

MILANO RECREATION ASSN., INC.
ADOPTED BUDGET FOR THE FISCAL YEAR
JAN. 1, 2019 TO DEC. 31, 2019

MILANO RECREATION	2018	2018	2019	CHANGE	2019	2019
UNITS - 256	ADOPTED	PROJECTED	ADOPTED	FROM	QUARTERLY	Budget Notes
	BUDGET	ACTUAL	BUDGET	'18 TO '19	PER UNIT	
REVENUE:	\$547/qtr		\$592/qtr			Increase Rec Fees - \$45/unit per quarter - adding internet to the cable package for the 2019 year
MAINTENANCE ASSESSMENTS	493,453.00	493,453.00	537,600.00	44,147.00	525.00	In 2019 - increase budget primarily to add internet to the Comcast cable package starting in Jan 2019
RESERVE ASSESSMENTS	66,675.00	66,675.00	68,608.00	1,933.00	67.00	See Reserve schedule for details
TOTAL REVENUE	\$560,128.00	\$560,128.00	\$606,208.00	\$46,080.00	\$592.00	Percentage change
EXPENSES:						8.23%
- ADMINISTRATION -						
MANAGEMENT/ACCOUNTING	28,540.00	29,480.00	29,860.00	1,320.00	29.16	In 2018, Williams Services Group - \$1,394/month from January - 1/2 may \$700 then Cambridge \$400 set up fee and \$704 1/2 May then \$1,480/month beginning June; and CFI \$895/month base \$1000 for budget prep. For 2019 CFI - 2.9% increase \$925/mo. base \$1,000 for budget prep and Cambridge Management \$1,480/mo.
OFFICE & POSTAGE	8,200.00	7,623.60	7,800.00	(400.00)	7.62	In 2019 Administrative services, expenses and postage from CFI, Williams Service Group, and Cambridge Management. Slightly reduce budget for 2019 based on 2018 projected actuals.
INSURANCE	11,100.00	9,131.80	10,000.00	(1,100.00)	9.77	Policy period 6/3/18-6/3/19 D&O \$1,497, Umbrella \$1,500; policy period 6/2/18 - 6/2/19 Crime \$499 and PACKAGE w/Indian Harbor \$5,625.80. For 2019, per Agent estimates Property Package (includes Wind and Gen Liability) \$6,500, D&O \$1,497, Crime \$500, Umbrella \$1,500. decrease budget for 2019.
LICENSES/FEES/TAXES	1,000.00	936.25	1,000.00	0.00	0.98	In 2018 paid \$61.25 for Corp Annual Report. Paid FL Dept. of Health \$875 for pool & spa permits. No federal taxes owed for 2017 year end.
PROFESSIONAL FEES	7,500.00	5,313.00	5,500.00	(2,000.00)	5.37	Thru 8/28/18 paid \$1,313 in professional fees. Payments made to: Adamczyk Law Firm \$945.50- Advise on several association matters: review of cable contract and management contracts. Paid \$367.50 to CFI for attendance at annual members meeting (\$225) & attend property management committee meeting \$100 and \$42.50 for prof services via phone conf. Est \$4,000 in add'l legal services before year end. For 2019 reduce budget - expect lower professional fees and based on 2018 projected actuals.
TAX RETURN PREPARATION	500.00	500.00	500.00	0.00	0.49	For 2018 CFI to prepare \$500 - no change in fee for 2019.
WEBSITE PORTAL	1,200.00	1,200.00	1,200.00	0.00	1.17	In February 2018 paid \$1,200 MS Web services for one year of website maintenance. No change for 2019.
TOTAL ADMINISTRATION	58,040.00	54,184.65	55,860.00	(2,180.00)	54.56	
- BUILDING -						
FIRE EXTINGUISHER MAINTENANCE	1,000.00	1,000.00	1,000.00	0.00	0.98	In 2017 paid \$878.21 for annual maintenance. Estimate in November 2018 ABC fire \$969.50. No change for 2019.
JANITORIAL CONTRACT	9,125.00	9,378.68	8,000.00	(1,125.00)	7.81	In 2018- Proclean 3 visits per week for (M-W-F) \$44 per visit - \$132/week. Plus a monthly fee of \$86.67 for additional trash service. Also paid 2 additional charges for plastic fido doggy bags \$1,003.15. In August switched to Clubhouse Maintenance at \$500/mo. plus doggie bags \$104.68. Per management for 2019 Clubhouse Maintenance \$500/mo. + \$2,000 for additional supplies and dog station bags.
POOL/SPA MAINTENANCE	9,500.00	10,544.44	9,200.00	(300.00)	8.98	For 2018, \$500/month for Above & Beyond through June. In July switched pool companies to ER Pools \$450/mo. Total repairs thru 8/28/18 \$3,532. Paid Above and Beyond Pool \$1,765: includes \$120 to fix handrail, \$424 to replace pool light fixture by ladder, \$546 replace stenner feeder for pool htr., \$345 various repairs per health inspection, \$330 to replace timers and plate for timer. Paid Symbiont \$486 for 2 serv calls to repair valve on heat exchange and replace spa heater board and display. Also paid Symbiont in Jan. 18 \$405 for annual maintenance 11/13/17-11/13/18. Paid Watermark \$584 to replace pool storeroom lock and install occupancy sensors in restrooms and replace spa timer. Paid Pure Electric \$293 to repair spa timer and emergency button. Estimate \$1,000 add'l repair/replacement expenses before year end. Per mgmt. for 2019 ER pools \$475/mo. and \$3,500 for repairs.

