

# The POA BULLETIN

The Property Owners' Association of The Villages

Champions of Residents' Rights Since 1975 September 2003

- [Monthly Amenity Fees Are Being Increased in The Villages](#)
- [To Whom Does The District Administrator Owe His Allegiance?](#)
- [Your Monthly Fee Could Be \\$63](#)
- [The VHA Corner](#)
- [CHEERS AND JEERS](#)
- [Painted Driveways](#)
- [THE POA HAS SPEAKERS AVAILABLE FOR CLUB AND ORGANIZATION MEETINGS](#)
- [We Need Your Help](#)
- [April Fools Day Revisited](#)

---

## Monthly Amenity Fees Are Being Increased in The Villages.

### Can The Raise Be Justified at This Time?

---

The monthly amenity fee in The Villages is going up, up, up.

The monthly amenity fee "cap" will increase as of October 1, 2003, to \$109.00, and, as of October 1, 2004, to \$114.00. The "cap" will be eliminated after October 1, 2005.

The "cap" is an arbitrary figure used by the VCCDD to identify the target Amenity Fee that will be charged new residents acquiring property in The Villages.

This "cap" is not the monthly fee that existing residents will be increased to as of these dates. Any increase in the fee is limited (by agreement stated in our individual Covenants and Restrictions received at closing) to the increase in the Consumer Price Index (CPI) over the previous twelve months.

Thus, the monthly fee increases starting in the fiscal year starting October 1, 2003, will be closer to a figure of, perhaps, 2.5%, or whatever is the CPI for the previous twelve month period. For most residents, this will mean an increase to approximately \$107.00 from the current figure of \$104.00 or \$105.00.

Furthermore, most residents will not see the fee increase on October 1st. The fee increase will be applied to individual residents on the anniversary date within the fiscal year corresponding to the date their property purchase was first closed (units 1-8) or the date their land sales contract was first dated (all other units).

For fee increases scheduled after October 1st, the previous twelve month change in the CPI may be more or less than 2.5% for different residents. Thus, everybody will probably end up with different monthly fees.

Also, any fee increase prior to October 1, 2005, is limited by the "cap" even if the CPI would indicate a higher amount. Any fee increase not taken due to a limitation by the "cap" can be picked up in a future year if the total increase still would be under the CPI increase for that year.

After elimination of the "cap" on October 1, 2005, the VCCDD indicated annual fee increases roughly equivalent to the CPI increase in the prior twelve months should be expected.

The bigger question is whether the planned increase is justified at all.

The VCCDD stated in its July 25th meeting, in which it voted in the increase, that the increase was needed to offset higher maintenance and administration expenses in the 2004 fiscal year starting October 1, 2003.

However, a POA analysis of the VCCDD expense for the Recreational Amenities budget shows the following:

In the fiscal year ending this October 1, 2003, the maintenance and administration budget shows expenditures of \$13.7 million. This is shown at \$13.6 million in fiscal year 2004, a decrease of about 1%. For those same periods, debt service increases from \$11.8 million in FY2003 to \$13.3 million in FY2004, an increase of \$1.5 million, or about 13%.

These figures show that the increase in amenity fees is needed to pay for the increased debt service expenditures which go up \$1.5 million – not maintenance and administration expenditures which go down \$0.1 million.. Maintenance and administration expenses are going down because, as the POA has pointed out before, we have a bigger base against which to spread expenses, we are achieving economies of scale through better bargaining with suppliers, and our districts are maturing. All of this translates into more efficiencies and lower costs that should be passed on to residents.

But, debt service expenses are going up. Why is that?

It is because the VCCDD supervisors are paying too much for the common properties they buy from the developer.

For example:

- \$60 million was just paid for recreation property with an estimated value of \$10 million.

- \$84 million was paid for property valued at \$8.8 million as described in the Orlando Sentinel article in October, 2000.

- \$35 million was paid for property in 2001 that included the Savannah Center. Estimates placed the price of the Savannah Center at roughly \$15-\$20 million when it had an estimated build-out cost of \$3-\$5 million.

