



# The Turning Point

## BOARD OF DIRECTORS 2023

**GREGORI ARZUMANOV, President,**  
**LORETTA WAND, Vice President,**  
**YURI BOBROVNIKOV, Treasurer**

**PETER ILLES, Secretary**  
**ALEXSEI MAXIMOV, Director**



### **A MESSAGE FROM THE PRESIDENT OF THE BOARD OF DIRECTORS,**

**GREGORI ARZUMANOV**

I would like to start this article by expressing my gratitude towards all of the Board and the Grievance Committee members, my colleagues, for their unity, efforts and dedication to our Community. Thank you to all the members of the Association for their trust, cooperation and support, without which the Board of Directors would not be able to succeed in making Turnberry on the Green the beautiful community it is today.

In addition, my appreciation goes to our staff, for whom I feel the utmost respect for their loyalty, hard work and commitment. As the president of the Association, I feel honored to be able to work with such a positive group of people without whom our Board would not be able to sustain our property in the manner at which we are currently successful. Our current Board of Directors members have been the most effective and loyal friends to our Community. As a team, we have persevered through all types of different situations, both good and difficult, yet we are always on the same page when it comes to the important things – such as the safety, success and prosperity of our Community.

In my annual address to all shareholders of our condominium, I would like to begin with the very important management principles that have guided the Board of Directors throughout the years and have ensured its success. In the second half of this report, I will review in detail the development of our establishment over the past 10 years.

The Board of Directors and I, in particular, follow several rules when it comes to handling the Association's business; the following are some examples of those rules: spend less than you

## **PRESIDENT'S MESSAGE CONTINUED...**

earn, invest wisely, avoid toxic people and toxic activities, and continue to learn throughout your life.

Below I will try to answer some questions that I am often asked.

### **I am often asked: On what basis do you select employees?**

*-When the Board of Directors hires employees, we look for people with three main characteristics: we look for smart people, we look for proactive and energetic people, and we look for people of integrity. Moreover, if there is no integrity, then intelligence and energy will destroy the company. Based on the above, I hope it is clear why we parted ways with certain employees of our company.*

### **Is it important to you who to work with?**

*-Definitely. Choosing what you do and who you do it with is very important. Our company now has a highly professional team; it took many years to assemble it. Every day early in the morning I meet with my engineers, cleaners, security, and gardeners and tell them what they need to do during the day or plan for several days. And they do their job perfectly. I have some comments, but overall the whole team does a great job.*

### **Is the success of a corporation your success?**

*-The success of a corporation, especially one like ours, depends on the members of the Board of Directors, on how they make decisions and, most importantly, how they treat the opinions of their colleagues with respect and integrity. All of these qualities are exhibited by our Board of Directors. The Association benefits greatly from being governed by an existing set of directors. Finding such people takes time and experience. I hope that shareholders will correctly evaluate the work of the current Board of Directors.*

In the following few pages my colleagues and I will answer some frequently asked questions from our shareholders:

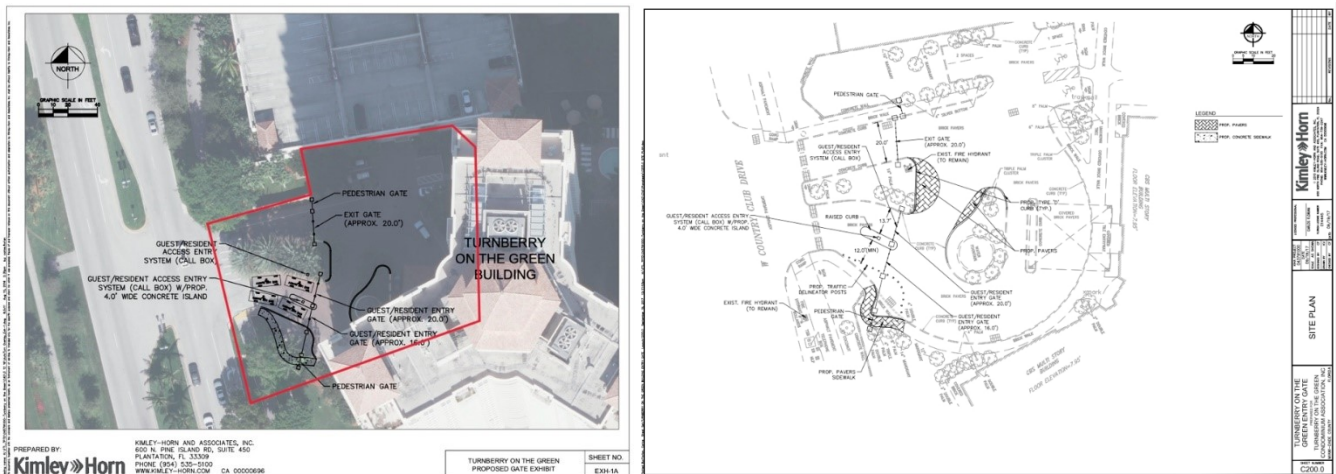
# PRESIDENT’S MESSAGE CONTINUED...

