

Palermo at Venetian Golf & River Club POA

May 2021 Update

Greetings neighbors. As the weather warms up and we are well into 2021, we (your Palermo Board of Directors) wanted to reach out and update everyone on a few issues concerning our neighborhood. First, you may be interested to know where we are financially; next, representing our biggest expense you should know what's going on with landscaping; and finally, we would like to introduce the concept of "good, better, best" if you are not familiar with it.

Financial update

The 2021 Approved Budget maintained our quarterly assessment at \$465 per homeowner, which translates into approximately \$145,000 of annual revenue for the POA this year. This amount has remained the same for the last several years.

We have budgeted \$120,500 for the lawn maintenance contract with Bloomings: lawn care (\$111,500) and irrigation repairs (\$9,000). Obviously, landscaping accounts for the bulk (83%) of the POA 2021 budgeted spending. The balance of the 2021 budgeted spending goes to administrative costs totaling \$18,300 (management fees, accounting and insurance, etc.) and a small contingency of \$6,250.

You may recall that in 2020, the POA undertook a large landscape replacement project, where we spent approximately \$70,000 on new sod in numerous locations throughout the Palermo neighborhood. This was not budgeted for in 2020. We were fortunate to have built up a significant cash balance in prior years, so we were able to fund the landscape replacement and avoid any increase in homeowners' quarterly assessments and/or the need for a special assessment.

Through the first quarter of 2021, the Palermo finances are right on track, our expenses have been in-line with the 2021 Budget, generating a small year-to-date surplus of \$3,628.

Otherwise, there has been nothing unusual or concerning at this time. The 2021 budget and the monthly financial statements are available for your review on the Palermo website under financials: www.mypalermohoa.com

Landscape update

Since this is the biggest line item in our budget, we thought you would like to know what to expect with landscaping. In summary, we have an annual contract with Bloomings to provide (from April 15 – October 16) weekly mowing, edging and blowing (basically the front areas) and plant bed edging, pruning, weeding, fertilizing, mulching, pest control, etc. on a less frequent schedule. From October 17 to April 14 the contract calls for bi-weekly/as needed services. Bloomings also inspects and cleans the irrigation system every month and

makes repairs accordingly. Attached you will find their 2nd quarter schedule (also available on our website).

“Good, better, best” concept

You may have heard of this concept before; it refers to three degrees of quality in a product or service. While there are lesser degrees of quality, as the old adage goes “you get what you pay for.” When it comes to purchasing products or services for Palermo we want to make sure we have “good” quality at a minimum. We want our neighborhood to look good/well maintained and retain our property values. Naturally, we can expect prices to rise when quality increases.

When we all moved to Palermo we were looking for “maintenance free resort living” or something resembling that. The marketing literature (for those of us who bought from the developer) and our POA documents told us that we would have grass and it would be maintained on a regular schedule. What the docs failed to define specifically was the level of quality we should expect for these landscaping services.

After getting involved with our POA board, we have come to understand that we are paying for “good” quality services from Bloomings. They are not perfect and landscapers will occasionally make mistakes, but they are also not our personal gardeners. Should we as a neighborhood elect to have the “best” quality we could certainly do that, and we could expect the price to reflect that as well. Bloomings, for example, could spend twice as much time providing the trimming, edging, weeding, etc. services, add hand-pruning, liquid fertilizer, organic fungal applications, etc. for an additional \$50,000 to \$100,000 annually. However, this could translate to a 50%-100% increase in our quarterly POA payments.

At the end of the day, our expectations should be in line with the services we are paying for. Overall Bloomings is dependable, fast, thorough, fairly priced and willing to work with us on any problems identified. Simply put, for the money they are the best landscaping company we have contracted so far (this is the 3rd landscaper we have had in 5 years), and they are willing to make things right if they get it wrong.

The bottom line: as your Board, we will continue to work with Bloomings and hold them accountable to the contract requirements. As residents of Palermo, let’s each do our part too—pull a weed or two, water a dead spot, blow the clippings if not to your satisfaction, contact Bloomings if things are really bad (<https://www.bloomingslandscape.com/service-request-1>) and if that doesn’t get it done contact one of us. Or, we could take a vote at our next annual meeting and find another way to get higher quality landscaping services, at a higher cost of course!

Wishing you all a great summer!

Sincerely,

Palermo Board of Directors

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