



SANDESTIN OWNERS
ASSOCIATION, INC.

Advisory Board Meeting
October 28, 2022



**This presentation will be available on the SOA
website following the meeting.**

Please silence your cell phones.

CONFIRM VOTE COUNT COMMITTEE

Staff

- Victoria Klamerus
- Jennifer Bailey
- Anissa Cannon

Members

- Jennifer Crawford
- Jaime Alexander

Proposal 1

Should any excess of membership income over membership expenses for the year ending December 31, 2022 be applied against subsequent tax year member assessments?

Please cast ballot provided at sign-in.

Reeves Road Parcel Update

- Unsolicited offer received in early 2022 to purchase Reeves Road parcel, resulting in a \$3.5M contract, subject to Advisory Board approval.
- Advisory Board approved to sell at a price not less than \$3.5M, at the Special meeting held in June 2022.
- Subsequent to that meeting, the buyer withdrew due to concerns with access to the parcel from Hwy 98.
- Board of Directors considered whether to list property for sale for \$3.5M.
- As part of this process, further analysis was done regarding the access issue.
- The Board determined that limitations on access from Hwy 98 severely restricts the market value of the property, and that it would not be realistic to list the property for \$3.5M.
- The Board has thus concluded to re-evaluate the use of the parcel as part of the 2023 Strategic Plan Action items.

Operations Update

Tom Cooper
Executive Director
tcooper@soaowners.com

Victoria Klamerus
Assistant Executive Director
vklamerus@soaowners.com

SOA OFFICE COMPLEX UPDATE

- Development Order has been issued.
- Awaiting final cost estimate from General Contractor.
- Current cost estimates exceed \$8M.
- Full set of construction documents will be completed should the Board decide to move forward at a later date.
- Board has tabled the project at this time due to estimated cost.

SOA OFFICE COMPLEX UPDATE



SOA OFFICE COMPLEX UPDATE



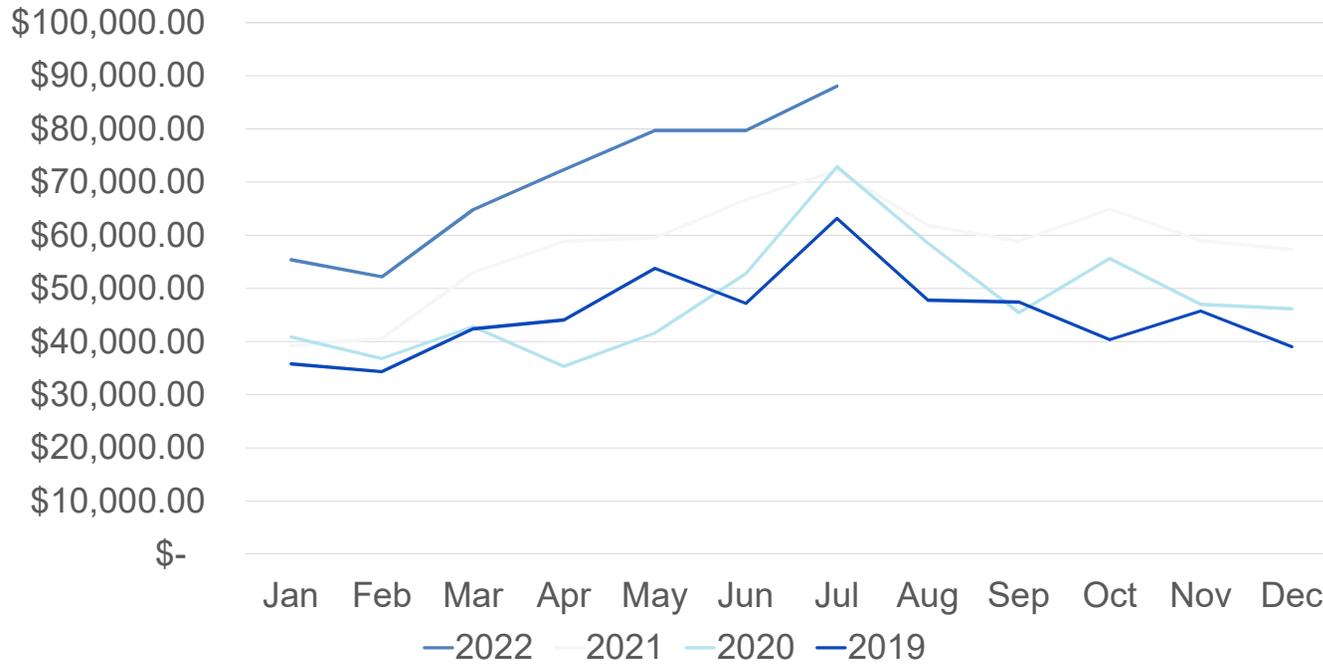
Waste Management Overages



Extra Charges

- Tonnage Exceeding County Reimbursement
 - Trip Charges
 - Fuel Charges
 - Gate Charges
 - Environmental Charges
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Waste Management Monthly Expenses



Waste Management YOY Costs

2023 Est	\$854,610
2022	\$793,572
2021	\$723,235
2020	\$672,624
2019	\$533,367
2018	\$414,867
2017	\$391,109

Things beyond SOA control

- SOA cannot dictate Waste Management pickup times
 - Waste Management personnel cannot put trash that has been placed outside of dumpster into the dumpster
 - Waste Management personnel cannot manually move dumpsters in and out of trash garages/rooms
 - Waste Management cannot provide Sunday trash pick-up
- 

How to keep your cost down

- Evaluate your trash needs based on occupancy and seasonal needs
 - Monitor usage
 - Dumpsters can be varied based on collection days, number of dumpsters, size of dumpster
 - Protect from illegal dumping
- 

Property Services

Kyle Ray
Property Services Director
kray@soaowners.com

Completed Projects

Reclaim Water

- Cost - \$1.9M paid with Capital Contributions
 - Adds redundancy to our irrigation platform
 - Reduce SOA dependency on groundwater
 - Assist the SOA with maintaining our allowable water use under our Consumptive Use Permit
 - Complete with exception of one part and pending power connection
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Reclaim Water