## Property Front Fence – Will we build it?

Let’s discuss what it means to “invest wisely.” It is very important to understand the economic processes that are currently taking place in our company and to calculate what they will look like in 2-3 years. As an example, we predicted that the huge Aventura shopping center, located directly across from us, would continue to grow. Over the past 10 years, it has increased by more than 40% and its patronage has also increased accordingly. To put it into perspective, about 30 million visitors per year pass through Aventura Mall complex, including the surrounding areas, which has naturally affected the crime rate in the city.

Having followed the development of this situation, several years ago the Board of Directors decided to fence off our territory from the main street to make it more private and closed off from the outside. To do this, we hired an engineering company, Kimley Horn, and collaborated with the city of Aventura for project development. Using dozens of cameras that analyze traffic and parking, we created a traffic report. Based on this data, the city administration decided where they will allow us to build this fence and gate. That being said, their initial decision was not beneficial to the Association; therefore, the council decided not to proceed with the project. We were looking for a compromise that would meet the interests of the Association and at the same time meet the requirements of the City. After considering several alternative scenarios, we found a solution that satisfies both parties.

Below (and on the next page) you will find a drawing with recommendations from city authorities on the issue of separating our territory from the main street. The Board of Directors is very optimistic about promoting this project and making our territory truly private.



## **PRESIDENT'S MESSAGE CONTINUED...**

### **Elevators – Do we have a problem?**

Our shareholders are interested in the condition of our elevators. We have five elevators in total and all of them have passed the annual inspections under the control of the city inspection and the manufacturer OTIS. Some negative comments were made and have been corrected. We spent money to keep them in good condition. We recently replaced variable frequency drives on four elevators. This replacement cost us \$105,000.

To date, the inspector sees no reason to replace the elevators. For your information: the cost of replacing the elevators is estimated at approximately \$6 million. To give you an idea of how large this figure is, it corresponds to our association's two-year budget, or, in valuation parlance, approximately \$20,000 per unit, which in turn will seriously negatively impact the property's value at the time of sale. OTIS, a Swedish company founded 170 years ago, is a leader in the manufacture and maintenance of commercial and residential elevators. Several years ago, after long negotiations, the Board of Directors signed a 10-year contract with OTIS, which was very beneficial for the Association. Unlike our opponents, the Board of Directors considers replacing elevators to be absolutely unnecessary and a waste of money.

### **Condition of the Main Roof and its Replacement.**

Several residents visited our office with questions and concerns about the condition of the main roof. There were rumors that the insurance increase in 2023 was due to the poor condition of our roof. This is false information, and spreading it only brings serious harm to our home. Anyone can familiarize themselves with the results of an independent inspection of our roofing carried out in January 2023. The report is on the official page of our condominium.

Please be assured that we carefully monitor the condition of the roof and make repairs when necessary. Moreover, we covered the entire roof with heat-and-light-repellent material, which means we spend less energy on cooling and, as a result, we save energy. Based on our square footage, replacing the entire roof would cost between \$1,000,000 and \$4,000,000. This was the case with La Perla (326 units built in 2006) and Hidden Bay (371 units built in 2000 with \$1,270,000 in roof repairs). Understandably, their apartment owners were assessed on these projects. As you know, our Association has never had an assessment for the repairs or resurfacing or any other projects we undertake. Instead of replacing the roof, we spend \$15,000 to \$17,000 annually on ongoing roof maintenance. It's a smart investment. I hope I have allayed your concerns about the condition of our roof.

Please review roof photos on the following page of this publication; more photos can also be found on our website at the following link: <https://turnberryonthegreen.com/?p=18202>.

**PRESIDENT'S MESSAGE CONTINUED...**



## PRESIDENT'S MESSAGE CONTINUED...



### The Café

I would like to inform you about the new café we are building. This café will be a wonderful enhancement to the property, augmenting its value and offering residents unique indoor and outdoor amenities. Importantly, our Café was made possible thanks to the tireless dedication of the board members who worked as one cohesive team to achieve success in a 1000+ hour battle with the Developer in 2008-2011. As a result, the Association won – we received the “space” and compensation of \$500,000, which were used to renovate and build this beautiful amenity. As a reminder, the Association members did not pay a penny out of their own pockets for this project!

On the next few pages we will demonstrate the significant progress we’ve achieved in development of the Café this year:

- 1) We won the right to incorporate existing outdoor bathrooms into the floor plan instead of building new indoor bathrooms. It took us 6 months to defend this decision and win! Needless to say, this decision has saved money and 50% of the indoor cafe space.
- 2) We raised the cafe ceiling 6 feet. This was a huge project that involved moving everything in the ceiling: communication modules, ventilation ducts, sprinklers, air conditioner ducts, and much more. It was not an easy renovation, but the result is a spacious and beautiful interior.
- 3) We leveled the entire café floor with the lobby/entryway. To achieve this, a crew had to chip away 3 inches of concrete for several months!
- 4) We ordered all furniture and cabinets. All equipment has been delivered and is now being installed.

