

# South Hampton Property Owners' Association

2022 End of Year Newsletter



## **Board of Directors**

Tom Leonti	President
Chuck Campagna	Vice President
Michael Mercadante	Treasurer
Hank Cigolle	Director at Large
Jerry Noel	Secretary



## **Special Thanks**

On behalf of South Hampton, we'd like to extend a robust Thank You to Hank Cigolle for the years of time and dedication. We are grateful for your service on the Board of Directors. Congratulations on the sale of your condo! We wish you and your family prosperity.

**2023 Budget** - Enclosed in this mailing for your information is a copy of your approved budget for 2023 as well as a detailed summary of cost increases. The 2023 KPMA Budget is on the community website for your review.

## **Empress Contact Information**

Your Association Manager is Stacey Bailey, and your Administrative Coordinator is Michelle Taylor. You can reach them via email at [stacey@empresstmgt.com](mailto:stacey@empresstmgt.com) and Michelle at [michelle@empresstmgt.com](mailto:michelle@empresstmgt.com). or by phone; (843) 443-4003. Our Mailing address is PO Box 8939, Myrtle Beach, SC 29578.

## **After-Hours Calls**

### **Please call 911 for any life threatening emergencies**

For property threatening after-hour emergencies, please 843.443.4003, once prompted, press 5. Please leave a detailed message and your call will be returned shortly. All non-emergency calls will be returned the next business day.

**South Hampton Community Website** - <https://empresstmgt.cincwebaxis.com> address when registering. Please contact our office if you need any help registering. Your community website is the primary location to review and retrieve:

- Master Deed
- Insurance Certificates
- Bylaws
- Announcements of Board
- Rules and Regulations
- HOA meetings
- Annual Meeting Minutes
- project updates
- Audits
- Making online payments

When registering use the property address. You will need your account number, which is 165(+) your unit number (example: 165101).

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## **2022 Accomplishments**

- Re-negotiated Several Contracts
- Reduced Kingston Communication Cost
- Reduced Maintenance Supply Spend
- Starting Building Structural Review
- Revised Rules and Regulations
- 2<sup>nd</sup> Annual Town Hall Meeting 10/29/2022
- Replaced Broken Lobby Tiles
- Replaced/Repaired Pool Bathroom Doors
- Installed Combination Pool Gate Lock
- Installed 2 Dog Waste Stations
- 5 New Pool Umbrellas
- Replaced AC Unit in Mechanical Room
- Replaced Cooling Tower Chemical Controller
- Added Cooling Tower Legionella Testing
- Replaced Cast Iron Pipes in Garage
- Roof Repair and Inspections
- Balcony Railing Punch List
- Installed Building Address Numbers
- Initiating Preventive Maintenance Programs
  - HVAC / Domestic Water / Fire System



In May 2021, the current Board of Directors were elected to serve and began the long journey to bring us to where we are today. Their terms started with less than \$2K in reserves. Through negotiating, budgeting, and researching, the reserve account surpassed \$390K by October 2022, in addition to completing the items above. This was a huge and necessary success for the day to day upkeep and betterment of the property, as well as the financial health of the Association. While we are certainly in much better shape than we were, the annual reserve contribution necessary is \$420K to support future capital needs.

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Dear South Hampton Property Owners,

The Board of Directors, along with Empress Management have been actively working on the annual budget. Enclosed is a copy of the 2023 Approved Operating Budget for your review. Below is a summary of the adjustments you will notice in comparing the 2023 approved budget with the 2022 budget:

## **Income**

The income for the association primarily consists of the monthly regular assessments collected, and a modest income from storage room rentals.

## **Repairs & Maintenance**

- There are several minor adjustments in many of these line items, but the most significant change is related to the Generator Service Agreement. In 2022 we reached the end of our contract with Santee Cooper and were able to purchase the generator for \$1.08. The budgeted amount you see reflects the cost of the annual service contract, allowing us to reduce this by nearly \$16k. Overall, the Repair and Maintenance Expense reflects a decrease year-over-year.

## **General & Administrative**

- Legal/Professional Services show the same as amount. We've kept the same as a result of owners suing the association and the Board is soliciting estimates to have a Reserve Study performed; this would be classified under 'Professional Services.'
- KPMA has notified us of an increase for 2023. This line item reflects a significant increase due to the bulk rate for high-speed internet services. If you currently pay Spectrum directly, you will not need to do anything. Spectrum will stop billing you automatically. If you pay for an internet plan via Kingston Communications you will not need to do anything, they will stop billing you automatically. If you use any other service outside of these two, you will need to contact them to disconnect service if you wish to do so. High-speed internet is now provided by the Master Association, which increases the monthly cost our Association pays to KPMA and in turn increases the amount we pay our Association. This will ultimately be a cost savings to you.
- Our insurance agent informed us to expect a large increase for next year's renewal. The insurance market has been heavily impacted in 2022 and as a result, they are expecting a significant increase in renewal rates. You will see a \$45k increase in this line item.

Overall, the General and Administrative Expense increase is due to KPMA and Insurance increases.