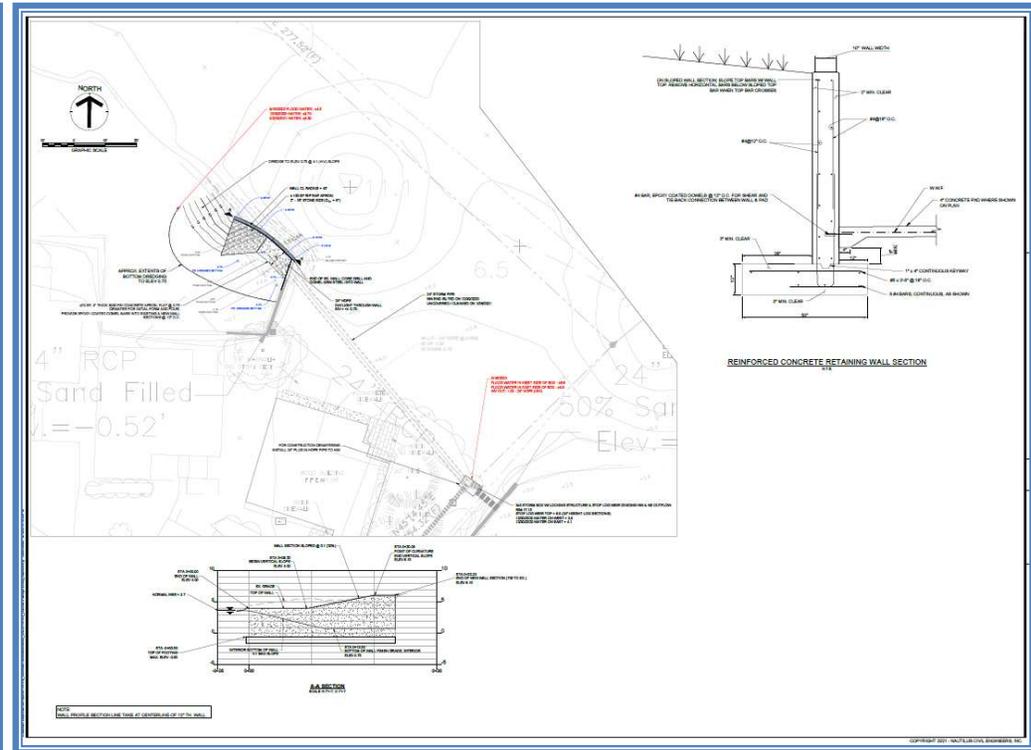
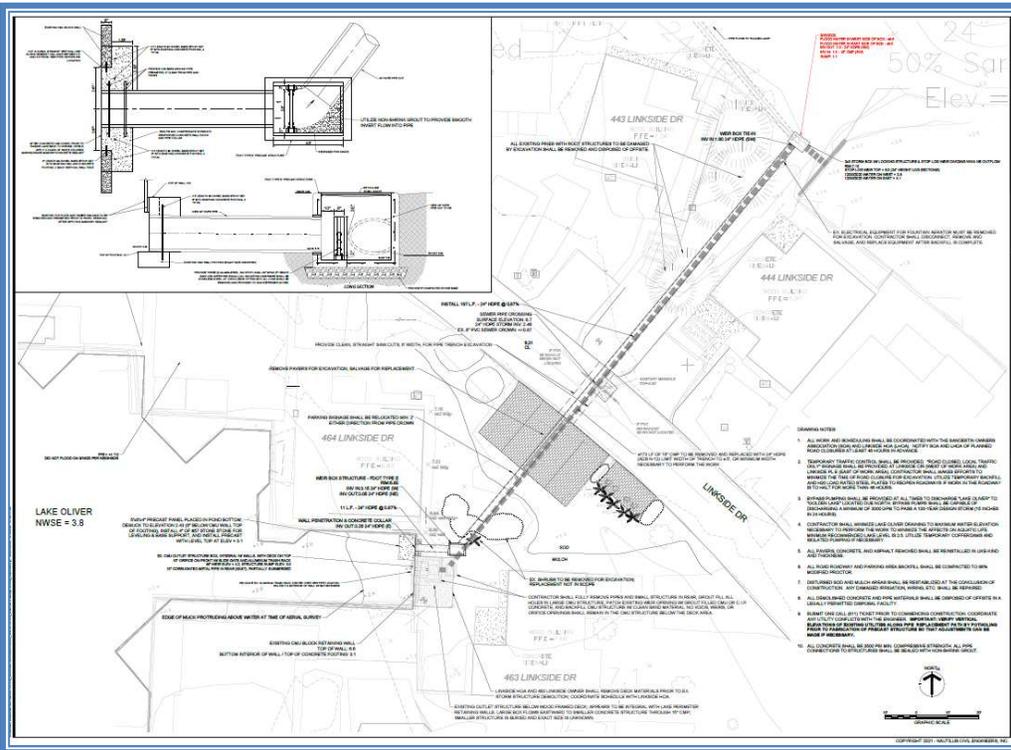
Reclaim Water



Reclaim Water



Linkside Drainage



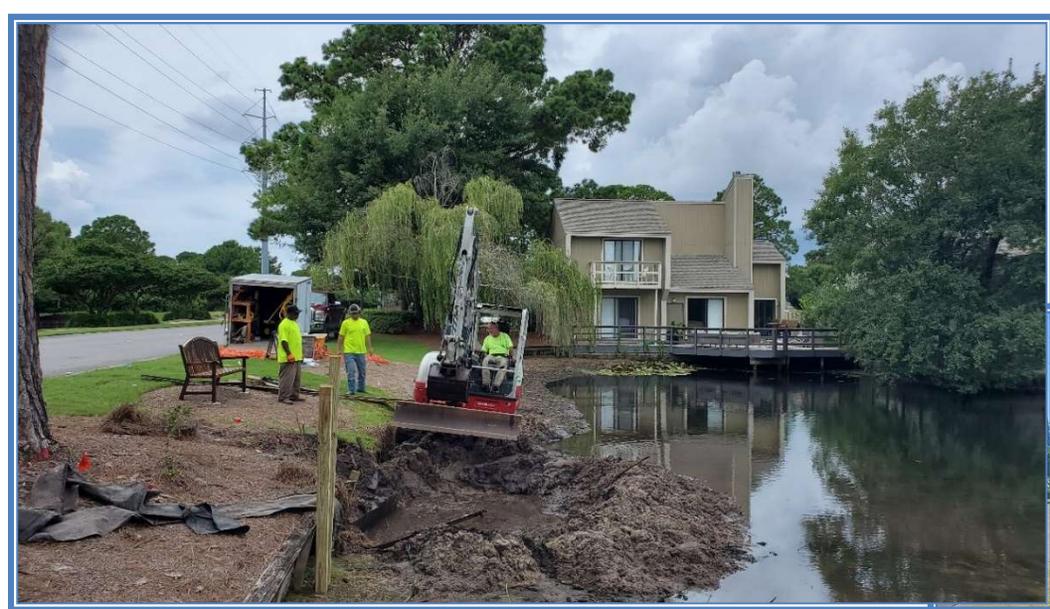
Linkside Drainage



Linkside Drainage



Linkside Drainage



Crystal Lake Pipe Lining



Inlet Covers – Pine Valley

In 2021 Board approved funding to replace inlet covers that will help prevent flooding due to pine straw and debris blocking drains during heavy rain events.



