

# **The Savoy on Palm Condominium Association, Inc.**

## **Board of Directors Meeting Minutes**

October 12, 2017

**Call to Order:** The Savoy on Palm Board of Directors Meeting was held October 12, 2017 on the Third Floor of The Savoy on Palm Condominium at 401 South Palm Ave, Sarasota, Florida 34236. The meeting was called to order by Peter Fanning at 4:00 p.m.

**Determination of a Quorum:** Board Members present were Peter Fanning, Richard Rivera, Leon Ellin, Gerald Elden, and Bob Hendel. It was confirmed that proper proof of notice of the meeting had been conveyed.

### **Approval of Minutes:**

1. **MOTION** – (Leon Ellin) to approve the minutes from the August 24, 2017 Board Meeting. Motion seconded by Bob Hendel. Motion passed unanimously.

**President's Report:** Peter Fanning presented his report.

**Treasurer's Report:** Leon Ellin presented the attached report, presented and reviewed the 2018 Proposed Budget with the Board.

2. **MOTION** – (Leon Ellin) to approve distribution of the 2018 Proposed Budget, as presented, to the owners for final consideration and approval at the November 16, 2017 Board Meeting. Motion seconded by Richard Rivera. Motion passed unanimously.

**Building Manager's Report:** Bill Veal presented the attached report.

3. **MOTION** – (Leon Ellin) to authorize Bill Veal to spend up to \$9,200 replace the broken spa heater with a heat pump. Motion seconded by Richard Rivera. Motion passed unanimously.

### **Facilities Committee:**

Peter Fanning announced that there would be a Facilities Committee meeting in the near future and if any other owners would like to attend they are welcome to do so.

### **Landscape Committee:**

Beathe Elden gave an update on the landscape and explained that due to all of the construction and the recent hurricane the landscape is not looking as good as it should, but she said that the current landscape contractor is getting back on the right track. She also informed the Board that in the near future the fall flowers will be planted, and the tree trimming will be completed. She also informed the Board and the owners in attendance that since they currently have their home listed for sale, that she would be resigning as the chair of the landscape committee once the fall planting has been completed

### **Social Committee Report:**

Peter Fanning informed the Board and the owners that at this time there is not an active Social Committee, but that he would be seeking volunteers for this committee in the near future, but there is a planned meet and greet to take place after the annual meeting.

### **Civic Activity Report:**

Gerald Elden and Peter Fanning spoke about the noticeable decrease in the amount of homeless downtown and Mr. Fanning went over several items that have been addressed to help with the homeless issues.

**Old Business:** None at this time

**New Business:**

Peter Fanning informed those in attendance that there will be three Board Members with terms expiring at the Annual Meeting. Those Board Members are Peter Fanning, Leon Ellin, and Gerald Elden. Currently only two owners (Peter Fanning and Leon Ellin) turned in their notice of intent to be a candidate for the Board, and the Board will need to appoint an additional Board member at the Organizational meeting following the Annual meeting. He said that if anyone would like to volunteer for the position, to please let him know before the Annual Meeting.

**Owner Comments:**

- Gerald Elden commented that he too will be resigning from the Board, and that it has been a pleasure living and working with everyone, not only on the Board, but in the entire building. He encouraged everyone in attendance to get involved with the Board and Committees to help keep the building one of the nicest buildings in town.

**Adjournment:** There being no further business, the meeting was adjourned at 4:36 p.m.

# **The Savoy on Palm Condominium**

## **Treasurers Report and 2018 Budget Proposal**

Our operating expenses continue to run at predictable and modestly favorable levels. At this point, we are projecting to end the year with a small (just short of \$20,000) surplus, but there is still one third of the year to go.

The cable project has basically concluded from a construction standpoint. We estimated last year that the total for 2017 would come in at \$650,000. At this time, with all construction invoices accounted for, the total for 2017 is \$648,718.61. Since the inception of this issue in 2014, we have expended a total of \$776,300.77. Three schedules are attached to this report detailing this spending.

Through the end of August, we have borrowed \$611,195.98 from our Reserve Funds to pay for the Cable Project. We expect that the full \$650,000 originally projected will be borrowed. The financial statements for August Month and Year to Date are attached to this report.

The Operating Budget proposed for 2018 is almost identical to the amount for 2017 (\$456K vs. \$458K). However, the Reserve Assessment proposed is a significant increase (\$160K VS. \$128K). This is due to two factors:

1. We had a deficit rather than a surplus last year, so we have no surplus to allocate to reserves as was our practice in past years.
2. We agreed to repay \$30,000 of the loan we borrowed from our Reserve Funds each year until that loan is fully retired. 2018 Reserve Assessments include this \$30,000.