## **Utilities**

- Adjustments are based upon historical data from our annual audited financial statements along with YTD financial information and 12-month historical trends. You will see some variances in these line items such as Water/Sewer and Fuel. Water/sewage is our largest increase based on 2022 costs.

The General Reserve Contribution is the largest increase this year. To date, the Board has utilized historical property data along with research and industry standards to create a Reserve Worksheet, which brings us to the \$420K annual General Reserve Contribution cost. With the extensive homework put into creating the worksheet, it is believed this amount puts us in the best financial position for 2023 and beyond. It is important to understand that this fund is critical for the necessary repairs, replacement, and upkeep of our property. Increasing the monthly contribution significantly reduces the chances of a special assessment requirement.

**Year-over-year expenses reflects an increase of approximately 11%.**

For Your Board of Directors,



Empress Management, LLC  
Association Manager

**SOUTH HAMPTON POA  
2023 OPERATING BUDGET**

144 Units

		2020	2021	2022	2023
		Budget	Budget	Budget	Budget
<b>INCOME</b>					
30100	Regular Assessments	\$ 1,363,067	\$ 1,371,917	\$ 1,417,824	\$ 1,580,137
35100	Common Area Rental Income	6,000	6,000	13,000	13,000
<b>TOTAL INCOME</b>		<b>\$ 1,370,417</b>	<b>\$ 1,377,917</b>	<b>\$ 1,430,824</b>	<b>\$ 1,593,137</b>
<b>OPERATING EXPENSES</b>					
<b>Repairs and Maintenance</b>					
41300	Maintenance Contract	\$ 168,000	\$ 168,000	\$ 167,800	\$ 154,368
42000	Pool Supplies/Repairs	5,000	8,125	7,500	6,000
43000	General Maintenance/Materials	74,625	49,500	50,000	50,000
44500	Water Conditioner	3,200	3,200	3,200	3,200
45000	Interior Pest Control	3,700	3,700	3,584	5,880
45100	Termite Treatment	1,800	1,800	1,800	0
46000	Elevator Maintenance	17,500	18,000	18,540	14,529
46500	Cooling Tower Maintenance	3,750	3,750	5,300	7,499
46600	Fire System Maintenance	15,000	15,000	14,000	14,000
46900	Generator Lease	17,100	17,200	17,527	1,470
47000	Janitorial Supplies	7,000	12,000	12,000	6,000
<b>Total Repairs &amp; Maintenance</b>		<b>\$ 316,675</b>	<b>\$ 300,275</b>	<b>\$ 301,251</b>	<b>\$ 262,946</b>
<b>General and Administrative</b>					
51000	Office Supplies	\$ 4,500	\$ 4,500	\$ 250	\$ 750
51100	Printing/Copies	-	-	3,016	3,500
51200	Postage	-	-	400	400
52000	Legal/Professional Services	1,000	10,000	20,000	20,000
52100	Audit/Tax Preparation	3,200	3,500	3,500	3,500
52200	Management Services	25,000	25,000	32,832	32,832
54000	Annual Meeting	2,000	2,000	1,000	1,000
59850	Bad Debt	-	-	0	0
59900	Administrative Expense	-	1,000	1,000	1,500
77000	Master Association Fees (KPMA)	\$ 227,815	227,815	235,968	277,132
83300	Insurance Renewal	273,000	285,000	300,000	345,000
<b>Total General &amp; Administrative</b>		<b>\$ 536,515</b>	<b>\$ 558,815</b>	<b>\$ 597,966</b>	<b>\$ 685,614</b>
<b>Utilities</b>					
60000	Electricity	\$ 50,000	\$ 56,000	\$ 54,000	\$ 54,000
60100	Water/Sewer	90,000	79,000	95,000	110,000
60200	Fuel	3,500	3,500	5,781	6,359
60300	Trash Removal	14,000	15,000	15,450	15,914
60500	Cable TV (KPMA)	32,727	32,727	33,662	34,704
60600	Telephone/Internet/Comm.	7,000	7,600	7,714	3,600
<b>Total Utilities</b>		<b>\$ 197,227</b>	<b>\$ 193,827</b>	<b>\$ 211,607</b>	<b>\$ 224,577</b>
<b>OTHER EXPENSES</b>					
99910	General Reserve Contribution	320,000	\$ 320,000	\$ 320,000	\$ 420,000
72000	Taxes & Fees	-	5,000	0	0
<b>Total Other Expenses</b>		<b>\$ 320,000</b>	<b>\$ 325,000</b>	<b>\$ 320,000</b>	<b>\$ 420,000</b>
<b>TOTAL OPERATING EXPENSES</b>		<b>\$ 1,370,417</b>	<b>\$ 1,377,917</b>	<b>\$ 1,430,824</b>	<b>\$ 1,593,137</b>

# of units	Unit Type	% of ownership	2020 Monthly Dues	2021 Monthly Dues	2022 Monthly Dues	2023 Monthly Dues
72	2 Bedroom Unit	0.0063140	\$ 717	\$ 721	\$ 746	\$ 831
69	3 Bedroom Unit	0.0075750	\$ 860	\$ 865	\$ 895	\$ 997
3	4 Bedroom Unit	0.0075750	\$ 860	\$ 865	\$ 895	\$ 997
144						