



PHOENIX V | Homeowners Association

October 2022 Newsletter from your Board of Directors

PRESIDENT'S MESSAGE

It feels like we are turning a corner, but down a road that still has many twists and turns. We are hopefully getting back to near-normal operations at Phoenix V. Most importantly, for the first time in two years, we will be holding our 2022 Annual Meeting in person! We are planning a number of activities for owners who can come down, including an owner's social event the night before the meeting, and a lunch right after the meeting. Details to come shortly!

We have a full year plus of operations under our belt with our new, independent management company, Coastline, and things are going better. Not perfectly, but better. We seem to have worked out a number of kinks and exposures in our management, accounting, and other systems, but challenges always remain.

Our security contractor, Liberty Shield, seems to be doing well, and the building appears cleaner than ever under the stewardship of our independent custodial contractor, Service Master.

When it comes to getting back to normal, we should mention rentals: Everyone seems to have had a pretty good rental year – perhaps not as good as last year at the (unfortunate) height of the pandemic boom in rentals, but still pretty good. Real estate prices are up too, but with the recent increase in interest rates, sales have slowed, and have prices deflated a bit. See the Real Estate section.

We still have challenges as we travel our road. One of these is the fact that we have an aging building with a number of significant maintenance issues, some of which are due just to the age of the building, but a number of which are due to previously poorly or inadequately addressed conditions. In this era after the Champlain Towers South tragedy, the importance of responsibly setting aside funds to deal with our maintenance needs is only more important. Fortunately, before that wake-up call, you, our ownership, set us down the path to building up our reserves in a gradual, orderly fashion so we would have the monies we need when necessary. We need to continue that process with the capital reserve assessment we are asking our owners to approve this year. More detail is in our Facilities and Maintenance and Financial Report sections.

Another of our significant challenges is insurance premiums. Although we have done about all we can on our own to manage our risks and reduce premiums, they continue to increase due to market conditions out of our control. Conditions beyond our control include ever more severe weather, the Champlain Towers South tragedy, Hurricane Ian, and general inflation in construction costs. So, this year we are proposing that we assess our insurance premiums separately.

As we set out in our Insurance Update & Assessment section, we have done a pretty good job in managing our other recurring annual expenses. We have done such a good job that we propose to REDUCE our dues for other than insurance expenses. The proposed separate insurance assessment sadly reflects the approximately 30% increase in insurance premiums we have been told to expect. (As I write this, I am listening to news reports about Hurricane Ian's impact in Florida. Our hearts go out to everyone affected. It could easily have been us. And, we are not out of the woods in this hurricane season.)

So, to undoubtedly misuse the song, it is a long and winding road, but we seem to have the right compass headings, and are making our way! As always, we are able to do what we can only with your support. Thanks so much for your kind words and encouragement.

Jim



The 2022 Annual Meeting will be on Saturday November 5th at 9am - Noon in the Meeting Room at Phoenix V. Those unable to attend the in-person meeting will be able to join via Zoom. There will be a social time on Friday November 4th at 7pm in the South Lobby. We are planning to have an owners' lunch after the meeting. More details to follow.



THE PROXY EXPLAINED

We are looking forward to seeing you at the 2022 Annual Meeting! If you can't make it to the building in person, you can attend the meeting by Zoom video call. We ask you to submit your proxy vote in favor of the Board's recommendations now to make sure that we have a quorum to conduct our meeting. You may also vote by ballot distributed at the meeting. See the enclosed separate "2022 Annual Meeting Access & Voting Instructions" on how the meeting will work and how to vote.

To begin, we would like to explain the proxy form in order of the various line items, and give you the Board's recommendations. Then we will update you on developments since the last newsletter edition.

Item 1 addresses the budget for year 2023 (Attachment 1), calls for operating

expenditures of \$3,351,632.72 and provides that the Board is authorized and directed to expend funds consistent with the approved budget. The Board recommends that you vote YES on your proxy. (The budget is approved unless a majority present in person or by proxy reject it.)

Item 2 provides that the dues for recurring operating expenditures will be set as provided in Attachment 1 effective January 1, 2023, and that any surplus at the end of calendar year 2023 be directed to the HOA's "Reserve Fund".

Item 2 also provides for separate dues (technically, an "assessment" under our condo declaration) to pay the HOA's insurance premiums. The Board has elected for 2023 to assess owners separately for our insurance premiums. We believe that this is more transparent and allows owners to see more clearly that although we are doing a good job of managing recurring operating expenses (hence the actual DECREASE in dues other than for insurance), insurance premiums are out of the HOA's control and are set by market forces like the losses incurred during previous hurricane season and inflation in construction costs.

The amount of the proposed assessment reflects the advice of our insurance broker that rates for our multi-risk / property policy are likely to increase by as much as thirty percent (30%) over last year. (See the discussion under the Insurance section of this newsletter.) The Board proposes that any surplus remaining at the end of 2023 over what we actually pay in premiums be retained by the HOA in segregated accounts for payment of future premiums, deductibles, co-pays, and self-insured retentions and similar sums payable under the HOA's insurance policies. See the separate section on "Insurance."

The proposed insurance assessment levels associated with the 2023 budget are included in Attachment 1. These sums will be payable in lump sum, due in equal monthly installments from February 1 to May 1, 2023 (but you can pay off your balance early at any time prior to their due date.)

The Board recommends that you vote YES on your proxy.

This item requires a majority of the voting rights present at the Annual Meeting.

Item 3 provides that the Assessment for the Capital Reserve Fund for 2023 will be set at \$1,745,852.00, and that such sums be payable in two (2) equal installments due July 1, 2023, and October 1, 2023. (If members want to pay these sums monthly, this option is available, and we will help you implement it.) The assessment levels associated with the 2023 budget are included in Attachment 1. The Board recommends that you vote YES on your proxy. This item requires a majority of the votes of the Association.

Item 4 states that Jack Chaffin, Shannon Eney, and Ted Sendak each be elected a director of the HOA, for a term ending in 2025. The Board recommends that you vote FOR Ms. Eney and Messrs. Chaffin and Sendak on your proxy. See the separate section on "Board Nominations." Nominations will also be accepted "from the floor," both in person and by Zoom.

Item 5 ratifies the actions of the Board during 2022, as has been done in prior years. The Board recommends that you vote YES on your proxy. This requires a majority of the voting rights present at the Annual Meeting.

If you have questions about any of the options on the proxy, please call any Board member and they will be happy to explain all options.

BOARD NOMINATIONS

The Board recommends that you vote on your proxy for each of the following as directors of the HOA for terms ending in 2025.



Shannon is our newest director and was recently elected to fill the vacancy created when Donna Halstead put her unit up for sale. Shannon is a real estate professional with over 22 years of experience in mortgage loan products. She has served as a branch manager with a major national mortgage company, a loan officer, and a mortgage loan originator and has a proven record of building and developing customer and referral bases and in closing transactions. She graduated from the University of Montana and lives in Henderson, Nevada.

Shannon Eney



Jack has owned in Phoenix V since pre-construction days. He has worked in senior executive capacities for some of the largest property insurance companies in the business for 40 years. He currently works for CV Starr Technical Risks Agency, Inc., where he is a Vice President for Property Underwriting based in Atlanta, GA. Jack is a graduate of Jacksonville State University in Alabama, where he majored in finance and insurance. Jack has served on Phoenix V's insurance committee for several years and knows our issues well.