Detail of the 2018 proposed budget and reserves, along with explanations for changes and calculations of the quarterly assessment by unit is attached.

I recommend a vote to approve the 2018 budget.

Respectfully submitted,

Leon Ellin, Treasurer

# **The Savoy on Palm Condominium**

**BALANCE SHEET AND INCOME STATEMENT**

**AUGUST 2017 MONTH AND YEAR TO DATE**

**The Savoy On Palm Condominium Association, Inc.**

**Balance Sheet**

**August 31, 2017**

Assets

Current Assets

Iberia Bk-Oper Checking	8,815.38
Iberia Bk-Payroll Checking	8,805.63
Iberia Bk-Oper MMA	56,416.64
Iberia Bk MMA - Designated for Replacement Reserve	4,306.84
Morgan Stanley - Designated for Replacement Reserve	232,261.53
Employee Advances	787.00
Prepaid Expenses	54,068.31

Total Current Assets \$ 365,461.33

Fixed Assets

Furnishings & Equipment	43,727.09
Accumulated Depreciation	(25,329.00)

Total Fixed Assets 18,398.09

Other Assets

Total Other Assets 0.00

Total Assets \$ 383,859.42

Liabilities & Members' Equity

Current Liabilities

Accounts Payable	5,930.00
Accrued Wages	1,741.92
Sales & Tourist Tax Payable	210.00
Payroll Tax Payable	3,701.83
Cable Project Retainage	56,516.72
Prepaid Maintenance Fees	55,035.49

Total Current Liabilities 123,135.96

Long-Term Liabilities

Total Long-Term Liabilities 0.00

Total Liabilities 123,135.96

Members' Equity

Undesignated Equity

Undesignated Equity \$ (575,007.49)  
Transferred from Designated Equity 611,195.98

Current Balance 36,188.49

Designated Equity

Designated for Replacement Reserve Equity 835,730.95  
Transferred to Undesignated Equity (611,195.98)

Current Balance 224,534.97

Total Members' Equity 260,723.46

Total Liabilities & Members' Equity \$ 383,859.42

The Savoy on Palm Condominium Association, Inc. Page 2  
 Statement of Revenue and Expenses  
 For the One Month and Eight Months Ended August 31, 2017