Let's not kid ourselves about why the amenity fee is going up – it is being increased because the developer's hand-picked VCCDD supervisors are agreeable to the developer's demands for inflated prices for purchase of common property.

So, all of us get to pay an additional \$40.00-\$50.00 apx. per year for the privilege of living here. Is this the price of luxury, of apathy, of mismanagement, or the price of gluttony?

---

## **To Whom Does The District Administrator Owe His Allegiance?**

The president of the POA, Mr. Joe Gorman, recently met with Mr. Pete Wahl, District Administrator of the VCCDD and The Villages.

The topic of the duties and responsibilities of the District Administrator came up. Mr. Wahl made the point that Florida law Chapter 190 defines his fiduciary duties and responsibilities as being to the VCCDD board which is technically his employer. By extension, this is taken to mean the developer of The Villages which is the majority landowner in the geographic boundaries of the VCCDD and effectively appoints the board supervisors of the VCCDD. Thus, the District Administrator position effectively owes its allegiance to the developer of The Villages.

Gorman made the point that Mr. Wahl had an ethical responsibility to the residents of The Villages since this is their community and not the personal fiefdom of the developer. The government of The Villages should be ultimately responsible to the people and taxpayers of this community.

In response to that statement, Mr. Wahl voiced a loud "Ha!..." Gorman took this to be a contemptuous response that left little doubt as to the personal feelings of Mr. Wahl.

This meeting addressed the recent stories in the POA Bulletin which criticized Mr. Wahl for not providing information to residents about some recent significant developments. For example, Mr. Wahl did not provide a press release or a press conference to announce or explain the recent purchase of \$60 million of recreational facilities from the developer that had a book value of about \$10 million. Mr. Wahl also chose to not explain in his weekly column the recent \$127,000 bill for a lake liner charged to CDD #2 residents. It was these items that Gorman was suggesting Mr. Wahl had an ethical responsibility to the residents of The Villages to explain in a proactive way.

The POA wants to change the Chapter 190 Florida law that regulates CDDs so that the District Administrator and the VCCDD supervisors will be elected by and responsible to residents.

Until we have this accountability, the District Administrator and the VCCDD supervisors will continue to treat residents as second-class citizens and subservient to the developer.

So, is The Villages the personal fiefdom of the developer? Are we surfs under the control of a benevolent patron?

Well, what do you think? And, what do you think Mr. Wahl thinks?

---

## **Your Monthly Fee Could Be \$63**

The recently announced increase in the amenity fee carried with it some financial information of interest.

In the fiscal year ending September 31, 2003, roughly 69% of monthly amenity fees paid to the VCCDD in the Recreation Amenity division went for maintenance and administration. Thus 69 cents of every dollar paid was for the original concept of maintenance of the Villages facilities. Therefore, every time you wrote out that \$104.00 or \$105.00 check for monthly amenity fees, you could have been writing a check for approximately \$71.00.

The other roughly \$33.00 was to help pay for debt service accumulated for the purchases by the VCCDD of common property from the developer at inflated prices.

In the budgeted 2004 fiscal year beginning October 1, 2003, the percentage of amenity fees going for maintenance and administration amounts to 59%, a drop of ten percentage points. Against the new estimated amenity fee revenue average for the fiscal year of \$107.00 per month, this means that you could be writing a check each month for only \$63.00 if you didn't have to pay for debt service.

But, we are saddled with the responsibility to pay debt service.

The question is: why?

The reason is that the developer and the VCCDD are using part of our monthly fee to buy common properties from the developer.

One might ask why this is handled this way, especially since we all thought the higher prices we paid for our lots and homes were justified by having all the wonderful Village facilities nearby and available for our use.

The way this works in many other communities is that a developer builds nice facilities to attract residents, adds the cost of these facilities into the price of lots and houses, and then eventually gives the nice facilities to the residents at no additional cost.

Well, it doesn't work that way here. The lots and the houses are priced higher than otherwise would be the case. But the developer then sells the common property to his hand-picked VCCDD board which issues bonds to pay the developer, and then has the residents pay off the bonds. It's like we are buying the facilities twice!

That is why we have debt service and we have to pay off the bonds. And, that is why you write that check each month for \$104.00 or \$105.00 rather than \$71.00 this year or \$63.00 next year.

