

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

**Board of Directors Meeting Minutes**

September 7, 2023

**Call to Order:**

The Savoy on Palm Board of Directors Meeting was held September 7<sup>th</sup>, 2023 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 3:02 p.m.

**Determination of a Quorum:**

Board Members present were Richard Rivera, Jim Heskett, and Bill Haraf. It was confirmed that proper proof of notice of the meeting had been conveyed.

**President's Report:**

Mr. Rivera introduced our newest owners Lew & Sue Winarsky and welcomed them to The Savoy.

Mr. Rivera gave a brief update to the owners regarding those including himself who decided to stay in the building during the recent hurricane (Idalia). Everything went well and there was no damage to the property.

It was also mentioned that there will not be a Board election at this year's Annual Meeting, but the Board will need to appoint an owner to fill a vacant seat. If there are any volunteers that would like to serve on the Board please contact Richard Rivera, Leon Ellin, Bill Haraf, or Jim Heskett.

**Treasurer's Report:**

Leon Ellin could not be present at the meeting but did submit the attached report. The Board discussed the report and reviewed the attached 2024 "Proposed Budget" and took questions from the owners in attendance regarding the "Proposed Budget."

1. **MOTION** – (Jim Heskett) to approve the "2024 Proposed Budget as presented for distribution to the membership prior to the Annual Meeting. The motion was seconded by Bill Haraf, the motion passed unanimously.

**Building Manager's Report:**

Bill Veal presented the attached report. There was discussion on the sauna power supply and alternative uses for the space if a new power supply cannot be located versus replacing the sauna that is hardly ever used by the owners. There was also discussion about the planter leaks and the process and steps for repair.

Jim Heskett inquired as to how often the inaccessible windows are cleaned, which Bill Veal replied quarterly. Mr. Heskett requested if they could be cleaned again as they are very dirty since the recent

storms from Hurricane Idalia. After discussion amongst the Board, Richard Rivera asked Bill Veal to check on moving up the schedule of the cleaning by one month.

**Facilities Committee Report:**

Brenda Griffiths updated the Board on several items that the committee is looking into for consideration soon (reupholstering the library furniture and possible replacement of library fireplace). There was discussion on the cost to reupholster the library furniture and it was suggested by Bill Haraf that the committee also consider looking into replacing the furniture with new versus reupholstering. The committee will meet to discuss and report back at the October Meeting.

There was also discussion regarding the pressure washing of the property which is typically done annually towards the end of summer, and the need of paver repairs at the front of the building and the pool area. Bill Veal is in the process of scheduling the pressure washing of the garages, sidewalks, driveways, and pool deck. He will also look at brick paver areas in need of repair and have them taken care of.

**Owner Comments:**

None at this time

**Adjournment:** There being no further business, the meeting was adjourned at 3:42 p.m.

**The next meeting scheduled is the Annual Membership Meeting and the Organizational Meeting on  
Thursday October 5, 2023 at 3:00 p.m.**

**All owners are invited and encouraged to attend.**

The Savoy on Palm

Treasurer's Report

Through July, our reported results are running favorable to the annual budget. This is largely due to an intentional budget cushion provided in the Repairs and Maintenance category (\$17,471 favorable through July) and to a contingency overbudget of insurance expense (\$11,203 through July, but running currently at budget on a monthly basis).

At this stage, it is unlikely that the rate of actual expenses will exceed budget for 2023 and we are more likely to finish \$25k to \$50k favorable for this year. As has been past practice, it would be our intention to apply any such surplus to offset reserve funding requirements.

Bill Veal has prepared the draft 2024 budget and Dick Rivera and I have reviewed it. There are two primary questions, the answers to which will make a material difference in our assessments.

The first issue is dependent on the outcome of the Structural Integrity Reserve Study. This is new territory for the Florida condominium community. We think we have been good stewards of the building, but there are so many new angles involved in this set of laws that we can't make a certain assessment at this time. Since this will govern the accumulation of reserves, where current experience is of limited value, it is very difficult to assess what the possible ranges of this budget could be.