Ongoing and Upcoming Projects

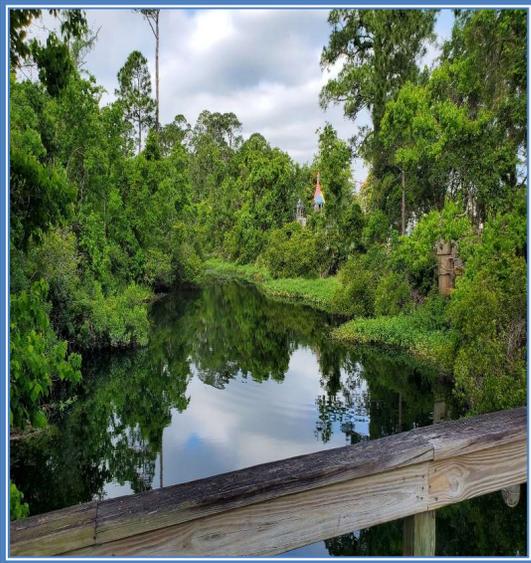
Hwy 98 Landscape Rejuvenation

- Rejuvenation pruning is a cost effective way for gaining “new” plants from old root stock as it forces new growth.
- \$18K was approved in December 2021 and the pruning was completed in February 2022.
- Approximately 85% of plant material bounced back and is thriving.
- At the October 27 Board meeting, \$39,656 was approved from Capital Reserves for replacement landscaping.

Baytowne Discharge (Previously Village Outfall)

- Saltwater from the bay pushes into The Fountains lake during extreme tidal events.
- The saltwater causes corrosion of the lake aeration equipment, and has allowed barnacles and mussels to populate the lake.
- \$281,644 approved from Capital in August 2022
- Project scheduled to start in January 2023

Baytowne Discharge

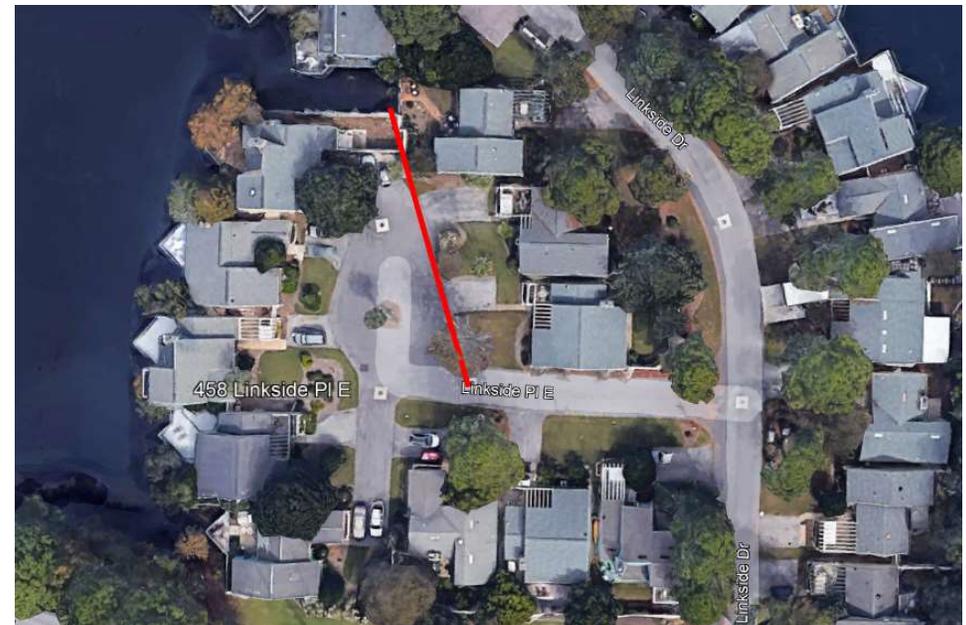


**SAMPLE STRUCTURE TO
BE INSTALLED**



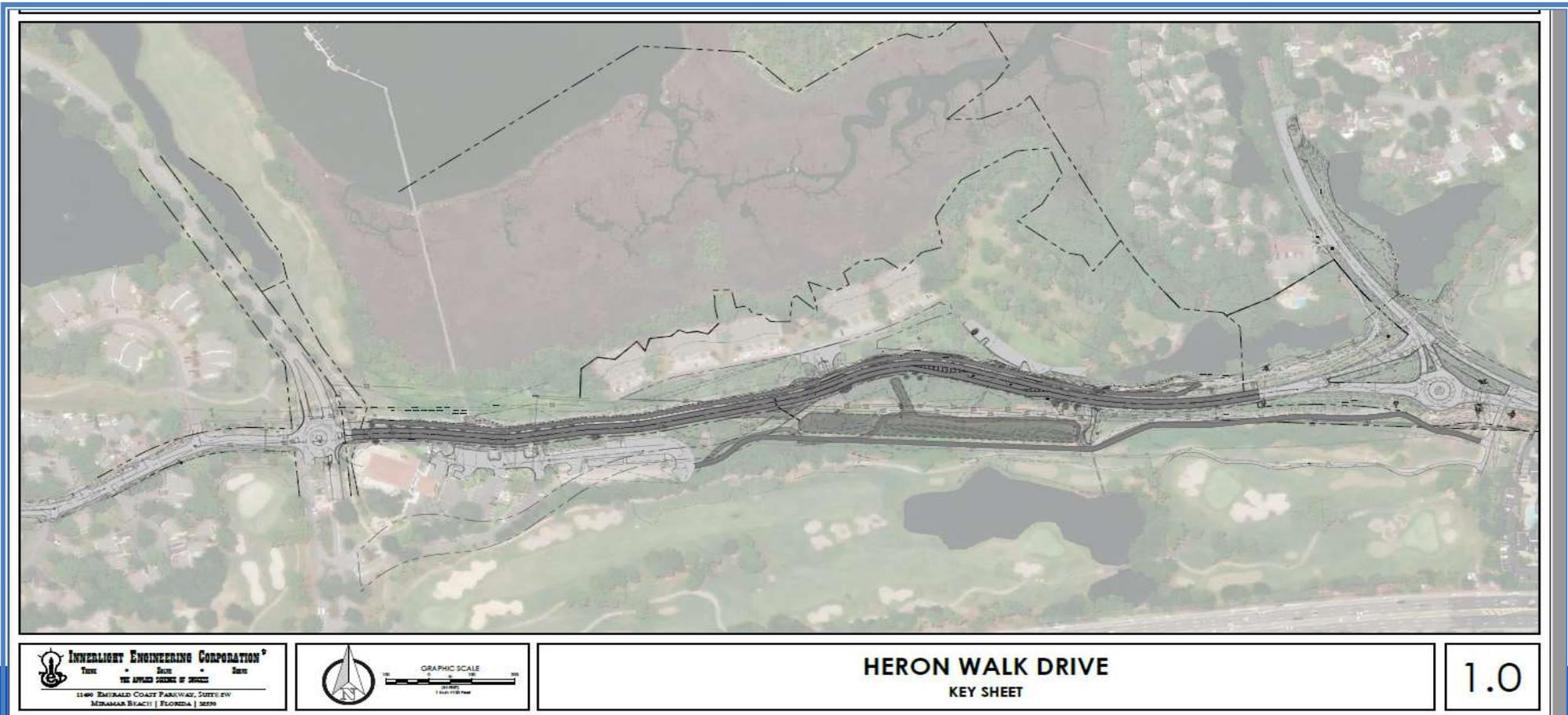
Linkside Pipe Repairs

Initially approved to be lined for \$206K from Reserves (including the pipes at Crystal Lake); however, due to a sewer line penetrating the pipe, the repairs were not able to be completed using this method. The pipes will be replaced to correct the drainage. Start date TBD.