Jack Chaffin



Ted says we should judge his candidacy on his work as our Treasurer over the past 4 years. Those are certainly excellent qualifications, but Ted also has a great background you should be aware of. He is a retired Army colonel, served as a president and CEO, served on a number of boards of directors over the years, is an engineer by training, attended Harvard Business School, and has owned in Phoenix V and other Phoenix buildings for over a decade.

Ted Sendak



REAL ESTATE AND RENTAL REVIEW

Below are data and graphs for public sales in Phoenix V for the past year, October 2021 through September 2022. Not everyone is interested in selling, but it sure does help to see how the buying public values our building! We have had 22 public sales, and several private ones the past year – the data we have access to is only for the public sales, of course.

According to Coastline's records, the change in ownership is around 30% while they have been onsite. The board understands this drives a need for clearer communication to our new owners, and we are committed to doing just that. Please don't hesitate to ask questions!

Only one single bedroom was publicly sold in early 2022, for \$450,000, so it is hard to get a meaningful conclusion on that transaction alone. The highest sale for a single bedroom in 2021 was \$415,000, so that is encouraging!

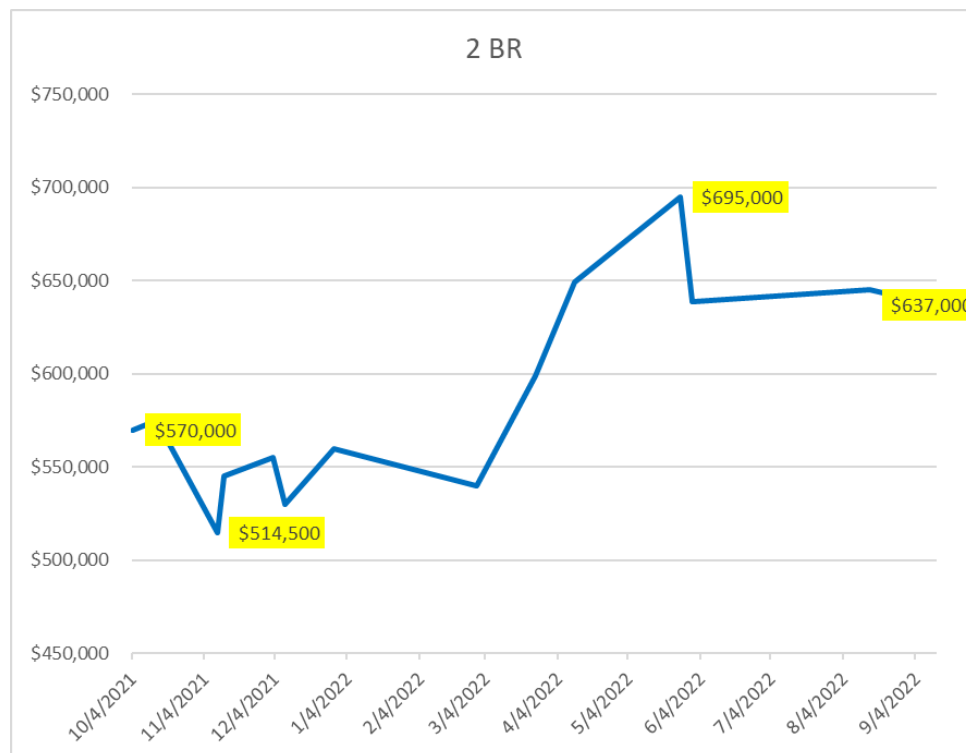
The data is showing us with great appreciation and that our investment in our building is well received. Of course lower interest rates and steady demand didn't hurt either!

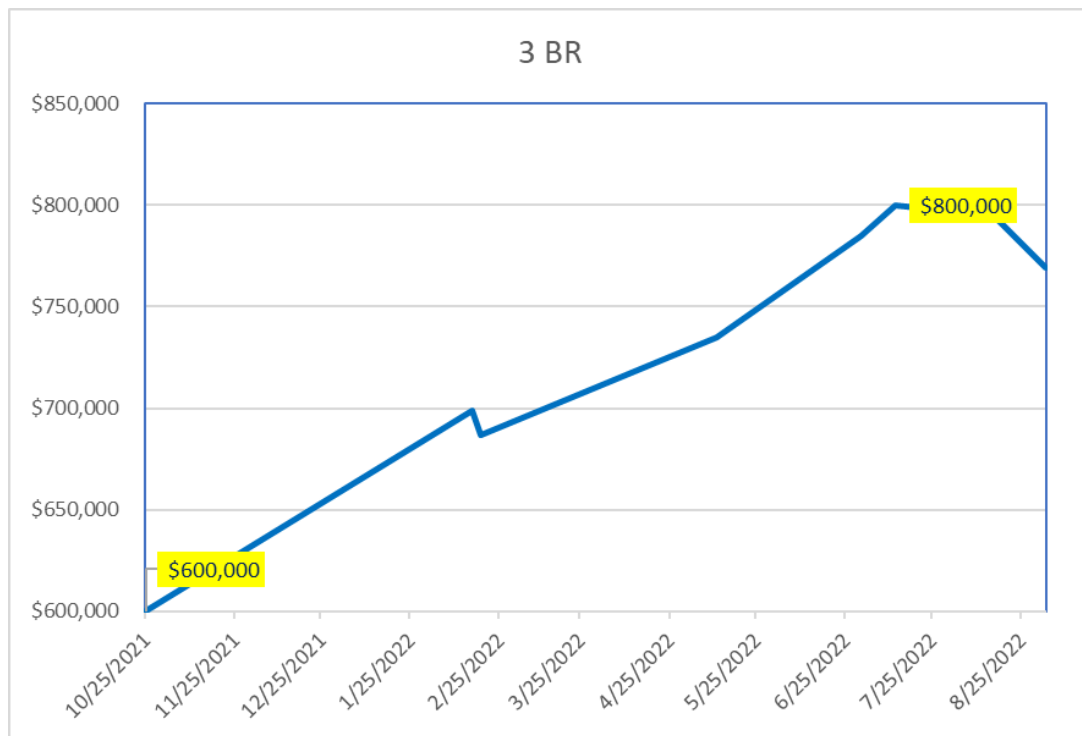
- 1BR shows a year over year growth of around 8% growth
- 2BR shows a year over year growth of nearly 22%
- 3BR shows a year over year growth of nearly 33%

We realize there are other variables to consider, (examples are level of updates in a particular unit, garage parking spaces offered with the unit, rental record for the unit, how pending assessments are split between buyer and seller), however we think we can all agree this is a lovely trend for investors in our building!

One more noteworthy thing we did is allow realtors to advertise “open houses” in the lobby so that visitors / vacationers can view and get a sense of what an investment in our building might look like.

“Time on market” is a key metric realtors use to judge how long a property may sit for sale before going under contract. This data point is a bit longer in the most recent months as interest rates have crept up and the economy has slowed. But we think the overall story for Phoenix V is a very positive one!





