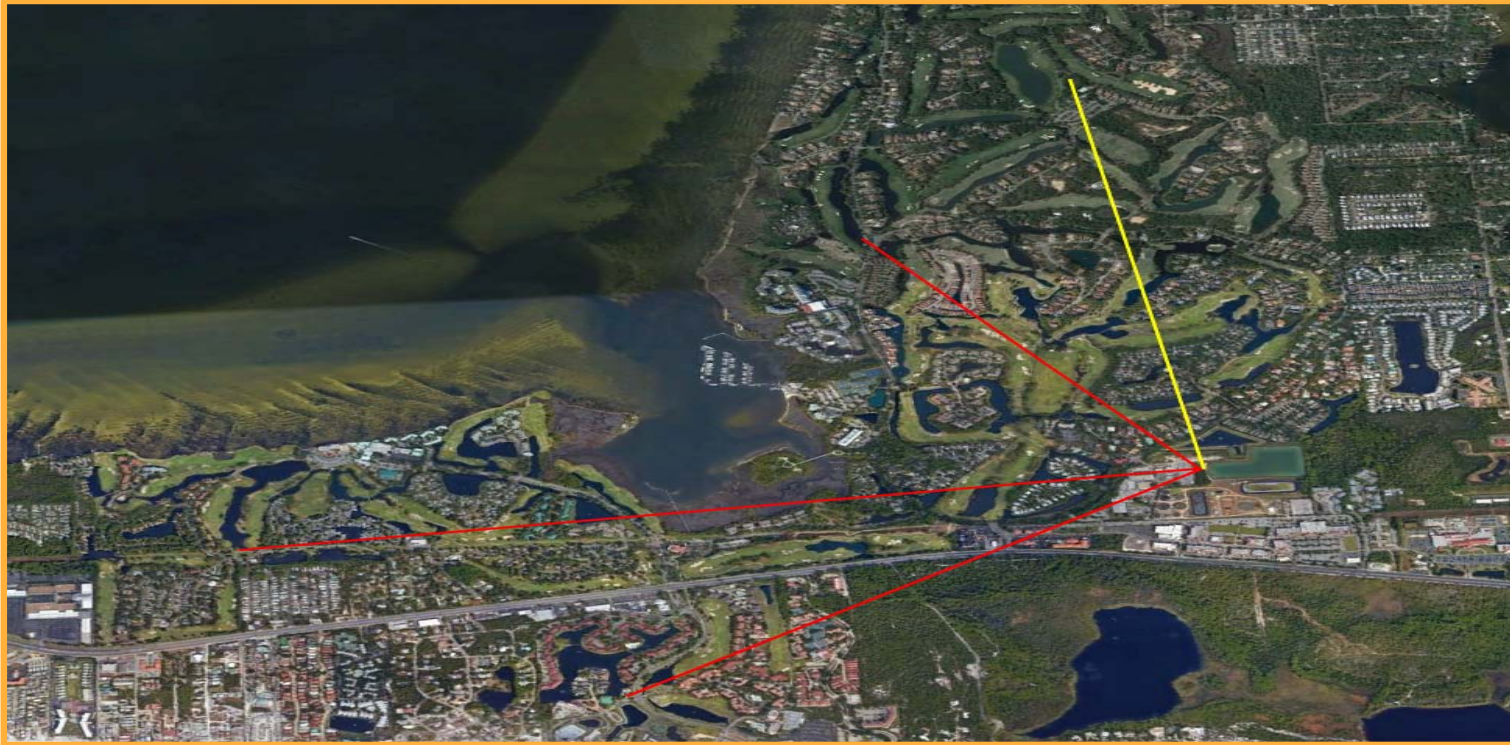
- Proposed to be replaced with vinyl material commonly used for seawalls. Material is more durable than wood, easier and less obtrusive to install than concrete, and provides a 50 year warranty.
- Estimates for material and installation have been requested from local contractors
- Request for funding tentatively scheduled for the November Board of Directors agenda.



LAKE DREDGING PHASE II

- Board approved \$500K in June for Phase II of lake dredging.
- Spoils being used on various parcels and to back fill seawall projects.
- Includes the following lakes:
 - Cove on the Bay
 - DOT Lake on Audubon
 - Horseshoe Lake at Beachwalk Villas
 - Club Drive @ Burnt Pine 16 and 17
 - Tivoli
 - Pine Valley @ Burnt Pine 5