MILANO RECREATION ASSN., INC.
ADOPTED BUDGET FOR THE FISCAL YEAR
JAN. 1, 2019 TO DEC. 31, 2019

MILANO RECREATION	2018	2018	2019	CHANGE	2019	2019
UNITS - 256	ADOPTED	PROJECTED	ADOPTED	FROM	QUARTERLY	Budget Notes
	BUDGET	ACTUAL	BUDGET	'18 TO '19	PER UNIT	
SECURITY - POOL	4,500.00	2,207.80	0.00	(4,500.00)	0.00	For 2018-monthly monitoring provided by InterTech Security at \$191/month and Comcast high speed internet at cost of approx. \$115/month. InterTech contract cancelled as of 6/30/18 and Comcast ended 7/31/18. See below for "Roving Patrol - Community Monitoring"
TRASH COLLECTION	200.00	218.42	215.00	15.00	0.21	In 2017 one roll out container -paid \$207.36 for commercial cart/trash service. Estimate approx. \$213 before year end. In 2019 estimate \$215. Slight increase for 2019.
TOTAL BUILDING	24,325.00	23,349.34	18,415.00	(5,910.00)	17.98	
- GROUNDS -						
COMMON AREA R&M	13,600.00	17,880.37	15,000.00	1,400.00	14.65	As of 9/5/18 spent \$11,476 on Grounds repairs: Paid B&B \$2,332 for multiple misc. repairs; Watermark \$3,422 for misc. repairs (largest expenses include \$785.98 to replace lock sets on storerooms, \$538.52 replace men's toilet, \$800 to replace ADA water fountain & \$775 to paint pool bathrooms); Lykins Signtek \$1,426 for sign removals, repairs and replacements; A Locksmith \$100 for new keys and lock repairs; Four Star Plumbing \$368 for sewer and drain line repair; Community Electric \$2,316 for installation of enclosure for time clock at b-ball court and pole light repair at tennis court, InterTech Security \$899 serv call to repair video surveillance streaming; SW FL Home \$489 to repair fence at 15575; and Misc. expenses \$225. \$1,100 invoice from Watermark in late Sept. for 4 new grab bars in Bathrooms. Estimate \$3,500 before year end. For 2019 increase based on projected actuals.
PEST CONTROL	11,870.00	12,026.00	12,100.00	230.00	11.82	In 2018 Abate Pest Control \$768/month and rodent control approx. \$205/month, In July added 7 new rodent boxes for \$175 and monthly rodent control beginning in August approx. \$240. Per management vendor has not indicated any rate change for 2019 Abate \$768/mo., and budget \$240/mo. for rodent control.
PRESSURE WASHING	3,400.00	5,050.00	3,700.00	300.00	3.61	In 2018 paid \$300 to McDonald Home Care to pressure wash pool deck. Estimate from Clubhouse Maintenance \$1,375 to pressure clean entry walls and top caps around pool. Also expect \$3,375 to pressure clean all streets, sidewalks, curbs, gutters & front entry wall before year end. For 2019 expense \$3,375 and 1x/yr pool deck should be budgeted as an annual expense.