INSURANCE UPDATE – SEPARATE INSURANCE ASSESSMENT -- AND SOME GOOD NEWS

The Board proposes that we start assessing (charging dues for) insurance costs separately from other recurring operating costs. There are a couple of reasons behind this proposal:

- 1) greater transparency on how we are doing in managing our usual operating costs, and
- 2) insurance costs are highly variable and not under our control – they are set by third party insurance underwriters.

As noted in the Financial Report, we are doing a pretty good job of managing our usual recurring annual operating costs. Even in this inflationary environment, we believe we will be able to lower dues for most operating costs for next year!

Insurance costs are another story. According to a very recent edition (September 2022) of RT Property, US PROPERTY INSURANCE REVIEW, a leading insurance industry journal:

MARKET OVERVIEW Overall pricing within the property arena has continued its upward trend, along with limited capacity offerings in certain classes of risk. These conditions are especially indicative within the excess and surplus lines property market in comparison to the standard property market, where premium increases have been moderating. In addition to the catastrophe-exposed regions that have traditionally been highly susceptible to coastal named storm, flood, convective storm, earthquake and wildfire, the geographical boundaries that require more underwriting scrutiny are expanding. ... These overall market conditions are expected to continue throughout the remainder of 2022. [*Translation into English: In the insurance markets we have to use to get a policy for our building, prices are still increasing, and insurance companies are more reluctant to offer insurance. This trend is predicted to continue throughout 2022.*]

...

..., [F]or the first half of 2022, the total surplus lines premium reported to the stamping offices represented a 32.4% increase over the same period in 2021. [*Translation into English: In the insurance markets we have to use to get policies for our building, premiums increased by 32.4% between 2021 and 2022.*]

(You can read this for yourself at this link [Insurance Update 2022.](#))

So, our insurance broker's advice to expect premium increases of about 30% for our 2023 renewal seems about in line with industry expectations. We have provided for this expected increase in the amounts we are proposing for our separate insurance assessment. The Board has done about all it can do to contain insurance costs. We have declined coverage for the garage, some out-buildings, systems, and structures and have increased our deductible on our property policy from 3% to 5%. See our [May 12, 2022 update to owners.](#)

We are required by law to carry insurance. So, regretfully, we owners have little choice but to pay the insurance premiums expected. If we are able to do better and get a lower premium, we believe that the best use of any surplus is to put it into a segregated account and use it to pay any premiums, deductibles, co-pays, self-insured retentions, and similar amounts that may in the future be payable under our policies.

There is, however, some good news: we received a payment of \$2,157,181.76 on our claim for damage from the April 2021 hailstorm. (There is another \$191,163.02 in depreciation recoverable / payable on this claim, and we will do our best to obtain these amounts.) These funds are required by law and our condominium declaration to be spent to repair the items damaged for which we made the claim. We will place them in a segregated account to make sure they are available for their intended purposes and are easily tracked.

FACILITIES AND MAINTENANCE REPORT

As in the past several years, we continue to have to deal with the challenges of an aging building.

Some work is necessitated by the simple fact of that aging. (Our reserve study catalogs the useful lives of various components of our building and estimates the costs to repair or replace them. You can read our 2019 reserve study here: [Reserve Study](#) We will update that study this coming year or next. You should understand that the updated study is likely to show higher costs because of inflation since the 2019 report. We will reflect those higher costs in assessments in future years as we understand what is likely to be required.)

Some work, however, was not previously addressed properly nor was money set aside for that work. We have to deal with these issues now, unfortunately.

Fast Summary:

Balcony post pockets/spalls project- Restarting October 10th

Entry door restoration - To date completed a total of 168 doors, 120-unit entry doors, 48 common area doors.

Fire pump - needs to be rebuilt next year. Estimated cost = \$5,400.00.

Water supply - Fire system needs 1000 GPM and we are only getting 600, further investigation under way, but may need another main line.

The Lobby - Mr. Kostelansky has rearranged the furniture, and added new rugs and artwork.

Elevator Modernization - latest TK proposal is for \$1,067,500.00. Due to supply issues most work delayed to fall of 2023

North Lobby Atrium and Floor - our engineer recommends 1) helical piles underneath footings, and 2) replacing the concrete slab. Currently estimated at approximately \$600,000

Fogged Glass Doors and Windows - We are only replacing highly obscured glass due to the anticipated door and window project in 2026-27

[Recommended Projects for 2023:](#)

Outdoor pool pump: \$10,500.00

Basement buggies: 25 for \$5,500.00

Entry door, common area doors: Average cost per door is \$12,210.00- total \$73,260.00

Balcony post pockets - Balcony spalls - Split railing stanchions

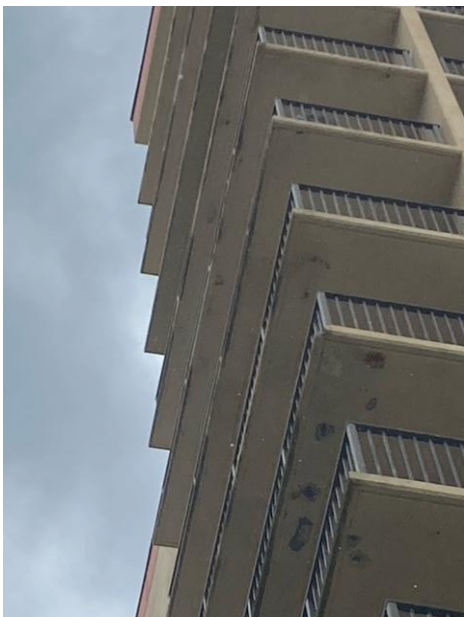
During facilities inspections last fall, we found a concerning amount of loose railing posts and spalls. We conducted a building-wide inspection and found 140 post pocket issues, 360 split railing stanchions, and a large number of spalls (specifically under or near stanchions). Read our engineer's report here: [Thompson](#)

[Post-pocket - Handrail report](#)



The first phase to remove all loose concrete that posed an imminent safety concern was completed by Coastal Contractors via swing stage in July. (Taking care of these safety concerns pushed out work on repainting our unit doors and unit evaluations, unfortunately.)

Coastal assessed that the permanent repairs will take approximately 3.5 to 4 months to complete with the repairs to the most significant damage on the west end (01 stack) balconies lasting about one month.



The next phase will begin October 10th on the west (01) stack, working east. There are many factors such as weather conditions and the severity of damage that makes a firm schedule unrealistic. We will provide updates via email to owners by close of business every Friday to indicate what has been completed and what to expect the following week.

There will be safety measures in place while workers are aloft. The sliding glass doors will be secured from the outside to prevent entry into the work areas, a safety net draped underneath the stage to prevent debris falling, and the ground area will be barricaded to keep people from walking under the work area.

Entry door restoration

Entry door restoration work is continuing. To date, we have completed a total of 168 doors, namely 120-unit entry doors and 48 equipment and common area doors.



Fire pump

This system provides high volume water flow to the fire suppression sprinklers throughout the building. It has a faster than normal flow through wet seals (a leak), but that does not reduce the ability of the system to work properly. However, it will need to be rebuilt next year. Expected cost: \$5,400.00.

Water supply

During annual fire system tests, our fire pump needs to pump 1000 gallons per minute for one minute without drawing suction from the city lines. We start pulling suction around 600 gallons per minute. We replaced a faulty backflow preventer last year which gave us slight improvement. We're going to investigate our current system to see if there are any issues but may need to install another main that would be dedicated to the fire system.