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## PRESIDENT'S MESSAGE CONTINUED...

I personally spent countless hours managing this project with the Prestige Architecture team. The council unanimously agreed on a classic café design style to be consistent with Turnberry on the Green. I see the future of this café as a special space for holding musical events. We would love for young players to showcase their talents there, as they do during the twice-a-year Young Players Concert. I imagine this cafe may host private events. A café operator could offer takeaway breakfasts to young students. There could also be an online catalog where residents can purchase everyday items. And many more ideas. All of this requires a lot of work and will not happen overnight. We just need time and patience.

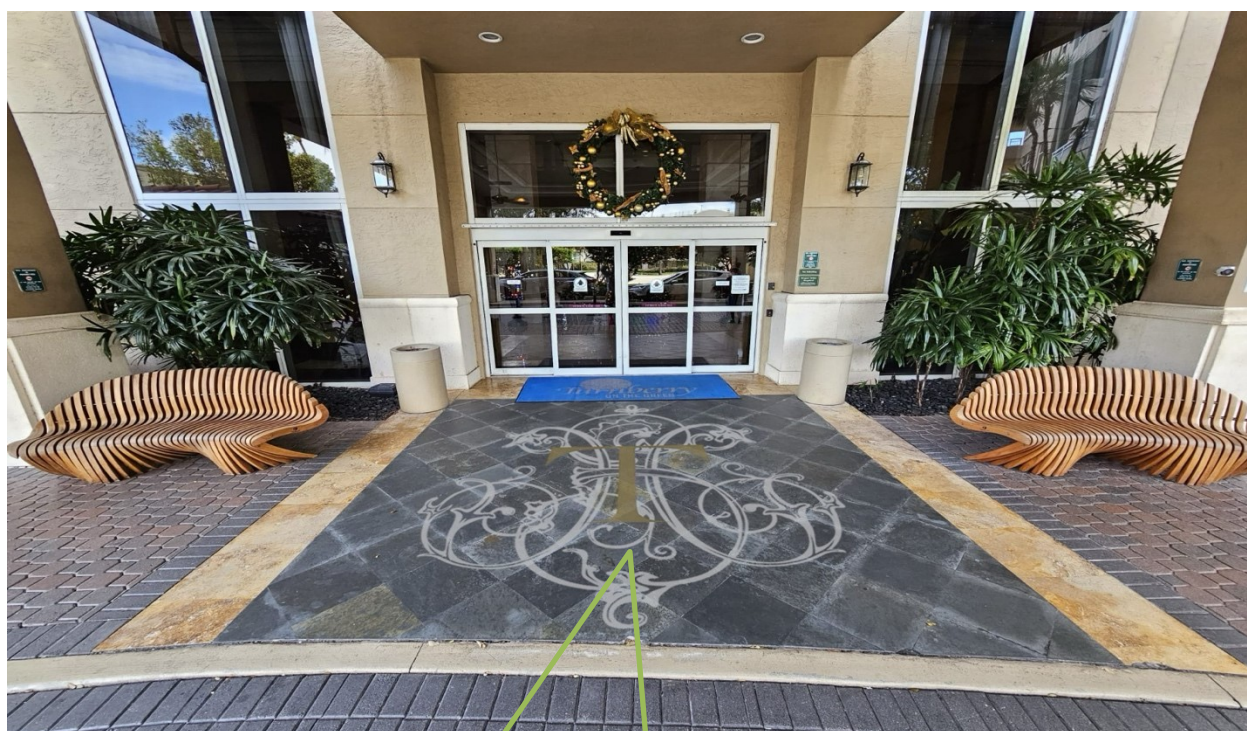


## PRESIDENT'S MESSAGE CONTINUED...

### The Main Entrance Design

The Board of Directors is working on the reconstruction of our main entrance. We are planning to install a coat of arms with the capital letter "T" for Turnberry on the pavement tiles in front of the double glass doors. As far as we know, no other condominium has such an entrance design.

Photo of the model is below. I would like to take this opportunity to thank our newest board members, Alex and Peter, who spent a lot of time making this project happen. As always, we propose this project implementation with no special assessments incurred by the owners. It will be built using funds saved by the Board over the years as a result of years of self-governance (as mentioned in previous newsletters).





