FCF HOA
CAPEX COMMITTEE MEETING MINUTES

2027 Budget and Capital Planning Discussion

1. Call to Order

The FCF HOA CapEx Committee meeting was called to order. The Committee met to discuss capital expenditure priorities, reserve funding, the new reserve study, and planning for the 2027 budget.

2. Attendance

Committee members and board members were present – Chris Caine, Rick Dengler, Lark Marie, Deborah Brafford, Marco Adelfio. Absent – Eamonn McGeady, Chauncey Brooks.

3. Key Discussion Items

Sand Donation and Land Use

- **Offer:** Ramsgate has offered to provide approximately 800 cubic yards of high-quality dredged sand to reduce its own project costs.
- **Timeline:** Dredging is anticipated to begin between December and February.
- **Proposed Locations:**
- **Smith Island:** Considered the most logical location due to the existing breakwaters, which help retain the sand.
- **South Breeze Beach:** Suggested as an alternative location; however, concerns were raised that the sand may wash away without the protection provided by breakwaters.
- **Financial Impact:** Accepting the sand donation could reduce anticipated CapEx costs and potentially free up resources for other community projects.

Reserve Study and Funding

- **Status:** The site visit by the new reserve study firm has been delayed by approximately two weeks.
- **Funding Requirements:** The Committee discussed whether the HOA is legally required to follow the specific reserve contribution amounts recommended in the Miller-Dodson reserve study.
- **Budget Constraints:** The Treasurer noted that maintaining a balanced and realistic operating budget is the priority. If a 10% dues increase is insufficient to fund both operating expenses and the recommended reserve contribution, the reserve contribution may need to be reduced.
- **Dues Increases:** Any dues increase exceeding 10% requires a formal community vote.

CapEx and Maintenance

- **Clubhouse Roof:** Current estimates for replacement of the clubhouse and pump house roofs range from approximately $20,000 to $30,000.
- **Strategic Approach:** Concerns were raised that the community is currently operating in a reactive mode, relying on patchwork repairs rather than taking a holistic approach to asset maintenance. The Committee discussed coordinating projects, such as completing roof replacement in conjunction with exterior painting and window updates.
- **Expenditure Rules:** The Committee discussed the requirement that spending 25% or more of the reserve fund on a project exceeding $25,000 requires a special meeting to obtain owner input.

Administrative Updates

- **Committee Membership:** Steve Booth, formerly of PwC, is being considered as a potential addition to the Committee, pending confirmation that his professional obligations permit his participation.
- **Reserve Study Software:** The community plans to procure new reserve study software that will provide improved "what-if" scenario modeling and allow the Committee to evaluate different funding and maintenance strategies more effectively than the current spreadsheet-based approach.

4. Decisions / Committee Direction

The Committee generally agreed that the 2027 planning process should begin with development of a realistic operating budget, followed by evaluation of appropriate reserve funding levels and capital priorities. The Committee also supported taking a more strategic, long-term approach to community asset maintenance and evaluating opportunities to coordinate related projects rather than continuing with isolated, reactive repairs.

5. Action Items

- **Lark:** Verify the original commitment date for delivery of the reserve study report and confirm whether the current timeline remains on track.
- **Deborah:** Research the specific legal requirements governing HOA reserve fund contributions.
- **Megan:** Provide final estimates for the clubhouse roof replacement.
- **Finance Committee:** Develop a realistic operating budget as the first step in preparing the upcoming annual budget.
- **HOA Board:** The committee see the benefit of accepting the Ramsgate sand donation offer and encourages the Board to take a formal vote identifying the location for its delivery.

6. Next Steps

The Committee will continue to monitor the reserve study schedule, evaluate the potential Ramsgate sand donation, refine the 2027 operating and reserve funding assumptions, and identify opportunities for coordinated capital projects.

7. Adjournment

There being no further business noted, the meeting was adjourned.