The Lobby

The Lobby has been rearranged and new rugs and artwork added. We think it's a significant improvement over what was (or wasn't) there previously. The Board thanks Mr. Kostelansky for his diligence in completing this project. I think we can all agree it is lovely and welcoming to our owners and guests!



Elevator Modernization

The latest proposal from TK Elevators to modernize our four elevators is for \$1,067,500.00.

Due to manufacturing delays caused by supply chain issues, the elevators will be modernized beginning (mostly) in the fall of 2023.

- All equipment will be ordered for delivery this winter and stored in our equipment room. Although most of the upgrades including the hoist machines and controllers will be done next fall, we are able to complete some work this winter. Those include replacing the hall stations with vandal-resistant buttons, largely modernizing the cabs with new stainless-steel doors, new tinted safety glass, stainless steel ceilings, upgraded lighting, new side panels, and epoxy floors. The control panel is part of the controller upgrade, which will be done next fall.

North Lobby Atrium and Floor

As everyone who has walked through the north lobby has noticed, the tiles are cracking, and those areas have been temporarily covered with (unfortunately) unsightly tape to help protect against any tripping hazard. This issue manifested itself about a year ago, and we jumped on it. Our investigations revealed that this has been a recurring problem, but its root causes were never fully investigated nor had any permanent solution to the problem even been proposed by the prior management company.

We engaged Thompson Engineering to investigate those causes and to prepare a mitigation plan to arrest the continued settlement of the building's atrium structure. Thompson found that there are significant thicknesses of loose sand from about 4 to 12 feet under the lobby slab. This has caused overstressing in at least one of the columns at the front of the building.

We also engaged Thompson to recommend a permanent fix, so owners are not repeatedly wasting money on “fixes” that have to be redone. That work is just now complete.

Thompson’s plan includes adding helical piles underneath the existing concrete spread footings and work to relieve the column up to a point where the stresses in the column are within an allowable range.

Thompson also recommends demolishing the existing concrete slab, placing and compacting new sand fill material to replace the material that was lost and either:

- Reconstruct the concrete slab on grade with a defined control joint to help prevent widespread cracking of the concrete slab and tile should the slab settle if support soils are lost in the future OR
- Constructing a structural concrete slab that is supported by helical piles that would prevent slab settlement if support soils are lost in the future.

We currently estimate the cost of corrective action to be approximately \$600,000, although this number may increase. We also have the unknown factor of any voids under the air handling room behind the fountain, the basement elevator lobby, as well as other adjacent areas. The overstressed column mentioned in the Thompson report is split at the roof joint along the welding, and the columns likely have severe corrosion below grade.

Thompson says we need to start this project this year to prevent further damage and settling. You can read the reports from Thompson Engineering here: [Thompson Atrium reports](#)

Fogged Glass Doors and Windows

Significantly fogged balcony door glass is replaced by our in-house team. The criteria provided is that we will replace glass when it is 75% obscured. If you have a pressing need, please let us know! The idea is that this will reduce the overall expense to the building. The sliding doors and windows are nearing the end of their useful lives with replacement planned in 2026 (assuming we don’t find any projects that are more urgent; we are trying to stretch the lives of the doors as much as possible).

Putting new glass in a stressed-out frame adds to the likelihood that the glass seal will break again during a storm and begin fogging. Waiting until a certain point eliminates replacing glass two or three times before 2026.

We propose to earmark approximately \$300,000 from the 2023 capital assessment to set aside funds for the eventual replacement of the south sliders and windows.

Other Recommended Projects:

South wall repair work & building envelope issues

We have been advised that the south wall and its closet panels are cracking and separating from the building due to not having expansion joints built in when the building was originally constructed by an affiliate of the prior management company. The south wall should have expansion joints to allow for normal movement of the building. Without the expansion joints, the exterior panels have twisted and pulled and will eventually fail. We do work every year to keep up with and repair damage as it occurs and try to make the structure water tight to prevent further damage. However, this recurring annual mitigation work does not include the permanent fix to install the expansion joints themselves. This larger project is expected to cost at least \$2-\$3,000,000 to fully repair.

Issues with our south wall are part of what we have found we have to deal with to get a handle on our building envelope issues. You can read the Thompson Engineering report on those issues here: [Building Envelope - Combined report](#).

Outdoor pool pump

This is a special-order pump with a six-week lead time, so it is very important to have a replacement on hand. If the pump were to fail, the outdoor pool will be unusable. Cost is \$10,500.00.

Basement buggies

The gray/blue buggies kept in the basement near the garage doors are at the end of their life and need to be replaced. The cost for 25 new buggies is \$5,500.00 with shipping.



Entry door, basement to outdoor pool

This door is obsolete and stressed. It cannot remain square to maintain locked position as required by code. The existing door has only one side with the required latching system so the other door must always remain locked for safety reasons, thus creating a traffic jam throughout the day. This door system and framework will be upgraded to impact-rated double doors. The new doors will have latch mechanisms on both doors to eliminate gridlock. The cost to replace these doors is estimated at \$25,000.

1st, 2nd, 3rd floors east and west lobby doors

These doors are at the end of their useful lives. Obsolete and failing components causing the doors to shift and not close or scrape the floors. The hardware to secure frames and hinges are corroded and not repairable. These will be upgraded to an impact-rated system on all floors.

The average cost per door is \$12,210.00, which totals \$73,260.00 and does NOT include the basement to outdoor pool doors.



FINANCIAL REPORT

Our Account Summary as of August 31 is as follows:

Operating Funds:	\$ 217,685.62
Capital Reserves:	\$ 3,097,985.59
Cash on Hand:	\$ 3,315,671.21
Other Assets:	<u>\$ 517,510.02</u>
TOTAL Assets:	\$ 3,833,181.22

2022 Financials Overview:

- Our income will start to slow as peak season winds down. Fortunately, we are still seeing more than our monthly budget in Guest Registration and hope to meet the \$600,000 budget by year end. Our owners are all paying their dues on time which helps to pay the bills on time!
- Contract Maintenance Services remained *under* budget for the year since a portion of the Kaba Locks subscription is being reimbursed to the Association.
- Insurance Expenses are consistently **over** budget because of the premium increase from the budget of \$525,000 to the actual \$708,000 we paid. The budget number we approve in November is always an estimate because the premium is finalized in May.
- Personnel & Contract Labor ran slightly **over** budget because the security contract increased with Liberty Shield and overtime expenses during peak season.
- Repairs & Maintenance Expenses remained at or near budget for the year thanks to the efforts of our FM, Ed Lipinsky.

Unplanned Expenses (budget line 5900) - We get questions about how our special projects / non-recurring funds are spent. Here is a summary, through the end of August:

SunCoast Pool Loungers	\$19,008
Docufree Scanning	\$1,350
SecureVision Contract Security Systems	\$1,425

Island Enclosures - Split Stanchion Project	<u>\$13,155</u>
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Total	\$34,938
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The Remaining Balance (now at \$65,062) will be used to pay our loan to ourselves to pay our insurance debt at the end of this budget year, and for any other uses approved by the Board.

