

The Savoy on Palm Condominium Association, Inc.
Board of Directors Meeting Minutes

October 8, 2020

Call to Order: The Savoy on Palm Board of Directors Meeting was held October 8th, 2020 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 Richard Rivera at 3:01 p.m.

Due to the current "social distancing" requirements, the Board met in person and the owners were invited to attend in person or via conference call. There were 6 owners who attended in person 7 owners who attended the meeting via conference call.

Determination of a Quorum: Board Members present were Richard Rivera, Jim Heskett, Leon Ellin, and John Metz. It was confirmed that proper proof of notice of the meeting had been conveyed.

Approval of Minutes:

1. **MOTION** – (Richard Rivera) to approve the minutes from the February 13, 2020 Board Meeting. Motion seconded by John Metz. Motion passed unanimously.

President's Report: Richard Rivera reported that he did not have a lot to report on since the last meeting, but he did thank Bill and his staff for stepping up and handling all of the extra requirements involving procedures due to the COVID-19 protocols. He also mentioned that due to new recommendations from the CDC, he will be sending out an update to the owners asking that everyone please wear a face mask at all times while in an elevator, even when no one else is present.

Treasurer's Report: Leon Ellin presented the attached report and presented the proposed 2021 operating and reserve budget to the Board. After a brief discussion, a motion was made.

2. **MOTION** – (John Metz) to approve the mailing of the Proposed 2021 Budget to the owners for consideration for approval at the November 12, 2020 Board Meeting. Motion was seconded by Jim Heskett. Motion passed unanimously.

Building Manager's Report: Bill Veal presented the attached report. Bill asked for approval for the replacement of two common area a/c units (north trash room & pool access hall).

3. **MOTION** – (Jim Heskett) to approve an expenditure not to exceed \$9,810.22 to replace two common area a/c units. Motion seconded by John Metz. Motion passed unanimously.

Bill Veal also reported that Crowther roofing has recommended a roof re-coating be applied to the existing roof. The Board directed Bill to proceed with procuring bids for the recommended roof re-coat.

There was a discussion amongst the Board on how the next Board Meeting and the Annual Meeting shall be held. It was decided by consensus that the meetings would be held in the third floor Community Room for those that would like to attend in person, with spaced out seating, and we will have a call in option for those that would prefer to attend via conference call. It was also suggested that we strongly urge all residents to complete and return a proxy just in case they are unable to attend the Annual Membership Meeting.

Jim Heskett asked Bill if any work had been done yet on the domestic water backflow supply line. Bill stated that that work will commence after the paint project has been complete.

Mr. Heskett also asked about the access control server that was reported on at the last meeting and if that had been completed. Bill informed the Board that the server had been replaced and the new system is capable of being update to Windows 10 should the access controls need to be replaced in the future.

Facilities Committee Report: Leslie Rivera updated the Board on the window treatments in the Fitness Center. She informed them that the last remaining track will be shipped soon, but the luminettes are still on backorder. She also mentioned that the committee will begin working on putting together a proposal to re-upholster the sofas and chairs in the lobby.

She also mentioned that Bill will get proposals for polishing the marble floors in the first and second floor lobbies and that the re-grouting of the elevator floors will be completed as soon as the paint project is completed.

There was also a discussion on adding some seasonal decorations in the lobby. The Board did not object and asked the committee to include Bill Veal on the expenses for purchasing the decorations.

Old Business: None at this time.

New Business:

- REME HALO-LED Discussion – Mr. Rivera presented the product to the Board and discussed installing the units on 8 of the common area a/c units that serve the popular areas of the building (3 main lobby, 2 Fitness Center, 2 Guest Suite, 1 Community Room). There was a question asked about getting a price to have them installed in the individual units as well at each owner's expense. Mr. Rivera is going to put together a formal proposal and bring back to the Board for consideration.

Owner Comments: None at this time

Adjournment: There being no further business, the meeting was adjourned at 3:48 p.m.

The next Board Meeting is scheduled for November 12, 2020 at 3:00 p.m. with the Annual Membership Meeting and the Organizational Meeting to immediately follow.

