



## **Alcazaba Lagoon Sector 1 - Review-Vision-Strategy-Agenda**

August 2020

### **Review:**

Up until January 2020 we have posted the agenda and minutes of committee meetings on our website. The past few months have been without meetings due to COVID limitations, though there has been frequent contact between the committee and other stakeholders to continue as well as possible the ongoing projects within our community. In the "Presidents Report" that you received from Comunimas recently with the AGM agenda you will find further details.

On Facebook we have noted a number of comments and discussions that need clarification. Please find our view below.

### ***1. 'a doubling of fees over the past couple of years'.***

Indeed, fees have gone up. The reasons are very straightforward and in agreement with AGM decisions.

A. Introduction as per the 2018 AGM of the euro 25,000 annual 'refurbishment fund'. Money that is put on a special account for major maintenance once every 5-6 years. (painting outside of the blocks etc). We consider it responsible to build up such a fund. As painting the blocks will cost around euro 200.000, we are of the opinion that the annual amount is correct or possibly on the low side.

B. Lagoon fees were non-existent until the last months of 2018 although the Lagoon became operational in the summer of 2017 Sagamore only started to charge us from mid-September 2018. All buyers/owners in the past 5-6 years have been informed that Lagoon fees were part of the deal. Sector 1 pays euro 70.000 per year or 19% of the total lagoon fees and Sagamore up till now have paid the balance 81% or euro 298,000.

C. Water use is unpredictable depending on the weather. We receive water from 2 sources. Paid water from the water company and free of charge water (at a market value in excess of euro 50.000) from Sagamore being pumped up from 2 km away to our urbanisation. This water is used for the lagoon, and all sectors. The water allocation is determined by Sagamore and we do not have the 'right of allocation'. We have seen annual water costs for "paid water" of euro 10.000 to euro 50.000 in the past years.



D. Although this is not part of the budget and community expense, we understand that some owners also include the WI-FI monthly cost in their calculation, a cost not there in 2017. Although for those owners that have Wi-Fi organized through Comunimas this is an expense we do not count this as community expense as these costs are individual-owner decisions.

E. The entity budget (guards, gardening etc) has remained rather stable over the years. Sector 1 has paid around euro 40.000 per year being 19% of total entity costs. (the rest paid for by Sagamore)

F. Total costs in 2017 (previous committee) euro 322.554 versus euro 461.251 in 2019

When we exclude the refurbishment fund, the lagoon fees and keep the water consumption equal (over the years) then costs in 2019 would have been euro 348.000 hence an increase of 8% over the 2 years. This increase we felt and still feel was needed as costs/investments had to be made in the blocks, garden, lighting and pools. For a full analysis please see the document "AlcazabaLagoon cost comparison 2017-2020 posted on our website earlier this year and sent by Comunimas with the AGM agenda documents.

## **2. 'we want no outsiders in the lagoon'**

Clearly, we have struggled on the execution and compliance of the lagoon entry policy (LEPA).

Sagamore has invested heavily in the lagoon, surroundings, equipment and the Chiringuito. This as they considered a vibrant lagoon highly attractive to potential buyers. Running costs of this project, especially the Chiringuito, are significant and usage by owners is still low

1. Because other sectors aren't built yet or not fully operational.
2. Particularly this year because of the Covid 19 situation in which many owners/renters have not been able to travel to Alcazaba.

This is the reason Sagamore have accepted a number of outsiders to visit this season. That this occasionally has led to problematic situations has been a concern and frequently been discussed with Sagamore and action was taken :-

An extra guard, transparency in numbers and beach allocation for outside guests. Over the last 6 weeks the situation has stabilised and there has been sufficient space for owners, renters and outside guests.

Please see in our vision-strategy-agenda how we suggest we progress this issue further for the coming years.

## **3. 'we don't want renting-owners to pay extra fees'**



From the start we have communicated that this is not suggested or advised by the committee. We are simply following a law passed last year in Madrid.