	Current Year		Monthly Activity /		Current		Year to Date		Pos (Neg) Variance
	Actual		Current Year	Pos (Neg) Budget Variance	Actual		Current Budget		
<b>Operating Revenue</b>									
Maintenance Fees	\$ 38,169.75	\$ 0.00	\$38,169.75	\$ 0.00	\$305,358.00	\$ 305,358.00	\$ 0.00	\$ 0.00	
Guest Suite Income	1,750.00	1,041.67	708.33	1,041.67	4,875.00	5,666.66	(791.66)	(791.66)	
Interest Income	13.79	(19.54)	33.33	(19.54)	89.44	266.66	(177.22)	(177.22)	
Other Income	0.00	(8.33)	8.33	(8.33)	40.50	66.66	(26.16)	(26.16)	
<b>Total Operating Revenue</b>	<b>39,933.54</b>	<b>1,013.80</b>	<b>38,919.74</b>	<b>1,013.80</b>	<b>310,362.94</b>	<b>311,357.98</b>	<b>(995.04)</b>	<b>(995.04)</b>	
<b>Administrative Expense</b>									
Audit & Tax Preparation	0.00	43.75	43.75	43.75	510.00	350.00	(160.00)	(160.00)	
Fees, Dues, and Licenses	14.43	77.24	91.67	77.24	1,050.68	733.33	(317.35)	(317.35)	
Insurance-W/C	315.00	243.33	558.33	243.33	3,809.00	4,466.66	657.66	657.66	
Legal Fees	0.00	208.33	208.33	208.33	751.00	1,666.66	915.66	915.66	
Management Fees	1,055.00	(180.00)	875.00	(180.00)	6,851.00	7,000.00	149.00	149.00	
Office Supplies, Postage, Print	300.88	(150.88)	150.00	(150.88)	1,200.00	1,200.00	0.00	0.00	
Payroll Taxes	1,338.63	(255.30)	1,083.33	(255.30)	7,895.88	8,666.66	770.78	770.78	
Professional Fees	0.00	41.67	41.67	41.67	0.00	333.34	333.34	333.34	
Social Committee Expense	0.00	83.33	83.33	83.33	0.00	666.66	666.66	666.66	
Taxes-Income	0.00	100.00	100.00	100.00	917.41	800.00	(117.41)	(117.41)	
Salaries & Wages	16,828.98	(5,923.48)	10,905.50	(5,923.48)	82,102.44	87,244.00	5,141.56	5,141.56	
<b>Total Administrative Expense</b>	<b>19,852.92</b>	<b>(5,712.01)</b>	<b>14,140.91</b>	<b>(5,712.01)</b>	<b>104,937.76</b>	<b>113,127.31</b>	<b>8,189.55</b>	<b>8,189.55</b>	
<b>Building and Grounds Expense</b>									
Depreciation Expense	500.00	(500.00)	0.00	(500.00)	4,000.00	0.00	(4,000.00)	(4,000.00)	
Elevator Contract	1,980.00	3.33	1,983.33	3.33	15,764.00	15,866.66	102.66	102.66	
Equipment Contracts	487.66	412.34	900.00	412.34	3,947.56	7,200.00	3,252.44	3,252.44	
Fire Alarm	32.00	101.33	133.33	101.33	256.00	1,066.66	810.66	810.66	
Generator Fuel	0.00	83.33	83.33	83.33	0.00	666.66	666.66	666.66	
Guest Suite Expense	0.00	41.67	41.67	41.67	42.28	333.34	291.06	291.06	
Landscape Contract	1,970.00	(978.33)	991.67	(978.33)	8,865.00	7,933.34	(931.66)	(931.66)	
Landscaping	2,262.87	(1,762.87)	500.00	(1,762.87)	3,084.47	4,000.00	915.53	915.53	
Pest Control	244.00	6.00	250.00	6.00	1,952.00	2,000.00	48.00	48.00	
Pool/Spa/Fountain Contract	0.00	583.33	583.33	583.33	4,165.00	4,666.66	501.66	501.66	
Repairs & Replacements	2,344.34	155.66	2,500.00	155.66	4,755.63	20,000.00	15,244.37	15,244.37	
Repair & Maint-Elevator	0.00	58.33	58.33	58.33	0.00	466.66	466.66	466.66	
Repair & Maint-Interior Plants	43.87	(2.00)	41.67	(2.00)	146.59	333.34	186.75	186.75	
Repair & Maint-Pool/Spa/Fount.	0.00	166.67	166.67	166.67	125.00	1,333.34	1,208.34	1,208.34	
Repair & Maint-Fire Alarm	99.90	(16.57)	83.33	(16.57)	963.64	666.66	(296.98)	(296.98)	
Repair & Maint-Landscape Other	60.00	208.33	208.33	208.33	0.00	1,666.66	1,666.66	1,666.66	
Repair & Maint-Window Cleaning	0.00	290.00	290.00	290.00	2,876.80	2,800.00	(76.80)	(76.80)	
Supplies-Cleaning	44.99	80.01	125.00	80.01	872.03	1,000.00	127.97	127.97	
Supplies-Maintenance	200.29	216.37	416.66	216.37	2,342.14	3,333.34	991.20	991.20	
Miscellaneous Expense	30.00	386.67	416.67	386.67	268.52	3,333.34	3,064.82	3,064.82	
<b>Total Building and Grounds Expense</b>	<b>10,299.92</b>	<b>(466.60)</b>	<b>9,833.32</b>	<b>(466.60)</b>	<b>54,426.66</b>	<b>78,666.66</b>	<b>24,240.00</b>	<b>24,240.00</b>	

See Accountant's Compilation Report  
 The Savoy on Palm Condominium Association, Inc. Page 3  
 Statement of Revenue and Expenses  
 For The One Month and Eight Months Ended August 31, 2017