The other issue is insurance, which is a very dynamic market. Our renewals are in May, so we are involved in a major guessing game in putting together a budget at this time. Worse yet, there have been many hits to the reinsurance market. Wildfires, floods and other weather patterns thousands of miles from us still affect our rates through the reinsurance market. We have no way of knowing the depth of these changes until the major renewals start after the first of the year.

We have prepared the budget with the idea that required funding should be funded deliberately and not through special assessments. It is not clear whether this type of funding will become mandatory in the future, or whether other aspects of the funding will shift, but we have provided adequately for what we know.

Of course, as the situation becomes clarified over time, we will let you know.

**2024 "PROPOSED" Operating Budget**  
**January 1, 2024 through December 31, 2024**

**Income**

A/C#	Description	Year End 2022	Budget 2022	July-23	Projected Y/E 2023	Budget 2023	Budget 2024
40100	Maintenance Fees	\$544,248.00	544,248	\$368,278.16	\$ 631,334	\$ 631,334	687,896
40800	Guest Suite Fees	\$10,050.00	8,000	\$9,300.00	\$ 9,000	\$ 8,000	8,000
48000	Interest Income	\$257.19	100	\$1,483.23	\$ 2,715	\$ 100	100
49100	Other Income	\$630.70	100	\$168.88	\$ 107	\$ 100	100
	Reserve Income	\$204,786.00	204,786	\$142,747.74	\$ 274,802	\$ 274,802	288,542
	<b>Total Income</b>	<b>\$759,971.89</b>	<b>757,234</b>	<b>\$521,978.01</b>	<b>\$ 917,958</b>	<b>\$ 914,336</b>	<b>984,638</b>

