

# **REPORT ON STATE OF OTOW CLEARWATER CONDOMINIUM COMMUNITY**

March 1, 2023

## **Summit Broadband Contract and Current Status**

There are several key areas regarding the Summit Broadband (SBB) contract and installation:

### **Customer Service**

At our last SBB listening session (classes) we heard a number of complaints about lackluster customer service, long wait times and problems with timely call backs. This level of service is unacceptable, and we are doing everything in our power to get these issues resolved including demanding credits from SBB until the video reception concerns are resolved.

### **Installations**

Overall, the installation progress has gone as well as can be expected with over 80% of the residences attaining hook up status. The remaining residences are being scheduled as residents return and reach out to SBB.

### **Door Fee**

At the time of signing the contract (4/22/22), SBB and the Association had not determined how the Door Fee would be paid to the Association as there were tax consequences (up to 30% to the IRS) that the Association would bear if SBB paid it directly, so negotiations continued regarding those alternatives.

The budget for 2022-2023 was approved by the Association, and a line item was added for Summit Broadband indicating that each unit owner would be charged \$19/mo. through their Community Service Fee (“CSF”) as it would take time for Summit to ramp up and bring all 4,968 units online.

After the budget had been approved, SBB and the Association did agree that the \$1.9M door fee would be issued (instead of a direct payment) through credits on each SBB bill to the Association until such time as SBB had paid the \$1.9M door fee. SBB billing was to begin once 688 connections were established.

To date, the Association has received billings from SBB. However, due to the SBB performance, in regard to ramp up through programming, the Association has requested and received credits for two additional months. This is reflected in SBB’s revised ramp schedule and billing that began January 2023 (see table). The \$1.9M Door Fee credits will be fully collected by December 23, 2023 in accordance with this new schedule.

SBB Table on Revised Build/Ramp Schedule

Original Ramp Schedule	Revised Build/Ramp Schedule	Billed Units	Rate	Monthly Charge	Est Taxes & Fees	Est Total Invoice	Door Fee Credit	Accumulated Door Fee Credit	Amount Due
22-Nov	23-Jan	688.00	\$ 45.00	\$ 30,960.00	\$ 2,447.17	\$ 33,407.17	\$ 33,407.17	\$ 33,407.17	\$ -
22-Dec	23-Feb	1,376.00	\$ 45.00	\$ 61,920.00	\$ 4,894.37	\$ 66,814.37	\$ 66,814.37	\$ 100,221.54	\$ -
23-Jan	23-Mar	2,064.00	\$ 45.00	\$ 92,880.00	\$ 7,337.52	\$ 100,217.52	\$ 100,217.52	\$ 200,439.06	\$ -
23-Feb	23-Apr	2,752.00	\$ 45.00	\$ 123,840.00	\$ 9,783.36	\$ 133,623.36	\$ 133,623.36	\$ 334,062.42	\$ -
23-Mar	23-May	3,440.00	\$ 45.00	\$ 154,800.00	\$ 12,229.20	\$ 167,029.20	\$ 167,029.20	\$ 501,091.62	\$ -
23-Apr	23-Jun	4,128.00	\$ 45.00	\$ 185,760.00	\$ 14,675.04	\$ 200,435.04	\$ 200,435.04	\$ 701,526.66	\$ -
23-May	23-Jul	4,818.00	\$ 45.00	\$ 216,810.00	\$ 17,127.99	\$ 233,937.99	\$ 233,937.99	\$ 935,464.65	\$ -
	23-Aug	4,818.00	\$ 45.00	\$ 216,810.00	\$ 17,127.99	\$ 233,937.99	\$ 233,937.99	\$ 1,169,402.64	\$ -
	23-Sep	4,818.00	\$ 45.00	\$ 216,810.00	\$ 17,127.99	\$ 233,937.99	\$ 233,937.99	\$ 1,403,340.63	\$ -
	23-Oct	4,818.00	\$ 45.00	\$ 216,810.00	\$ 17,127.99	\$ 233,937.99	\$ 233,937.99	\$ 1,637,278.62	\$ -
	23-Nov	4,818.00	\$ 45.00	\$ 216,810.00	\$ 17,127.99	\$ 233,937.99	\$ 233,937.99	\$ 1,871,216.61	\$ -
	23-Dec	4,818.00	\$ 45.00	\$ 216,810.00	\$ 17,127.99	\$ 233,937.99	\$ 55,983.39	\$ 1,927,200.00	\$ 177,954.60
	24-Jan	4,818.00	\$ 45.00	\$ 216,810.00	\$ 17,127.99	\$ 233,937.99	\$ -	\$ 1,927,200.00	\$ 233,937.99

First amount due

**Association Money Market Account**

The Association opened a Money Market Account, at Synovus Bank, where the SBB portion of the CSF (\$19/mo. x 4,968 units) is deposited monthly. At this writing, there is \$660,744, in this account, plus interest. By June 30, 2023 there will be a total of \$1,133,704, plus interest, held in this account.

**SBB Community Events Earmark**

The SBB Contract also contains a provision to pay the Association \$3,000 for yearly community events. Thus far in this budget year, in addition to holding classes on property on how to use the SBB equipment, answering resident questions, etc., SBB has secured the Jolley Trolley on March 4 for the Irish Day parade. The Jolley Trolley will transport OTOW residents from the west side over to the east side for the parade and back home. The trolley is scheduled 9 a.m. - Noon.

### **Condo Reform (SB 154) and 2023-2024 Budget Impact**

One of the most significant Florida condominium laws passed in a generation could have a profound impact on your monthly CSF!

Senate Bill 154 proposes to amend the law enacted last year (known as SB 4D) that was passed in the wake of the Condo collapse in Surfside. While SB 4D sought to strengthen the laws that protect residences (good) it also had some provisions that if not fixed will result in large increases to your monthly CSF (bad). The law, if not changed, would not allow OTOW residents to waive budget reserves each year and will mean the Association – by law – will be forced to raise CSF to cover reserves even though OTOW Condominium has always budgeted adequately to fund predictable future expenses.

Thank you to those residents who have reached out to our local lawmakers to ask for changes to avoid having to raise our CSF.

Additionally, the law requires that the Association complete Phase I and, if needed, Phase II inspections of all structures three stories and greater by the end of 2024. Based on one proposal received from an engineering firm, the Association is looking at, for Phase 1 inspection cost, \$1,136,000.

While we of course want OTOW to remain a very safe, comfortable, and enjoyable place to live, these newly mandated costs simply must be accounted for.

Please rest assured that your Board is doing everything it can to meet the spirit and the letter of this new law but also to seek relief from lawmakers, especially on the provisions that prohibit reserve waivers which, for us are simply not needed in OTOW Clearwater.

If the legislature approves alternative funding arrangements for reserves, the Board may consider applying the funds held in the Money Market account to pay for the Phase 1 inspections, in lieu of assessing reserves for inspections, provided the vote by Association members to waive reserves meets the required threshold.

If however the legislature does not approve the alternative funding measures for reserve accounts, or the vote to waive reserves does not meet the required threshold, the Association will be required to establish reserves for not only the SB 154 matter, but also for Roofs, Painting, Paving, Elevators and other statutory reserve categories.