The **2022 Capital Reserve Assessment** has helped us complete many projects this year, and revealed new repairs that had to be made. Some of these maintenance problems were not brought to light by the previous management company, but they must be completed in the near term. The Capital Reserve expenses to date during 2022 are:

Atrium Investigation	\$24,639
Hot Tub Project	\$10,337
Parking Garage	\$42,339
Sliding Glass Doors	\$800
Lobby Enhancements	\$10,599
Indoor Pool	\$1,461
Outdoor Pool	\$644
Smoking Area	\$3,997
Balcony Closet & Unit Entry Doors	\$25,877
South Wall Stucco Repairs	\$33,253
HVAC Water Pumps & Controls	\$8,125
Elevator Modernization & Replacement	\$6,098
Splash Pad Resurface	\$14,684
Dumpster Room Repairs	<u>\$12,786</u>
Total	\$195,658.30

Repairs Will Continue to be Prioritized for Immediate Concerns

Assuming owners approve our 2023 Capital Reserve Assessment, repairs will be prioritized to do the following projects:

Sliding Glass Doors	\$50,000
Main Water Supply Repairs	\$20,000
Outdoor Pool Repairs	\$35,545
Pool Room Replumbing	\$5,000
Southside Door Replacement Earmark	\$300,000
Balcony Closet & Unit Entry Doors	\$40,000
South Wall Stucco Repairs	\$100,000
HVAC Water Pumps & Controls	\$5,000
Elevator Modernization & Replacement	\$500,000
Basement Buggy Replacement	\$5,500
KABA Lock Replacement	\$5,000
Lobby Door Replacements	\$75,000
North Lobby Stabilization	\$599,807
Security Camera upgrades	<u>\$5,000</u>
Total	\$1,745,852.00

These prioritized Capital Reserve repairs for 2023 and future repairs necessitate a 2023 Capital Reserve assessment of \$1,745,852.00 at the unit rates set out in Attachment 1 (page 6, entitled "Capital Reserves Assessment - \$1,745,852.00").

Our insurance dilemma. We experienced a 25% increase in 2022 insurance premiums over the approved budget, and the projected premium increase for 2023 is 30%. The operating budget is funded by dues over a 12-month period. Thus, without a source of income available in May to pay the premium, we are forced into taking a loan. With the advice of counsel, the Board agreed that a separate insurance dues/assessment could be done and would provide the following advantages to the association:

- Allow the HOA to pay the insurance bill in May without having to take out a loan.

- Allow the Board and owners to monitor the execution of the operating budget more accurately.
- Protect the owners from having critical projects delayed or canceled because of funding constraints from the insurance bill.

Attachment 1 (page 5, entitled "Insurance Annual Assessment - \$905,782.00") includes the estimated cost on a per unit basis for the proposed separate 2023 insurance assessment of \$905,782. We propose that the insurance dues / assessment be payable in four (4) equal monthly installments beginning on February 1, 2023 and ending on May 1, 2023 (although you can pay the full remaining balance for your unit anytime before May 1, 2023).

This separate insurance assessment will allow us to decrease the monthly dues for other recurring/annual operating costs other than insurance, per unit as follows:

	<u>2022</u>	<u>2023</u>
Ground Flr 01, 03, 012	\$872	\$746
Ground Flr 02, 011, 014	\$500	\$428
Ground Flr 04, 013, 015, 016	\$664	\$568
Ground Flr 017	\$890	\$762
109	\$735	\$629
1 Bedroom	\$506	\$433
2 Bedroom	\$670	\$573
3 Bedroom A01 & D	\$877	\$751
3 Bedroom F	\$879	\$752
3 Bedroom A17	\$895	\$765
Garage (113 Units)	\$17	\$17
Office 01	\$202	\$173
Office 02	\$347	\$297
Maintenance	\$440	\$377
Housekeeping	\$244	\$209

The dues levels for 2023 are on page 4 of Attachment 1, entitled "2023 Monthly Dues Breakdown - \$1,825,164.00."

REVENUE ENHANCEMENTS

Our Phoenix V building offers a number of amenities that serve a dual role of enhancing both the building's desirability and providing income to the HOA, thus reducing owner's costs. Current and future endeavors include the following:

Apparel / Phoenix V Branded items: Phoenix V partnered with River City to develop an apparel line. Flyers with QR codes are within the lobby of the building. In addition, River City can produce certain one-off items (travel mugs, etc.) with our logo. If you would like to get a PV branded item for the Holidays, now is the time to start thinking about placing an order!

Ike's Beach Service: Ike's provides lounge, chair, umbrella, paddle board and kayak rentals on the beach in front of PV. We are exploring additional options of rentals; however, this is a longer-term endeavor working with the City of OBA. The HOA receives a commission on all sales. This is no small amount, and the budget is usually over \$40K. Did you know that Ike's also provides PV owners a discount? You can call and set up an account: (251) 948-3757

Building Vending: As you are probably aware, PV has vending machines near the indoor pool area. We also sell ice. During this past summer, the HOA partnered with Sunset Vending to bring sundries vending to PV. The sea turtle wrapped vending machine is located at the lobby level. In addition to sundries, owners and guests can purchase PV branded slim and regular can koozies! We are pretty sure that we are the only building on the beach with this amenity!

Kona Ice: If you are out by the pool, but need some chillin', stop by Kona Ice and get a frosted drink!

Neutral Path / AT&T: As a reminder, the HOA gets fees for the rental space on the roof. In addition, they are planning to add a generator hook-up to PV so in the case of a power outage (tropical storm, hurricane, etc.) AT&T could bring in a commercial generator to have the cell tower powered which not only will help owners, but the entire beach community with the ability to communicate.

Parking/Wristbands: This is one of our largest revenue streams and helps to reduce owner costs in a major way. Please ensure if you rent your unit, that your rental company knows and understands the PV policies and fees associated here to reduce guest issues upon check in.

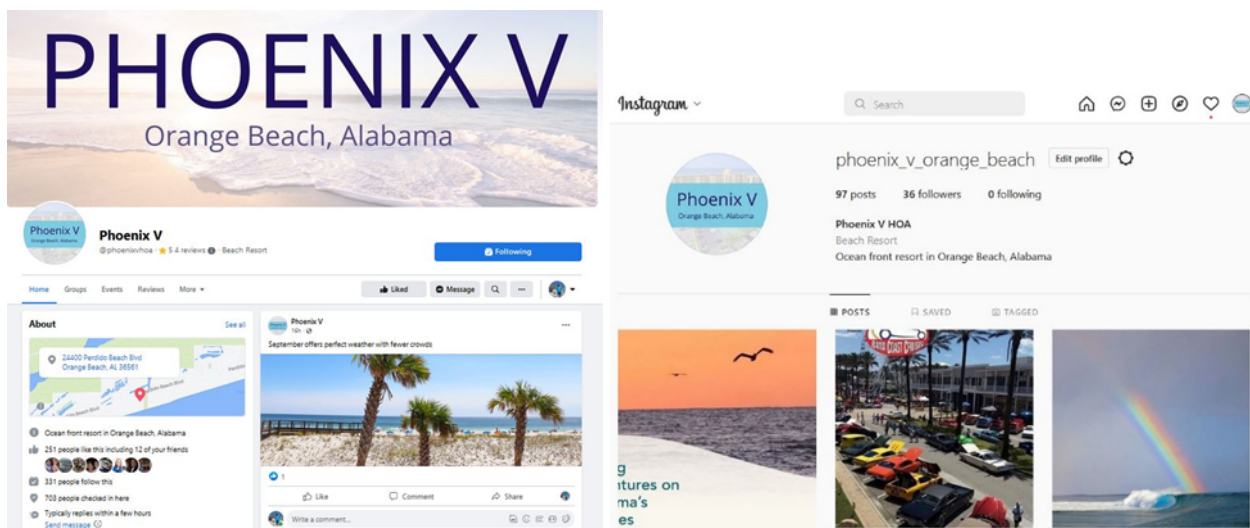
Underground Parking: Did you know that if you own a covered garage parking space, that you can join PV space rental program, which generates income for you as an owner, the building, as well as helps with parking congestion. In its 1st year PV has generated a good amount and we hope to enhance that benefit going forward!