LAKE RECHARGE WELL/PUMP SYSTEM	3,860.00	4,585.00	4,020.00	160.00	3.93	In 2018 paid Hoover Pump Systems \$893/semi annually for pump maintenance. Paid Miller Morgan \$75/month for monitoring of pump and motor. Also paid Miller-Morgan \$522.50 for 2 service calls to install 230V timer and lake diagnostic and electrical testing. Estimate add'l \$600 for repairs and maintenance before year end. For 2019, per management, Miller-Morgan \$85/month or \$780/year for monitoring of new motor & pump. Hoover pump maintenance \$893/semi-annually (\$1,786 annually) plus additional \$1,200 for repairs.
PAVER REPAIRS	5,000.00	5,175.00	5,000.00	0.00	4.88	As of 8/29/18 paid \$2,150 to Bricks N Pavers for 2 paver repairs throughout community. Estimate \$4k in additional repairs before year end. No change for 2019.
ROVING PATROL - COMMUNITY MONITORING	0.00	11,136.14	15,000.00	15,000.00	14.65	Signal 88 Security for Milano at approx. \$1,300/mo. For first 7 months then service cut back to approx \$500/month for remainder of 2018. For 2019 budget - new community monitoring system to be considered in 2019
LAKE & FOUNTAIN MAINTENANCE	7,950.00	7,941.50	7,950.00	0.00	7.76	In 2018 Aquagenix for lake maintenance \$442/month, plus \$150/qtr. for fountain maint and \$200/qtr. for aeration maintenance. Est \$1,000 for additional repairs before year end. For 2019 no increase service - Aquagenix \$442/mo., plus \$150/qtr. for fountain maint and \$200/qtr. for aeration maint + \$1,200 for repairs.
HOLIDAY DECORATIONS	2,500.00	2,475.00	2,500.00	0.00	2.44	In 2017 paid Whited Holiday Décor \$2,325 for holiday decorations. In '18 \$2,475 before year end. For 2019 maintain same budget of \$2,500
TOTAL GROUNDS	48,180.00	66,269.01	65,270.00	17,090.00	63.74	
- LANDSCAPING -						
LANDSCAPE CONTRACT	114,732.00	108,288.00	95,400.00	(19,332.00)	93.16	For 2018 Greenscapes \$9,561/mo. Beginning in September Florida Evergreen at \$7,950/mo. For 2019 Florida Evergreen \$7,950/mo.
PLANTINGS/OTHER	15,500.00	15,519.04	20,000.00	4,500.00	19.53	Through 8/29/18 spent \$11,019 to Greenscapes. Paid \$9,999 for various plantings, \$331 for sod, and \$689 to treat 26 foxtail palms for nutrient deficiencies. Estimate \$4,500 for add'l plants/other before year end. Per mgr. budget \$20,000 for 2019.