**Expense**

A/C#	Description	Year End 2022	Budget 2022	July-23	Projected Y/E 2023	Budget 2023	Budget 2024
60500	Audit and Tax Prep	\$2,090.00	2,100	\$610.00	\$ 610	\$ 600	650
61500	Fees to Division	\$96.00	96	\$0.00	\$ 96	\$ 96	96
63500	Fees Due & Licenses	\$1,052.18	1,100	\$1,036.25	\$ 1,100	\$ 1,100	1,100
64700	Worker's Comp Insurance	\$1,964.00	4,900	\$1,660.00	\$ 3,200	\$ 5,520	3,750
66000	Legal Fees	\$0.00	2,000	\$0.00	\$ 150	\$ 2,000	2,000
67000	Management Fees	\$11,574.00	13,500	\$6,782.00	\$ 12,000	\$ 13,500	14,000
67500	Office Supplies, Postage and Printing	\$1,778.68	1,600	\$403.91	\$ 1,500	\$ 1,800	1,800
67800	Payroll Taxes	\$12,248.54	11,600	\$7,406.18	\$ 12,700	\$ 13,050	13,450
68800	Professional Fees (Insurance appraisal)	\$0.00	0	-			1,200
	Reserve Study Update (Included with SIRS)	\$3,200.00	3,200	-		\$ -	0
	Structural Integrity Reserve Study (SIRS)			-		\$ -	6,000
73700	Social Committee Expense	\$0.00	1,500	\$0.00	\$ 1,500	\$ 1,500	1,500
74500	Taxes- Income	\$0.00	200	\$0.00		\$ -	300
73500	Salaries & Wages	\$157,561.84	145,000	\$93,849.70	\$ 162,000	\$ 163,118	168,100
62000	Depreciation Expense	\$1,606.00	0				
62500	Elevator Service Contract	\$25,511.00	25,907	\$15,390.00	\$ 26,400	\$ 26,500	27,560
63000	Eqpmt Service Contracts	\$5,165.30	8,475	\$5,013.22	\$ 13,000	\$ 13,400	11,000
64000	Fire Alarm Test, Monitor	\$2,088.51	2,300	\$224.00	\$ 2,200	\$ 2,200	2,200
64200	Generator Fuel	\$0.00	1,000	\$0.00	\$ 1,000	\$ 1,000	1,000
64300	Guest Suite Expenses	\$863.93	500	\$91.31	\$ 200	\$ 500	500
65000	Landscape Maintenance Contract	\$15,013.50	13,000	\$8,048.00	\$ 13,800	\$ 14,160	14,500
65500	Landscape New Plants	\$6,286.79	8,000	\$2,407.54	\$ 8,000	\$ 8,000	8,000
68000	Pest Control	\$2,928.00	3,000	\$1,708.00	\$ 2,928	\$ 3,000	3,000
68500	Pool/Spa/Fountain Contract	\$7,675.00	7,500	\$4,550.00	\$ 7,800	\$ 7,800	8,100
69000	Repairs & Replacements	\$46,336.01	55,000	\$14,611.85	\$ 55,000	\$ 55,000	55,000
69500	Repair & Maintenance- Elevator	\$1,073.03	1,600	\$0.00	\$ 900	\$ 900	900
70000	Repairs & Maintenance- Interior Plants	\$158.83	250	\$0.00	\$ -	\$ 250	250
70200	Repair & Maintenance- Pool/Spa/Fountain	\$1,780.27	2,000	\$1,131.16	\$ 3,700	\$ 2,000	2,000
70300	Repairs & Maintenance Fire Alarm	\$175.48	3,000	\$633.05	\$ 1,500	\$ 3,000	3,000
70500	Repair & Maintenance- Landscape Other	\$1,191.02	4,000	\$1,504.87	\$ 4,000	\$ 4,000	4,000
71500	Repair & Maintenance- Stormwater	\$135.00	140	\$0.00	\$ -	\$ -	150
72000	Repair & Maintenance- Window Cleaning	\$4,360.00	4,300	\$2,290.00	\$ 4,480	\$ 4,460	4,460
74000	Supplies- Cleaning	\$1,170.05	1,600	\$600.20	\$ 1,400	\$ 1,600	1,600
74200	Supplies- Maintenance	\$4,124.13	5,000	\$1,168.95	\$ 4,000	\$ 5,000	5,000
67600	Miscellaneous Expense	\$305.00	1,000	\$0.00	\$ -	\$ 1,000	1,000
64500	Insurance	\$115,683.06	102,000	\$80,235.00	\$ 144,600	\$ 156,750	200,000
75000	Telephone	\$10,773.02	10,800	\$6,000.65	\$ 10,500	\$ 11,500	11,800
77000	Utilities- Cable TV	\$20,389.92	20,500	\$12,615.02	\$ 21,760	\$ 21,500	22,500
77500	Utilities- Electric	\$35,942.58	33,000	\$22,309.61	\$ 39,000	\$ 43,100	42,000
78000	Utilities- Gas	\$5,215.73	7,200	\$3,739.78	\$ 6,412	\$ 8,000	8,000
79000	Utilities- Water/Sewer	\$38,677.46	39,000	\$26,973.83	\$ 46,000	\$ 42,000	44,000
79500	Utilities- Trash/Recycle	\$576.84	580	\$336.49	\$ 580	\$ 630	630
	Fac. Committee Request (Library Lighting)	\$9,069.94	5,000	\$0.00	\$ -	\$ -	0
	<b>OPERATING EXPENSES</b>	<b>\$555,838.64</b>	<b>552,448</b>	<b>\$323,330.57</b>	<b>\$ 613,996</b>	<b>\$ 639,534</b>	<b>696,096</b>
<b>Reserves</b>							
	Amount Funded to Reserves	\$204,786.00	204,786	\$142,747.74	\$ 274,802	\$ 274,802	288,542
	<b>Total Expense</b>	<b>\$760,624.64</b>	<b>757,234</b>	<b>\$466,078.31</b>	<b>\$ 888,798</b>	<b>\$ 914,336</b>	<b>984,638</b>
	<b>Projected Y/E Income / (loss)</b>	<b>-\$652.75</b>	<b>0</b>	<b>\$55,899.70</b>	<b>\$ 29,160</b>	<b>\$ -</b>	<b>0</b>

