

SAVOY ON PALM CONDOMINIUM ASSOCIATION, INC.

BOARD OF DIRECTORS MEETING MINUTES

October 21, 2010

Call to Order: The Savoy on Palm Board of Directors Meeting was held on October 21, 2010 on the Third Floor of the Savoy on palm Condominium at 401 South Palm Avenue, Sarasota, Florida 34236. The meeting was called to order by Nancy Lindeman.

Determination of a Quorum: Board members present were Nancy Lindeman, Wayne Ruben, Mort Siegel and Bill Roe joined the meeting via conference call.

President's Report: Lynne Gross is currently out the country and therefore no report was given.

Treasurer's Report: Mr. Roe reported that the transition from the management company had gone very well. He attributed in part the work conducted by Bill Veal and Jeff Whittaker as key in the smoothness of transition. He reviewed the treasurer's report (attached) and indicated that year-to-date members' equity stands at \$370,000. There were no questions. A motion to approve the treasurer's report by Mr. Siegel was seconded and passed unanimously.

Turnover Committee Report: Mr. Ruben reported that today would be the final turnover report bringing to close the 3½ year business of developer transition. (See attached report. He outlined the expenditures made on behalf of the association which included but were not limited to the installation of the Culligan water softener, major landscaping upgrade, locks to the metal pedestrian gates, defibrillators in the workout room as well as the front desk, fencing on the north side of the building, re-lamping of the chandelier in the foyer, increase capacity of the generator, painting of the garage, pool chemical controller, temporary parking and a TV for the guest suite. These expenses were covered by an earlier assessment of \$84,000.

A check in the amount of \$89,725 was written to the association by Floria as settlement and was sufficient to complete the 'wish list' to correct deficiencies identified by the association. Corrections included but are not limited to repair scratches in metal doors, replace carpeting in specified areas, add mirrors in the garage to eliminate blind spots, kitchen remodel including the purchase of and installation of a range in the Party room, purchased a floor scrubbing machine for the garage and other hard concrete flooring, restoration of the lobby and elevator marble floors, gate work in the second floor garage and architectural drawings and installation of , a lift for the lobby and other high points in the building. After completion of this list, a check in the amount of \$32,793 will be deposited back into the account of Savoy on Palm.

Additionally, a settlement has been reached with Turner Construction on the 558 claims and deficiencies in the pool finish. They have written a check in the amount of \$16,750 to go into the reserve account for future pool maintenance. Mr. Siegel clarified that they did not release Turner from the 10 year statute of repose as they relate to latent defects. Mr. Ruben added they had requested of Turner all warranties as they relate to roof, air conditioning units, etc. and asked that they be available to assist with any enforcement of such warranties if and when there should be claims against any subcontractor. Mr. Siegel made the motion to accept the Turnover Committee report; it was seconded and subsequently passed unanimously.

Discussion: There was a question from the floor regarding any potential 'leaks' in the pool that may surface in the future. It was asked if future leaks would be considered latent defects and Mr. Ruben indicated that they would not. Since the leaks appeared fixed at this time and with monitoring of the water bills over a several-month period, the committee was confident that all issues were resolved. Wayne further mentioned that Savoy on Palm would be pursuing the City of Sarasota for a refund of 'sewer' usage during the period of time the pool was leaking.

Building Manager Report: In the absence of Mr. Bill Veal, Building Manager who is on vacation, Mrs. Lindeman did a 'high level' overview of his report. (See attached) Mr. Siegel moved to accept the report, after a second, it was unanimously approved.

Facility Committee Report: Dina LaReau presented the Facility Committee Report, attached, including the 2011 Budget Requests. Mrs. Beathe Elden further detailed the landscaping projects in process which include but are not limited to the plantings of multi colored impatiens, purple lobelia. There was a request to encourage anyone interested to replant herbs in the back. Mr. Ruben moved to accept the Facilities report; it was seconded and passed unanimously.

Finance Committee Report: Bill Roe broached the topic of whether or not the Board should choose to audit or not the condominium association books at this time. The choices posed were:

- Do no analysis of financial statements
- Have Jeff Whittaker do a compilation report.
- Have review done by an outside firm (Whittaker could refer)
- Have an audit by an outside firm

After discussion, the Finance Committee recommended that the Board have a review analysis by an outside firm this one year and have that firm focus on specific areas of concern, i.e., cash on hand and transition from BCM to Scovanner & Whittaker. This firm would additionally review the financial reports. Mr. Roe questioned whether this was a Board decision or required a full membership vote at the annual meeting in November.