MILANO RECREATION ASSN., INC.
ADOPTED BUDGET FOR THE FISCAL YEAR
JAN. 1, 2019 TO DEC. 31, 2019

MILANO RECREATION	2018	2018	2019	CHANGE	2019	2019
UNITS - 256	ADOPTED	PROJECTED	ADOPTED	FROM	QUARTERLY	Budget Notes
	BUDGET	ACTUAL	BUDGET	'18 TO '19	PER UNIT	
MULCH	12,000.00	12,934.68	13,000.00	1,000.00	12.70	Expect major mulch bill in late Sept./Oct approx. \$13,000 (paid \$11,368 in 2017). For 2019 per mgmt. budget \$13K.
TREE TRIMMING/REMOVAL	32,000.00	24,022.49	25,000.00	(7,000.00)	24.41	As of 9/14/18 paid Greenscapes \$200 to Flush cut a tree and \$1,380 for 3 tree removal. Paid Ryan's Tree Service \$19,725 to trim 808 queen & sabal palms and 213 hardwoods. Before y/e mgmt indicated possibly small tree trimming. For 2019 - lower budget to \$25,000
PRESERVE MAINTENANCE	2,950.00	10,225.00	5,000.00	2,050.00	4.88	In 2018 Budget basis - Collier Environmental Services - preserve tree trim program to be completed quarterly at a cost of \$812.50/qtr. As of 9/30/18 only 2 services rendered. Before y/e Coastline - \$8,600 for major clean up of preserve area. Budget basis for 2019 - qrtly service \$812.50 plus \$1,750 for add'l maintenance.
IRRIGATION MAINTENANCE	7,000.00	7,091.58	7,000.00	0.00	6.84	As of 8/29/18 paid Greenscapes \$3,601 for various irrigation repairs. Estimate \$1,200 in add'l irrigation repairs before year end. Base 2019 budget on 2018 projected actuals.
TOTAL LANDSCAPING	184,182.00	178,080.79	165,400.00	(18,782.00)	161.52	
- UTILITIES						
CABLE TELEVISION & INTERNET	150,670.00	148,418.23	204,800.00	54,130.00	200.00	Comcast charged approx. \$47.04/unit/month from Jan-May. Beginning in June 2018 approx. \$49.23/unit/mo. In 2019 - current Comcast contracts ends in early July. Board to add internet service to cable package starting in Jan 2019. Most owners to save on out-of-pocket expense. 2019 Budget basis: \$75/month incl. taxes for cable/internet rate effective Jan 2019. One time credit \$100/unit - \$25,600.
ELECTRICITY	25,600.00	25,189.16	25,900.00	300.00	25.29	FPL proposed a four year plan. 2017-2020 include a rate increase of 2.8% for the first three years and no increase in 2020. For 2019 base budget on 2018 projected actuals plus 2.8% increase. Slight increase for 2019.
WATER & SEWER	2,806.00	3,610.27	2,300.00	(506.00)	2.25	In March and April 2018 per mgr. there was a pool leak causing a spike in water usage for those 2 months. Base 2019 on 2018 projected actuals keeping in mind the 2 months of high usage. Collier County utility 2019 rates to increase 2.98% effective 10/1/18. 2019 budget based on 2017 actual adjusted for rate increase.
TOTAL UTILITIES	179,076.00	177,217.66	233,000.00	53,924.00	227.54	
- RESERVE TRANSFERS -						
INTEREST	750.00	1,425.32	1,200.00	450.00	1.17	transfer of reserve interest
ROOF	1,278.00	1,278.00	1,278.00	0.00	1.25	see Reserve schedule
PAINT	195.00	195.00	194.00	(1.00)	0.19	see Reserve schedule
STREETS	9,952.00	9,952.00	9,951.00	(1.00)	9.72	see Reserve schedule
POOL /FURNITURE/SECURITY	10,035.00	10,035.00	10,888.00	853.00	10.63	see Reserve schedule
IRRIGATION SYSTEM	9,293.00	9,293.00	9,292.00	(1.00)	9.07	see Reserve schedule
LANDSCAPING RENOVATIONS	5,000.00	5,000.00	5,000.00	0.00	4.88	see Reserve schedule
LAKES EROSION, DREDGING	6,250.00	6,250.00	6,250.00	0.00	6.10	see Reserve schedule
LAKE FOUNTAIN/AERATORS	2,000.00	2,000.00	2,306.00	306.00	2.25	see Reserve schedule
ENTRY WALL/SIGNAGE	1,708.00	1,708.00	1,708.00	0.00	1.67	see Reserve schedule
TENNIS/BASKETBALL, color coating	1,600.00	1,600.00	1,600.00	0.00	1.56	see Reserve schedule
LANDSCAPE LIGHTING	2,000.00	2,000.00	2,000.00	0.00	1.95	see Reserve schedule
FIRE EXTINGUISHER REPLACE.	2,347.00	2,347.00	3,125.00	778.00	3.05	see Reserve schedule
TENNIS/BASKETBALL, LIGHTS	2,800.00	2,800.00	2,800.00	0.00	2.73	see Reserve schedule
TENNIS/BASKETBALL, FENCE	1,403.00	1,403.00	1,403.00	0.00	1.37	see Reserve schedule
TENNIS/BASKETBALL, SURFACE REPLACE	2,960.00	2,960.00	2,960.00	0.00	2.89	see Reserve schedule
RETAINING WALLS, CONCRETE	3,917.00	3,917.00	3,916.00	(1.00)	3.82	see Reserve schedule
FENCES, WOOD, PRIVACY	3,937.00	3,937.00	3,937.00	0.00	3.84	see Reserve schedule