Treasurer's Report – October 8, 2020

Through August, expenditures were below the budgeted amount by \$45,474.45. Repairs and Replacements, Equipment Contracts and Insurance account for \$27,244.96 of that favorable performance.

While the year is not over and many of our expenses increase when more unit owners are in residence, it is probably safe to say that we expect to wind up the year with a favorable variance. To some extent, this is reflected in the budget for 2021. However, as in 2020, we are again recommending a relatively large provision for Repairs and Replacements since our reserve budget no longer provides coverage for smaller components of our building.

Our reserves are over \$700,000 at this time, but not all of the painting costs are reflected, so the amount may fluctuate somewhat by year end. Nonetheless, we remain on target and fully funded on our reserves.

Overall, I believe our financial position to be strong and adequate to meet our needs now and in the future.

Leon Ellin

Treasurer

The Savoy on Palm Condominium Association, Inc.

**Interim Financial Statements and
Supplementary Information**

August 31, 2020

Jonathan Crick

ATTORNEY AT LAW & CERTIFIED PUBLIC ACCOUNTANT


To the Board of Directors
The Savoy on Palm Condominium Association, Inc.
Sarasota, Florida

Management is responsible for the accompanying interim financial statements of The Savoy on Palm Condominium Association, Inc., (a corporation), which comprise the balance sheet as of August 31, 2020, and the related statement of revenues and expenses for the one month and eight months then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the interim financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these interim financial statements.

The supplementary budget information is presented for purposes of additional analysis and is not a required part of the basic interim financial statements. Such information is the responsibility of management. The supplementary budget information was not subject to our compilation engagement. We have not audited or reviewed the supplementary budget information and do not express an opinion, a conclusion, nor provide any assurance on such budget information.

Management has elected to omit substantially all of the disclosures and statement of cash flows required by accounting principles generally accepted in the United States of America. If the omitted disclosures and the statement of cash flows were included in the interim financial statements, they might influence the user's conclusions about the Company's financial position, results of operations and cash flows. Accordingly, the interim financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to The Savoy on Palm Condominium Association, Inc.


Jonathan D. Crick, Esq., CPA, PLLC
Bradenton, Florida

9/4/20
Report Date

The Savoy On Palm Condominium Association., Inc.

Balance Sheet
August 31, 2020

Assets

Current Assets

Iberia Bk-Oper Checking	\$	4,489.71	
Iberia Bk-Payroll Checking		3,760.29	
Iberia Bk-Oper MMA		60,946.08	
Iberia Bk-Rsv MMA		457,748.68	
Morgan Stanley Invest-Rsv		251,494.70	
Prepaid Expenses		57,562.83	
Prepaid Income Tax		66.65	
Due from Replacement Fund		19,186.92	
Total Current Assets			\$ 855,255.86

Fixed Assets

Furnishings & Equipment		46,236.24	
Accumulated Depreciation		(39,486.00)	
Total Fixed Assets			6,750.24

Other Assets

Total Other Assets			0.00
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Total Assets

\$ 862,006.10

Liabilities and Members' Equity

Current Liabilities

Accounts Payable	\$	5,495.85	
Accrued Wages		3,095.35	
Payroll Tax Payable		226.13	
Prepaid Assessments-Oper		46,730.84	
Prepaid Assessments-Rsvs		18,260.22	
Due to Operating Fund		19,186.92	
Total Current Liabilities			92,995.31

Long-Term Liabilities

Total Long-Term Liabilities			0.00
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Total Liabilities

92,995.31

Members' Equity

Undesignated Equity	(\$531,615.68)		
Transferred from Designated Equity	628,830.29		
Current Balance		97,214.61	
Designated for Replacement Reserve Equity	1,300,626.47		
Transferred to Undesignated Equity	(628,830.29)		
Current Balance		671,796.18	
Total Members' Equity			769,010.79

Total Liabilities & Members' Equity

\$ 862,006.10

The Savoy on Palm Condominium Association, Inc.
Statement of Revenues and Expenses
For the One Month and Eight Months Ended August 31, 2020