## **PRESIDENT'S MESSAGE CONTINUED...**

### **Access Control System**

We've installed a new security system, Gallagher, using 8,000 feet of cables. This is a very flexible system which has the highest level of security. It also allows for a future of access through one's mobile device. Similar security access control systems are employed by high-end luxury condominiums such as Porsche, Armani Casa Residences, and Turnberry Ocean Colony. For them, the cost of these built-in systems is valued at between \$320K-\$380K. In comparison, we spent around \$100K, paid from the savings made by the current Board of Directors.

This project was able to be performed without any special assessment, like others, and completed in a very short amount of time. Thank you to the dedicated work of the current Board of Directors, Bryan Integrated Technologies, and Yuka Security for making this happen.

### **Electric Car Chargers**

For the last 9 months, we installed and have successfully used car chargers for residents who have environmentally conscious cars. This car charger is located by the south entrance to the garage and is covered. The price we offer is comparable to the price of public charging garages. The charging system we use is Blink Charging, which has headquarters in Miami, and offers free upgrades of hardware and software. All of the collected funds from the charging station go to the Association as a source of income. Having multiple sources of income for the Association goes toward decreasing the Maintenance for the shareholders.

This car charger is an L2 charger. Level 2 equipment offers higher-rate AC charging through 240V and 60Amp. It is the most safe and recommended level for a longer battery lifetime. Level 2 chargers can charge an EV from empty to 80 percent in an average of ~5 hours, and a PHEV (plug-in hybrid) in ~1.5 hours, depending on the battery capacity.

When the car is completely charged, the customer receives a text or email. For this feature, the customer needs to set up an account with Blink. After they receive this message, the customer has a 20-minute grace period to move their car. If the vehicle remains in the charging station for more than 20 minutes, additional fees may apply. Please move your car to allow others to charge. We've had conversations with FLP and an engineering company to propose up to 6 additional car chargers on the roof of the garage. The requirements given by FPL are harsh. FPL wants \$120K for them to build a transformer that can support 500 Amp per hour peak consumption. We decided that this is too costly for the Association at this time. We will wait until the price can be adjusted more favorably or subsidized by the government. This is a wise investment decision.

At the same time, the Board has searched for alternative sources of energy for our car charges. We have evaluated an option with I8Q converters by Enphase Energy, a global leader in home energy solutions using solar power.

## PRESIDENT'S MESSAGE CONTINUED...

### Go Green!



This year, we received an Outstanding “Go Green” Award from the Mayor of Aventura. We first received this award in 2012, and this is the 10<sup>th</sup> year we have been thus awarded.



### Recognitions and Honorary Mentions

*“Turnberry on the Green has the lowest maintenance per square foot of any condominium in Aventura. I don’t know how you do this. Obviously, something is done right.”*

The Mayor of Aventura is always impressed. He shares:

All of these awards can be viewed on our website: <https://turnberryonthegreen.com/>

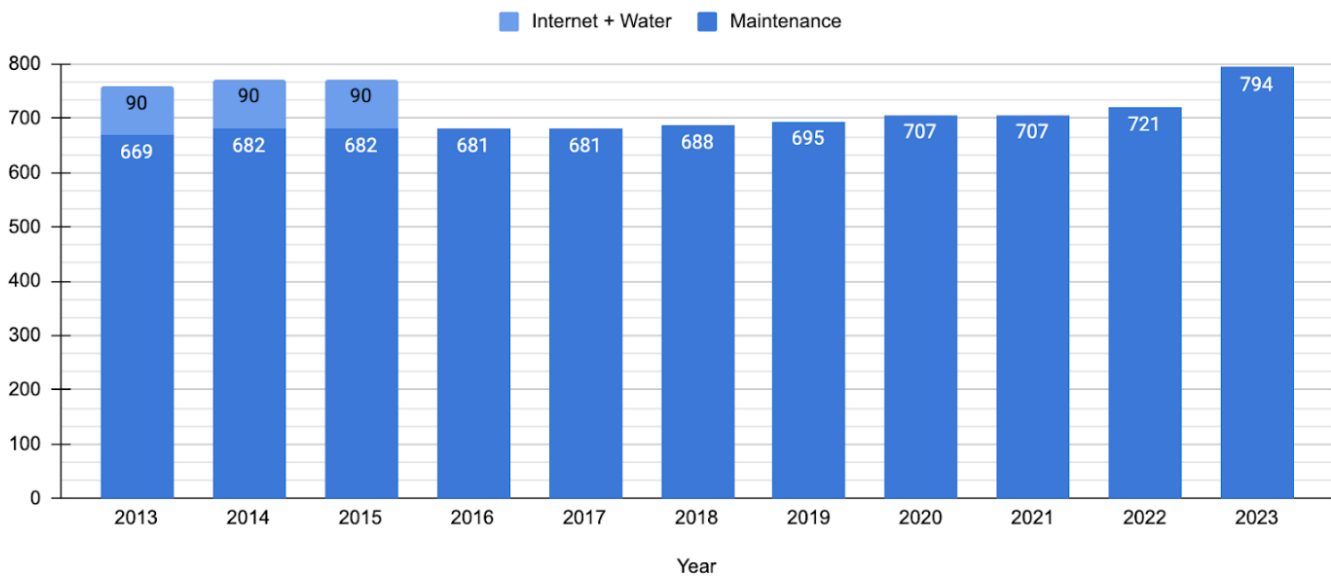
## PRESIDENT’S MESSAGE CONTINUED...