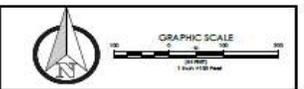


Heron Walk Drive Improvements

Drainage, possible roadway reconfiguration, sidewalks, and overall aesthetics.



INNERLIGHT ENGINEERING CORPORATION
THE APPLIED SCIENCE OF DESIGN
11400 EMERALD COAST PARKWAY, SUITE 404
MIRAMAR BEACH | FLORIDA | 32550



HERON WALK DRIVE
KEY SHEET

1.0

Heron Walk Drive Improvements

- Walton County Development Order has been issued
- Only one bid received for \$1.8M
- Manager and engineer are working to secure additional bids
- Project is being broken into phases
 - This will allow Development Order to remain in effect
 - Improvements will be done to areas that won't effect traffic flow

East Gate Reconfiguration

- A preliminary conceptual design was created by Kimley-Horn that included adding additional left exit turn lanes and splitting the access into two entry points, which includes having two security gates.
- The additional gates would increase stacking room for inbound traffic.
- The Maintenance Committee suggests doing additional turn lanes only due to costs.
- Board discussed the project at the Oct. 27 meeting and has instructed management to meet with the Howard Group and Sandestin Investment to discuss our concerns and possible solutions, including the potential for cost sharing in the project.

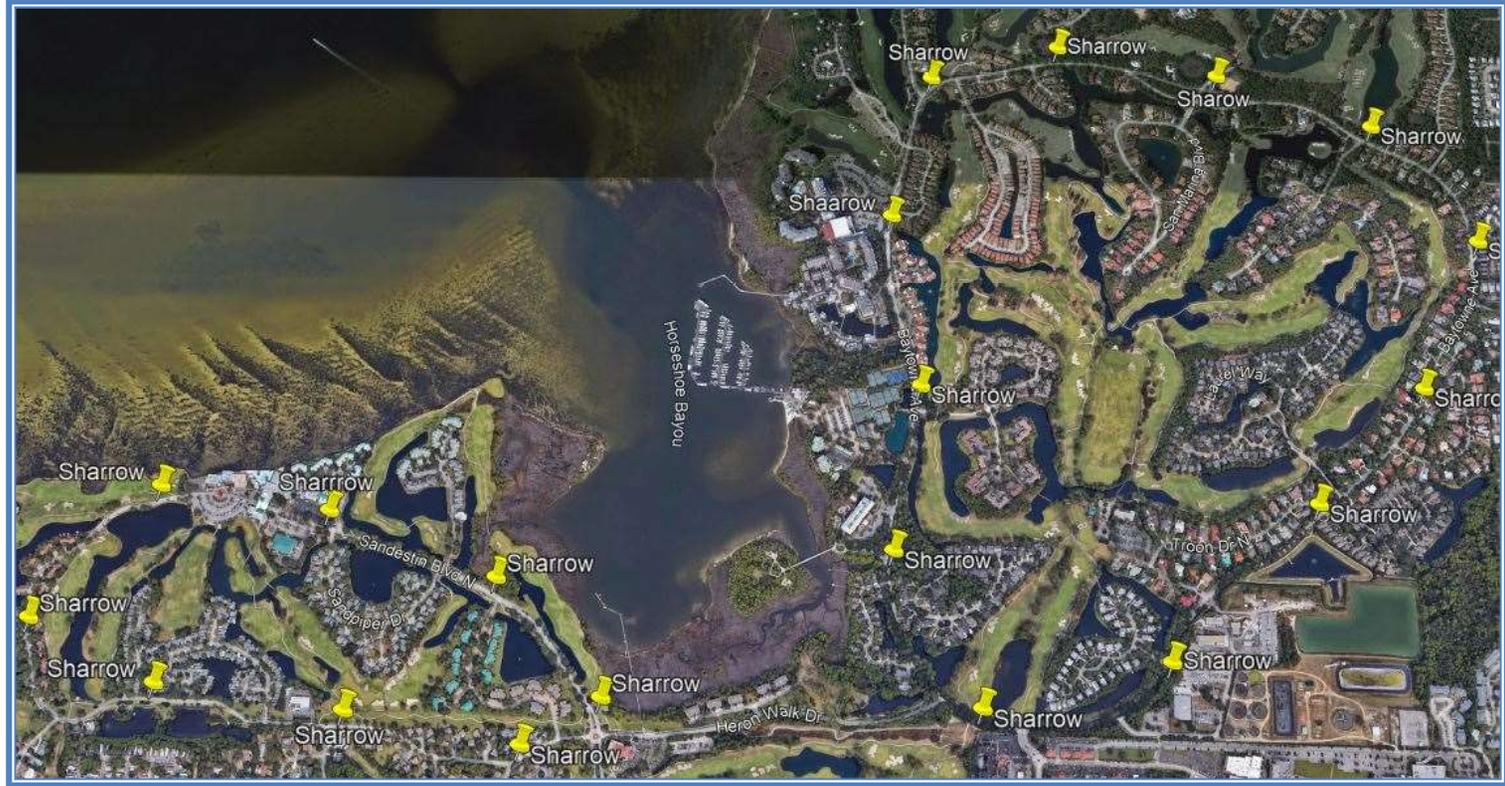
Security

Jimmy Willis
Director of Security
jwillis@soaowners.com

Recent Changes to Golf Cart Policy

- The Board recently approved changes to the Golf Cart Policy to authorize Security to tow disabled and abandoned carts left on SOA common areas.
 - The abandoned carts are not only unsightly but can create safety hazards to other vehicles and pedestrians, as well as damage landscaping.
 - Once discovered, a placard will be placed on the cart advising that the cart must be moved within 24 hours or it will be towed at the owner's expense.
 - This new policy has been communicated via the Weekly Update and sent to the rental management companies.
- 

SHARE THE ROAD – “SHARROWS”



Rapid Flashing Beacon Signs

Approved \$24,120 from Capital Reserves for five Rapid Flashing Beacons (RRFB) systems. The RRFB's provide a high visibility strobe-like warning to drivers when pedestrians use a crosswalk, along with current street signs.