RECLAIM WATER INITIATIVE



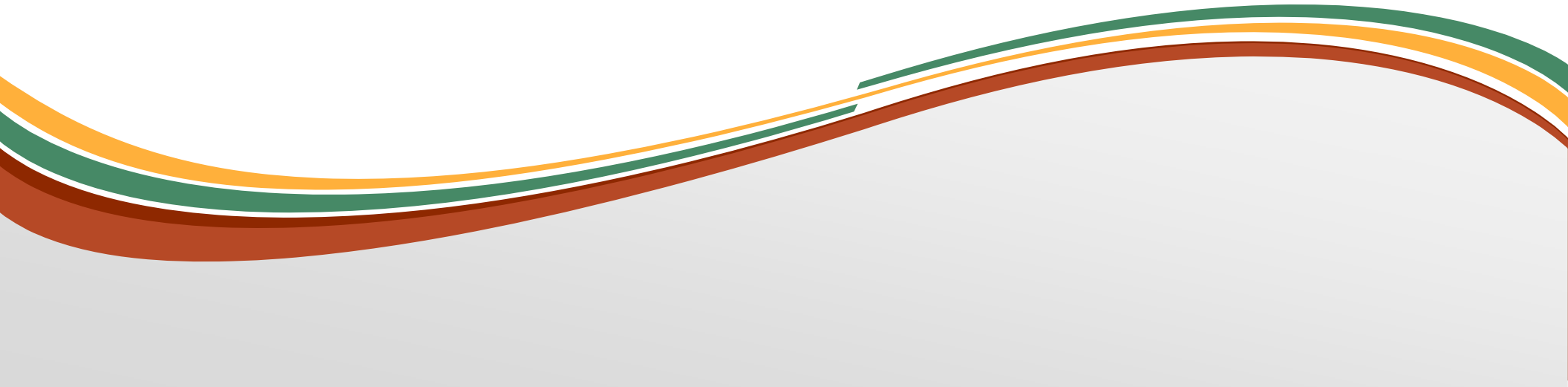
- Red lines - existing feeds to the SOA pumps
- Yellow line - possible new line to the Burnt Pine golf course pump – will allow SDI to irrigate the golf course with reclaimed water, assist SOA to stay within limits of the Consumptive Use permit.
- Proposed plans for modifications to be reviewed by Maintenance Committee in November.

Projects in Planning

- **Beach Access Walkover by the Hilton:** Engineer is drawing up new walkover plans. Pending DEP approval.
- **South side Drainage Improvements** – Installing drain pipes to eliminate the need of the storm water lift station. This will help reduce the flooding during a heavy rainfall along the entry road and parking lot at Beachside Towers I.
- **Lake Howard Dock and Bridge:** Plans being drawn to replace handrails, pickets, and decking with composite material.
- **Lake Retaining Walls:** Obtaining bids. Includes Bayou, Sandpiper and Turnberry.
- **Hwy. 98 Landscape Buffer** – Areas along Hwy 98 from Applebee's to Silver Sands is being reviewed to upgrade plantings and install irrigation.