	Current Year		Monthly Activity		Current Year		Year to Date		Pos (Neg) Variance
	Actual	Budget	Current Year Pos (Neg)	Budget Variance	Actual	Budget	Current Year	Budget	
Insurance Expense	5,184.00	5,362.50	178.50		40,919.00	42,900.00	1,981.00		1,981.00
Insurance	5,184.00	5,362.50	178.50		40,919.00	42,900.00	1,981.00		1,981.00
Total Insurance Expense									
Utilities Expense	812.84	791.67	(21.17)		6,255.52	6,333.34	77.82		77.82
Telephone	1,299.41	1,250.00	(49.41)		10,393.34	10,000.00	(393.34)		(393.34)
Utilities-Cable TV	2,742.44	2,750.00	7.56		20,571.14	22,000.00	1,428.86		1,428.86
Utilities-Electric	246.81	1,083.33	836.52		6,317.27	8,666.66	2,349.39		2,349.39
Utilities-Gas	2,842.33	3,166.67	324.34		25,578.71	25,333.34	(245.37)		(245.37)
Utilities-Water/Sewer	34.67	33.33	(1.34)		276.82	266.66	(10.16)		(10.16)
Utilities-Trash/Recycle									
Total Utilities Expense	7,978.50	9,075.00	1,096.50		69,392.80	72,600.00	3,207.20		3,207.20
Total Operating Expense	43,315.34	38,411.73	(4,903.61)		269,676.22	307,293.97	37,617.75		37,617.75
Excess of Operating Revenues Over Expenses	(3,381.80)	508.01	(3,889.81)		40,686.72	4,064.01	36,622.71		36,622.71
Replacement Rsv Revenue	10,681.16	10,681.16	0.00		85,449.33	85,449.33	0.00		0.00
Maintenance Fees	514.28	0.00	514.28		6,740.50	0.00	6,740.50		6,740.50
Interest & Dividend Income	0.00	0.00	0.00		2,714.96	0.00	2,714.96		2,714.96
Capital Gain Income									
Total Replacement Rsv Revenue	11,195.44	10,681.16	514.28		94,904.79	85,449.33	9,455.46		9,455.46
Replacement Rsv Expense									
Total Repl Reserve Expense	0.00	0.00	0.00		0.00	0.00	0.00		0.00
Excess of Replacement Reserve Revenues Over Expenses	11,195.44	10,681.16	514.28		94,904.79	85,449.33	9,455.46		9,455.46
Excess of Total Revenues Over Ordinary Expenses	7,813.64	11,189.17	(3,375.53)		135,591.51	89,513.34	46,078.17		46,078.17
Extraordinary Expense	245,500.24	0.00	(245,500.24)		637,518.47	0.00	(637,518.47)		(637,518.47)
Cable Project Expense									
Total Revenues in Excess of Expenses	<u>\$ (237,686.60)</u>	<u>\$ 11,189.17</u>	<u>\$ (248,875.77)</u>		<u>\$ (501,926.96)</u>	<u>\$ 89,513.34</u>	<u>\$ (591,440.30)</u>		<u>\$ (591,440.30)</u>

# **The Savoy on Palm Condominium**

**SUMMARY OF CABLE PROJECT EXPENSES**

**2014 THROUGH SEPTEMBER 2017**

**Post Tension Cable Expenses by Year and Type**  
**2014 through September, 2017**

DATE	PAID TO	AMOUNT	DESCRIPTION
<b>2014</b>			
Legal	\$2,681.93		
Engineering	\$1,860.00		
Labor	0		
<b>TOTAL</b>	<b>\$4,541.93</b>		
<b>2015</b>			
Legal	\$6,272.50		
Engineering	0		
Labor	0		
<b>TOTAL</b>	<b>\$6,272.50</b>		
<b>2016</b>			
Legal	\$30,590.36		
Engineering	\$21,329.87		
Labor	\$64,847.50		
<b>TOTAL</b>	<b>\$116,767.73</b>		
<b>2017</b>			
Legal	\$26,974.99		
Engineering	\$55,408.91		
Labor	\$565,167.18		
Other Expenses	\$1,167.53		
<b>TOTAL</b>	<b>\$648,718.61</b>		

Total Florida Structural contract w/4 change orders  
 \$565,167.18 less deduct change order (\$6,979.33) for repairs  
 \$558,187.85. Final payment amount: \$49,537.40.