### The Analysis

For the final section of the this annual report, my colleagues from the Board of Directors and I will share the following analyses, which we’ve been tracking for the past 10 years:

1. How much shareholders pay out of pocket monthly?
2. The Association’s Reserve funds.
3. Gross and net rental income change.
4. Number of Investors who own more than 1 unit.
5. Top Sale Prices for 1, 2, 3 bedroom apartments.

### Monthly Out of Pocket Expenses

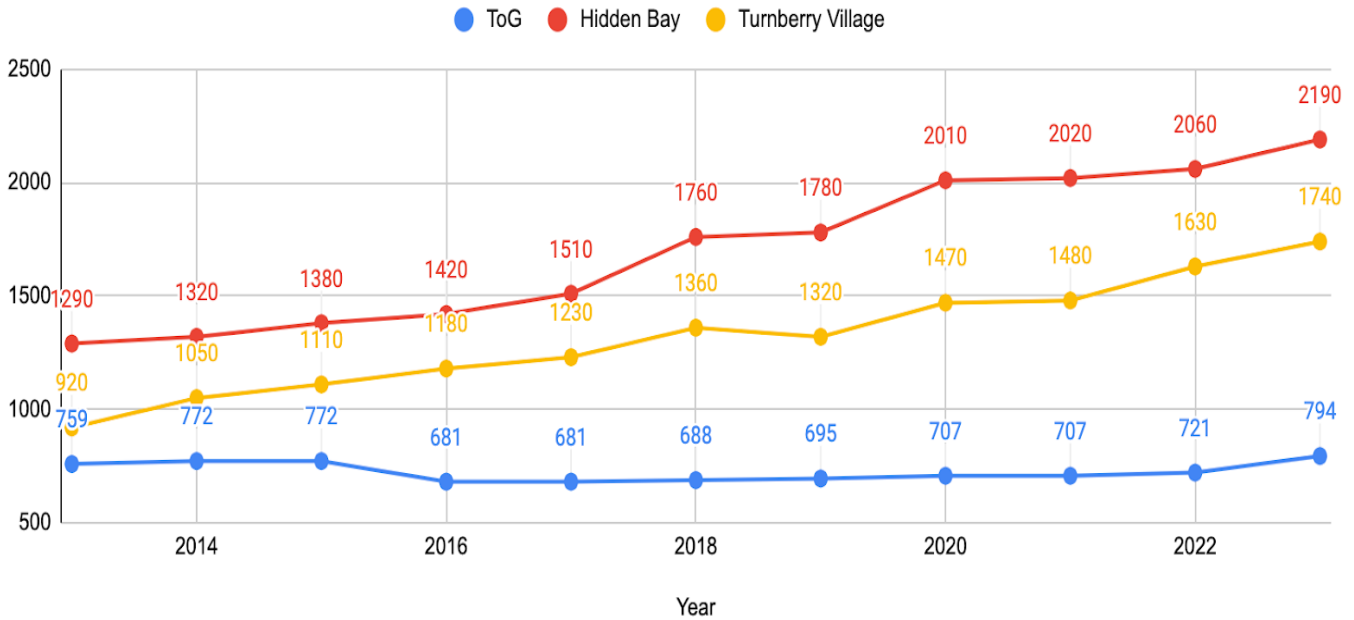


**FIGURE 1A.** The graphic above shows how the monthly out-of-pocket expenses have changed from 2013 to 2023. Please note that in 2013, the out of pocket expense for unit owners was maintenance (\$669), water (\$15), and cable TV and internet (\$80), for a total of \$764. These utilities became part of the monthly maintenance since 2015-2016. Today, in 2023, the maintenance is \$794, which includes Association monthly fee, water, cable TV, and internet. Therefore, in the last 10 years, the out-of-pocket expense per unit has increased \$34 only. In 2024, we are planning to increase the Maintenance fees by \$15 only, in comparison to 2023.

In comparison, in the last 10 years, inflation alone has increased cumulatively by 32%. Also, please consider that in 2013, the minimum wage was \$6.30, and in 2023, the minimum wage has nearly doubled to \$12.40. To keep the maintenance almost the same for all these years, the Board of Directors have always made a tremendous effort to shield Turnberry on the Green owners from these increasing costs. Needless to say, keeping maintenance dues almost the same all these years was not an easy task..., but we did it!