SECURITY

Jimmy Willis
Director of Security
jwillis@soaowners.com



Security Beach Hut

OLD

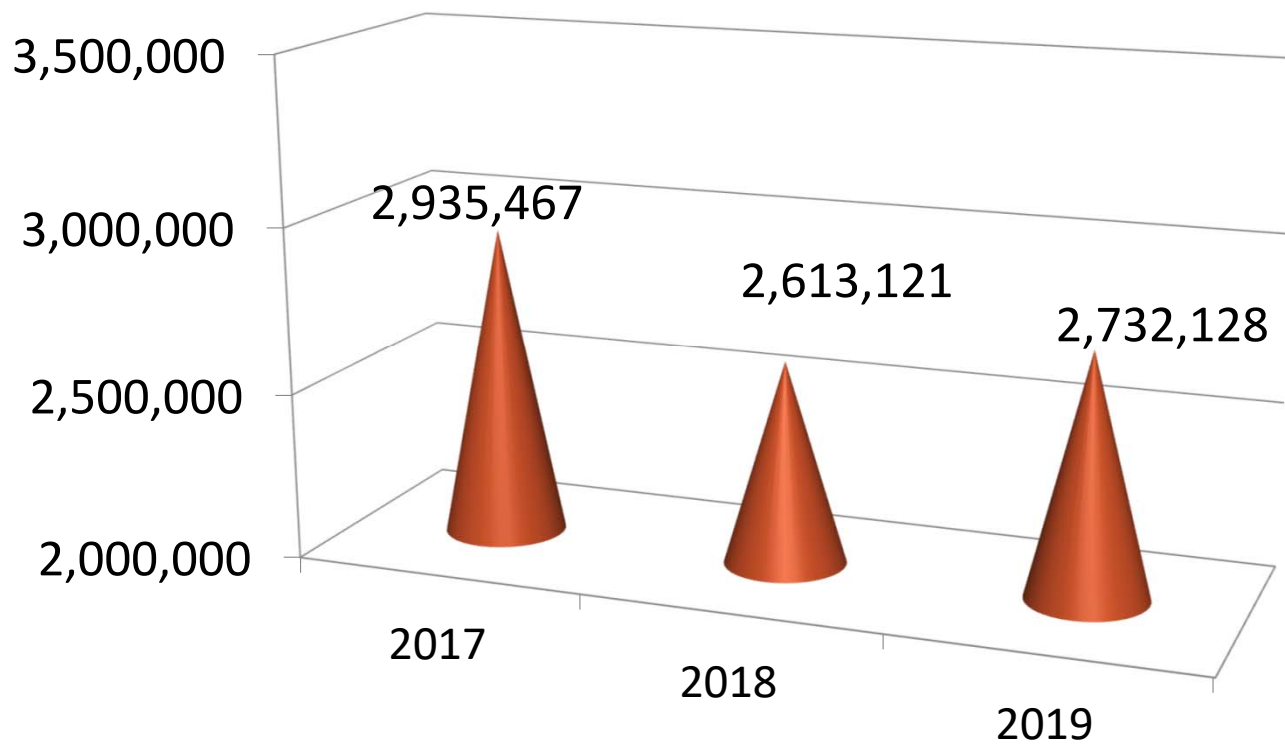
NEW



SECURITY STATISTICS

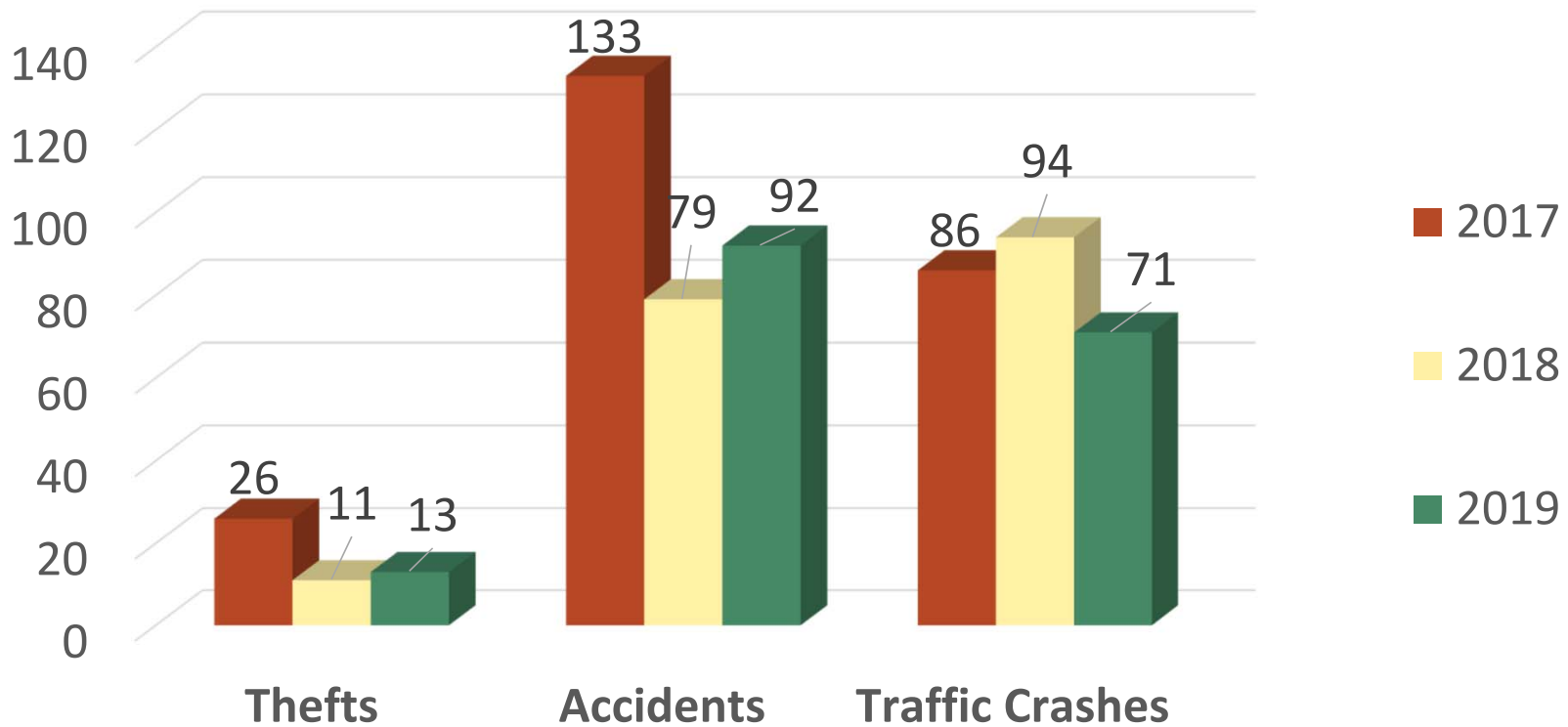
JAN-SEPT 2017 - 2018 - 2019

Traffic Count



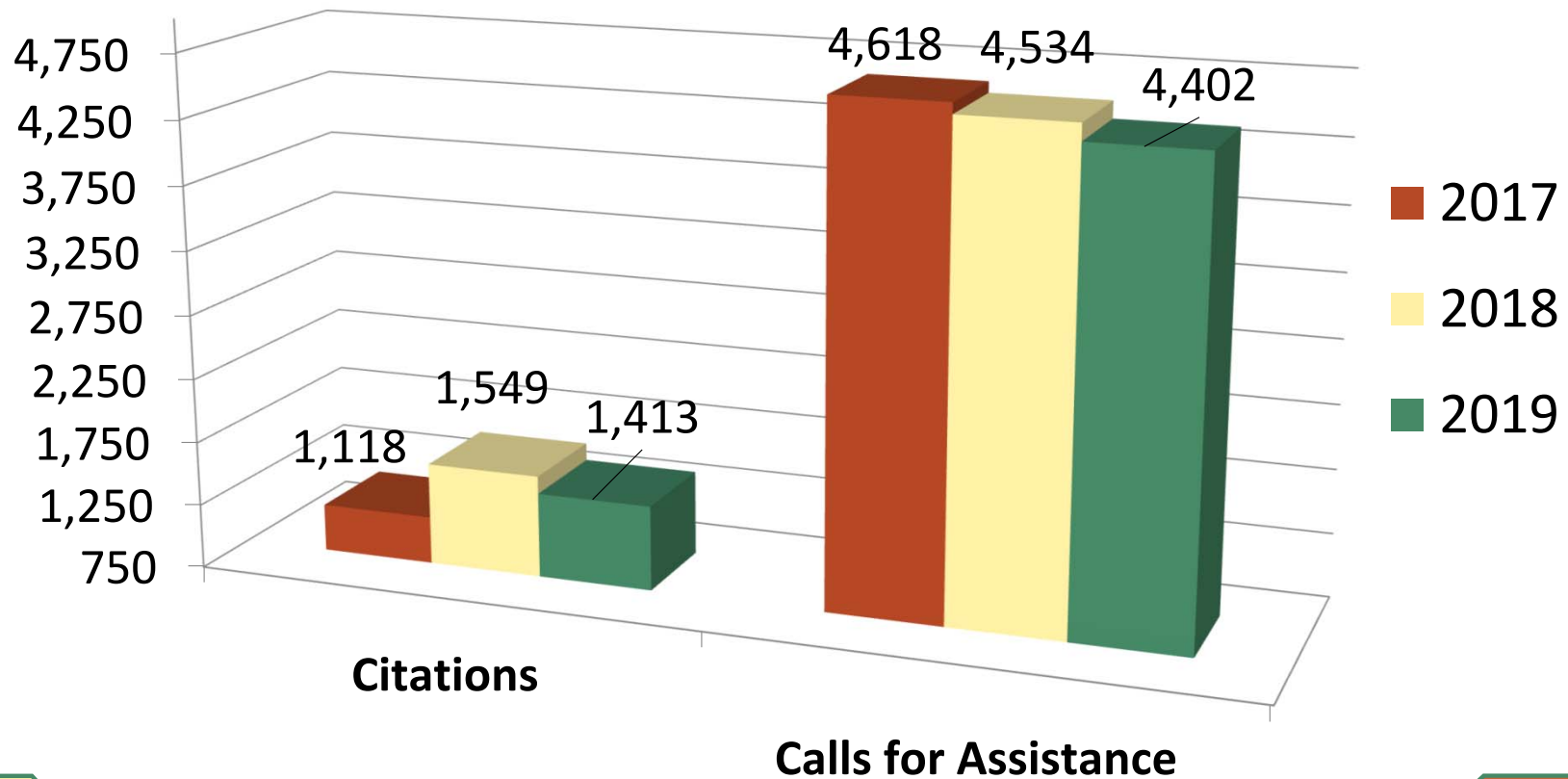
SECURITY STATISTICS

JAN-SEPT 2017 - 2018 - 2019



SECURITY STATISTICS

JAN-SEPT 2017 - 2018 - 2019



COMMUNICATIONS & CUSTOMER SERVICE

Victoria Klamerus
Asst. Executive Director
vklamerus@soaowners.com

Roberta Wyndham
Customer Service Specialist
csr@soaowners.com



DEPARTMENT UPDATES

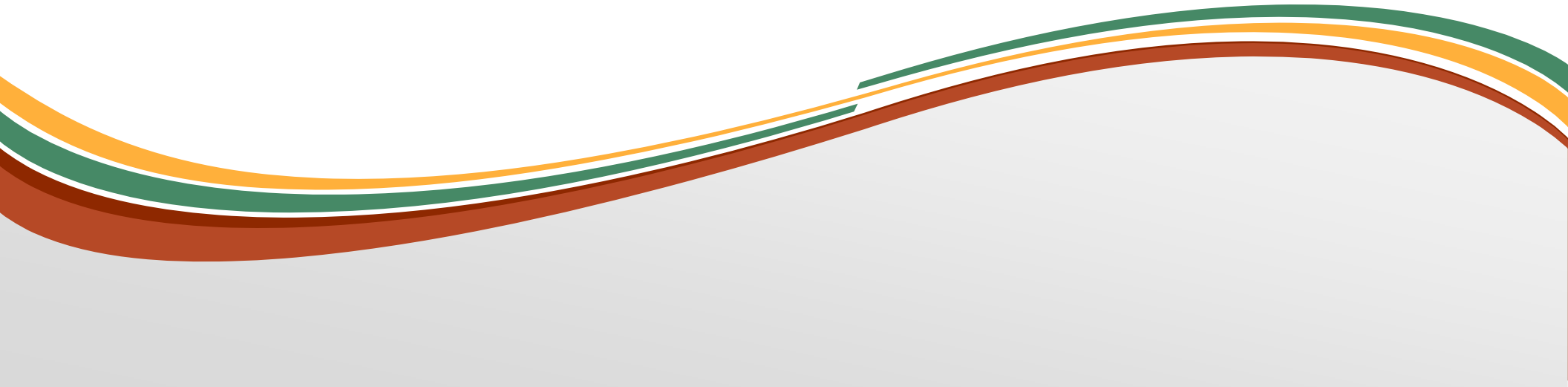
- Communications Committee will be working on media for the Community Channel
 - Dedicated information channel for Sandestin residents
 - Proposed to include:
 - General information about what the Sandestin community has to offer
 - Safety information regarding golf cart operations, bicycles, beach flags, rip currents, traffic circle travel, etc.
 - If you have suggestions regarding additional topics, please email soa@soaowners.com
 - Proposed to air by end of 2020

DEPARTMENT UPDATES

- Current golf cart decals are purple – all should now be renewed.
- New Directory scheduled to be mailed in November.
- White Lights Competition entry forms will be available in November.
- 2020 Events include:
 - St. Paddy's Day Treasure Hunt
 - Fishing Rodeo hosted by the Village of Baytowne Wharf
 - Memorial Day Ceremony
 - July 4th Golf Cart Parade
 - Holiday White Lights Competition - December

Architectural Review Board (ARB)