<b>"Proposed" Operating Budget Year 2024</b>				
Operating Budget Income from Quarterly Fees				\$687,896.00
<b>Unit Type</b>	<b>Unit Number</b>	<b>Per Unit %</b>	<b>Per Unit Annual Fee</b>	<b>Qtrly Fee</b>
A	401, 701, 1001	3.857%	\$26,532.15	\$6,633.04
A1	301, 501, 601, 801, 901	3.897%	\$26,807.31	\$6,701.83
B	402, 502, 602, 702, 802, 902, 1002	4.423%	\$30,425.64	\$7,606.41
C	403, 503, 603, 703, 803, 903, 1003	3.655%	\$25,142.60	\$6,285.65
PHA	1101	7.012%	\$48,235.27	\$12,058.82
PHB	1102	5.386%	\$37,050.08	\$9,262.52
Confirmation Formula		Number of units per type times annual fee		
a	3	\$79,596.45		
a1	5	\$134,036.54		
b	7	\$212,979.48		
c	7	\$175,998.19		
pha	1	\$48,235.27		
phb	1	\$37,050.08		
	24	\$687,896.00		
<b>"Proposed" Operating &amp; Reserve Budget - 2024</b>				
Total Operating and Reserve Budget for the Association				\$976,438.00
2022 Budget Surplus Applied to Reserves				\$0.00
				\$976,438.00
<b>Unit Type</b>	<b>Unit Number</b>	<b>Per Unit %</b>	<b>Per Unit Annual Fee</b>	<b>Qtrly Fee</b>
A	401, 701, 1001	3.857%	\$37,661.21	\$9,415.30
A1	301, 501, 601, 801, 901	3.897%	\$38,051.79	\$9,512.95
B	402, 502, 602, 702, 802, 902, 1002	4.423%	\$43,187.85	\$10,796.96
C	403, 503, 603, 703, 803, 903, 1003	3.655%	\$35,688.81	\$8,922.20
PHA	1101	7.012%	\$68,467.83	\$17,116.96
PHB	1102	5.386%	\$52,590.95	\$13,147.74
Confirmation Formula		Number of units per type times annual fee		
a	3	\$112,983.64		
a1	5	\$190,258.94		
b	7	\$302,314.97		
c	7	\$249,821.66		
pha	1	\$68,467.83		
phb	1	\$52,590.95		
	24	\$976,438.00		
<b>2024 Reserve Contribution per Schedule:</b>			\$288,542.00	
Subtract 2022 budget surplus and apply to 2024 reserve budget			\$0.00	
Total Reserve Fund Contribution from Quarterly Fees			\$288,542.00	

