

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

### **Organizational Meeting**

November 15, 2018

**Call to Order:** The Organizational Meeting was held on November 15, 2018 on the Third Floor of The Savoy on Palm Condominium at 401 South Palm Avenue, Sarasota, Florida 34236. Peter Fanning called the meeting to order at 4:18 pm.

**Determination of a Quorum:** Board members present were Peter Fanning, Leon Ellin, and Jim Heskett. It was confirmed that proper notice of the meeting had been conveyed.

Peter Fanning informed the Board and the owners in attendance that Bob Hendel is stepping down from the Board although he did agree to remain on the Board if the vacancy could not be filled. Peter Fanning expressed his appreciation for all that he had done on behalf of the Board and the owners.

#### **Appointment to Board:**

Peter Fanning also introduced Bruce Blackmore to the Board Members and owners in attendance. Mr. Fanning then asked Leon Ellin to take over as the chair of the meeting temporarily so that he could propose a motion.

**MOTION** (Peter Fanning) to appoint Bruce Blackmore to fill the vacant position on the Board of Directors until the next annual meeting. Motion seconded by Jim Heskett. Motion passed unanimously.

#### **Election of Officers:**

1. **MOTION** (Jim Heskett) to nominate Peter Fanning as President of the Board. Motion seconded by Leon Ellin. The motion passed unanimously.
2. **MOTION** (Bruce Blackmore) to nominate Richard Rivera as Vice President of the Board. Motion seconded by Leon Ellin. Motion passed unanimously.
3. **MOTION** (Jim Heskett) to nominate Leon Ellin as Treasurer of the Board. Motion seconded by Bruce Blackmore. The motion passed unanimously.
4. **MOTION** (Leon Ellin) to nominate Jim Heskett as Secretary of the Board. Motion seconded by Bruce Blackmore. The motion passed unanimously.

#### **New Business:**

**2019 Proposed Operating & Reserve Budget** – Leon Ellin presented the proposed budget at the October 11, 2018 Board meeting and it was mailed out to all owners in advance to be approved at this meeting. He also presented a brief explanation on the increases in the proposed budget and asked if anyone present had any questions:

Ms. M.A. McGovern wanted to know what is being done in the guest suite for the amount of \$30,000. Mr. Ellin explained that he is not directly involved but it is his understanding that a full refurbishment of the guest suite is being planned. Mr. Fanning explained that the Facility Committee went back and forth on a number of items with regard to the guest suite and the Committee agreed and the Board approved hiring

a consultant/decorator to come in and make a set of recommendations. The Committee received that report and it is an overview on how best to replace the items in the guest suite all at once instead of trying to do it piece by piece. The Facility Committee went back and forth trying to figure out the best way to handle this and the Committee recommended to the Board that the amount not to exceed \$30,000 be put in the proposed 2019 budget while the Committee continues to work on the plan for the guest suite.

Ms. Dina LaReau stated that it is important for the membership know that before any decisions are finalized that the Facilities Committee will provide samples and present them for the membership to review before it is presented to the Board for approval.

Mr. Gerald Elden mentioned that he feels and believes that there are several other owners who don't necessarily agree that \$30,000 needs to be spent on the guest suite. He also mentioned that the budget has increased now for the past two years about 18 or 19% and as a result the condo fees for his unit have gone from \$6,176 per quarter in 2016 to the proposed \$7,253 for 2019. One of the items that was recently mentioned by supposedly a top real estate broker in the area is that the condo fees at The Savoy are relatively expensive compared to other buildings in the area. Mr. Ellin responded by stating that the increases are necessary to keep our reserves fully funded and not have special assessments for capitol improvements in the future or there is always an option to not fully fund the reserves and plan to special assess in the future for capitol improvements. The largest increase was also due to the fact the Post Tension cable project was financed by borrowing from the reserve account which is being paid back at \$30,000 per year.

Ms. Lynda Doery thanked the Board for all of the time they put into their positions but does agree with Mr. Elden that \$30,000 seems to be excessive for the renovation of the guest suite.

Mr. Ron Shapo asked if the Board had made the decision to waive the claim against the contractor? Mr. Ellin and Mr. Fanning explained that the Board had dropped the claim under much consideration and advice of legal counsel. Mr. Shapo also asked if there were plans to have more social events for the owners or if more funds could be allocated for this. Mr. Ellin explained that the budget amount had never been the reason for the lack of social events, but that the committee has not been very active. Ms. Dina Lareau stated that she and Ms. Marge Ellin would work on some future ideas for social events for the owners in the near future.

Bruce Blackmore asked if the reserve schedule included the guest suite renovation. Leon Ellin explained that it is included on the proposed operating budget for 2019 as an expense but the next renovation twelve to fifteen years from now is included on the updated reserve schedule.

Ms. Brenda Griffiths asked if we looked at cost per wear issue and how often the guest suite is used and what is the amount of income per year? Mr. Fanning explained that we have a much better rate than competing hotels in the vicinity. Bob Hendel commented that the guest suite is occupied an average of 56 nights per year (14%) and over 11 years this would equal approximately one and a half years occupied. Jim Heskett mentioned that the approximate annual revenue for the guest suite is \$8,000 per year.

Mr. John Metz stated that he would like to thank everyone that was involved in the cable project and that an outstanding job was done by everyone. The other item he wanted to mention is the outstanding job done by the staff and that they are a phenomenal group of people that care about the building and the owners. And due to this and the strong financial shape that the association is in it is one of the best condos in town in his opinion.

5. **MOTION** (Leon Ellin) to approve the 2019 proposed operating and reserve budget as presented. Motion seconded by Bruce Blackmore. Motion approved unanimously.

**Approve Amendment to Declaration** – Peter Fanning explained that the amendment to the declaration had been approved by the membership at the annual Meeting, but that it would still need to be approved by the Board.

6. **MOTION** (Leon Ellin) to approve the proposed amendment to the “pets restricted” portion of the declaration. Motion seconded by Jim Heskett. The motion passed unanimously.

**2019 Meeting Schedule:** Peter Fanning asked the Board members to plan for the following schedule of Board meetings and that dates and times can be changed, added, or deleted if needed.

- Thursday February 21, 2019 at 3:00 p.m.
- Thursday April 11, 2019 at 3:00 p.m.
- Thursday June 13, 2019 at 3:00 p.m.
- Thursday October 10, 2019 at 3:00 p.m.
- Thursday November 14, 2019 at 3:00 p.m.
- Annual Meeting November 14, 2019 immediately following the Board Meeting

**Adjournment:** With there being no further business at this time, the meeting was adjourned at 4:54 p.m.