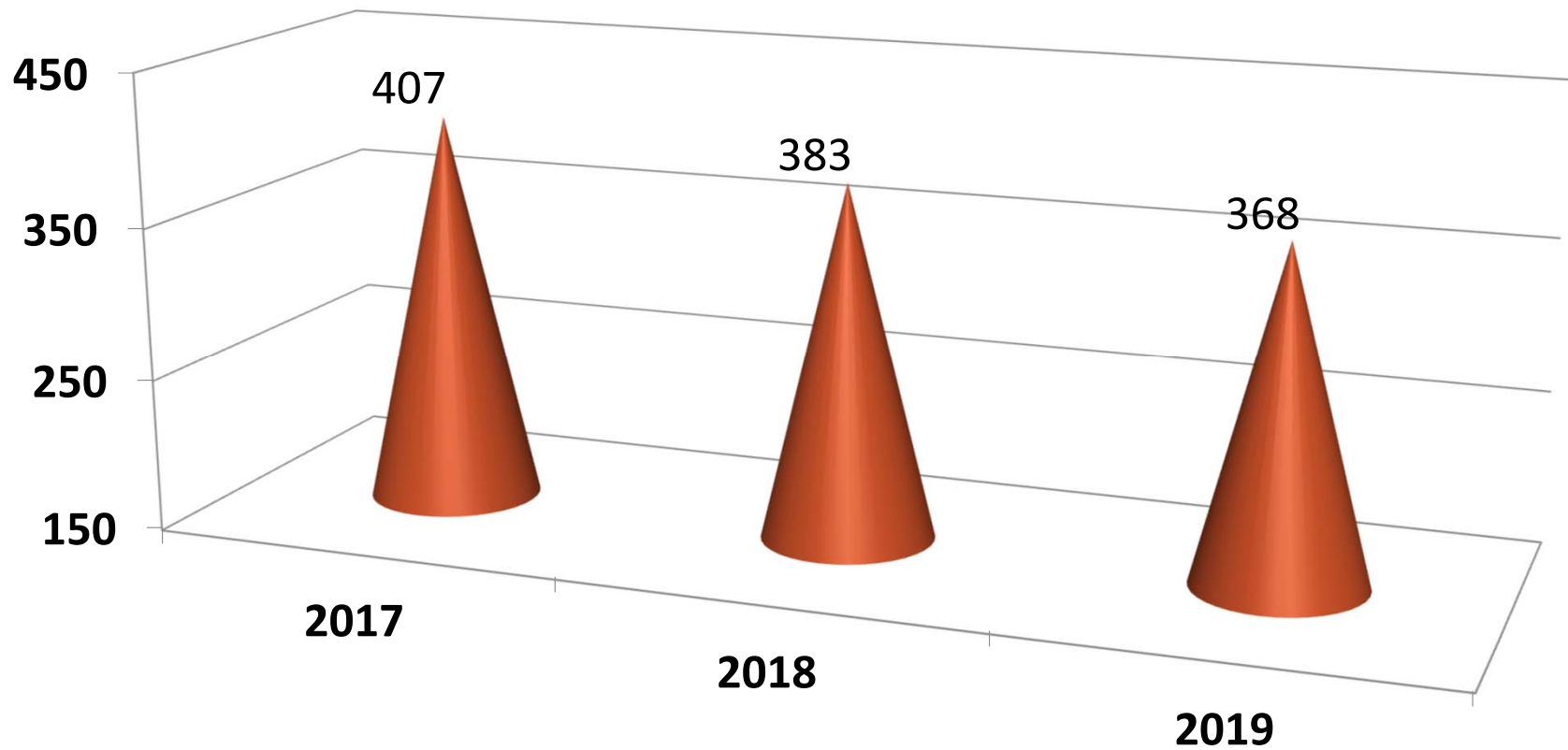
Mae Harless
ARB Administrator
mharless@soaowners.com