**2016-2017 Total**                      **\$765,486.34**

2014 to Present                      **\$776,300.77**

**GRAND TOTAL**                      **\$709,780.99 Total Minus Legal Fees**

**Post Tension Cable Expenses by Invoice/Payment  
2014 Through 2017 (to date)**

DATE	PAID TO	AMOUNT	DESCRIPTION
3/21/2014	Thomas Code B&P	\$360.25	
7/28/2014	Slider Engineering	\$1,000.00	Retainer
10/13/2014	Thomas Code B&P	\$133.18	Phone conference with Mr. Fanning and myself
10/13/2014	Slider Engineering	\$681.25	Review and prepare report
11/11/2014	Thomas Code B&P	\$2,026.00	Conference call and 558 claim preperation
11/11/2014	Slider Engineering	\$81.25	Report preperation
12/10/2014	Slider Engineering	\$97.50	
12/10/2014	Thomas Code B&P	\$162.50	Review letter from Turner Counsel
1/26/2015	Thomas Code B&P	\$1,625.00	Various Correspondance with Turner counsel, and Savoy
2/5/2015	Thomas Code B&P	\$617.50	Various Correspondance with Turner counsel, and Savoy
2/28/2015	Thomas Code B&P	\$682.50	Various Correspondance with Turner counsel, and Savoy
4/7/2015	Thomas Code B&P	\$1,332.50	Various Correspondance with Turner counsel, and Savoy
5/10/2015	Thomas Code B&P	\$325.00	Various Correspondance with Turner counsel, and Savoy
6/9/2015	Thomas Code B&P	\$130.00	Correspondance with Savoy
7/13/2015	Thomas Code B&P	\$520.00	Correspondance with Savoy
8/25/2015	Thomas Code B&P	\$260.00	Correspondance with Savoy
9/10/2015	Thomas Code B&P	\$227.50	Receipt & Review of Slider's Scope of work
11/10/2015	Thomas Code B&P	\$422.50	Correspondance with Savoy
12/10/2015	Thomas Code B&P	\$130.00	Receipt & Review of letter to Slider, correspondance with President
2/10/2016	Thomas Code B&P	\$390.00	Receipt & Review of Slider proposal and Savoy correspondance
6/10/2016	Thomas Code B&P	\$970.77	Phone call with Bill Roe, Correspondance with Savoy, Correspondance & conference call with Savoy
7/6/2016	Thomas Code B&P	\$1,400.45	Correspondance with Savoy
8/6/2016	Thomas Code B&P	\$264.07	Correspondance with Savoy
8/9/2016	Slider Engineering	\$237.50	Project Coordination
8/1/2016	Structural	\$62,761.50	Exploratory Project Payment
9/1/2016	Thomas Code B&P	\$4,076.93	Savoy Communication and Observatin during exploratory project
9/14/2016	Slider Engineering	\$12,047.23	On site observation and report
9/23/2016	Sharpe Finishes	\$237.50	Paint repair in unit 501 from water damage at repair area
10/5/2016	B&P	\$2,697.50	R&R Slider Report, Correspondance with Board, Work on Complaint
10/10/2016	Structural	\$1,848.50	Final payment for exploratory work
10/14/2016	Slider Engineering	\$3,600.14	Report prep, Doc. Review, expenses
11/10/2016	B&P	\$11,504.75	
11/28/2016	Slider Engineering	\$5,445.00	
12/12/2016	B&P	\$9,285.89	
1/10/2017	B&P	\$5,419.88	
1/10/2017	Slider Engineering	\$2,337.50	
1/11/2017	Fed Ex	\$72.50	Overnight contracts to Brian Peachy to sign and return

**Post Tension Cable Expenses by Invoice/Payment  
2014 Through 2017 (to date)**

DATE	PAID TO	AMOUNT	DESCRIPTION
2/10/2017	B&P	\$5,935.32	
2/10/2017	Slider Engineering	\$625.00	
1/18/2017	USPS	\$29.40	Send executed contracts to Slider and B&P
2/17/2017	FL Structural	\$44,097.46	AFP #1
2/24/2017	Slider Engineering	\$1,365.46	
3/10/2017	B&P	\$5,157.13	
3/10/2017	Pfohler Electric	\$399.06	Install pig tails for swing stages (not charged back to FL Structural)
3/24/2017	Ody's Prof. Process	\$200.00	
3/24/2017	Slider Engineering	\$2,936.70	
4/3/2017	FL Structural	\$64,417.50	AFP #2
4/10/2017	B&P	\$4,927.88	
4/26/2017	FL Structural	\$54,855.00	AFP #3
4/26/2017	Slider Engineering	\$10,450.00	
4/26/2017	Pfohler Electric	\$666.57	Install 2-50 amp circuits and outlets for plasma cutters
5/10/2017	B&P	\$2,022.96	
5/25/2017	FL Structural	\$76,238.55	AFP #4
5/25/2017	Slider Engineering	\$11,760.00	
6/26/2017	B&P	\$651.32	
6/26/2017	FL Structural	\$59,640.52	AFP#5
6/26/2017	Slider Engineering	\$11,570.00	
7/25/2017	B&P	\$750.00	
8/10/2017	Slider Engineering	\$10,576.25	
8/10/2017	FL Structural	\$125,122.50	AFP #6
8/10/2017	B&P	\$479.00	
8/25/2017	FL Structural	\$84,278.92	AFP #7
8/25/2017	Slider Engineering	\$1,776.75	
9/15/2017	Pfohler Electric	\$230.43	Wiring repairs damage done by FL Structural. Should be deducted from final payment.
9/25/2017	Pfohler Electric	\$1,445.00	Lighting repairs damage done by FL Structural. Should be deducted from final payment
9/25/2017	Dutchman Window	\$2,696.00	Window and glass door cleaning entire building after FL Structural. Should be deducted from final payment.
9/25/2017	Becker Poliakoff	\$1,431.50	
10/10/2017	Slider Engineering	\$2,011.25	