Mr. Siegel asked if an audit was required by the Condominium Act, and Mr. Roe advised that Jeff Whittaker had checked and determined an audit was not required by law. Mr. Ruben asked Mr. Roe if with the amount of activity from Beth Callans, to self management and various bookkeeping firms, tracking of the settlements and turnover activities if he was comfortable not performing an audit.

Mr. Roe advised that he was comfortable that all funds have been appropriately allocated by Mr. Whittaker.

Mr. Roe made a motion that the Board approve a review this year in lieu of an audit; after a second, the vote carried unanimously.

The next matter of business discussed by Mr. Roe was insurance. He asked that the Board agree to add to the agenda for the first meeting of the New Year, 2011, a representative from Brown & Brown to review insurance needs. He recommended that Marvin and Lynn Gross coordinate the presentation.

- **Banking Report:** Mr. Roe called upon Mike Mesirov to provide a report on the association reserve funds in checking, savings and market accounts. Mr. Mesirov reported that we are at the maximum insured dollar amount at Superior Bank and Superior's rating is now at zero. He recommended we open an account at Gateway Bank. Mr. Siegel made the motion that checking, savings and CD accounts be opened at Gateway Bank on Tamiami Trail, Mrs. Lindeman seconded the motion, the vote carried with Mr. Ruben recusing himself from the vote. The motion was amended to authorize the secretary to provide a signature authorization authorizing Mr. Wayne Ruben, Mr. Bill Roe, Mrs. Lynn Gross, Mr. Peter Fanning and Mr. Mike Mesirov. The amended change was seconded by Mr. Roe and approved.

A signature resolution will be required and provided by the bank in order to open an account and the Board approved such resolution.

- **Reserve Committee Report:** Leon Ellin presented a spreadsheet (See attached) that took into consideration the original Drew Isaac detailed reserve information. The reserve review goes out 10 years of a 30 year total. Mr. Ellin and Mr. Fanning worked on this to provide the projected spending in comparison to the actual spending. He will update the actual spending when Bill Veal returns.
- **Budget Committee Report:** Walter Bladstrom presented projections for the 2011 condo association fees. The net result is that the fees are down from 2010 and will be provided to every owner for review prior to the November annual meeting when they will be voted on.

Mr. Siegel made a motion to approve the Finance and related committee reports, the motion was seconded and carried unanimously.

Civic Activity Report: Coots Seigel was the first to report on the review of the roundabout at Palm and Ringling due before the City Commission for review mid March 2011 and the hope is that the bid includes landscaping from the street to the sidewalk from the corner of Palm and Ringling to the Savoy.

Jerry Elden reported that he, Mr. Siegel and Lottie Varano (Essex House and President of the Coalition of Bayfront Citizens (CBC) had met with Church of the Redeemer representatives on the overlay and got the impression they were not very interested in working with the Savoy on the project. Mr. Siegel interjected

that it is of great interest to the owners of the Savoy the way in which the church's adjacent property is developed in the future. Andy Dorr who is heading up the church group is going to be meeting with Mr. Ruben to discuss ways in which the property could be developed.

Additionally, Mr. Elden reported that he had met along with Commissioner Nora Patterson with library management on the topic of chronic vagrancy. Mr. Elden and Mr. Fanning are working together on helping to identify work programs and/or lobbying for increased fines for vagrancy. A number of the library personnel are sympathetic to the homeless cause and contribute to the chronic vagrancy problem by offering a 'safe haven' for many in need. Mr. Elden indicated that subsequent meetings with the police department have resulted in their willingness to help curb the vagrant activities.