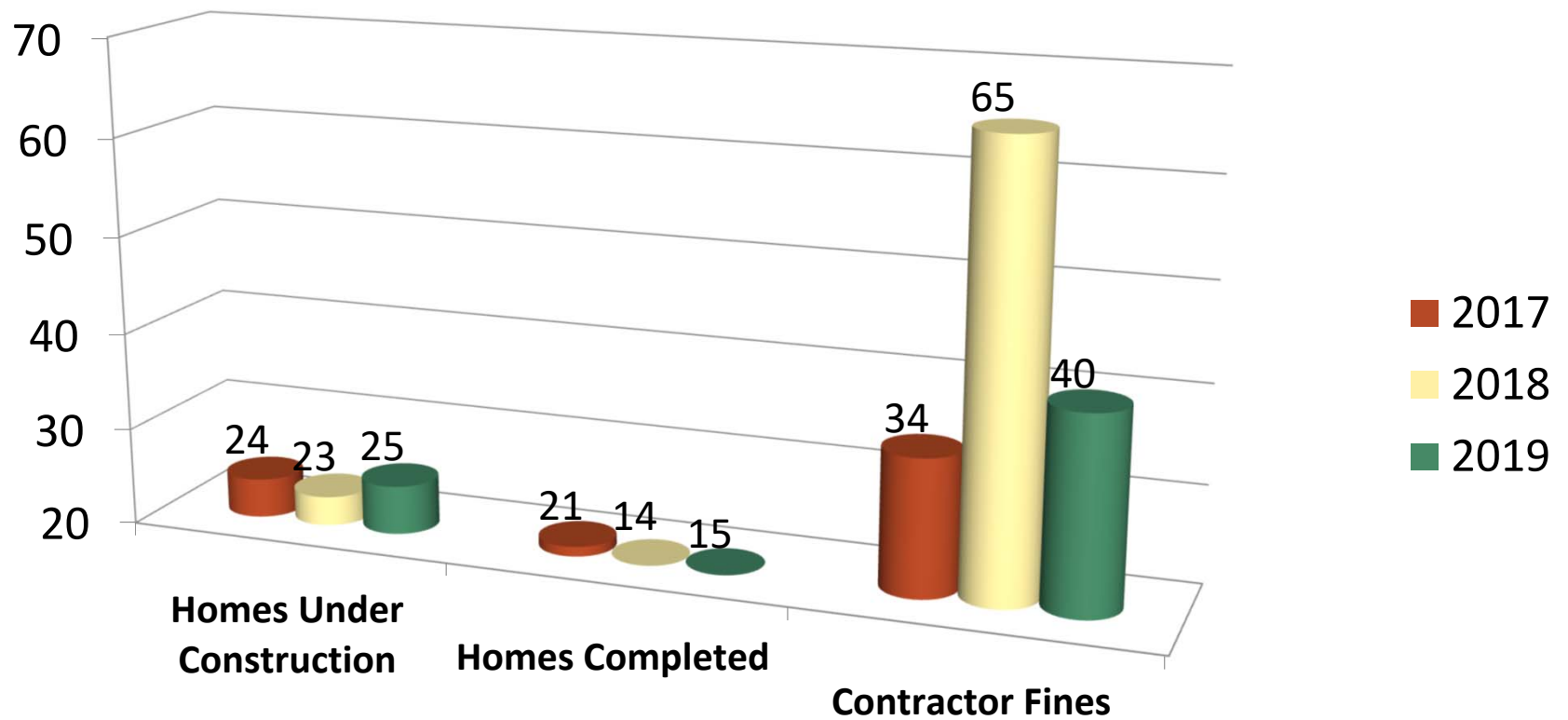
ARB STATISTICS

TOTAL SUBMITTALS RECEIVED

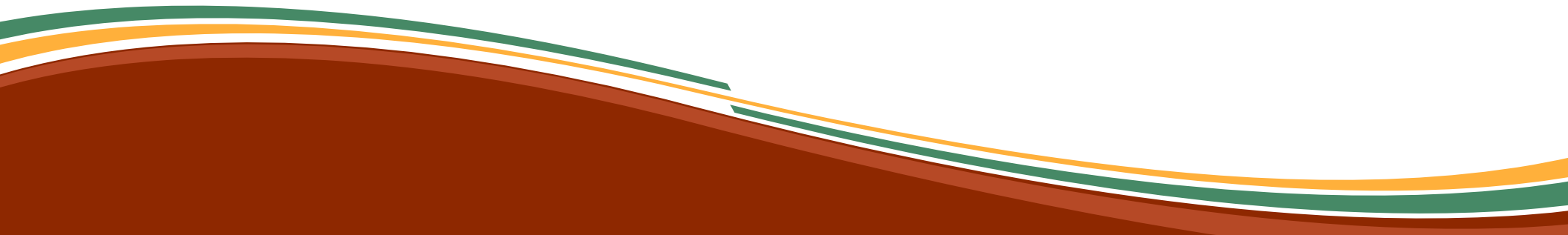
JAN-SEPT 2017 - 2018 - 2019



ARB STATISTICS JAN-SEPT 2017 - 2018 - 2019

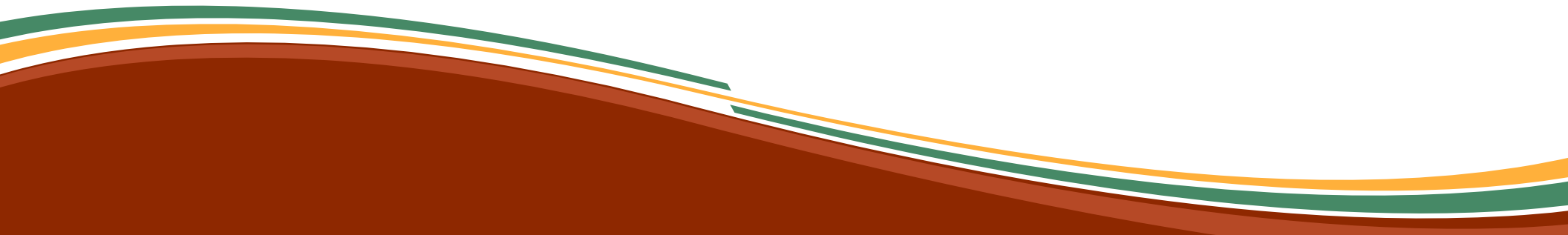


QUESTIONS?