MILANO RECREATION ASSN., INC.
ADOPTED BUDGET FOR THE FISCAL YEAR
JAN. 1, 2019 TO DEC. 31, 2019

MILANO RECREATION	2018	2018	2019	CHANGE	2019	2019
UNITS - 256	ADOPTED	PROJECTED	ADOPTED	FROM	QUARTERLY	Budget Notes
	BUDGET	ACTUAL	BUDGET	'18 TO '19	PER UNIT	
RESALE CAPITAL	8,000.00	9,500.00	8,000.00	0.00	7.81	\$500 resale capital collected at all sales in Milano-conservative estimate
TOTAL RESERVE TRANSFERS	\$75,425.00	\$77,600.32	\$77,808.00	\$2,383.00	\$75.95	
TOTAL EXPENSES	\$569,228.00	\$576,701.77	\$615,753.00	\$46,525.00	\$601.29	
OTHER INCOME:						
INTEREST EARNED - OPERATING	0.00	55.62	0.00	0.00	0.00	conservative estimate
MISCELLANEOUS INCOME/LATE FE	350.00	345.00	345.00	(5.00)	0.34	conservative estimate with other income - pool keys, parking tags.
RESALE CAPITAL	8,000.00	9,500.00	8,000.00	0.00	7.81	\$500 resale capital collected at all sales in Milano-conservative estimate
INTEREST EARNED - RESERVES	750.00	1,425.32	1,200.00	450.00	1.17	conservative estimate with other income
TOTAL OTHER INCOME	\$9,100.00	\$11,325.94	\$9,545.00	\$445.00	\$9.31	
NET INCOME/(LOSS)	\$0.00	(\$5,247.83)	\$0.00	\$0.00	\$0.02	
		\$41,167.77	12/31/17 cumulative gain			
		\$35,919.94	12/31/18 projected gain			
The Association will end the year with an estimated cumulative surplus of approximately \$35,900						

