

AGENDA

- Report on Reserves Study
- Recommendations & Effect on 2026 Budget
- Budget Process
- 2026 Details
- 2026 Recommendations
- Waste Water Treatment
- Question & Comments

Reserves Study

- 2025 Budget: \$21.22/month = \$230,446
- End 2025: \$1,413,836 estimate
- March 2016: Last Cross Creek Reserves Study
- April 2025: \$7,920 Contract with Association Reserves
- Reserves Committee: Mary Peabody and Jeff Cason
- June 5th: Detailed Site Inspection
- July 18th: 1st Draft Report Increase monthly from \$21.22 to \$91.11
- Sep 19th: Final Report after corrections

Final Reserves Report

- 2025 Budget: \$21.22/month = \$230,446 – estimated to use \$176,885
- Recommended 100% Funded: \$375,250 from \$21.22 to \$34.55
- Baseline Recommendation: \$271,350 from \$21.22 to \$24.99

The **primary reason for increased Reserve funding** recommendations within this report is primarily due to a couple large expense items, including the current ongoing **pond erosion control measures**, phase 3 and 4 of the contract, the **clubhouse renovation** plans in the near future, and **aged golf equipment** at the end of their useful lives. Based on these larger expenses in the initial years, we anticipate the association should be able to lower the Reserve funding amount circa 2029, following these expenses, to avoid over funding in the future.

Category	Study	Ours	Difference
Golf Course Equipment	\$744,750	\$175,000	(\$569,750)
Clubhouse	\$604,033	\$120,000	(\$484,033)
Paving	\$560,725	\$200,000	(\$360,725)
Bridges	\$361,375	\$150,000	(\$211,375)
Golf Course	\$884,950	\$700,000	(\$184,950)
Tennis Courts	\$166,080	\$22,000	(\$144,080)
Kitchen Equipment	\$104,000		(\$104,000)
Common Grounds	\$193,500	\$100,000	(\$93,500)
Pump Station	\$160,500	\$90,000	(\$70,500)
Pool Deck Pavers	\$100,000	\$35,000	(\$65,000)
Other	\$53,800		(\$53,800)
Mechanical/Electrical/Plumbing	\$96,450	\$65,000	(\$31,450)
Roofing	\$419,290	\$394,100	(\$25,190)
Furniture & Fixtures	\$140,000	\$115,000	(\$25,000)
Bar Equipment	\$15,250		(\$15,250)
Pool Furniture	\$18,755	\$10,000	(\$8,755)
Pool & Spa Heaters	\$18,000	\$14,000	(\$4,000)
Recharge Wells	\$8,000	\$8,000	\$0
Painting	\$18,615	\$20,000	\$1,385
Resurface/Recoating		\$35,000	\$35,000
Pool & Spa Reline	\$42,500	\$99,700	\$57,200
Cart Paths	\$59,500	\$150,000	\$90,500
Surface Water		\$103,180	\$103,180
Field Irrigation	\$475,000	\$600,000	\$125,000
TOTAL RESERVES	\$5,245,073	\$3,205,980	(\$2,039,093)

Reserves Considerations

- **FROM THE STUDY:** We anticipate the association should be able to lower the Reserve funding amount circa 2029, following these expenses, to avoid over funding in the future. The association does not need to be 100% funded in order to cover the costs of the expenses.
- **FROM THE WEB:** In recognition that maintaining a fully 100-percent funded balance is overkill in most cases, some in our industry state that setting a goal of maintaining 70 percent of the fully funded balance is sufficient.
- **70% of \$5,245,073** (Study's 100% Funding) = \$3,671,551 vs our current \$3,205,980
- **For SIRS condos (3+ stories):** Florida law 10% of Budget be allocated to Reserves
- **For CC in 2026:** 10% of expected Budget would require \$27.79 a month.