If owners, that do not rent, ask for a vote, they should have the vote. If the vote leads to higher fees for renting owners, we have suggested in that case we do not add the 20% but 10% and the date of implementation could be delayed as income in 2020 has been low. In this case the extra income would go into the refurbishment fund and hence would not be used for regular maintenance.

In the case where the vote leads to a “no”, then so be it. Things stay as they are. The decision is for the owners not the committee.

## Vision-Strategy-Agenda

### **Vision**

As we see it our community benefits from being and staying an up-market urbanization attractive to full time residents, owners and renting owners. Proper maintenance of the blocks, beautiful and very large gardens, well-maintained pools and a vibrant lagoon and Chiringuito.

### **Strategy**

To accomplish this, we suggest the following key elements

- A. Responsible financial management, that balances the need for quick fixes/maintenance and longer major maintenance/investments.
- B. Reduce water dependency by bringing down use of water and tracing new sources
- C. Optimal, constructive, longer term collaboration with major stakeholders
- D. Win-win lagoon entry policy
- E. Regular communication and owners input handling.



Re A: We believe we have budget and expenditure process under control. Checks and balances, discussion (pro's/con's and priorities) on projects, good administrative processes, - to be checked by an accountant, tender processes etc.

Re B: Plans have been in the works to reduce water usage by transforming parts of the garden to low water usage plants and different grass. In addition, in a number of area's the sprinkler system should be changed into dripping water hoses. This being said investments are very significant and we haven't been able to start yet as other projects deserved priority. It is our intention though to spend euro 10.000-15.000 per year from our regular budget on this project.

We have had a water-well consultant(geologist) over early 2019 to advise on finding and drilling. He advised us on one spot with a 50% possibility to find water. The investment of euro 5.000 for the drilling was postponed as licences to drill in Andalusia were halted (due to the boy near Malaga that fell in a well and died). We will take up this plan though as soon as we consider this project viable.

Re C:

- Sagamore will remain a stakeholder for us for until the total project is finished/concluded. Good collaboration with Sagamore is critical. They still own more than 50% of the voting rights of the lagoon and entity and pay accordingly. Apart from this they own unsold apartments and have the use of their lagoon entry cards.
- Sector 2 and beyond will be our neighbours. We will together determine the operation of the full community, including the lagoon and entity and will be seeking a formal collaboration model with the other sectors as soon as they have established their committees.
- Administrator : We consider our administrator to provide quality and service for the money we pay. Frequently informal and every year formally we discuss the issues, challenges and what needs to improve and follow up where required. We consider it an advantage that Comunimas has also been chosen by Sector 2, which supports our wish to develop similar processes and synergies.
- Suppliers/service companies. Contracts with service companies are being reviewed/re negotiated (annually), tenders organised, and suppliers selected. Works are being reviewed by us continually.

Re D: Our aim is no 'outside guests' in the lagoon



In order to fund the Chiringuito costs we accept Sagamore invite a limited number per day under strict conditions, until the sectors have been completed and no more outsiders 'are needed.

We believe that constructive collaboration with Sagamore is important, as we wish them to continue to invest and maintain in the coming years.

We do not judge it reasonable nor wise to take a significantly tougher stance including legal action. This legal action will cost us significant expenditure, only recoverable through increased fees, and take a number of years, (without a guarantee that we would win) after which the whole Alcazaba Lagoon project is finished anyway.

Re E: Communication is important to assure that owners feel that they are being heard. In addition, it is important to provide updates on plans and projects.

We have installed the means through a website (one way, facts) and our exclusive owners Facebook (two way, facts and emotions)

We provide agenda's and minutes of AGM's and quarterly committee meetings, photos of finished projects and provide feedback on individual comments/suggestions/questions. Reason prevails in our philosophy and we try to limit participation in emotional exchanges. Additionally we note that the English language communication is not ideal for a number of owners.

We hope the above shows our commitment to the well-being of the community, now and in the future. For questions and or comments feel absolutely free and in your preferred language ( French, German, Spanish, Dutch and English) to contact us.