Locations:

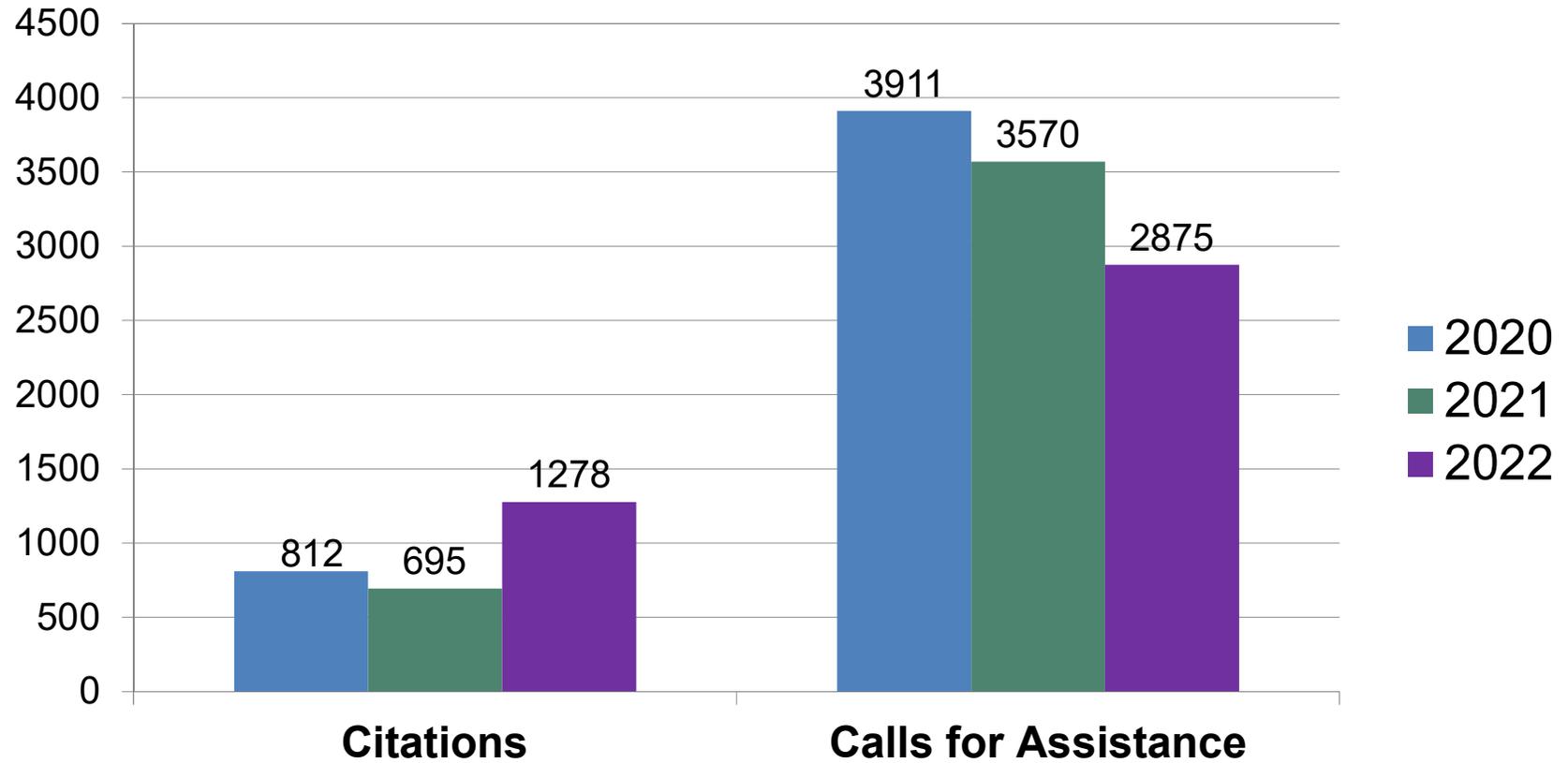
- Sandestin Blvd South @ the Dunes
- Audubon Drive @ Sandestin Estates
- Heron Walk Drive @ The Welcome Center
- Baytowne Ave @ St Andrews
- Baytowne Ave @ Legend Creek.

QR Code

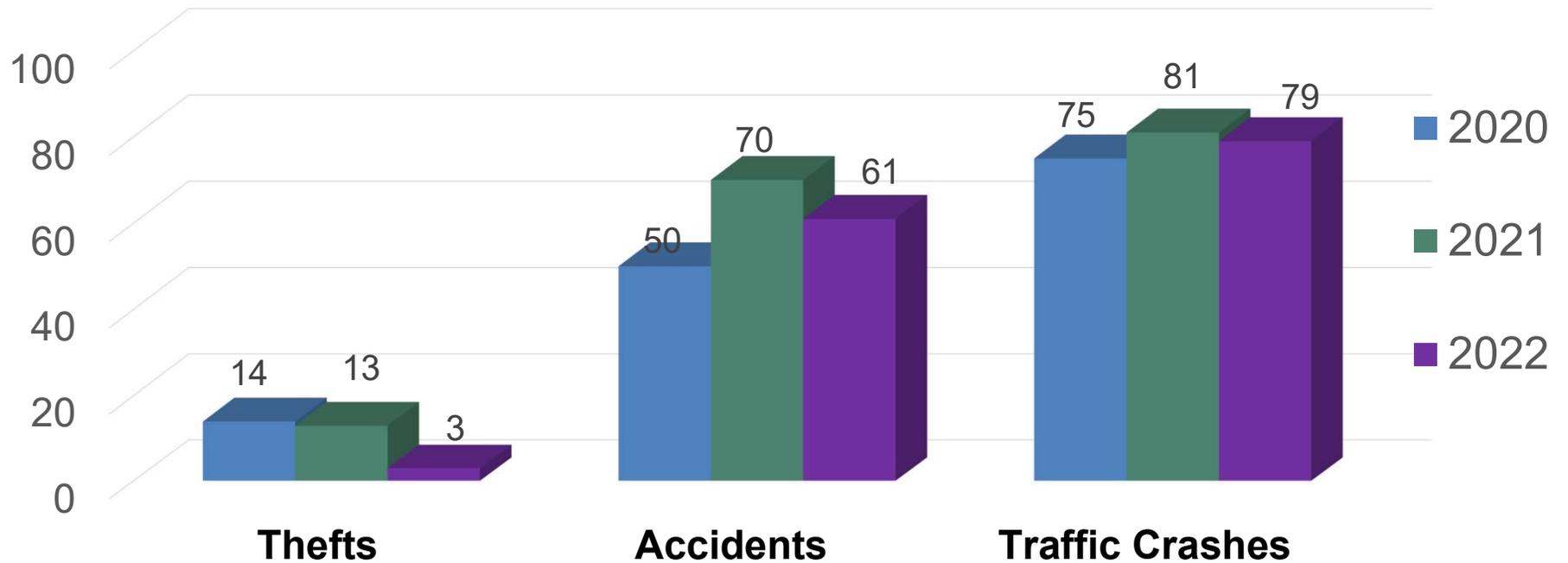
.sandestinowners.co...