	Curr Month Actual	Curr Month Budget	Over (Under) Variance	Year to Date Actual	Year to Date Budget	Over (Under) Variance
Operating Revenues						
Maintenance Fees	\$ 41,256.67	\$ 41,256.67	0.00	\$ 330,053.34	\$ 330,053.34	0.00
Guest Suite Income	0.00	666.67	(666.67)	5,400.00	5,333.33	66.67
Interest Income	14.16	12.50	1.66	126.19	100.00	26.19
Other Income	0.00	8.33	(8.33)	221.16	66.66	154.50
Total Operating Revenues	<u>41,270.83</u>	<u>41,944.17</u>	<u>(673.34)</u>	<u>335,800.69</u>	<u>335,553.33</u>	<u>247.36</u>
Administrative Expense						
Audit & Tax Preparation	0.00	0.00	0.00	560.00	550.00	10.00
Fees, Dues, and Licenses	15.93	91.67	(75.74)	1,052.18	733.33	318.85
Insurance-W/C	328.00	491.66	(163.66)	3,100.00	3,933.33	(833.33)
Legal Fees	70.00	166.67	(96.67)	1,713.00	1,333.33	379.67
Management Fees	786.00	958.33	(172.33)	7,209.00	7,666.67	(457.67)
Office Supplies, Postage	136.25	133.34	2.91	928.68	1,066.67	(137.99)
Payroll Taxes	843.72	1,013.33	(169.61)	7,114.90	8,106.66	(991.76)
Social Committee Expense	0.00	83.33	(83.33)	0.00	666.66	(666.66)
Salaries & Wages	11,029.08	11,358.33	(329.25)	90,522.08	90,866.67	(344.59)
Taxes-Income	16.67	16.66	0.01	133.35	133.33	0.02
Total Administrative Expense	<u>13,225.65</u>	<u>14,313.32</u>	<u>(1,087.67)</u>	<u>112,333.19</u>	<u>115,056.65</u>	<u>(2,723.46)</u>
Building & Grounds Expense						
Depreciation Expense	400.00	0.00	400.00	3,200.00	0.00	3,200.00
Elevator Contract	1,996.00	1,996.00	0.00	15,968.00	15,968.00	0.00
Equipment Contracts	0.00	683.33	(683.33)	1,235.77	5,466.66	(4,230.89)
Fire Alarm	32.00	175.00	(143.00)	1,960.51	1,400.00	560.51
Generator Fuel	0.00	83.34	(83.34)	0.00	666.67	(666.67)
Guest Suite Expense	94.43	41.75	52.68	(53.64)	334.00	(387.64)
Landscape Contract	1,045.00	1,045.83	(0.83)	8,360.00	8,366.66	(6.66)
Landscaping	0.00	708.33	(708.33)	2,676.68	5,666.66	(2,989.98)
Pest Control	244.00	250.00	(6.00)	1,952.00	2,000.00	(48.00)
Pool/Spa/Fountain Contract	0.00	750.00	(750.00)	4,500.00	6,000.00	(1,500.00)
Repairs & Replacements	4,535.41	4,583.34	(47.93)	18,400.27	36,666.67	(18,266.40)
Repair & Maint-Elevator	600.00	58.33	541.67	600.00	466.66	133.34
Repair & Maint-Int Plants	0.00	20.83	(20.83)	82.00	166.67	(84.67)
Repair & Maint-Pool/Spa/Fou	0.00	166.67	(166.67)	306.69	1,333.34	(1,026.65)
Repair & Maint-Fire Alarm	0.00	250.00	(250.00)	0.00	2,000.00	(2,000.00)
Repair & Maint-Landscape Ot	0.00	333.34	(333.34)	0.00	2,666.67	(2,666.67)
Repair & Maint-Stormwater	0.00	11.66	(11.66)	0.00	93.33	(93.33)
Repair & Maint-Window Clea	0.00	350.00	(350.00)	2,132.00	2,800.00	(668.00)
Reserve Study Update	0.00	52.08	(52.08)	0.00	416.67	(416.67)
Supplies-Cleaning	187.66	133.33	54.33	1,240.36	1,066.67	173.69
Supplies-Maintenance	414.73	416.67	(1.94)	1,651.72	3,333.33	(1,681.61)
Miscellaneous Expense	450.00	416.67	33.33	467.32	3,333.33	(2,866.01)
Total Bldg/Grounds Exp	<u>9,999.23</u>	<u>12,526.50</u>	<u>(2,527.27)</u>	<u>64,679.68</u>	<u>100,211.99</u>	<u>(35,532.31)</u>