Mr. Fanning reported on a number of activities related to the Downtown Sarasota Condo Association and which are posted on their website as well as activities related to the Downtown Sarasota Alliance. Topics addressed by these groups and which affect the Savoy directly or indirectly include: Candidates forum at Selby Gardens, the CBC, the Overlay district, no new commercial footage along the bayfront, no mix use of fractional sales, connectivity to the bay front, Five Points park, downtown parking meters/kiosks, homeless alternative work programs, FPL franchise, Pineapple Square, Palm Avenue parking garage, etc. Events and activities happening in and around downtown include: Veterans Day Celebrations, USO group at the Van Wezel, Chalk Festival, Owens Burns and the Opera Guild.

Mr. Siegel made a motion to accept the Civic Committee report, it was seconded and passed unanimously.

Old Business: Mr. Seigel moved to ratify the action taken by the Board on April 19, 2010 to terminate Beth Callan's contract. The motion was seconded and approved unanimously.

Owner's Comments: The question arose as to whether notification was going to be sent to owners regarding what is to be recycled. Mr. Fanning reported that they are waiting for new brochures from the waste management company.

Adjournment: There being no further business, a duly seconded motion was made by Mrs. Lindeman to adjourn the meeting a 6:00 p.m. The motion passed unanimously.

Respectfully Submitted,

Schuyler Counihan

On Behalf of Scovanner & Whittaker, CPAs.

The Savoy On Palm Condominium Association, Inc.

Building Manager's Report

10/21/10

Dear Board of Director's,

Overall it has been a very quiet summer at The Savoy as far as the number of residents that have been here over the summer, but it has been a very busy summer as far as projects and repairs that have occurred. I have comprised a list of these items and broken them down into 2 categories and given a brief description of each item. If you have any questions about any item, I will be happy to answer them upon my return from vacation on Monday 10/25/10.

Major Projects Completed -

Domestic Booster Pumps

- o Both domestic booster pump motors failed within a couple of months of each other and had to be replaced. Both failures were premature and hopefully the new motors will last much longer than the originals as the new motors are of much better quality than the originals.

Catering Kitchen -

- o Sought out bids, scheduled and supervised the electric range addition in the 3rd floor kitchen.

Access Control Server -

- o The server for the access controls for the entire building crashed. Upon inspection by NextGen Computers, it was determined that the mother board and hard drive had self destructed do to age and amount of use, this system is on 24/7 and never goes into a standby mode do to the recorder system for the security cameras. We were unable to pull the back up files for the access controls from the damaged hard drive to restore the database for the access controls. We had to contract with a Honeywell Security "Authorized" vendor to come in and reprogram the access control database. Fortunately the system stayed up and running on the stored memory at each control panel so there was at no time an issue with the security of the building.
- o We now have an external hard drive with a 2 duplicate copies of the database stored to prevent this from ever happening again.
- o The closed circuit digital video recorder for the 4 common area cameras also went down and had to be replaced. The new recorder runs independent of the access control server so now we can shut the system down at the end of the day and hopefully prolong the life of the server for several more years than the original one.

Management Transition -

- o Worked with Jeff Whittaker to provide all necessary documentation needed for them to process payables, payroll and perform their accounting duties.
- o Worked with Jeff Whittaker going over the June & July financials, making various revisions and corrections before he sent the financial statements out.

Emergency Protocol -

- o Worked with the facilities committee to establish an after hours emergency protocol for the residents. Once protocol was approved, I contacted Security Answering Service to set up an account for after hour's emergencies.
- o The protocol has worked great since June, and although originally there was some concern over the amount of calls that would be placed to the answering service, therefore increasing our monthly charge, we have averaged only 1 call per month.

Turnover Issues -

- Secured pool renovation bids and forwarded to the turnover committee for negotiations with Turner.
 - o Pulled all water bills from 2007 to present and put on a spreadsheet for comparison to try and determine when the pool leaks began.

Fire Alarm Test & Inspection -

- o Supervised AES during the annual fire alarm test & inspection. We have 2 out of 298 speaker strobes that are not functioning and need to be replaced. I' am still waiting on a proposal from AES for this work.
- o There is also a fire alarm pull station inside unit 802 that has been painted and is not operable per code. This is written up on the report, but should be replaced at the owner's expense to relieve the association of any liability in the event of a fire.
- o AES also recommended that we replace the 10 back up batteries that were originally installed in 2006 (they normally have a life of 3 to 5 years). I was going to recommend to the board that we wait until the fire alarm panel notifies us that the batteries need to be replaced as this system is on emergency power and the batteries are only needed in the absence of back up emergency power, but one of the batteries showed up last week on the fire alarm as being low. I ordered the 10 batteries and will replace them as soon as they arrive.