A/C	Description	Explanation - with amount or increase or decrease
1500	Audit and Tax Prep	Tax prep only, no audit until 2025, if waived at annual meeting
500	Fees to Division	Same
1500	Fees Due & Licenses	Same
700	Worker's Comp Insurance	Slight decrease based on this year
	Legal Fees	Same
000	Management Fees	Slight increase
500	Office Supplies, Postage and Printing	Same
800	Payroll Taxes	Slight increase based on salaries/wages
800	Professional Fees	Updated insurance appraisal required annually by Citizens (site visit required)
	Reserve Study Update	Included with SIRS (SIRS required to be completed by end of 2024 and fully funded in 2025)
700	Social Committee Expense	Same
500	Taxes- Income	Slight Increase
1500	Salaries & Wages	3.5% increase
1500	Elevator Service Contract	Slight increase per contract
1000	Eqpmt Service Contracts	Slight decrease (5 year sprinkler test to be completed in 2023)
000	Fire Alarm Test, Monitor	Same
200	Generator Fuel	Same
300	Guest Suite Expenses	Same
1000	Landscape Maintenance Contract	Slight increase possible, too soon to know
1500	Landscape New Plants	Same
1000	Pest Control	Same as this year it was supposed to increase in 2023 but did not.
	Pool/Spa/Fountain Contract	Slight increase anticipated
1000	Repairs & Replacements	Same
1500	Repair & Maintenance- Elevator	Same
1000	Repairs & Maintenance- Interior Plants	Same
1200	Repair & Maintenance- Pool/Spa/Fountain	Same
1300	Repairs & Maintenance Fire Alarm	Same
1500	Repair & Maintenance- Landscape Other	Same
500	Repair & Maintenance- Stormwater	Inspection required in 2024
1000	Repair & Maintenance- Window Cleaning	Same
000	Supplies- Cleaning	Same
200	Supplies- Maintenance	Same
600	Miscellaneous Expense	Same
500	Insurance	Mike Angers suggests 22% increase over this years renewals. Increased to \$200k per Leon Ellin, unknown at this time how much increases will be in 2024.
1000	Telephone	Slight increase
000	Utilities- Cable TV	Slight increase
500	Utilities- Electric	Slight increase
1000	Utilities- Gas	Same
1000	Utilities- Water/Sewer	Slight increase
1500	Utilities- Trash/Recycle	Slight increase

**The Savoy on Palm Condominium Association, Inc.**  
**Building Manager's Report**  
**9/7/23**

**Insurance Renewals –**

- Most policies renewed in May and June. Premiums increased about \$29k for the 2023-2024 policy period. The flood policy does not renew until November. The largest increase was on the property and windstorm policies at about \$27k .

**Pool Leaks –**

- Due to high usage of water over a period of two months, I did some preliminary testing on the pool to try and determine if it may be leaking. After seeing the water level drop significantly overnight, I had a company come in and perform leak testing, they discovered 2 areas leaking, one on a return line and one on the roll off gutter. Both areas have been repaired. (\$3,040)
- Once we go an entire month with the leaks repaired, I will submit documentation to the city and request a review of our account over the past twelve months and we should get a credit back for the amount of overage due to the leak.

**Sauna Power Supply (Update) –**

- After shipping the power supply in for repair, it was determined that it is not repairable. I am still trying to locate a replacement unit.

**A/C Unit Trouble –**

- Unit 7-1 has had more issues. After three attempts at leak checking the unit a repair was made, it worked for a while, but it recently stopped cooling again. Veteran's has been back out and did another leak test on the unit and it appears to be leaking at the same area that was last repaired. They are back today to complete the repair and recharge the unit.

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**Building Manager's Report**  
**9/7/23**

**Irrigation –**

- We have had several repairs made to the irrigation system recently. The most recent being a main line break near the hot tub in the pool area. (no invoice yet)
- The irrigation timer is in need of replacement and should be done tomorrow hopefully. The entire system is currently down. (\$600-700).

**Planter Leaks –**

- We currently have two sections of the third floor planters excavated. I am working with Rob Crain on writing up a scope of work and having the areas repaired. As soon as Rob is able to provide the scope, he will bring in a waterproofing contractor to examine the planters and provide us with a not to exceed proposal to repair the membranes in the two areas. After the repairs are completed we will need to have the soil and gravel put back in the planters and landscaping replaced. I would recommend that we do not replace any tree in the planter beds and stay with some sort of shrub or groundcover as the palms had completely rooted through the waterproofing membrane of the planter which took about twice as much time to excavate versus the other planter that had only shrubs.

**Other Items to Mention –**

- Dog run area fence completed (\$595)
- Pool pump motor had to be replaced in June (\$1,043)
- Spa pump motor was replaced in August (\$650)
- Fire Alarm back up batteries had to be replaced (\$400)
- Pressure washing will be scheduled.
- After storm last week, massage room ceiling does not appear to be affected. I will make arrangements for repairs to the ceiling in the room, it may require painting the entire ceiling.

Respectfully Submitted,

Bill Veal