**PRESIDENT’S MESSAGE CONTINUED...**

**Maintenance Comparison across Condominiums**

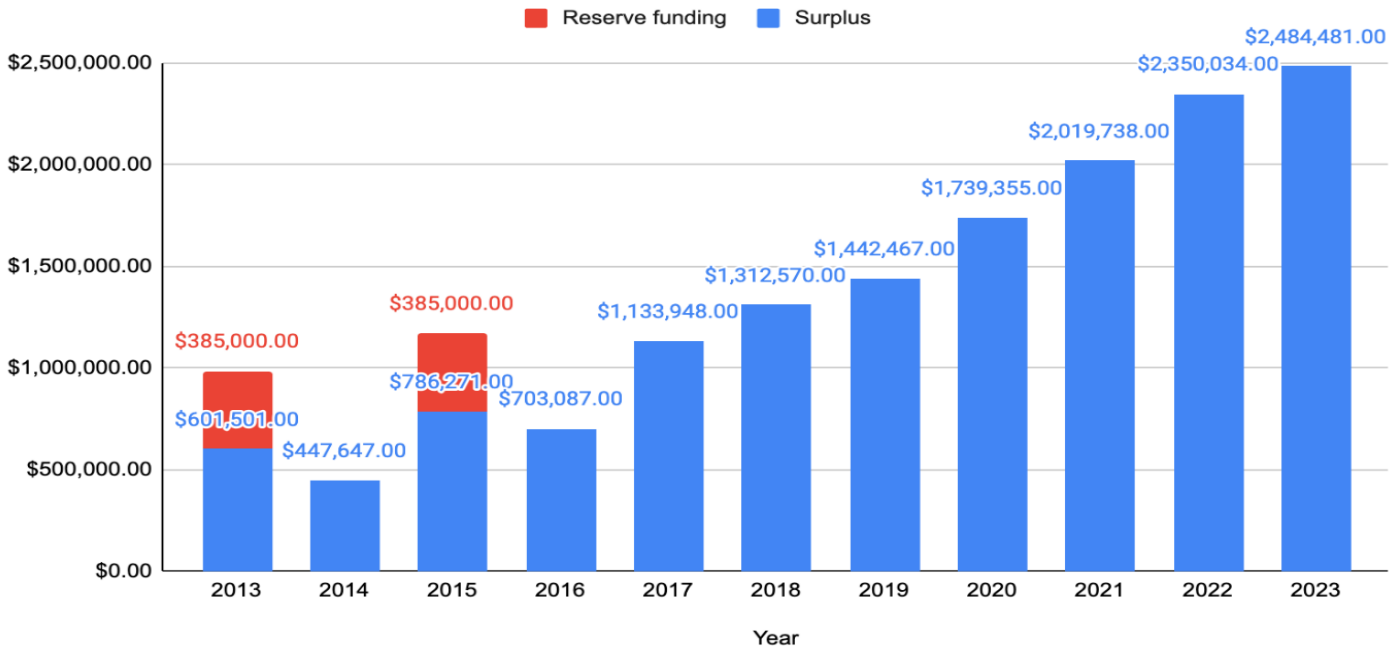


**FIGURE 1B.** This graphic shows Turnberry on the Green Maintenance Costs in contrast to other comparable condominiums: Hidden Bay and Turnberry Village. The Management has been incredibly efficient with the operating costs for the Association to keep maintenance payments so low.

As you can see, Turnberry on the Green has a nearly flat curve, in comparison to other condominiums’ upward trending trajectories.

## PRESIDENT’S MESSAGE CONTINUED...

### Reserve Account Funding Source



**FIGURE 2.** For the last 10 years, there were only 2 years in which shareholders have funded the reserve account, shown in the graphic in 2013 and 2015, for a total of \$770K. During these 10 years, major repairs, replacements, and upgrades that have been completed have cost \$2.2 million. This means that the \$770K shareholder reserve funding paid for only  $\frac{1}{3}$  of the repair work. The remaining  $\frac{2}{3}$  were paid from Surplus savings accomplished by the Board.

What’s more, we now have \$2.4 million dollars saved in the Reserve Account.

