

## Treasurer's Report on the 2025 Budget Meeting

On December 19, 2024, the Lantana Board of Directors conducted their 2025 Budget meeting to vote on the Proposed Budget and Reserve Schedule for 2025. At the meeting, the treasurer reviewed line items on both documents that had noticeable changes from the 2024 Budget. Below, **Section 1** covers the notes on the operational budget and **Section 2** covers the notes on the reserve schedule. **Section 2 also specifies amendments that the board made to the reserve schedule in order to approve it.**

### **Section 1: 2025 Proposed Budget Notes**

Proposed Monthly Maintenance Assessment	\$597.50	(increase of \$17.50 or 3%)
Proposed Monthly Reserve Assessment	\$262.50	(increase of \$12.50 or 5%)

**Proposed Total Monthly Assessment**                      **\$860.00**                      **(increase of \$30.00 or 3.5%)**

Below is a line-by-line summary of the charts of account (categories of income and expenses) that had a noticeable change. The categories in the budget were slightly reorganized to more accurately reflect where the money should be spent. This created line items where money was budgeted in 2025 that didn't exist in 2024.

- **Line 5120 Insurance:** significant savings in our 2025 premiums (which are already known) enabled budgeting approximately \$14K less for premiums than we actually spent for this expense in 2024.
- **Line 5130 Licenses, Permits, Subscriptions:** created extra lines in the budget to further delineate which permits and licenses we pay for. The actual expense of \$1459.39 (line 5133) was an expense that we won't have to pay in the future.
- **Line 5160 Office Supplies:** higher due to higher costs.
- **Line 5300 Payroll & Professional Fees:** reflects a pay raise for our management company (DPM) and a more typical annual cost for our lawyer.
- **Line 6110 Maintenance Labor:** increased to allow for a \$2 an hour increase in pay. (52 weeks X 40 hours X \$40) = \$83,200.
- **Line 6111 Janitorial Services:** reflects a decrease from the 2024 budget due to a reduction in hours paid. Budget is higher than actual money spent in 2024 due to less hours worked. (52 weeks X 32 hours X \$26) = \$43,264. No increase in hourly rate.
- **Lines 6112, 6114, 6115, 6116:** these items were reorganized slightly. The approximate \$5K increase in the 6100 items is due to labor cost increase and general maintenance repair increase (we saved money in 2024 by having our maintenance do some repairs that normally we would have to pay a separate contractor for).
- **Line 6200 Roof Repairs:** increased to show the amounts actually spent in 2024.

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- **Line 6210 Garage Doors & Openers:** increased due to vendor's increased charges and the anticipated need to repair door hardware on 25-year-old doors.
- **Line 6510 Fire Alarm Monitor:** set at expected cost. Did not need to spend amount budgeted in 2024. We will most likely be replacing fire alarm monitor panels in all of our buildings, which could increase this expense.
- **Line 6520 Fire Pump Maintenance & Repair:** increased above actual 2024 expenses to accommodate a repair to the valves on the fire water backflow pipes.
- **Line 6600 Elevator Contract & Repair:** budgeted an amount slightly above amount actually spent. Until we modernize the elevators and replace TKE with a different contractor, we anticipate repair costs similar to those we paid in 2024.
- **Line 7020 Landscape Improvements:** increased above actual expenses to provide money to replace shrubs along sidewalks and the lobby gardens if necessary.
- **Line 7030 Dune Trimming:** Lantana only did one trim in 2024. We have budgeted for two trims in 2025.
- **Line 7221 Pool Repairs & Supplies:** increased to maintain and repair the pool heaters until they are replaced (if need be).

Any line items not discussed in the notes are expected to be similar to what we paid this year, so we budgeted for them accordingly.

The "Reserves Activity" section at the end of the proposed budget is for informational purposes only. We created line items to show where the money was actually spent in 2024. The proposed reserve expenses for 2025 will be more accurately shown on the reserve schedule (in other words, not all the proposed reserve projects are shown here).

### **Section 2: 2025 Proposed Reserve Schedule Notes**

#### **General changes made to the 2025 Reserve Schedule include:**

- changed the maintenance inflation rate to 3% for every year;
- updated the item titles to line up with Florida regulatory changes from July of 2024;
- reorganized items into categories comparable to Florida regulatory SIRS requirements;
- used the 2024 SIRS information to update cost assumptions and useful life predictions where possible (items are annotated with a red or black "SIRS" by the item name);
- used actual costs or educated estimates for the other line items.

#### **Planned projects for 2025 are:**

- -Building 4 Mansard Roof repair
- -Fire Alarm System Modernization
- -Fire Sprinkler Backflow repair
- -Plumbing and Drainage Evaluation
- -Buildings 1-4 Elevator Modifications

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- -Painting Exterior of Garages
- -Pool Interior Resurfacing
- -Dune Crossover Repair

During the discussion to approve the 2025 Reserve Schedule, several projects were added and some price assumptions were changed in order to accommodate the newly added projects.

**Below is a list of the amendments made in order to approve the 2025 Reserve Schedule:**

- added \$7,500 to modernize the fire alarm system.
- added \$20,000 to repair the fire sprinkler backflow.
- added \$20,000 to perform a plumbing/drainage evaluation.
- reduced the expense for the elevator modification from \$75K to \$70K for each building.
- added \$23,425 for pool interior resurfacing.
- added \$14,000 for dune crossover repair.
- added \$27,045 in year 2026 to repair the roofing tile on the clubhouse.

It's important to note that the only changes made to the proposed budget package that was mailed to you are the amendments listed above. **The new amended and approved 2025 Budget and Reserve Schedule will be sent via an email blast and posted on our website as soon as the documentation has been updated.**

If you have any questions, contact the Board of Directors.

***Steve Barnes***

Lantana Treasurer