

## Need for New Leadership

The following 3 attributes are important for condominium leaders: Honesty & Integrity, Communication Skills, and Fiscal Responsibility. This third bulletin discusses why condominium leaders need to be fiscally responsible.

### **Fiscal Responsibility**

During their six years of leadership, the current board increased quarterly maintenance assessments by 72.9%. Quarterly fees averaged \$1,704 in 2020, and they average \$2,946 this year. During the same 6-year period, the board levied 11 special assessments totaling \$6.4 million. There were only 3 special assessments in the prior 6 years (2015-2020), and they totaled \$321,119 (less than \$1,000 per owner). Only 2 of these impacted all unit owners.

Leaders need to exercise cost control, and they are accountable for spending within budget. Current leadership overspent the 2024 budget by \$317,969 requiring a special assessment. They overspent the 2025 budget in several key areas:

- \$73,506 (\$56,500 over budget) for legal fees,
- \$54,115 (\$26,114 over budget) on accounting, and
- \$17,180 (\$13,659 over budget) on security cameras.

They contracted for \$871,555 (East C building) and \$6.86 million (other buildings) concrete restoration projects based on vendor (engineering) recommendations with no debate nor resident input. At the time of these recommendations, the engineer of record (Swaysland) did not perform any mandatory phase 2 milestone inspections. The engineering cost (\$248,949) for the second project was never voted on or approved at a board meeting.

Board leaders did not attempt to persuade unit owners why these expensive investments were necessary. They provided no Business Case or Request for Proposal which would have explained the Concrete Restoration Projects' scope, objectives, requirements, timeframe, quality standards, vendor selection criteria, et cetera. This failure violates normal project management principles as defined by the Project Management Institute (PMI). Only one official signed bid was received for the massive \$6.86 million project, with only cost estimates provided for the 6 other contractors.

Condominium association leaders are to devise appropriate and reasonable arrangements, when needed and as feasible, to facilitate the ability of individual homeowners to meet their financial obligations to the community. Despite special assessments for the Concrete Restoration Project as high as \$27,000 per owner, the board did not offer alternative funding strategies to spread costs over time. As a result, at least three owners to date have been unable to fulfil their financial obligations, and the project remains less than halfway completed.

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Then, there's the question of the project's expense management. It is unclear what the association is paying for, the number and amount of change orders, and the project's cost against vendor contract estimates. Various stories are circulating regarding owner reimbursement for sliding doors, hurricane shutters, glass enclosures, floor tile, etc.

As this bulletin and the other two explain, we need to elect leaders who excel in the attributes of honesty & integrity, communication skills, and fiscal responsibility.