Security Statistics Jan. thru Sept.

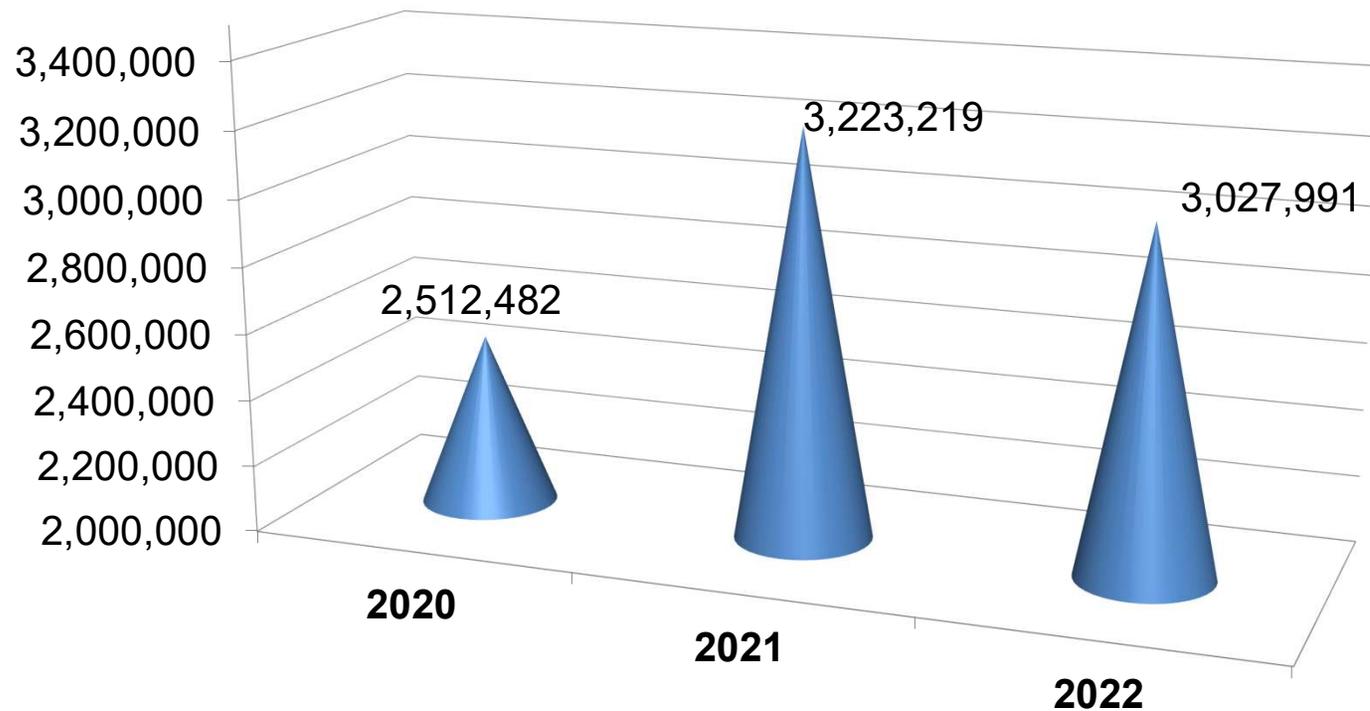


Security Statistics Jan. thru Sept.



Security Statistics Jan. thru Sept.

