

Dear Carrollwood Village Phase III Homeowners,

The Phase III Board of Directors and the Finance committee struggled to put the 2020 budget together. Due to events beyond the control of the Homeowners Association, the proposed budget sets the 2020 annual assessment at \$515.67, representing a 12.64% increase. The Board has a fiduciary duty to maintain the assets of the community in order not to negatively impact the property values and does not take this duty lightly. The majority of our infrastructure is close to 40 years old and though the HOA has maintained it as well as possible under budgetary constraints, much of it is reaching the end of its life cycle. The sprinkler systems, sprinkler controllers, boundary walls, trees, playground equipment, courts, etc. will require significant upgrades in the coming years. For this reason, the HOA hired the outside consulting firm to assess our situation and come up with a plan on how to address replacement and maintenance through reserves. ([https://www.carrollwoodvillage.com/wp-content/uploads/2019/09/FloridaReserveStudyand-Appraisal\\_PhaseIII\\_HOAReserveStudy\\_20190809\\_UPDATEDASSUMPTIONSNUMBERS.pdf](https://www.carrollwoodvillage.com/wp-content/uploads/2019/09/FloridaReserveStudyand-Appraisal_PhaseIII_HOAReserveStudy_20190809_UPDATEDASSUMPTIONSNUMBERS.pdf))

The study outlines the anticipated remaining life of each asset and the replacement cost. Page twenty-six (26) shows how much each address should be assessed annually over next 20 years to keep the assets of the community in good condition and for the Association to be fiscally sound.

Since our developer did not provide for any reserves, we must budget for the anticipated repairs and replacements each year and collect the entire amount of funds needed for the expected issues for the upcoming year. The Board hopes to correct this lack of Developer planning by updating the Association Documents in 2020.

The proposed 2020 budget is not finalized and will be voted at the October 30th meeting, 7 PM at the Carrollwood Cultural Center. You are encouraged as homeowners to attend and present your viewpoint. Homeowners will be able to present their thoughts at the beginning of the meeting. Depending on the number of homeowners who would like to speak, remarks will be limited to a maximum of three (3) minutes, and potentially less, to allow everyone a chance to speak. If you would like to address the meeting, please notify the property manager at [TheVillage@greenacre.com](mailto:TheVillage@greenacre.com) to be placed on the agenda. If you have questions about the budget please send an email to [TheVillage@greenacre.com](mailto:TheVillage@greenacre.com). A list of the most frequently asked questions (FAQs) will be posted on the "Resources" tab on our website, Carrollwoodvillage.com with the questions and our explanations. The FAQs will be updated every few days, but please be patient as there may be questions that require a response from the Association's attorney or CPA.

#### THE REASONS FOR THE INCREASE:

- 1) Landscape contract increasing more than \$45,962 per year, a 34.81% increase due to the sale of Village Lawn Care to Fieldstone Landscape Services effective July 2019. The

Board with the help of Van Chandler obtained proposals (RFPs) from three (3) competing vendors to provide the same services we had received the past 40+ years from Village Lawn Care. The other vendors were significantly higher than the proposal from Fieldstone Landscape Services. The Board and Van then negotiated a discount from Fieldstone's original bid. A large portion of the landscaping expense is in two (2) areas after mowing, edging and trimming are funded; irrigation and trimming of the tree canopies. The irrigation system is original and has four (4) independent systems. Fieldstone has recommended transitioning to "smart micro irrigation" as repairs are needed. As the individual systems fail, they will be replaced with smart micro irrigation. The board has budgeted for these repairs to start in 2020 and hopes to have part of the transition funded by a Micro Irrigation grant from the County. The canopies of the trees have not been raised in two (2) years as the Board was conserving the funds on hand in case of unexpected expenses. The garbage trucks and high-profile vehicles are now hitting the branches. There is also storm damage in the canopies that needs to be removed for safety reasons.

- 2) The costs of pond maintenance have increased as the HOA has been billed higher amounts for the cost of additional herbicide treatments to keep the algae and undesirable vegetation under better control. This is not a long-term viable approach. The Board and the Village Joint Pond Committee has adopted a more sustainable approach to landscaping and pond maintenance. This should result in savings in future budgets. The pond maintenance company hired to maintain the ponds has been sold a couple of times in the past few years and they no longer have a local office. The technician who cared for our ponds died unexpectedly in the past year and we have not had a permanent technician assigned. Thus, the only technique being used to keep the growth of algae and vegetation under control was the indiscriminate spraying of herbicides. Most of the ponds now have zero oxygen (O<sub>2</sub>) levels in the deeper parts of the ponds. The Joint Pond Committee had the ponds evaluated by the County and other pond maintenance companies. Proposals were obtained from other companies and a new approach is planned for 2020. The cost of the new service provider is 20.98% higher than the 2019 budget, however this was the same increase in cost the current provider was going to charge. The new vendor will plant two-thousand (2000) beneficial aquatic plants in 2020, manually remove invasive species and provide an additional level of monthly service.
- 3) The costs of communication have increased for 2020 as there are four (4) anticipated mailings including two proxies needing to go out to the homeowners. This includes the printing and mailing of a copy of the Revised Documents that need to be approved by the homeowners before they can be adopted. The target date for the vote on the updated documents is the annual meeting in May, 2020.
- 4) Since the original developer of Phase III did not provide a method for collecting reserves in the Declaration of the Homeowners Association, the Board of Directors has exhausted the retained revenue attempting to keep up with the aging infrastructure. There is no

significant retained revenue to continue to fund anticipated expenses for repairs and replacement of the Infrastructure going forward. The Homeowner's Association has no legal method of establishing a budget category to save for future expenditures without changing the governing documents. The entire amount of money needed must be assessed for the upcoming year. The cleanup after Hurricane Irma in 2017 cost upwards of \$40,000 with the help of FEMA paying for the disposal of the debris, thus the 21.51% increase in the monies budgeted for the Tree categories in the 2020 budget.

The Board of the Homeowners Association takes their fiduciary responsibilities very seriously as well as spending the homeowner's monies wisely. If the board would have increased assessments annually every year the current 2019 assessment would be \$682.50 instead the 2020 proposed dues of \$515.67. The assessment is a great value considering the increased value of our properties and how well the community is maintained in spite of being 40+ years old. Our community outshines neighboring communities of similar age with homes built by the same builders.

Please review the proposed 2020 Budget you received via the United States Postal Service and email any comments and questions to [TheVillage@greenacre.com](mailto:TheVillage@greenacre.com) so we can develop a "Frequently Asked Questions" forum on the website.