Generator -

- o The generator tanks were filled before the start of hurricane season.
 - The batteries for the generator were replaced in August as they were at the end of their recommended life expectancy.
- o We have had 2 short term power outages over the summer and our emergency generator performed flawlessly both times. Although we did have an issue with the elevator fob readers during the first power outage that has since been corrected.

Exterior Pressure Cleaning -

- Pressure cleaned the north side walk & exterior stairwells, the entire front of property, and the pool area.
 - o Pressure cleaned the 2nd floor garage. o Dutchman windows pressure cleaned all balconies and the 3rd floor exterior walk way. They also cleaned all of the sliding glass doors and windows inconjunction with the pressure cleaning.

Pool Leak Detection & Repairs –

- o Supervised Turner's contractor during the leak detection and repairs of the pool. Our water usage has decreased drastically since the leaks have been repaired.
- o Submitted the paperwork to the city of Sarasota so they can audit our water usage and determine how much of a credit we can expect against the sewer charges that were paid during the time of the pool leak. We should have an answer back from them around the 2nd or 3rd week in November.

Fire Sprinkler Annual Test & Inspection -

- o Supervised and escorted Southeast Fire Protection during the inspection and escorted the tech through the majority of the units to perform a visual inspection of the sprinkler heads as required by code.
- o All fire sprinkler systems tested out fine and no repairs are needed at this time.

- 2011 Budget -

- o Worked with Walter Bladstrom to do the initial draft of the budget to submit to the finance committee, and made several revisions as the financial statements became available each month.

Backflow Prevention Devices -

- o Had the annual test and inspection completed on the backflow prevention devices. Both of the backflow prevention devices passed and do not need any repairs at this time.

Irrigation Well -

- o The down pipe for the irrigation well had to be replaced as it had holes corroded through it and would not allow the well pump to pressurize the system. The well pump would constantly run which would eventually burn the pump out. The original down pipe was galvanized and there were also issues with dissimilar metals and electrolysis. The replacement pipe is stainless steel including all fittings from the pump all the way up which should last for many years before needing to be replaced again.

Minor Projects Completed -

Installed track lighting in the meeting room over the counter behind the bar.

Had an irrigation zone valve replaced after trying to clean. The zone would continue to run for several hours after it should have shut off.

- Adjusted many common area doors to prevent them from slamming but making sure they would completely close and latch.

Prepped and painted the generator exhaust pipe at the rear of the building.

Repaired a minor leak in the piping of the spa heater.

Replaced the wireless "insta-jack" for the phone line for the meeting room & gym.

Replaced the key pad on the left tread mill in the gym. The keypad was replaced under the manufacturer's warranty and installed by me.

Singled out all individual irrigation zones that were previously doubled up. Reset all run times to adjust for the various zone changes. Mapped all of the zones on paper for future use.

Prepped and painted the fountain at the front entrance.

Replaced the cordless phone batteries in the meeting room.

Prepped and stained both 2nd floor stairwell landings.

Prepped and painted the north wall.

Scheduled and escorted Custom Air during the annual full preventative maintenance of all of the common area a/c units.

There is one other item that has yet to be replaced. It is the interior glass panel in the portico covering at the main entrance to the IP^h. I have made several efforts to get this work completed under warranty by the original installer, and the glass manufacturer. Neither of them will warranty the broken glass. The installer only had to give a 3 year warranty to Turner Construction and although the manufacturer gives a 5 year warranty against edge separation & de-lamination, they do not cover glass breakage under any circumstances. I have several bids to replace the glass and it is going to cost around \$2400 to replace the glass panel. My recommendation is to get this glass replaced as soon as possible as it is going to take some time to order the glass, & schedule the work to be done. My main concern is that as the weather is getting cooler, the expansion and contraction of the metal frame and glass during the vast temperature changes from morning to afternoon could cause the panel to shatter and be very unsightly for several weeks until the replacement glass can be installed. This should not be considered a safety issue, since it is laminated glass and the piece that is cracked is on the top side of the panel.

Respectfully Submitted By, Bill Veal