Reserves Options

- **Maximum 100% Funding:** \$34.55 an increase \$13.33 a month
- **Baseline Funding:** \$24.99 an increase of \$3.77 a month
- **10% o Budget Funding:** \$27.79 an increase of \$6.57 a month
- **Recommending the 10% -- increase from \$21.22 to \$27.79**

Reserves Plan

- **2026 Budget** — Fund individual items as recommended by the Study
- **Change Component to Pooled Reserves:** Requires a member vote
- **Monitor & Manage Pool:** Use Reserves Study 160 items to fund adequately
- **Annual Internal Review:** Ensure overall plan remains on target
- **Future Reserve Study:** Evaluate based on experience and/or 3 year suggestion

Budget Process - August

- Aug: Collect data – about 180 items from 5 cost centers via Excel spreadsheets

	2026	2025	2024	Change	YTD	YTD	YTD
GOLF COURSE	Budget	Budget	Budget	2026	Actual	Budget	Variance
Payroll	\$600,000	\$513,783	\$459,110	\$86,217	\$237,694	\$263,232	(\$25,538)
Group Insurance	\$150,000	\$140,000	\$131,800	\$10,000	\$52,185	\$67,448	(\$15,263)
Fertilizer		\$105,000	\$95,000		\$32,834	\$56,342	(\$23,508)
Chemicals		\$90,000	\$80,000		\$66,960	\$51,945	\$15,015
Payroll Taxes&Fees		\$15,300	\$91,822		\$41,091	\$46,042	(\$4,951)
Equipment Repair		\$85,000	\$75,000		\$32,850	\$46,780	(\$13,930)

Budget Process - September

- Identify items with large increases and/or anomalies
- Review items with managers and board liaisons
- Consolidate 5 cost centers into a 2026 budget spreadsheet
- Board personnel meeting to discuss and agree upon 2026 payroll increases
- Review Reserves to determine 2026 requirements
- Add salary and reserves to 2026 budget to generate a draft monthly assessment

Budget Process – October

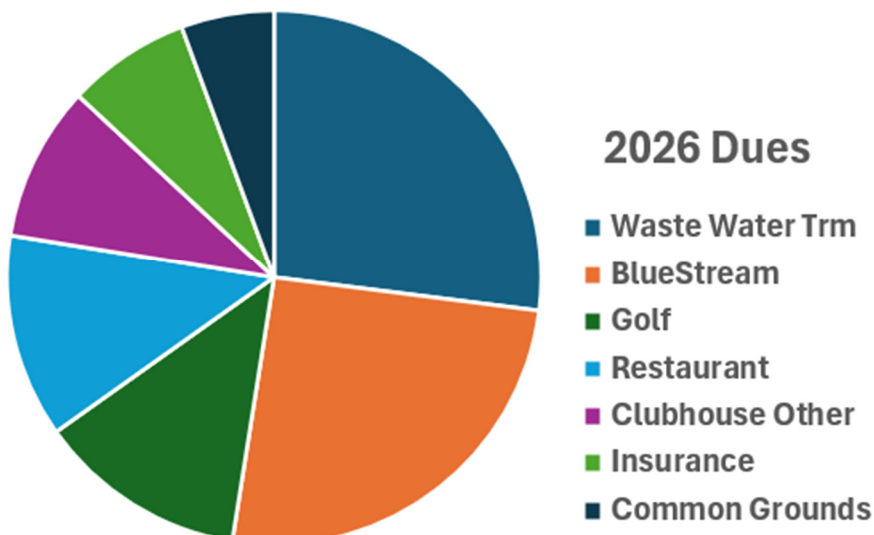
- Review prior years' retained earnings, roll over funds, YTD financials
- Agree on final 2026 assessment
- Prepare financial tables and letter to be mailed 2 weeks before meeting
- Conduct Budget Meeting before end of October
- Comments
 - Operational budget dictated by cost increases in major items
 - If we trust managers & liaisons, little if any options
 - Reserves <10% & Carry Overs <10% and disappearing