not paid yet	Grant's Gardens	\$1,963.30	Ground Level Landscape Repairs
not paid yet	Grant's Gardens	\$644.60	301 Landscape Repairs
not paid yet	FL Structural	\$49,537.40	Retainage less expenses paid by Association (Window cleaning, electrical repairs, and landscape repairs)

<b>TOTAL EXPENSES 2014 TO DATE</b>	<b>\$776,300.77</b>
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Legal = \$66,519.78	Engineering = \$78,598.78
Labor = \$629,777.18	Other = \$1,405.03

<b>Total</b>	<b>\$776,300.77</b>
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# **The Savoy on Palm Condominium**

**PROPOSED OPERATING AND RESERVE BUDGETS**

**WITH A COMPARISON TO 2017 BUDGET AND PROJECTED ACTUAL**

**Savoy on Palm**  
**2018 "Proposed" Operating Budget**  
**January 1, 2018 through December 31, 2018**

10/7/2017

**Income**

A/C#	Description	Year End 2016	Budget 2016	August-17	Projected Y/E 2017	Budget 2017	Budget 2018
40100	Maintenance Fees	\$464,166.00	\$464,166	\$305,358.00	\$ 458,037	\$ 458,037	\$ 456,346
40800	Guest Suite Fees	\$11,625.00	\$8,500	\$4,875.00	\$ 8,000	\$ 8,500	\$ 8,500
48000	Interest Income	\$239.93	\$500	\$89.44	\$ 150	\$ 400	\$ 400
49100	Other Income	\$92.50	\$100	\$40.50	\$ 100	\$ 100	\$ 100
	Reserve Income	\$120,000.00	\$120,000	\$94,904.79	\$ 128,174	\$ 128,174	\$ 160,737
	<b>Total Income</b>	<b>\$596,123.43</b>	<b>\$593,266</b>	<b>\$405,267.73</b>	<b>\$ 594,461</b>	<b>\$ 595,211</b>	<b>\$ 626,083</b>