Traffic Count



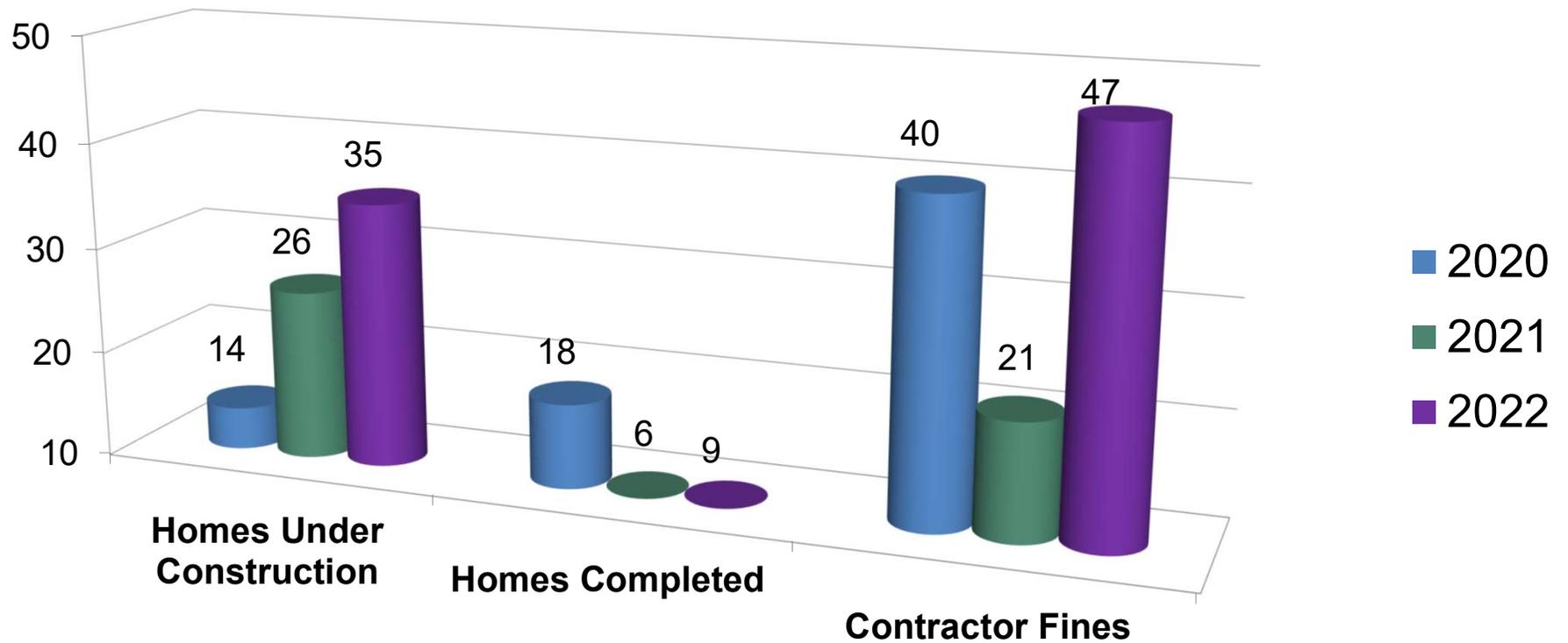
Architectural Review Board

Anissa Cannon

ARB Administrator

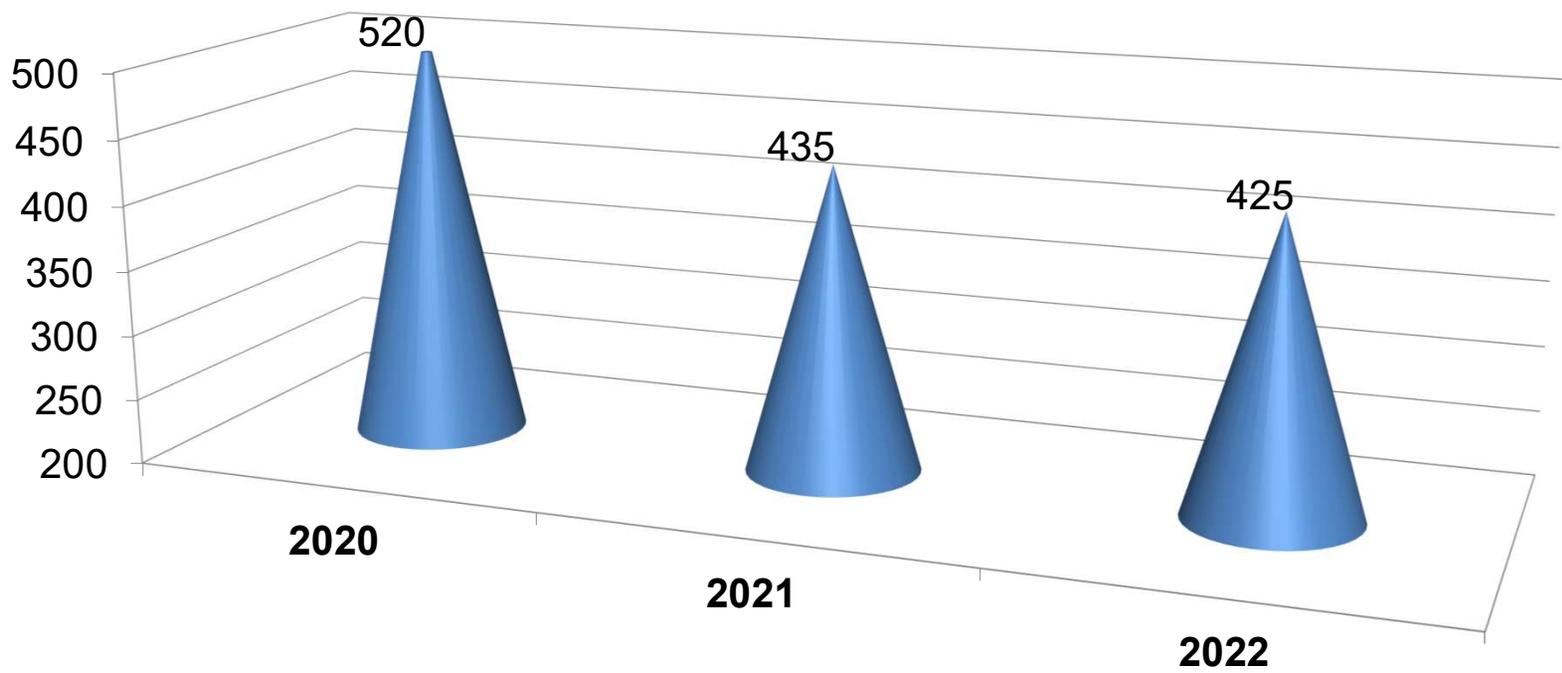
acannon@soaowners.com

ARB Statistics Jan. thru Sept.



ARB Statistics Jan. thru Sept.

Total Submittals



Questions?



Accounting

Jennifer Bailey
Director of Finance
jbailey@soaowners.com

Jeff Murrell
Chairman Finance Committee

FINANCIAL SUMMARY AS OF 9/30/2022

Balance Sheet (9/30/2022)

Assets

Cash & Equiv.	3,692
Investments	10,633
A/R	91
A/R allowance	<u>(49)</u>
Total Current Assets	14,367
Fixed Assets	4,469
Other Assets	<u>107</u>
Total Long Term	<u>4,576</u>
Total Assets	18,943

Liabilities & Fund Balances

A/P	158
ARB Deposits	692
Deferred Revenue	<u>1,250</u>
Total Liabilities	2,100
Reserve Fund	3,453
Capital Fund	6,540
Emergency Fund	<u>2,213</u>
Total Funds	12,206
Operating Equity	<u>4,637</u>
Total Liab. & Equity	18,943

Income Statement

	2022 <u>Budget</u>	2022 <u>Forecast</u>	<u>Var +/-(-)</u>
Revenue	\$ 10,617,535	\$ 10,655,124	\$ 37,589
Expense	10,229,131	10,263,356	(34,225)
Net Rev over Expense	388,404	391,768	3,364
Fixed Asset Reserve	700,000	700,000	-
Fixed Asset (Gain)/Loss	-	4,394	(4,394)
Unrealized (Gain)/Loss	-	10,028	(10,028)
Total Reserves	700,000	714,422	(14,422)
Net Revenue over Expense After Reserves	(311,596)	(322,654)	(11,058)
Depreciation Addback	299,402	311,284	11,882
Net Rev Over Expenses After Res & Depr	\$ (12,194)	\$ (11,370)	\$ 824

2023 OPERATING BUDGET SUMMARY

2023 BUDGET HIGHLIGHTS:

- Assessment increased by 5%
- No change to COX cable pass through charges
- Irrigation Billing goes into effect in 2023
- 10% Increase in Beach Cleaning
- State wide increases in Health and Liability Insurance
- Area wide increases in Utilities and Trash
- Reserve Funding reduced to \$450,000
 - \$1,250,000 to be transferred from Capital Fund

2023 BUDGET COMPARATIVE

	2023 Budget	2022 Budget	Var +/-
Revenue	\$ 10,994,214	\$ 10,617,535	\$ 376,679
Expense	10,891,820	10,229,131	(662,689)
Net Revenue over Expense After Operations	102,394	388,404	(286,010)
Fixed Asset Reserve	450,000	700,000	250,000
Depreciation Cash Flow Adjustment	(347,937)	(299,402)	48,535
Net Rev Over Expenses After Res & Depr	\$ 331	\$ (12,194)	\$ 12,525

2023 ASSESSMENTS

\$1,428 annually per RDU

\$714 annually per Lot

(not including cable pass thru charge)

Residential & Lot RDU's (Res — 4,544 & Lots - 68)	\$ 6,537,384
Commercial RDU (1,610 Units)	<u>2,299,080</u>
Total Assessment Revenue	\$ 8,836,464