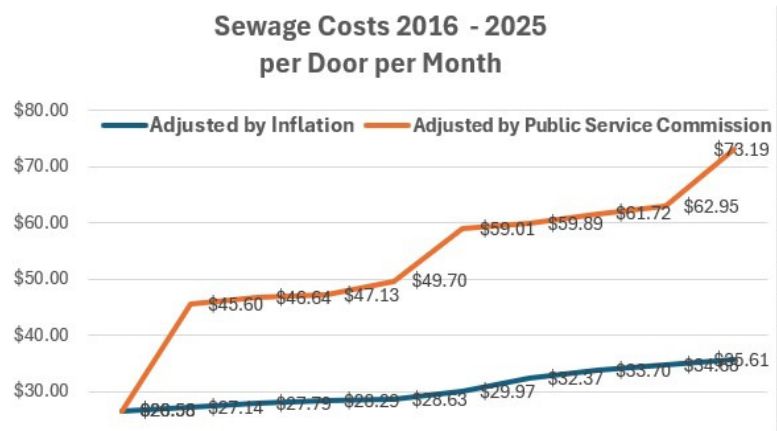
2026 Budget – Largest Monthly Increases

	2026 Budget	2025 Budget	2026 \$ Change	2026 % Change	Dues by line items
Waste Water Trm	\$815,000	\$720,000	\$95,000	13.2%	\$8.75
PS Payroll	\$240,000	\$212,680	\$27,320	12.8%	\$2.52
Blue Stream Fiber	\$770,000	\$746,000	\$24,000	3.2%	\$2.21
RS Payroll	\$402,825	\$382,150	\$20,675	5.4%	\$1.90
GC Chemicals	\$110,000	\$90,000	\$20,000	22.2%	\$1.84
GC Equipment Repair	\$100,000	\$85,000	\$15,000	17.6%	\$1.38
CG Contract Labor	\$56,000	\$42,000	\$14,000	33.3%	\$1.29
GC Fertilizer	\$115,000	\$105,000	\$10,000	9.5%	\$0.92
CH Repairs & Maintenanc	\$40,000	\$34,000	\$6,000	17.6%	\$0.55
CG Repairs & Maintenanc	\$95,000	\$90,000	\$5,000	5.6%	\$0.46
RS Supplies	\$35,000	\$30,000	\$5,000	16.7%	\$0.46
Totals	\$2,778,825		\$241,995	8.7%	\$22.28

2026 Monthly Dues

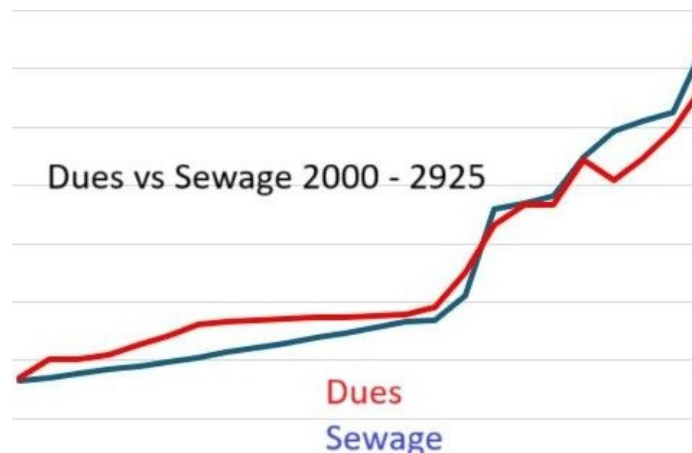
Waste Water Trm	\$75.05
BlueStream	\$70.90
Golf	\$35.25
Restaurant	\$34.36
Clubhouse Other	\$26.06
Insurance	\$20.72
Common Grounds	\$15.63
Operations	\$277.96
Reserves	\$27.79
Carry Over	(\$27.62)
Total	\$278





2026 Monthly Dues

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BlueStream	\$70.90
Golf	\$35.25
Restaurant	\$34.36
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Operations	\$277.96
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Sunshine Water Services 5,000 gallon/month Flat Rate

- **2017 PSC:** Eagle Ridge Community using 2,489 GPM
- **CC Sewage Bill:** Up **71.6%** in 2017; Up **13.5%** in 2021; Up **17.5%** in 2025
- **2017-2026:** Sewage bill > \$6,000,000
- **Actual GPM:** 1,404 GPM in 2024; 1,434 GPM in 2025
- **5000 Flat Rate is more than 3.5 times our actual usage**
- **Water Bills from every meter in Cross Creek**