The Savoy on Palm Condominium Association, Inc.
Statement of Revenues and Expenses
For the One Month and Eight Months Ended August 31, 2020

	Curr Month Actual	Curr Month Budget	Over (Under) Variance	Year to Date Actual	Year to Date Budget	Over (Under) Variance
Insurance Expense						
Insurance	5,721.00	6,358.84	(637.84)	46,123.00	50,870.67	(4,747.67)
Total Insurance Expense	<u>5,721.00</u>	<u>6,358.84</u>	<u>(637.84)</u>	<u>46,123.00</u>	<u>50,870.67</u>	<u>(4,747.67)</u>
Utilities						
Telephone	842.09	833.34	8.75	6,673.27	5,916.67	756.60
Utilities-Cable TV	1,493.83	1,475.00	18.83	11,949.43	11,800.00	149.43
Utilities-Electric	2,837.34	2,666.66	170.68	19,053.33	21,333.33	(2,280.00)
Utilities-Gas	63.38	591.67	(528.29)	4,229.99	4,733.34	(503.35)
Utilities-Water/Sewer	3,013.02	3,083.33	(70.31)	24,333.19	24,666.67	(333.48)
Utilities-Trash/Recycle	40.06	41.67	(1.61)	320.48	333.33	(12.85)
Total Utilities	<u>8,289.72</u>	<u>8,691.67</u>	<u>(401.95)</u>	<u>66,559.69</u>	<u>68,783.34</u>	<u>(2,223.65)</u>
Total Operating Expenses	<u>37,235.60</u>	<u>41,890.33</u>	<u>(4,654.73)</u>	<u>289,695.56</u>	<u>334,922.65</u>	<u>(45,227.09)</u>
Excess of Operating Revenues Over Expenses	<u>4,035.23</u>	<u>53.84</u>	<u>3,981.39</u>	<u>46,105.13</u>	<u>630.68</u>	<u>45,474.45</u>

The Savoy on Palm Condominium Association, Inc.
Statement of Revenues and Expenses
For the One Month and Eight Months Ended August 31, 2020

	Curr Month Actual	Curr Month Budget	Over (Under) Variance	Year to Date Actual	Year to Date Budget	Over (Under) Variance
Replacement Rsv Revenues						
Maintenance Fees	16,121.14	16,121.14	0.00	128,969.14	128,969.14	0.00
Interest & Dividends	658.56	0.00	658.56	5,213.36	0.00	5,213.36
Total Repl Rsv Revenues	<u>16,779.70</u>	<u>16,121.14</u>	<u>658.56</u>	<u>134,182.50</u>	<u>128,969.14</u>	<u>5,213.36</u>
Replacement Rsv Expenses						
Painting & Waterproofing	9,593.46	0.00	9,593.46	25,338.67	0.00	25,338.67
Renovations & Built-Ins	0.00	0.00	0.00	17,464.10	0.00	17,464.10
Total Repl Rsv Expenses	<u>9,593.46</u>	<u>0.00</u>	<u>9,593.46</u>	<u>42,802.77</u>	<u>0.00</u>	<u>42,802.77</u>
Excess of Replacement Reserves Revenues Over Expenses	<u>7,186.24</u>	<u>16,121.14</u>	<u>(8,934.90)</u>	<u>91,379.73</u>	<u>128,969.14</u>	<u>(37,589.41)</u>
Extraordinary Expense						
Total Extraordinary Exps	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Revenues in Excess of Expenses	<u>\$ 11,221.47</u>	<u>\$ 16,174.98</u>	<u>(4,953.51)</u>	<u>\$ 137,484.86</u>	<u>\$ 129,599.82</u>	<u>7,885.04</u>

The Savoy on Palm Condominium Association, Inc.
Building Manager's Report
10/8/2020

The price from Veteran to replace both units is \$9,810.22. I would like to request approval to proceed with the replacement not exceed \$9,810.22.