**Expense**

A/C#	Description	Year End 2016	Budget 2016	August-17	Projected Y/E 2017	Budget 2017	Budget 2018
60500	Audit and Tax Prep	\$2,245.00	\$4,700	\$510.00	\$ 510	\$ 525	\$ 550
61500	Fees to Division	\$96.00	\$96	\$0.00	\$ 96	\$ 96	\$ 96
63500	Fees Due & Licenses	\$1,050.68	\$1,200	\$1,050.68	\$ 1,051	\$ 1,100	\$ 1,100
64700	Worker's Comp Insurance	\$6,170.00	\$6,500	\$3,809.00	\$ 6,277	\$ 6,700	\$ 6,700
66000	Legal Fees	\$125.00	\$5,000	\$751.00	\$ 1,000	\$ 2,500	\$ 2,500
67000	Management Fees	\$10,899.00	\$10,300	\$6,851.00	\$ 10,300	\$ 10,500	\$ 11,200
67500	Office Supplies, Postage and Printing	\$2,263.90	\$1,700	\$1,050.35	\$ 1,800	\$ 1,800	\$ 1,800
67800	Payroll Taxes	\$11,073.16	\$11,650	\$7,895.88	\$ 11,100	\$ 13,000	\$ 11,550
68800	Professional Fees	\$0.00	\$500	\$0.00	\$ -	\$ 500	\$ 500
	Reserve Study Update	\$2,500.00	\$2,500		\$ -	\$ -	\$ 1,000
	Fund 2016 Loss				\$ 6,000	\$ 6,000	\$ -
73700	Social Committee Expense	\$547.94	\$2,500	\$0.00	\$ 1,000	\$ 1,000	\$ 1,000
74500	Taxes- Income	\$1,600.00	\$1,200	\$917.41	\$ 1,380	\$ 1,200	\$ 1,400
73500	Salaries & Wages	\$115,617.11	\$129,265	\$82,102.44	\$ 123,000	\$ 130,866	\$ 128,000
62000	Depreciation Expense	\$5,445.00	\$0	\$4,000.00	\$ 6,000	\$ -	\$ -
62500	Elevator Service Contract	\$22,784.00	\$23,000	\$15,764.00	\$ 23,646	\$ 23,800	\$ 24,750
63000	Eqpmt Service Contracts	\$7,804.63	\$8,100	\$3,947.56	\$ 10,000	\$ 10,800	\$ 12,800
64000	Fire Alarm Test, Monitor	\$2,088.51	\$2,300	\$256.00	\$ 1,600	\$ 1,600	\$ 1,700
64200	Generator Fuel	\$0.00	\$1,000	\$0.00	\$ -	\$ 1,000	\$ 1,000
64300	Guest Suite Expenses	\$159.72	\$500	\$42.28	\$ 500	\$ 500	\$ 500
65000	Landscape Maintenance Contract	\$8,445.00	\$8,820	\$8,865.00	\$ 11,820	\$ 11,900	\$ 11,900
65500	Landscape New Plants	\$5,686.80	\$6,000	\$3,084.47	\$ 6,000	\$ 6,000	\$ 6,700
68000	Pest Control	\$2,928.00	\$3,100	\$1,952.00	\$ 3,000	\$ 3,000	\$ 3,000
68500	Pool/Spa/Fountain Contract	\$7,140.00	\$7,140	\$4,165.00	\$ 7,490	\$ 7,000	\$ 7,200
69000	Repairs & Replacements	\$30,700.85	\$24,500	\$4,755.63	\$ 30,000	\$ 30,000	\$ 30,000
69500	Repair & Maintenance- Elevator	\$900.00	\$1,500	\$0.00	\$ -	\$ 700	\$ 700
70000	Repairs & Maintenance- Interior Plants	\$187.25	\$500	\$146.59	\$ 350	\$ 500	\$ 500
70200	Repair & Maintenance- Pool/Spa/Fountain	\$871.20	\$2,000	\$125.00	\$ 2,000	\$ 2,000	\$ 2,000
70300	Repairs & Maintenance Fire Alarm	\$0.00	\$1,000	\$963.64	\$ 1,000	\$ 1,000	\$ 1,000
70500	Repair & Maintenance- Landscape Other	\$2,020.11	\$2,500	\$0.00	\$ 2,500	\$ 2,500	\$ 2,500
71500	Repair & Maintenance- Stormwater	\$135.00	\$145	\$0.00	\$ -	\$ -	\$ 200
72000	Repair & Maintenance- Window Cleaning	\$4,043.00	\$4,200	\$2,876.80	\$ 4,200	\$ 4,200	\$ 4,200
74000	Supplies- Cleaning	\$1,337.33	\$1,500	\$872.03	\$ 1,400	\$ 1,500	\$ 1,500
74200	Supplies- Maintenance	\$4,003.03	\$5,000	\$2,342.14	\$ 4,500	\$ 5,000	\$ 5,000
67600	Miscellaneous Expense	\$1,119.71	\$5,000	\$268.52	\$ 300	\$ 5,000	\$ 5,000
64500	Insurance	\$63,923.00	\$70,700	\$40,919.00	\$ 62,300	\$ 64,350	\$ 65,750
75000	Telephone	\$9,348.20	\$9,100	\$6,255.52	\$ 9,400	\$ 9,500	\$ 9,600
77000	Utilities- Cable TV	\$14,613.00	\$15,600	\$10,393.34	\$ 15,600	\$ 15,000	\$ 16,000
77500	Utilities- Electric	\$30,164.08	\$33,000	\$20,571.14	\$ 31,000	\$ 33,000	\$ 34,000
78000	Utilities- Gas	\$8,245.95	\$14,000	\$6,317.27	\$ 9,500	\$ 13,000	\$ 11,000
79000	Utilities- Water/Sewer	\$36,464.65	\$38,000	\$25,578.71	\$ 38,400	\$ 38,000	\$ 39,000
79500	Utilities- Trash/Recycle	\$377.25	\$450	\$276.82	\$ 416	\$ 400	\$ 450
	<b>OPERATING EXPENSES</b>	<b>\$425,123.06</b>	<b>\$465,766</b>	<b>\$269,676.22</b>	<b>\$ 446,436</b>	<b>\$ 467,037</b>	<b>\$ 465,346</b>
<b>Reserves</b>							
	Total Amount Funded to Reserves	\$120,000.00	\$120,000	\$94,904.79	\$ 128,174	\$ 128,174	\$ 160,737
	<b>Total Expense</b>	<b>\$545,123.06</b>	<b>\$585,766</b>	<b>\$364,581.01</b>	<b>\$ 574,610</b>	<b>\$ 595,211</b>	<b>\$ 626,083</b>
	<b>Projected Y/E Income / (loss)</b>	<b>\$51,000.37</b>	<b>\$7,500</b>	<b>\$40,686.72</b>	<b>\$ 19,851</b>	<b>\$ -</b>	<b>\$ -</b>

