

# LbH 2026 Budget Discussion

16 October 2025

# Overview of 2026 Budget

## Operating Expenses - \$4,378,366

- ❖ **Payroll** increase 3.02%
- ❖ **Utilities** increase 11.62% - budgeting for extra pickup during season which was not included in 2025 budget; electric increase 6% anticipated
- ❖ **Contract Services** increase 2.1% - includes increase in Enumerate, Pitera and election software (\$100)
- ❖ **Insurance and Taxes** increase 4.94% including wind, flood, legal defense
- ❖ **Repairs and Maintenance** increase 5% - includes Down2Earth contract for fertilizing/pest control
- ❖ **Administrative Expenses** increase 10.04% - includes Miller & Company,LLP audit contract and increase Legal service fees
- ❖ **Property Improvements** increase 136.23% - includes \$45k for rocks (labor+material), and \$30k for new projects for Landscape like plants and irrigation

# Overview of 2026 Budget - Reserve Funds

Reserve fund contributions are guided by Structural Integrity Study and Capital Reserve Studies conducted by Karin's Engineering

- ❖ SIRS Reserve - \$724,500

- Expected Ending Balance Dec 2025 - \$ 1,248,596
- Per Reserve Study, replacement expenses in 2026 - \$ 113,300.00 and 2027 - \$ 42,024.00

- ❖ Capital Reserve - \$753,100

- Expected Ending Balance Dec 2025 - \$ 320,475
- Per Reserve Study, replacement expenses in 2026 - \$ 110,203.92 and 2027 - \$ 148,237.60

*Florida law requires the Board to approve a Fully Funded budget and the option to provide members with partial funding of Capital Reserve. In 2025, Florida passed law with restricted option for partial SIRS funding - to be discussed.*

# 2026-2028 SIRS Replacement Expenses

## 2026

|                                                 |               |
|-------------------------------------------------|---------------|
| Elevator Fire Recall System A, G, and M         | \$ 21,630.00  |
| Elevator Fire Recall System B, C, D, E, F, H, L | \$ 50,470.00  |
| Sewer Replacement / Maintenance                 | \$ 41,200.00  |
| Total                                           | \$ 113,300.00 |

- ❖ Reserve study uses 'expected life'
- ❖ Regular maintenance extends life of some items

## 2027

|                                 |              |
|---------------------------------|--------------|
| Sewer Replacement / Maintenance | \$ 42,024.00 |
| Total                           | \$ 42,024.00 |

## 2028

|                                                          |                 |
|----------------------------------------------------------|-----------------|
| Service Door Buildings B,H,N                             | \$ 40,185.45    |
| Handrails, Stairrails, Screen Enclosures Buildings A - N | \$1,345,782.36  |
| Sewer Replacement / Maintenance                          | \$ 42,864.48    |
| Total                                                    | \$ 1,428,832.29 |

# 2026-2028 Capital Reserve Replacement Expenses

## 2026

|                            |              |
|----------------------------|--------------|
| Small Lamp Pole Lighting   | \$74,160.00  |
| Entrance Paver Sealcoating | \$3,591.00   |
| Pool Railing Bldg E & F    | \$16,226.46  |
| Pool Railing Bldg L & M    | \$16,226.46  |
| Total                      | \$110,203.92 |

## 2028

|                                                |              |
|------------------------------------------------|--------------|
| Building C Restroom Remodel                    | \$ 3,824.54  |
| Building E Restroom Remodel                    | \$ 3,824.54  |
| Asphalt Sealcoat Main Property and Beach House | \$ 31,349.06 |
| Rec Room, A/V Equipment                        | \$ 13,659.09 |
| Total                                          | \$ 52,657.23 |

## 2027

|                                 |               |
|---------------------------------|---------------|
| Tennis Court Resurfacing        | \$ 9,259.70   |
| Building B Restroom Remodel     | \$ 3,713.15   |
| Building B Restroom Remodel     | \$ 3,713.15   |
| Admin Common Building Restrooms | \$ 2,652.25   |
| Art Studio Screen Enclosure     | \$ 7,956.75   |
| Building Washers/Dryers         | \$ 120,942.60 |
| Total                           | \$ 148,237.60 |

- ❖ *Reserve study uses 'expected life'*
- ❖ *Some items are unlikely to be replaced in 1 year like all washers/dryers*
- ❖ *Regular maintenance extends life of some items*

# 2026 Capital Reserve Partial Funding

- ❖ Starting balance of \$ 320,475
- ❖ Reserve study replacement \$ 110,203.92
- ❖ Considerations in defining partial fund amount
  - Not all items will be replaced in 2026
  - unexpected/unplanned Capital expenses
- ❖ Based on cash flow projections, contribution of **\$200,000** into Capital Reserve and \$110,203 in projected expenses, 2026 Capital Reserve ending balance of \$ 416,198 is projected (with average monthly balance of \$300k)

# Impact on 2026 Maintenance Fees

## Full Funding

| Unit Type     | Monthly    | Increase from 2025 |
|---------------|------------|--------------------|
| Phase 1; 1 BR | \$1,324.43 | \$179              |
| Phase 1; 2 BR | \$1,560.98 | \$211              |
| Phase 1; END  | \$1,797.48 | \$243              |
| Phase 2; 1 BR | \$1,339.31 | \$181              |
| Phase 2; 2 BR | \$1,562.55 | \$211              |
| Phase 2; End  | \$1,785.80 | \$241              |

## Partial Funding

| Unit Type     | Monthly    | Increase from 2025 |
|---------------|------------|--------------------|
| Phase 1; 1 BR | \$1,196.41 | \$51               |
| Phase 1; 2 BR | \$1,410.08 | \$60               |
| Phase 1; END  | \$1,623.72 | \$69               |
| Phase 2; 1 BR | \$1,209.84 | \$51               |
| Phase 2; 2 BR | \$1,411.51 | \$60               |
| Phase 2; End  | \$1,613.17 | \$69               |