Crowther Roofing Report – After our most recent roof inspection, Crowther Roofing is recommending a couple of items that need to be addressed:

1. Crowther's first recommendation is that we have a roof coating applied over our existing roof system. This roof coating would extend the life of the roof for at least 10 years at a cost of approximately \$42,300 versus \$175,000 to 200,000 for a total re-roof. If the Board would like to move forward with seeking competitive bids to re-coat the roof, we would first need to have the manufacturer's rep come out and write up a specification. We would then select roofing contractor's that would provide a proposal based on the written specification. After the proposals for the re-coat have been received, we would then need to have a company come out and do an infrared scan of the roof deck (\$1,825) to determine any areas that may possibly have water intrusion. If any areas of water intrusion are found, it would require investigation and possible repairs which are not included in the Crowther proposal to re-coat the roof. My recommendation if the Board wants to pursue the roof re-coat is that we first get a written specification, request bids, have the infrared scan completed, and have at least two of the bidders asses any items marked during the infrared scan to determine the amount of repairs needed and provide a written proposal for these repairs in conjunction with their re-coat proposal.
2. Crowther also noted two blisters in the roof membrane that are in need of repair at a cost of \$1,400.00. I would like to move forward with this repair as soon as possible.

Fire Sprinkler Inspection – Our annual fire sprinkler system test and inspection was completed. At the time of the testing, the fire pump did not have enough supply pressure to satisfy the testing requirements, and it was also noted that we have 4 pressure relief valves that need to be replaced (\$812.82). Piper did return this week and re-tested the fire pump and it passed the testing. They believe that the city pressure may have been inadequate due to work or repairs in the area at the time of the original test.

The Savoy on Palm Condominium Association, Inc.
Building Manager's Report
10/8/2020

Paint Project – The paint project is moving along well. The painters have two more drops to complete on the tower portion of the project (approx. 2 to 3 more weeks), and the second-floor garage. The second-floor garage is scheduled to begin on Monday 10/12/2020 and should take 3 to 4 weeks to complete.

Landscaping – The fall flowers will hopefully go in around the beginning of November depending on availability. The landscapers will also be mulching the around the same time. The two pots on either side of the fountain will be re-planted with smaller palms as the existing palms are root bound and need to be removed. We will also be replacing the small potted Lady palms in the pool area and adding a few crotons for color in the planter at the pool area.

Microwave Replacement – The microwave in the third-floor kitchen stopped working. It was replaced with a new Dacor unit (\$699).

Washer & Dryer Replacement – The washer and dryer in the third-floor laundry room were replaced in September. The dryer was in a state of dis-repair. I discussed with Mr. Rivera and since the appliances were original and going on 15 years, it was decided it would be better to replace them both (Whirlpool \$1,446.72)

Plumbing Issues – It was brought to my attention from two separate unit owners that they were hearing a gurgling in their bathroom sinks when not using this sink. This gurgling is typical of blockage or build up in the (Sovent) piping system causing the piping to not vent properly and pushing air out through other fixtures. I had Daniel's Plumbing come out and they were able to clean and extract the piping on both units bathroom main lines that were experiencing this issue (\$2,575).

A/C Replacement – We currently have two a/c units that are in need of replacement (north trash room & pool access hall). I have 2 quotes with Veteran Air giving the best price. I will request an additional quote once the first floor garage is opened back up.

The Savoy on Palm Condominium Association, Inc.
Building Manager's Report
10/8/2020

Annual Meeting – We need to discuss how the Board wishes to hold the Annual meeting so that instructions can be included with the second notice for the meeting. That notice will go out following this meeting.