MILANO RECREATION ASSOCIATION, INC.
ADOPTED RESERVE FUNDING FOR FISCAL YEAR JAN. 1, 2019 TO DEC. 31, 2019

UNITS - 256	ESTIMATED REPLACEMENT COST	TOTAL LIFE (YEARS)	ESTIMATED REMAINING USEFUL LIFE	ESTIMATED RESERVE BALANCE 12/31/18	AMOUNT NEEDED TO FULLY FUND	2019 FUNDING
POOL BUILDING:						
ROOF	\$25,000	22	10	\$12,216	\$12,784	\$1,278
PAINTING	\$4,000	7	1	\$3,806	\$194	\$194
STREETS:						
PAVING OVERLAY	\$120,000	15	5	\$89,878	\$30,122	\$6,024
PAVING RESEALING/STRIPING	\$15,000	7	1	\$14,014	\$986	\$986
CONCRETE CURB/GUTTERS & SIDEWALKS	\$50,000	20	8	\$26,469	\$23,531	\$2,941
POOL:						
POOL DECK/COPING	\$25,000	10	5	\$13,603	\$11,397	\$2,279
POOL SURFACE	\$20,000	10	7	\$4,954	\$15,046	\$2,149
POOL FENCE	\$15,000	10	3	\$14,144	\$856	\$285
POOL FURNITURE	\$12,000	7	4	\$3,726	\$8,274	\$2,069
POOL/SPA HEATERS - Geo-thermal	\$25,000	15	9	\$10,848	\$14,152	\$1,572
POOL MECHANICAL	\$15,000	10	3	\$11,969	\$3,031	\$1,170
SECURITY SYSTEM	\$10,000	5	3	\$5,907	\$4,093	\$1,364
IRRIGATION SYSTEM/PUMPS	\$50,000	12	3	\$22,123	\$27,877	\$9,292
LANDSCAPING RENOVATIONS	\$75,000	15	14	\$5,000	\$70,000	\$5,000
LAKES EROSION, DREDGING	\$50,000	25	6	\$12,500	\$37,500	\$6,250
LAKE FOUNTAIN/AERATORS	\$18,000	10	6	\$4,164	\$13,836	\$2,306
ENTRY WALL/SIGNAGE	\$25,000	15	7	\$13,047	\$11,953	\$1,708
TENNIS/BASKETBALL, COLOR COATING	\$16,000	10	7	\$4,800	\$11,200	\$1,600
LANDSCAPE LIGHTING	\$10,000	5	2	\$6,000	\$4,000	\$2,000

MILANO RECREATION ASSOCIATION, INC.
ADOPTED RESERVE FUNDING FOR FISCAL YEAR JAN. 1, 2019 TO DEC. 31, 2019

UNITS - 256	ESTIMATED REPLACEMENT COST	TOTAL LIFE (YEARS)	ESTIMATED REMAINING USEFUL LIFE	ESTIMATED RESERVE BALANCE 12/31/18	AMOUNT NEEDED TO FULLY FUND	2019 FUNDING
FIRE EXTINGUISHER REPLACE	\$14,848	12	2	\$8,599	\$6,249	\$3,125
New Reserves starting in 2016 based on Reserve Study:						
TENNIS/BBALL LIGHTS	\$36,400	25	10	\$8,400	\$28,000	\$2,800
TENNIS/BBALL FENCE	\$18,240	25	10	\$4,209	\$14,031	\$1,403
TENNIS/BBALL SURFACE REPLACE	\$70,200	25	22	\$5,076	\$65,124	\$2,960
RETAINING WALLS, CONCRETE	\$30,000	13	3	\$18,251	\$11,749	\$3,916
FENCES, WOOD, PRIVACY	\$69,120	25	13	\$17,940	\$51,180	\$3,937
TOTALS	\$818,808			\$341,643	\$477,165	\$68,608
*To be expressed in terms of today's cost, without adjustment for inflation, which is covered from interest income.						
In addition to the above balances the Association has approx \$3,850 in Interest on Reserves and estimated \$39,986 in Resale Capital.						
\$13K of Resale Capital was allocated to the Retaining Walls and Privacy Fence line items.						
Reserve Expense History:						
Reserve expenses in 2018:						
In May 2018 Paid Aquagenix \$1,835.94 for fountain lake lights and new aeration compressor (Lake fountain aerator)						
In July 2018 Paid ER Pools \$914 for stenner feeders (pool/furn/equip)						
In July 2018 Paid ER Pools \$1,177 for spa filter cartridge (pool/furn/equip)						
NOTE 2018: Mgmt expects \$20,000 to be spent on privacy wood fences. (have not put number in above calculations)						
If expense is incurred in 2018, will have to pay with Fence reserve + Resale Capital funds.						