**Operating Budget Year 2018**

Operating Budget for the Association: \$456,346.00

<u>Unit Type</u>	<u>Unit Number</u>	<u>Per Unit %</u>	<u>Per Unit Annual Fee</u>	<u>Qtrly Fee</u>
A	401, 701, 1001	3.857%	\$17,601.27	\$4,400.32
A1	301, 501, 601, 801, 901 402, 502, 602, 702, 802,	3.897%	\$17,783.80	\$4,445.95
B	902, 1002 403, 503, 603, 703, 803,	4.423%	\$20,184.18	\$5,046.05
C	903, 1003	3.655%	\$16,679.45	\$4,169.86
PHA	1101	7.012%	\$31,998.98	\$7,999.75
PHB	1102	5.386%	\$24,578.80	\$6,144.70

Confirmation Formula	Number of units per type	times annual fee
a	3	\$52,803.80
a1	5	\$88,919.02
b	7	\$141,289.29
c	7	\$116,756.12
pha	1	\$31,998.98
phb	1	\$24,578.80
	24	\$456,346.00

**Operating & Reserve Budget - 2018**

Total Operating and Reserve Budget for the Association \$626,083.00  
 2016 Budget Surplus Applied To Reserves \$0.00  
\$626,083.00

<u>Unit Type</u>	<u>Unit Number</u>	<u>Per Unit %</u>	<u>Per Unit Annual Fee</u>	<u>Qtrly Fee</u>
A	401, 701, 1001	3.857%	\$24,148.02	\$6,037.01
A1	301, 501, 601, 801, 901 402, 502, 602, 702, 802,	3.897%	\$24,398.45	\$6,099.61
B	902, 1002 403, 503, 603, 703, 803,	4.423%	\$27,691.65	\$6,922.91
C	903, 1003	3.655%	\$22,883.33	\$5,720.83
PHA	1101	7.012%	\$43,900.94	\$10,975.23
PHB	1102	5.386%	\$33,720.83	\$8,430.21

Confirmation Formula	Number of units per type	times annual fee
a	3	\$72,444.06
a1	5	\$121,992.27
b	7	\$193,841.56
c	7	\$160,183.34
pha	1	\$43,900.94
phb	1	\$33,720.83
	24	\$626,083.00

**The Savoy on Palm Condominium Association, Inc.**  
**Building Manager's Report**  
**10/12/2017**

**Post Tension Cable Project – (Update)**

- Landscaping, irrigation, and electrical repairs have all been completed.

**Water Softener System – (Update)**

- Unit has been replaced. The cost to replace was about \$4,000 less than approved (\$16,000 approved, \$11,863 total expense). The new system is a much larger and more efficient system than we previously had and should give us many years of soft water with very little maintenance costs.

**A/C Systems – (Update)**

- The 3 A/C units approved for replacement have been completed (Private Lounge, Community Room, 7-10 Common Hallways)

**Pressure Washing** – Scheduled to be done October 25<sup>th</sup> – October 27<sup>th</sup> (Both parking garages and the front of property). I will be sending out notices soon.

**Spa Heater** – The spa heater is currently out of service. After having it checked out by our repair company, it is cheaper to replace than repair. The current heater was installed about 5 years ago. There are a couple of options available:

- Replace with same type of gas heater (4 to 5 year lifespan, 1 year warranty parts and labor) - \$2,200
- Replace with a "Pro Series" (6 to 8 year lifespan, 3 year warranty on all parts and labor with 5 year parts on heat exchanger) \$4,100.
- Replace with a heat pump. Much higher up-front cost, but a heat pump should be much more efficient, and will have a lot longer lifespan than a gas heater. Approx. \$8,900 (\$5,628 heat pump & \$3,250 upgrade electrical). 7 year warranty on heat pump, 10 year life span. Should save about \$6,000 in heating costs over the 10 year life span.

My recommendation is either the heat pump now, or replace with same type of heater now and budget to install heat pump in 4 or 5 years.