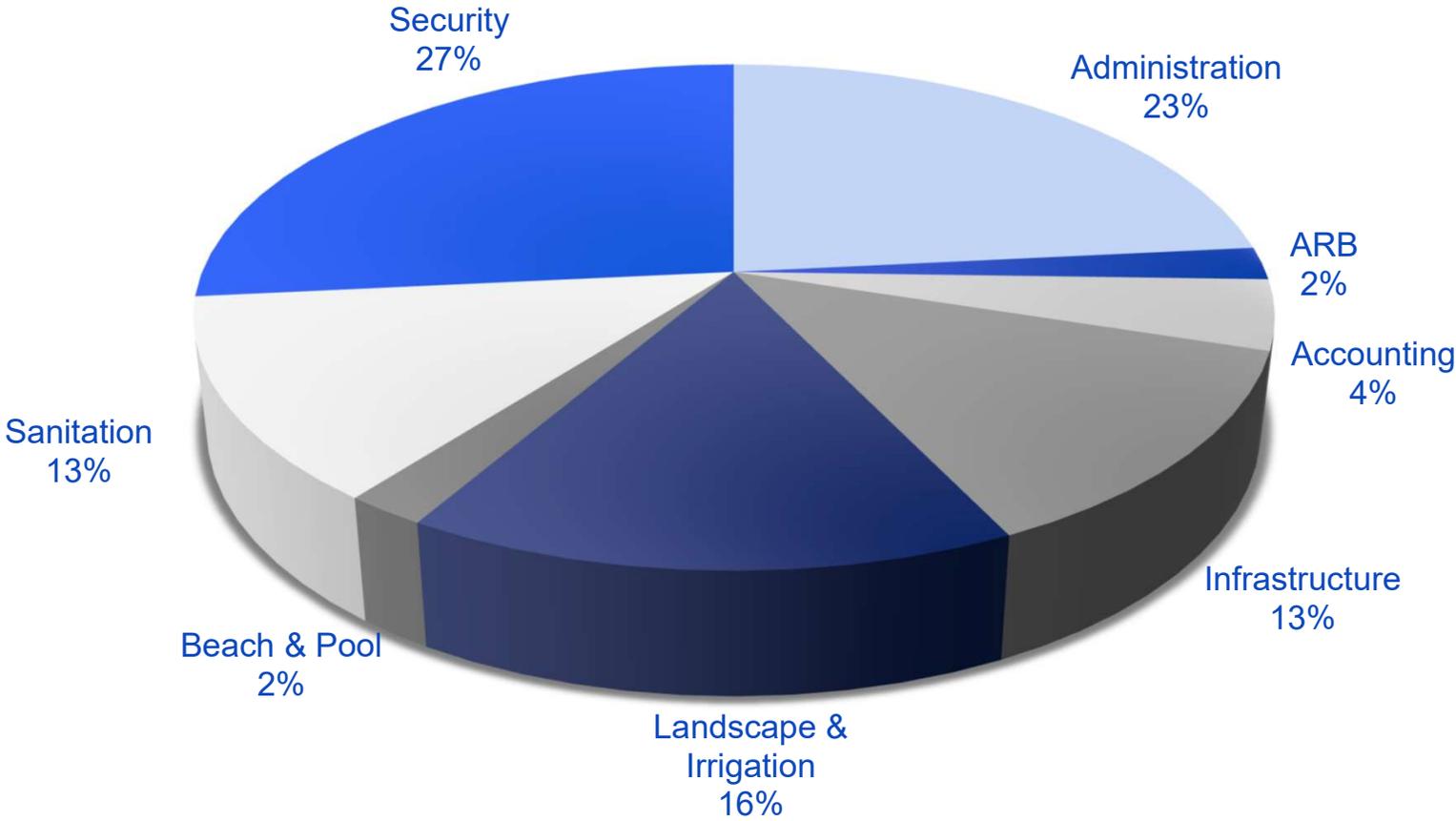
2023 BUDGET REVENUE

	2023 Bud	2022 Bud	Variance Fav/(Unfav) Comment
Assessments	\$ 8,836,464	\$ 8,402,760	\$433,704 5% increase
Discount	(75,403)	(38,375)	(37,027) Better uptake
Administration	223,550	221,250	2,300
Cable	1,160,824	1,160,824	-
ARB	35,000	61,100	(26,100) Less activity
Accounting	110,500	148,500	(38,000) "
Landscape & Irrigation	259,822	246,669	13,153 Revised billing
Beach & Pool	58,308	53,007	5,301 Fuel & wage inc.
Sanitation	380,649	357,300	23,349 WM credit increase
Security	4,500	4,500	-
Total Revenue	\$ 10,994,214	\$ 10,617,535	\$ 376,679

2023 BUDGET EXPENSES

		2023		2022	Variance	
		Bud		Bud	Fav/(Unfav)	Comment
Administration	\$	2,277,239	\$	2,091,439	\$ (185,800)	Comp., insurance, util.
Cable		1,160,824		1,160,824	-	
ARB		201,614		186,190	(15,424)	
Accounting		434,279		374,056	(60,223)	Comp.
Infrastructure		1,257,168		1,232,888	(24,280)	Comp., licenses
Landscape & Irrigation		1,510,453		1,441,225	(69,228)	Contract, chemicals
Beach & Pool		202,922		201,933	(989)	
Sanitation		1,262,816		1,140,156	(122,660)	Comp., fuel, WM
Security		2,584,505		2,400,421	(184,084)	Comp.
Total Expense	\$	10,891,820	\$	10,229,132	\$ (662,688)	

2023 BUDGET EXPENSES BY DEPARTMENT



RESERVE FUND (\$k)

Reserves at beginning of 2022	4,395
2022 Transfer from Operating	700
2022 expenses (f/c)	<u>(2,356)</u>
Expected 2022 year end balance	2,739
Transfer from Capital Fund (12/31/2022)	1,250
2023 Transfer from Operating	450
2023 expected expense	<u>(842)</u>
Expected 2023 year end balance	3,597
"Fully funded" balance per Reserve Study	6,852
% coverage	54%

CAPITAL FUND (\$k)

Capital at beginning of 2022	4,198
2022 income from Property Sales (f/c)	2,687
2022 expenses (f/c)	<u>(1,896)</u>
Expected 2022 year end balance	4,989
Transfer to Reserve Fund (12/31/2022)	(1,250)
2023 expected income	1,000
2023 possible expense	<u>(2,400)</u>
Expected 2023 year end balance	2,339

2023 BUDGET RECAP

Assessment Revenue, Net (\$75k) Discount	\$8,761,061
Other Revenue	<u>2,233,153</u>
Total Revenue	10,994,214
Operating Expenses	<u>10,891,820</u>
Net Rev Over/(Under) Expense After Operations	102,394
Reserves	450,000
Depreciation Cash Flow Adjustment	<u>(347,937)</u>
Net Rev Over/(Under) Exp After Ops, Res & Depr	\$331

QUESTIONS?

Vote Results of Proposal 1

Board of Directors Election Results

Next Meeting
Tentatively February 24, 2023