Room Rentals: Did you know that PV offers the conference room for rent for \$250.00 for parties, receptions, conferences and meetings? Please stop by or call the Coastline front desk to inquire and book the room!



SOCIAL MEDIA UPDATE

If you haven't done so, please visit our pages at [Phoenix V HOA facebook](#) and [Phoenix V Instagram](#). Please follow us to support our efforts and to see updates on Phoenix V and local events.



Starting February 15th, 2022, we reactivated our Facebook page. On April 2nd we launched a social media campaign to draw attention to Phoenix V and our unique amenities as a great place to spend a vacation and/or purchase a condo. On May 26th we added Instagram and placed signage in prominent common areas inviting guests to follow us as well as tag their vacation photos with "Phoenix V" so friends can see what a good time they are having at our property.



The campaign includes 6-7 posts on both platforms each week consisting mostly of photos of our property along with some videos and announcements of upcoming local events. The goal is to reach as many people as possible to elevate the positive image and recognition of Phoenix V above other similar properties in Orange Beach, Gulf Shores, and the nearby Florida coast. This is particularly important to us as owners in the current economic environment as collectively we seek to maximize the value of our condos and/or rental income. The Gulf Shores & Orange Beach Tourism board is seeing visitor stays shorten and overall tourism visits return closer to pre-pandemic levels, so this campaign has been timely as we broaden our message reach to stay top of mind with prospective visitors and buyers.

Our social media strategy is to entice owners and guests to follow our page, tag photos they post with our Phoenix V geo-tag, and share our posts with friends in their network. We are not purchasing Facebook ads. Instead, we are seeking organic reach and engagement via people who follow us to help spread our message. How are we doing? Thus far we've achieved a 5.75% organic engagement rate, which exceeds the average for all Facebook business pages of

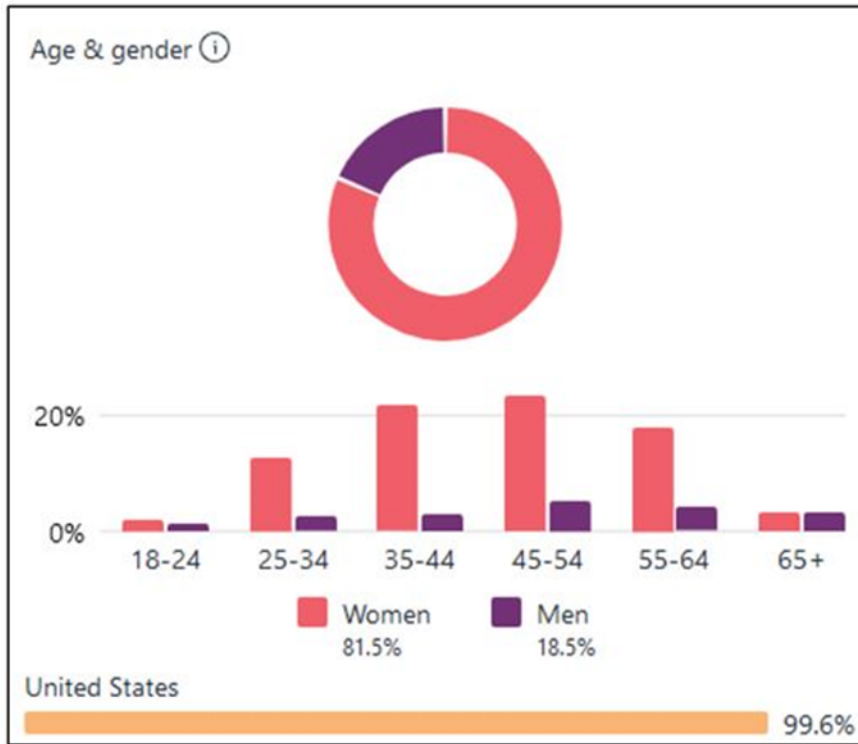
5.50%. We're pleased with the results so far, but know we can do better with your help.

Check out our results below for the first 7 months:

Facebook by the numbers

150	Content posts through 9/22/21
168	Times a post was shared by someone
250	People liking the Phoenix V page
330	People following the Phoenix V page
336	Comments (mostly on shared posts)
702	Check-ins/Photos posted by people tagging Phoenix V as their location
1,675	Different people visited the Phoenix V page
42,206	People reached by content posts (avg. 281/post)
94,154	Number of unique users who have seen content posts

Though we actively post to Facebook and Instagram, we focus on Facebook analytics in this newsletter as that platform is currently more developed with our core audience demographic and attracts about 88% of our followers and 99% of our message reach. Below is the demographic information for our combined Facebook and Instagram audience.



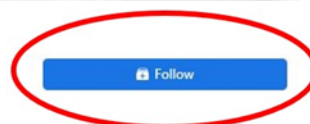
The platform gives us the opportunity to answer questions from guests as well as filter out any negative or inappropriate comments (though so far there have been none). **The campaign is being managed by one of our Directors, David McDaniel, so there's no cost to the HOA.**

How can you help us succeed?

- If you have good quality photos or videos you think would be good to post, please send them to: david.pvbod@gmail.com
- Visit our pages and follow us