And, you get to pay for all those nice golf courses and swimming pools twice....

---

The VHA has not responded to the POA call for the District Administrator to have periodic press conferences to explain important developments in The Villages. This POA call was to address recent events in which the District Administrator had important information, but withheld the details. This included the recent \$60 million VCCDD purchase of facilities from the developer and the \$127,000 bill for a lake liner that the developer passed on to the residents of CDD #2.

Why would the VHA not support something like this? The benefit here would clearly flow to residents.

It looks like the VHA is not interested in supporting Residents' Rights issues like these.

For residents and VHA members who are concerned by the VHA's lack of support for these important Residents' Rights issues, the POA offers a worthwhile alternative.

Come to a POA general membership meeting and add your voice and support to our organization. We speak for all residents of this community. And we are not afraid to speak out, as is the VHA, on the important issues.

---

## Cheers and Jeers

Remember that we need material for this column of comments and opinions. Please write up your submission and either mail it to our P. O. Box number, give it to us at a membership meeting, or e-mail it to [poa4us@aol.com](mailto:poa4us@aol.com). Be sure to sign your name to the submission.

**JEERS** - To the bike rider with a "Share The Road" vest who signaled a right hand turn by extending his right arm straight out horizontally. Maybe that works in the Commonwealth, but not here.

**CHEERS** – To Lowe's and the Cracker Barrel for their new facilities. They are great.

**JEERS** – To Katie Belle's – the stale smell is still there.

**CHEERS** – To Robert Sargent, Jr., reporter for the Orlando Sentinel Lakes edition. Robert used to cover The Villages, but has rotated into a new assignment for the Sentinel covering southern Lake county. He was also the principal writer of the October, 2000, series of award-winning articles on CDDs. Thanks, Robert, for a job well done.

**JEERS** – To Gary Lester for his terse "no comment" email to a reporter. He needs to lighten up and do a better job of communicating with reporters.

**JEERS** – To the VCCDD supervisors for their unjustified increase in the monthly amenity fee.

**CHEERS** – To the company announcing plans to build a nursing home in The Villages. Great idea – we need facilities like that.

**JEERS** - To Pete Wahl, District Administrator, for his confusing explanation and defense of the amenity fee increase.

**JEERS** - To owners of that boa constrictor that got loose in The Villages. Don't tell me how tame that snake is and don't allow it back in here.

**CHEERS** – To the supervisors of CDD #1 who took the initiative to refinance their bonds and save their residents some interest charges.

---

## Painted Driveways

The POA's work to address the painted driveway problems from work done by the old Painting Unlimited company has ended. In talking to various law enforcement officials, it appears that there is not sufficient basis for pursuing a criminal case against the company. Also, too much time has passed and the responsible company does not appear capable of restitution. Thanks to all POA members who provided information.

---

## THE POA HAS SPEAKERS AVAILABLE FOR CLUB AND ORGANIZATION MEETINGS

If your group or organization is looking for a speaker at one of your meetings, why not consider having a POA speaker in for a 15 minute presentation on the POA, its mission and goals, and the Residents' Bill of Rights. This is a good opportunity to learn more about the POA and how it represents the best interests of residents. Our standard speaker fee of one cup of coffee (or a donut) will apply. Call Joe Gorman at 259-0999 to check the speaker and meeting schedule.

---

## We Need Your Help

The POA is forming two committees: a Christmas Decorations Committee and a Communications Committee. The Communications Committee will explore how to better use our email database and how to better contact new residents. If you are interested in either, please come to the next POA monthly meeting or call Joe Gorman at 259-0999 for details.

---

## April Fools Day Revisited (Don't Believe Any Of This)

The Villages Gridiron Classic will be played on the Polo Club field, but there is a problem. The field is loaded with horse droppings. Therefore, the Village Volunteers have been asked to clean the field before the game of all that horse poop. Please bring your own plastic bags.

This page is provided by:

Jan Bergeman

President of Cyber Citizens For Justice (CCFJ)

<http://www.ccfj.net>

CCFJ Logo



[BACK TO THE MAIN ARCHIVES PAGE](#)