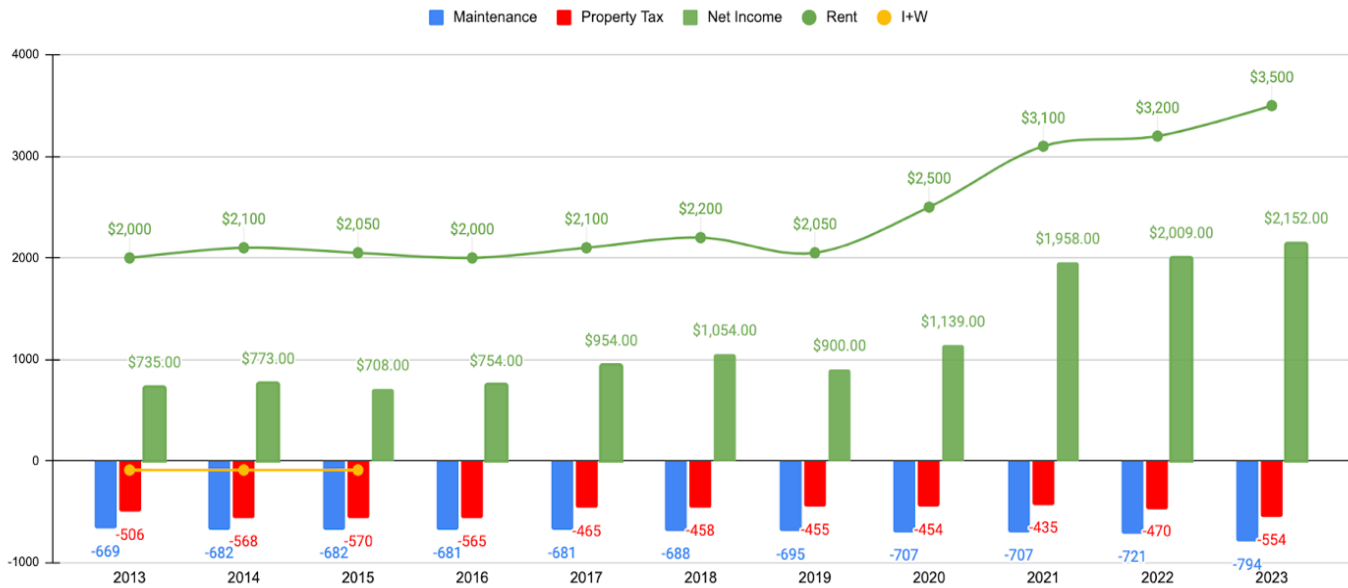
How is it possible that there are *any* savings when we’ve spent \$2.2 million?

The answer is: *every year, the Board of Directors works to save money as a Surplus. This Surplus money goes into the Reserve Account. These are the facts and numbers which are not debatable.*

A huge thank you to the Board of Directors, who have worked as a TEAM to garner such great results. I hope that all shareholders can recognize and appreciate that we have built a company which is financially strong and stable.

**PRESIDENT’S MESSAGE CONTINUED...**

Monthly Net Income from Renting Out 2br Unit

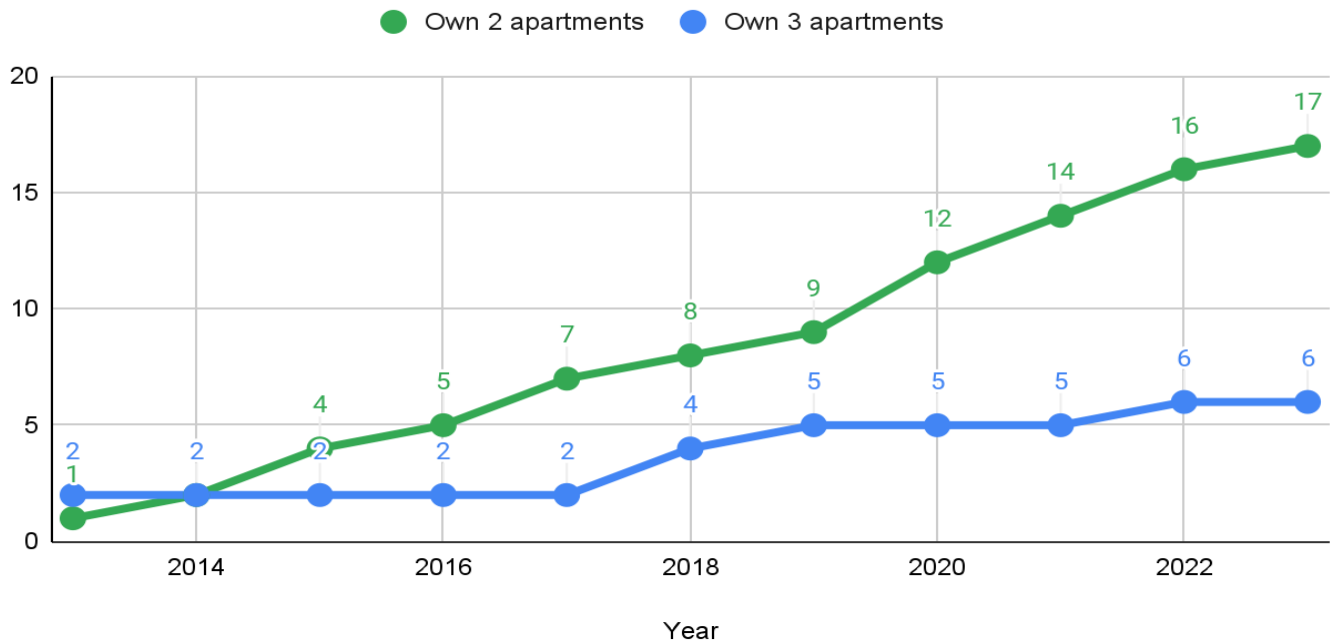


**FIGURE 3.** The graphic above shows the Net Income which Investors collect after paying Maintenance and all utilities.

The Board of Directors have accomplished a great result: our Net Income has increased by 300% over the last 10 years.

