

SAVOY ON PALM CONDOMINIUM ASSOCIATION, INC.
BOARD OF DIRECTORS MEETING MINUTES
May 14, 2009
FINAL

Call to Order: The Board of Directors Meeting was held May 14, 2009 on the Third Floor of the Savoy on Palm Condominium at 401 South Palm Avenue, Sarasota, Florida 34236. President, Mrs. Gross called the meeting to order at 4:09 pm.

Determination of a Quorum: Board members present were Mrs. Gross, Mr. Lindeman, Mr. Roe and Mr. Ruben. Mr. Siegel was present by phone. Representing Beth Callans Management was Neil Fleet.

Proper Proof of Notice: Proper proof of notice was established in accordance with the Condominium documents and Florida Statutes.

Reading and approval of previous minutes from March 19, 2009: Mr. Roe made a *motion*, seconded by Mr. Ruben to approve the March 19, 2009 meeting minutes.
Motion passed unanimously.

Treasurer's Report – Mr. Roe

Mr. Roe reported that all assessments had been paid. The Association was in good shape to budget. YTD the Association is \$16,000 under budget. Operating expenses have been running approximately \$4000 a month under budget. There is currently \$134,000 in the operating account.

Presidents Report – Mrs. Gross

Mrs. Gross reported that the majority of activity since the last Board Meeting would be covered in the committee reports. She reported that the carpet had been cleaned in the 3rd floor meeting room and lobby. Bill Veal will survey the room before and after any parties. Any stains will be accessed to the party host.

Mrs. Gross has purchased new sheets and pillows for the guest suite.

Locks with the keypads have been installed.

Mrs. Gross asked if there were any outstanding issues from the owners.

Committee Reports

Turn Over Committee Report – Mr. Ruben

Mr. Ruben reported that the turnover list was down to the last 5-6 open items. Mr. Siegel has been working with Liz. The elevators are still the biggest outstanding issue. Floria and Turner are paying for Vertical Elevation to inspect the elevators. Liz will be meeting with the church to discuss the solution to the drainage issue. A discussion followed on the drainage issue and possible solutions.

Summer projects include painting the garages and adding a decorative grill on the 2nd floor.

Facilities Committee – Mr. Doery

Mr. Doery reported that the flowers had been replaced in the front of the building thanks to Ann. The keypads had been installed. Front Entrance keypad is too low. He is looking into a price to get this addressed.

A discussion was held on Verizon FiOS and Comcast contract and options for the Association.

Finance Committee – Mr. Roe

Mr. Roe read the report. A copy is attached and thereby incorporated herein.

A *motion* to approve the Reserve Study and Insurance Appraisal at a cost of up to \$4800 was made by Mr. Roe, seconded by Mr. Lindeman. *Motion passed unanimously.*

A discussion on investments and equities followed. A Motion was made by Mr. Roe and seconded by Mr. Ruben to hold our current equity position(s) until the value equals our cost, then sell the equities and invest the funds in secure, insured CD's. *Mr. Lindeman voted no, all others voted yes. Motion passed.*

A *motion* to approve email notification except where bylaws require or an owner prefers notification by mail was made by Mr. Roe, seconded by Mr. Ruben. *Motion passed unanimously.*

A *motion* to increase the debit card to \$1000 was made by Mr. Roe, seconded by Mr. Ruben. *Motion passed unanimously*

Civic Committee – Mrs. Siegel

Mrs. Siegel read the report. A copy is attached and thereby incorporated herein.

Mr. Siegel reported an update on the zoning issues since the last Board meeting. The petition filing will be held up until after the election. The petition will be presented to the city commission in June. A discussion of the homeless and derelict boats in the bay was held with the mayor. Mr. Siegel reported the results of that meeting.

Beth Callans Management Report – Mr. Fleet

Mr. Fleet read his report. A copy is attached and thereby incorporated herein.

Old Business:

None at the time.

New Business:

Addressed in the Finance Committee Report.

A discussion was held on hurricane procedures.

Owners Comments:

None at this time.

Adjournment:

A duly seconded *motion* was made by Mr. Ruben to adjourn the meeting at 5:40PM.

Motion passed unanimously.

Next Board Meeting Date – October 22, 2009 at 4PM.

Respectfully Submitted,

Neil Fleet, LCAM
Property Manager
Beth Callans Management Corporation

MEMORANDUM

FROM: Finance Committee – Bill Roe, Chair; Nancy Lindeman; Peter Fanning; Marvin Gross; Michael Mesirov

TO: Board of Directors, The Savoy on Palm Condominium Association

SUBJECT: Allocation of Reserve Funds

DATE: May 14, 2009

The Finance Committee at its April 27 meeting discussed the allocation of Reserve Funds in the event that an item for which the Savoy membership is accruing funds needs to be replaced. Under the current provisions, the Association uses a “straight line” methodology for reserves; i.e., each item in the reserve schedule is fully funded and the money in each of those lines or categories is for the exclusive repair or replacement of that item and only that item. For example, the funds in the line for HVAC can only be spent for HVAC and the funds accrued for painting the exterior of the building can only be expended for that purpose. The straight line methodology is very restrictive and does not allow the Board to exercise any flexibility when it comes to making expenditures from the reserves account.

A less restrictive method of control of reserve funds is referred to as a “pooled” or “cash flow” method. Under the financial provisions of this method, the Board would have the flexibility of moving funds across categories to assure that repairs or replacements could be made without needing to consider asking the Association members to approve a special assessment to cover costs or to convene a special meeting. For example, if the elevators needed to be replaced before their expected life projection had expired due to some catastrophic event, there would be insufficient funds to carry out the replacement. However, the Board could transfer money from another line or category such as exterior painting and immediately contract for repairs/replacement. The Board then could determine how it would proceed in going forward to replace the funds from the category from which it “borrowed” funds. All of this would be accomplished quickly without special assessments or meetings. As always, the Board remains accountable for these decisions and any member may ask for an explanation of expenditures at the next regularly scheduled Board meeting.

For reasons of flexibility and expediency the Finance Committee recommends that the Board of Directors approve placing an item on the agenda of the annual meeting to change the method by which expenditures are made from the reserves account from a straight line method to a pooled or cash flow method.

The Finance Committee has been quite busy since the last Board meeting and reports the following:

Insurance- Marvin Gross and Bill Roe met with Mike Angers of Brown and Brown Agency and made all the necessary preparations for the renewal of our various policies. We will use our current values plus the standard, annual adjustments for the property and then review this after we receive the Insurance Value Appraisal Study information.

Financial Reporting- The Finance Committee met with Beth Callans and our Auditor on May 20th and reviewed and made adjustments and corrections to our accounts dating as far back as "Turnover". These were primarily Balance Sheet transactions and included some changes to the Special Funds. Our Committee now feels that we have established as accurate a presentation of the numbers as possible. All adjustments have been made and are now reflected in our revised April statement and the revised 2008 Preliminary Audit Statement by our Auditor. Both of these are attached along with a separate presentation of both the Turnover Assessment Fund and the Special Assessment Fund(incl. with the April Statement).

With only a few minor adjustments along the way, the Income Statements are correct and have not been changed. The Balance Sheet now shows an additional column of information for the Turnover Account. Hopefully, this will add clarity for all of us as we move forward.

Beginning with the May statements, we should experience a more logical progression of the numbers, thus making all of our jobs much easier.

Thanks for your patience and understanding with these reporting issues.

Bill Roe