Phoenix V
@phoenixvhoa • 5.4 reviews • Beach Resort



CLICK HERE



phoenix_v_orange_beach

Message

Follow

97 posts 35 followers 0 following

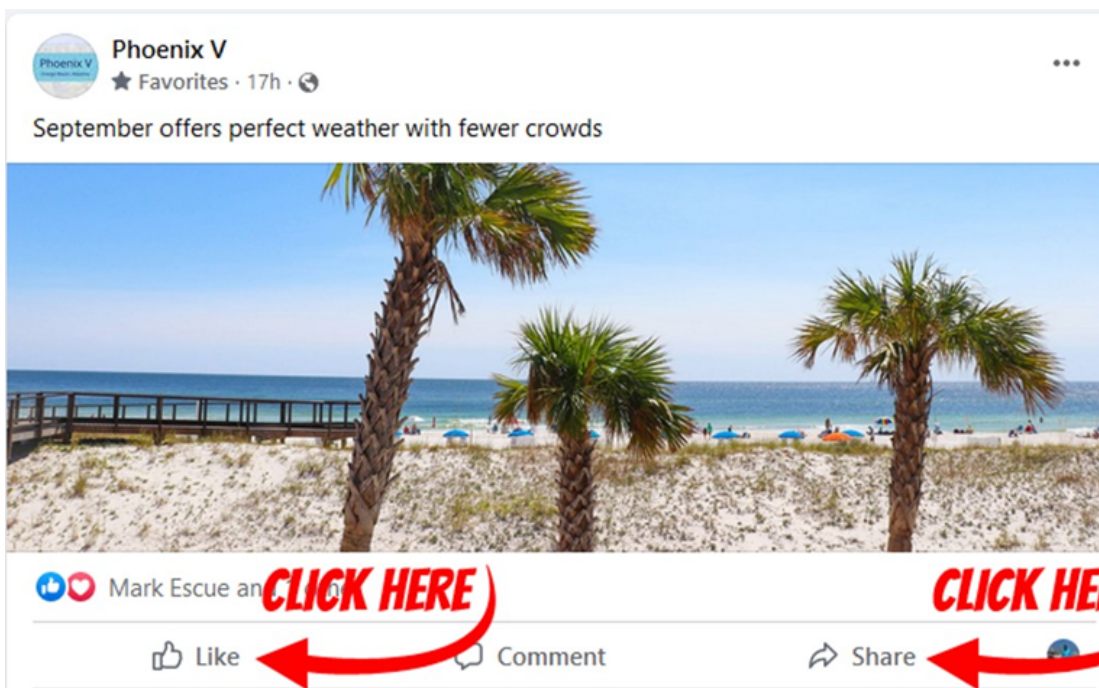
Phoenix V HOA

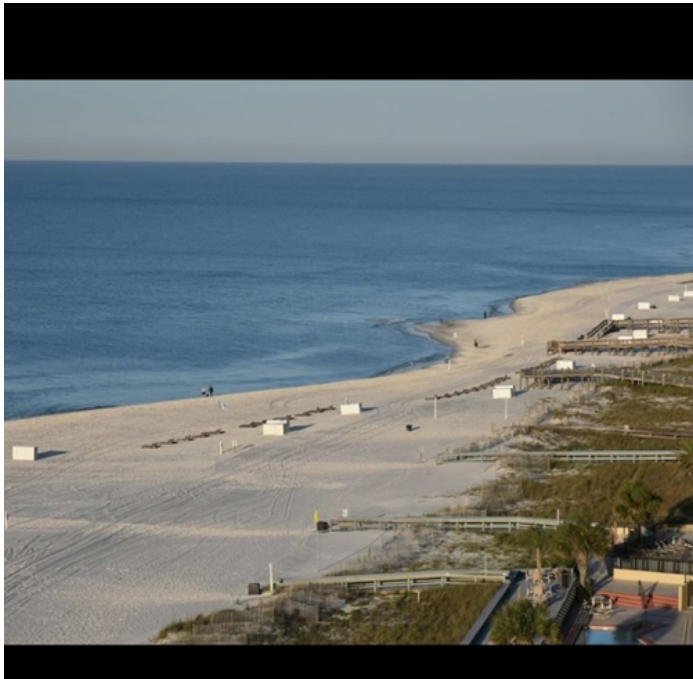
Beach Resort

Ocean front resort in Orange Beach, Alabama

CLICK HERE

- When you see a photo, video, or event post you like, please share it so others in your network can see positive images of Phoenix V. Our success on social media depends on user participation to drive our message.





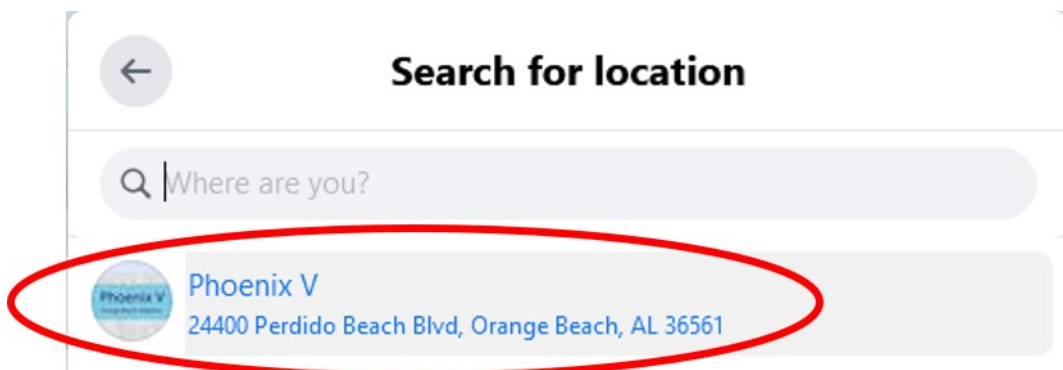
phoenix_v_orange_beach That day you had the beach to yourself
 #vacation #gulfshoresandorangebeach #orangebeachtourism
 #gulfshorestourism #alabamavacation #beachvacation
 #alabamabeaches #gulfcoast
 #beachlife #beachhouse #beachcondo #orangebeach
 #whitesandbeach
 1w

