

MINUTES

Budget Review Meeting 4 December 2020

Present: Dan Cross, James Watson, Nick Thompson, Calvin Chew, & Michelle Esposito

This meeting was scheduled to review the budget commentary that has been prepared by BAML and proposed to be sent to all leaseholders along with the service charge demands.

1. Schedule Not Lining Up

NT noted the budgets which were sent out were hard to read. Some of the numbers given in the budget don't add up correctly. The budget generally shows an overall reduction in service charge, as it now includes income shown that wasn't there the previous years. JW mention the site has always had the income line as they implied LCI generates income from healthclub inductions, but it wasn't placed in previous service charge budgets as shown in Phase 2 page 6 & 9. JW discussed the excel spreadsheet shared with the RA similar to the one shared by Sally-Ann in July 2020 and an update would be forwarded.

2. Income Generation

NT mentioned the 2020 and 2021 budgets do not match when the numbers are added up manually from Phase 2 pg 2, compared to those on pg7 and 8. . On pg 10, has the income line, 2020 doesn't have any income factor in, but the 2021 line shows the projected income for the year. JW and DC discussed and agreed to provide further information regarding the CHP income and also to split this to ensure a like-for-like comparison is provided.

3. The merger between London City Island (LCI) and Good Luck Hope (GLH)

JW specified LCI will not be subsidising for units under construction at GLH and that the developer would be paying service charge for all unoccupied units at GLH (completed and under construction). He also communicated the percentage difference between LCI and GLH would be c.68%/32% the shared estate and services would be apportioned on this basis . DC will be sharing the information when he has it.

4. Graham Pack

NT hasn't been able to get a response from him. JW and DC have also been having the same problem with them as for receiving information and response to the emails sent to them. Both will chase up.

5. Car Park

CC noticed car park prices would be increasing, and no information has been released to why the costs will be increasing. JW brought up all the documents to the RA to clarify the increase and the breakdown to the charges, this would be detailed further in the commentary.

6. Insurance

NT made known, in the previous budgets insurance wasn't mentioned. JW revealed the insurance was always there, but it was under a different heading for building maintenance. JW explained LCI building insurance is set at the beginning of the fiscal year, but the insurance is actually billed in the middle of the year. There may be premium increases for 2021 after the budget has been set. The insurance company will be giving more clarification in the increase in price. Once JW and DC have this information, it will be passed on.

7. CHP Revenue

JW mentioned there is a new energy manager; Sirio D-aleo and further confirmation of the CHP income would be sought and provided.

8. Security

The 2020 budget shows as the combination of both LCI and GLH security cost. For 2021 the amount will not be shared between the 2 resorts.

9. 2019 Accounts

JW told 2019, will be released in the next weeks with clarification and more detail for residents to know whether a refund will be due. DC will be sending the document to NT in January, and then it will be shared with the RA.

10. Refund of Disputed Charges

JW announced Howard Kennedy is dealing with the refund for the issues from the service charge bills. Only certain residents of Phase 2 were impacted by the 2018 charges, and the repayments will be made, this will be funded by the developer.

Actions

- JW/DC to revise budget commentary
- DC to forward revised detailed budget excel sheet

- Further discussion regarding potential for service charge 'surgery' for leaseholders to attend and ask questions