FINANCE DEPARTMENT

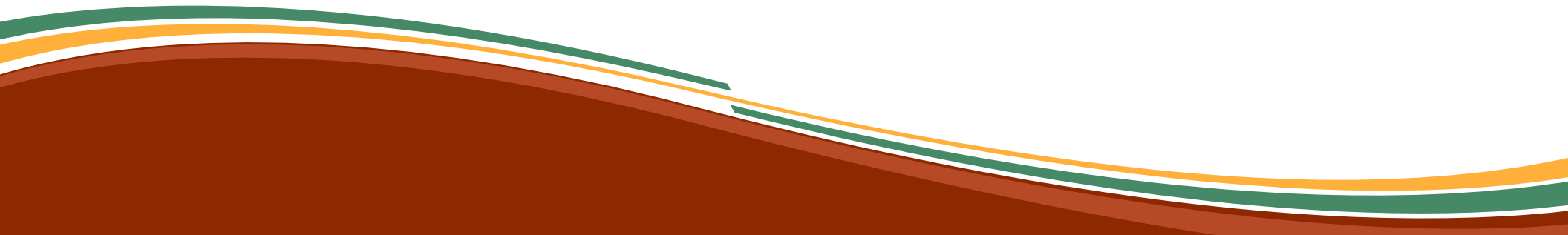
Jeff Rocque
Finance Director
jrocque@soaowners.com



2019 Where Are We?

	2019 <u>Budget</u>	2019 <u>Forecast</u>	<u>Var +/-(-)</u>
Revenue	\$ 9,411,519	\$ 9,417,852	\$ 6,333
Expense	8,882,217	8,787,681	94,536
Net Rev over Expense	529,302	630,171	100,869
Fixed Asset Reserve	476,086	476,086	-
Fixed Asset - Pump Houses	158,461	158,461	-
Emergency Replacements Res	100,000	100,000	-
Total Reserves	734,547	734,547	-
Net Revenue over Expense After Reserves	(205,245)	(104,376)	100,869
Depreciation Addback	231,488	246,529	15,041
Net Rev Over Expenses After Res & Depr	\$ 26,243	\$ 142,153	\$ 115,910

2020 OPERATING BUDGET SUMMARY



2020 Budget Comparative

	2020 Budget	2019 Budget	Var +/-(-)
Revenue	\$ 9,616,197	\$ 9,411,519	\$ 204,678
Expense	9,018,597	8,882,217	(136,380)
Net Rev over Expense	597,600	529,302	68,298
Fixed Asset Reserve	573,087	476,086	(97,001)
Fixed Asset - Pump Houses	183,461	158,461	(25,000)
Emergency Replacements Res	100,000	100,000	(0)
Total Reserves	856,548	734,547	(122,001)
Net Revenue over Expense After Reserves	(258,947)	(205,245)	(53,702)
Depreciation Addback	258,947	231,488	27,459
Net Rev Over Expenses After Res & Depr	\$ (0)	\$ 26,243	\$ (26,243)

2020 Operating Budget Points to Consider

- **No assessment increase for 2020**
- **COX cable charges will increase 2% in Jan 2020 per the contract. Cable pass through charges will go from \$62.75 to \$63.93 (\$1.18)/Quarter.**
- **Legal has been budgeted at \$48k. There is no pending litigation at this time**
- **Irrigation billing methodology remained the same. No change in the rate in 2020. A new methodology will be proposed for the 2021 Budget**

2020 Operating Budget Revenue

	2020 Bud	2019 Bud	Variance Fav/(Unfav)
Assessments, Net (30,000)			
Discounts	\$ 7,679,000	\$ 7,494,000	\$ 185,000
Interest	45,000	33,000	12,000
ARB	52,000	51,000	-
Accounting	162,000	156,000	6,000
Communications	115,000	145,000	(29,000)
Landscape & Irrigation	224,000	227,000	(4,000)
Beach & Pool	41,000	41,000	-
Security	5,000	9,000	(5,000)
Total Revenue*	\$ 8,323,000	\$ 8,156,000	\$ 165,000

*-Excludes Pass through

2020 Operating Budget Assessments

\$1,280 annually per RDU

\$640 annually per Lot

Residential & Lot RDU's	\$5,734,000
------------------------------------	--------------------

(Res - 4,437 & Lots - 86)

Commercial RDU	1,792,000
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(1,400 Units)

New RDU's 2020 - Starting Q3	<u>184,000</u>
-------------------------------------	-----------------------

(Osprey Point 77, Hotel Effie Est. 210)

Total Assessment Revenue	\$7,710,000
---------------------------------	--------------------

(Excludes Prepaid Discounts - \$30,000)

2020 Operating Budget Expenses

		2020 Bud		2019 Bud	Variance Fav/(Unfav)
Administration	\$	4,362,000	\$	4,478,000	\$ 116,000
Infrastructure		3,111,000		2,830,000	(281,000)
Security		1,979,000		2,048,000	69,000
Total Expense*	\$	9,452,000	\$	9,356,000	\$ (96,000)

Administration

SOA Admin
ARB
Accounting
Communications
Oth-Depr, Bad Debt

Infrastructure

Infrastructure Bldg & Equip Maint.
Landscape & Irrig. Sanitation
Roadway & Drainage Lake Maint.
Beach & Pool