For example: for a 2 bedroom unit, in 2013, the Net Income was \$735, which rose to \$2,152 in 2023. The numbers above are accurate and will be useful to new investors of Turnberry on the Green.

## Owners of Multiple Units



**FIGURE 4.** Over the last 10 years, the number of owners who own more than 1 unit at Turnberry on the Green has been steadily growing.

It is a very important indicator of a financially strong institution that investors come back to make repeat investments.

The graphic above shows that the number of Owners who own multiple units has grown from 3 to over 17.

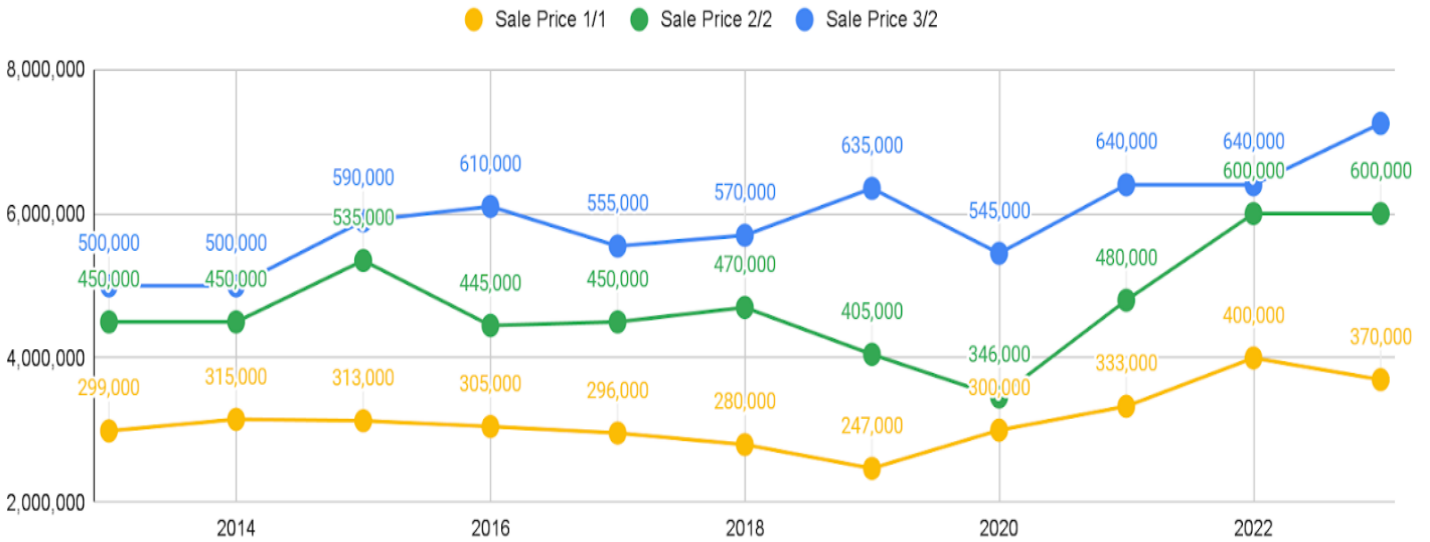
It is safe to say that these owners have full confidence in the actions and decision-making abilities of the Board and the management.

The Board of Directors have done several things recently to motivate Investors to buy and retain their properties:

- 1) Ensure an expedient screening process. We are using the most advanced software in YUKA Security, which allows for screening in 48 hours. Other Condominiums in our area can take up to 4 weeks to complete a screening.
- 2) Offer “Minor Repairs” service by our engineering team to help absentee owners, as one example, maintain their properties with ease. You can see a list of offerings on our website.

**PRESIDENT’S MESSAGE CONTINUED...**

Top Sale Price for Unit Type



**FIGURE 5.** The graphic above tracks the top sale price of 1, 2, 3, Bedroom Apartments for the last 10 years.

The price of real estate in Aventura and Sunny Isles have recently decreased by 11-16%. Despite this trend, Turnberry on the Green condos have not decreased in sale price. The prices are beating expectations.

For the end of my annual report, on behalf of my colleagues in the Board, I wish all of the shareholders Happy Holidays. We wish all of you and your families health, happiness, and prosperity in the New 2024 Year. I strongly believe that only by staying in a positive mode, we will be able to achieve our new goals.

Sincerely  
Board of Directors

Gregori Arzumanov  
Loretta Wand  
Yuri Bobrovnikov  
Peter Illes  
Alexsei Maximov