sheena.mediamarketing Amazing Post! Kindly check ur DM!
 1w Reply

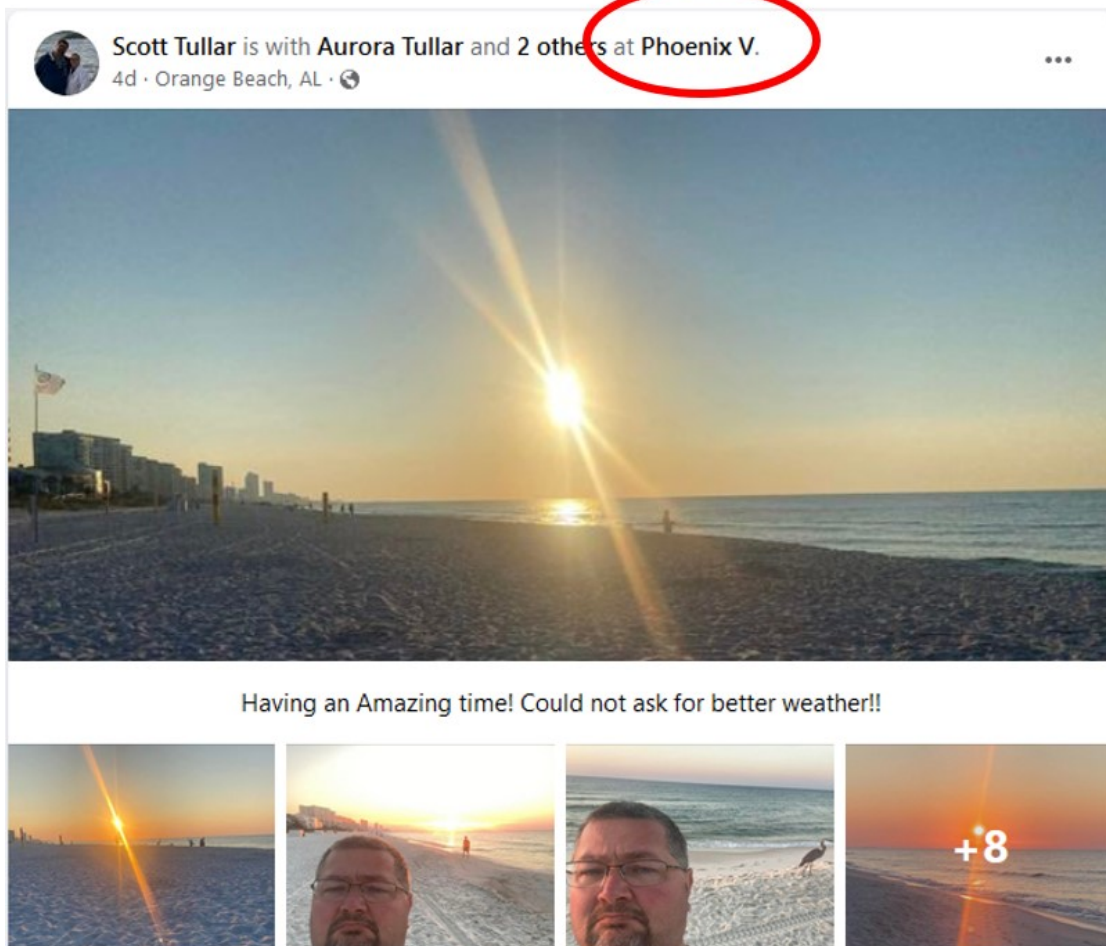
CLICK HERE



- If you post photos for friends to see while you're at Phoenix V, please make sure to tag them with our Phoenix V location. This helps increase our engagement score which helps elevate our posts so they're seen by more people (your posts are not seen by people outside your network).



Example of a location tagged Facebook post:



IN-UNIT PHONE UPDATE

We are working with Secure Vision to improve the accuracy and function of our in-unit phones. Our phones have direct dial buttons that can be better utilized to provide users with more useful links. Over the next couple of months, we will update buttons for all in-unit phones across our complex. If you would like to opt out of this program, please notify Chris Kostelansky, our HOA Manager ASAP



New phone placards will be produced and buttons will be set to direct dial and as follows:

- The Coastline front desk in the lobby. After hours this will roll to their call center to help answer questions or respond to a building emergency
- Phoenix V security
- Direct dial to the unit's rental company.
 - Please provide up to date rental agency company information to Coastline (Chris Kostelansky at 251-216-7138 or phxvmanager@coastlinemgmt.com) if you've recently made a change in agencies or if you're a new owner.
 - For non-rental units we would leave this button blank and deactivated.
 - For units that self-rent we need to get the phone number the owner wants us to use, along with an identifier for the button (i.e. Unit XX Beach Rental).
- Secure Vision – for issues with TV or internet connection
- The last button will be used by Secure Vision to provide local information (things to do, etc.). This is a work in progress by Secure Vision.

PARKING UPDATE

The Coastline front desk has been working hard to make sure that our guests receive the highest quality service available. To help make our service the best on the beach we need your help. There is still some confusion around the Parking / Amenities Passes.

According to the updated Rules and Regulations for Phoenix V ([Amended R&Rs](#)) all guests and renters must pay for parking. (The only exception is for immediate family or non-paying guests using the owner's parking pass and owner's wristbands.) Several times a week we have guests tell us that they were told that parking is included in his or her rental fee or that there was nothing in their contract about paying for parking.

As you can imagine, a guest who is hit with a \$50.00 Parking registration fee per vehicle as soon as they are checking is often frustrated and feels like they are being squeezed for every penny. This is not the first impression the HOA Desk or Phoenix V staff and board want to leave. We want our guests to be happy and excited to be here!

One way you can help the HOA Desk is to include the following suggested wording in all your advertisements and contracts. By being upfront with our parking pass and amenities registration costs, guests will not be surprised and less frustrated when checking in.

Suggested wording:

Parking Passes and Amenities Wristbands are purchased from the HOA desk when you arrive at Phoenix V. The Parking/Amenity fee is \$50 per vehicle (more for RVs, etc.), which is valid for the duration of your stay. One-bedroom units are limited to 1 pass while all other units are limited to 2 passes. Guests requiring more than 2 Passes should call ahead prior to your arrival to check on the availability of additional parking.

The cost of parking passes is set by the Phoenix V HOA and is subject to change without notice.

UNDERGROUND PARKING PROGRAM UPDATE

In the 2021 Fall Newsletter the Board of Directors introduced a new program. The plan was to ask owners who had underground parking spaces that were not being utilized on a regular basis to allow the HOA desk to rent that space to our guests. The plan included a financial incentive that would pay the parking space owner every time their space was rented.

Well, the program officially started in March of this year, and after 6 months we can report that the program has been a great success. We have 15 owners who have signed up to take part in the program and have generated more than \$6,000.00 in additional income for those owners so far this year, and nearly \$10,000.00 for the HOA (which helps keep everyone's dues manageable). Moreover, the extra spaces have relieved the pressure on the parking situation during peak season. Guests are happy that they have the option of parking out of the heat and rain, the front desk staff is happy that they don't have to turn away guests to offsite parking locations and the owners are happy with the added income. That's a real win-win situation. If you are interested in participating in the "Optional Underground Parking Program" please contact Chris at phxvmanager@coastlinemgmt.com.

COASTLINE CORNER

Hi, I'm Chris Kostelansky, the Association Manager for Phoenix V. I have been working for Coastline/Phoenix V since April of this year.

I have a Master of Theology, and a Doctorate of Divinity. Before moving to Alabama, I was the Executive Pastor of New Stanton Church in the Pittsburgh, Pennsylvania area. Prior to that I was an adjunct professor of emergency medicine in the Health, Physical Education, Recreation Department at Northern Michigan University, in Marquette, Michigan for 25 years, specializing in training EMTs, Wilderness Medical First Responders and First Aid along with some hiking, backpacking and snowshoeing classes. I also served as the Pastor at two churches between 2002 and 2019.

I have an extensive background in property management. This background comes from my years of owning my own rentals and as co-owner of a property management company that managed 142 rentals with about 20 different owners where I was the Renovation and Maintenance Director.

Outside of work, I share a 4-acre property with three houses with my wife Doris, my brother, two sisters, my niece and her five year old daughter, Elizabeth. I own a 3 1/2-year-old paint/quarter horse named Tovi and I help out on a local horse farm.



Phoenix V HOA Manager, Chris Kostelansky
EMAIL: phxvmanager@coastinlemgmt.com
PHONE: 251-216-7138

PHOENIX V

managed by



Coastline Management Contact Information

Coastline Phone

251-948-7001

Coastline Address

253 Professional Lane
Gulf Shores, AL 36542

Accounting Specialist - Laura Stevens

lauras@coastlinemgmt.com

Phoenix V Contact Information

HOA Desk Phone

251-216-7100

HOA Desk Email

pvfd@coastlinemgmt.net

Phoenix V Physical Address

24400 Perdido Beach Blvd.
Orange Beach, AL 36561

Phoenix V Mailing Address

P.O. Box 5037
Gulf Shores, AL 36547

Facilities Manager – Ed Lipinsky
edl@coastlinemgmt.net

CLOSING REMARKS

When I think back over all that we have had to do – and actually accomplished – over the past four years, I am amazed at all we have done. We really are a good ways down our road. More to go, but many miles already in our rearview mirror. We couldn't have done it without your encouragement, cooperation and kind words. Thanks so much again.

We look forward to seeing you (in person, hopefully) at the November 5, 2022, Annual Meeting.

Jim

**THANKS AGAIN,
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