*Excludes Pass Through

2020 Operating Budget Reserves

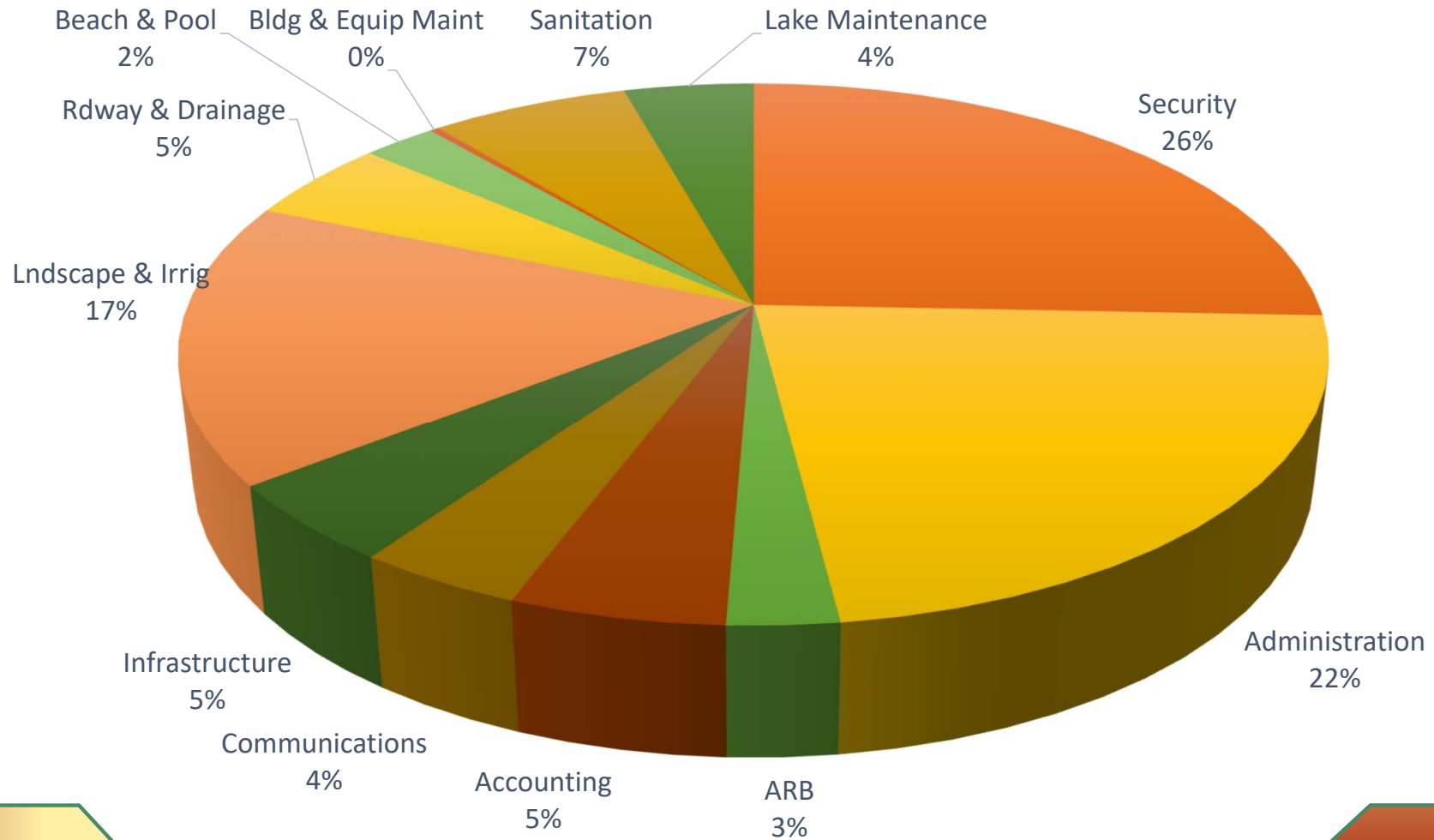
Net Revenue Over/(Under) Expense After Operations	\$598,000
Reserves: Fixed Asset	573,000
Fixed Asset Pump House	184,000
Emergency Replacement	<u>100,000</u>
Total Reserves	857,000
Depreciation to Reserves	(259,000)
Total Reserves	598,000
Net Rev Over/(Under) Exp After Ops, Res & Depr	\$-0-

2020 Operating Budget Recap

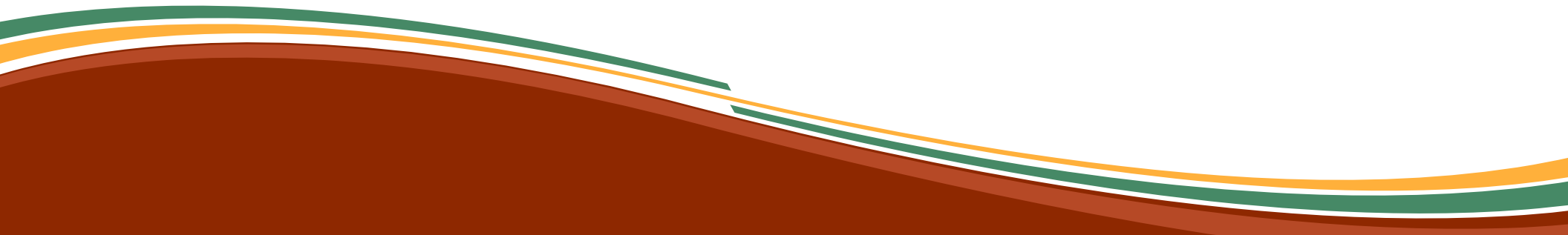
Assessment Revenue, Net (\$30k) Discount	\$7,679,000
Other Revenue	<u>832,000</u>
Total Revenue	8,511,000
Operating Expenses	7,913,000
Reserves	857,000
Depreciation to Reserves	<u>(259,000)</u>
Total Expenses	8,511,000
Net Rev Over/(Under) Exp After Ops, Res & Depr	\$-0-

2020 OPERATING BUDGET

Expenses by Department



QUESTIONS?



VOTING RESULTS

- **Board of Directors Election**
 - **Proposal 1 – Excess Funds Reapportionment**
-

NEXT MEETING

- **Tentatively scheduled for February 28, 2020**
- 