

**DRAFT**

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

**Board of Directors Meeting Minutes**

September 5, 2024

**Call to Order:**

The Savoy on Palm Board of Directors Meeting was held September 5, 2024 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, Leon Ellin, Jim Heskett, Abby Esformes and Bill Haraf. It was confirmed that proper proof of notice of the meeting had been conveyed.

**Approval of Minutes:**

- 4/4/2024 Board Meeting
- 4/19/2024 Board Meeting

1. **MOTION** – (Leon Ellin) to approve the April 4, 2024 Board Meeting minutes, and the April 19, 2024 Board Meeting minutes. Motion seconded by Jim Heskett. The motion passed unanimously.

**President's Report:**

Mr. Rivera informed the Board and owners in attendance that he didn't have much to report on and that it has been a relatively quiet but hot summer, and that he is pleased with the turnout of owners in attendance for this September Board Meeting,

**Treasurer's Report:**

Mr. Ellin reviewed the proposed 2025 Operating/Reserve Budget with the Board and explained the new format of Reserve Study which was recently completed for 2025. He also explained that with the new format of Reserve Study that the contribution to the reserve funding will increase, but hopefully by staying fully funded on the Structural Integrity Reserve schedule and remaining fully funded on the non-Structural portion of the reserve study, along with frequent updates to the reserve schedule special assessments will hopefully not be needed in the future.

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

2. **MOTION** – (Jim Heskett) to approve the Schindler Elevator Service contract for an additional 5 years as presented. Motion Seconded by Abby Esformes. After brief discussion, the motion was approved unanimously.

3. **MOTION** – (Bill Haraf) to approve and expense of \$1,690 and the engagement letter from Michael Mullin CPA to perform 2024 year end independent audit. Motion seconded by Abby Esformes. After discussion, the motion was approved unanimously.
4. **MOTION** – (Leon Ellin) to approve an expense not to exceed \$36,000 to proceed with the interior common area paint project. Motion seconded by Abby Esformes. Bill Veal will get at least two additional bids and work with the Facilities Committee along with input from the owners on color selections. The motion was approved unanimously.

**Facilities Committee Report:**

Brenda Griffiths presented the attached report.

5. **MOTION** – (Abby Esformes) to approve an expense not to exceed \$9,800 to complete the replacement of the library fireplace as presented. Motion seconded by Leon Ellin. After a brief discussion, the motion was approved unanimously.

Brenda Griffiths also explained to the Board that the loveseat in the massage room is in need of replacement. She advised that there is currently a \$400 credit from the library furniture purchase and delivery as one of the chairs was damaged and had to be replaced. That library chair has been replaced, and the committee would like to use the \$400 credit to purchase a small corner chair for the massage room in place of the loveseat. There was no objection from the Board or owners in attendance, so the committee will proceed.

**Old Business:** None at this time.

**New Business:**

- Updated Reserve Study (SIRS & non-SIRS)
  - o Leon Ellon reviewed the new study with the Board during his Treasurer's report.
- 6. **MOTION** – (Jim Heskett) to accept the updated reserve study as presented. Motion seconded by Abby Esformes; the motion passed unanimously.
- 7. **MOTION** – (Jim Heskett) to approve the proposed 2025 Operating & Reserve Budget for distribution to the membership prior to the Board considering for approval at the October 3, 2024 Organizational meeting of the Board. Motion seconded by Bill Haraf; the motion was approved unanimously.

**Owner Comments:**

Chelle Stoner asked for an update on the pool regarding the water temperature of the pool and what the current status quo on whether people can turn the temperature up and down, etc.

Bill Veal explained that several years ago the Board decided to allow the water temperature to be adjusted up for a maximum period of one hour on a trial basis. The trial basis was never changed by the Board. He also advised that to set the temperature above 85 would require the Declaration to be amended.

Bill Haraf stated that it seems that we have a difference of opinions amongst the owners on what the water temperature be set at, with that said, he also stated that he would not be in favor of amending the documents.

Bruce Blackmore explained that he would like the water warmer and enjoys swimming with the heater running as he can feel the warmer water coming from the jets. He also said that he was in favor of leaving things as are as he is one of the people that turns the heater up for an hour and then returns it to 83 degrees.

Leon Ellin suggested that a "Pool Committee" be formed to bring suggestions back to the Board.

After more discussion, Mr. Rivera asked Bill Veal to send out a notice to the owners requesting volunteers for a "pool committee".

Lew Winarsky asked about the temperature setting of the spa. Bill Veal explained that the spa has a heat pump, and it is set at 100 degrees. If the temperature is set any higher on a warm sunny day, the water temp approaches 104, which is the maximum allowable by local health department.

**Adjournment:** There being no further business, the meeting was adjourned at 4:02 p.m.

**Savoy on Palm**  
**2025 "PROPOSED" Operating Budget**  
**January 1, 2025 through December 31, 2025**

**Income**

A/C#	Description	Year End 2023	Budget 2023	June-24	Projected Y/E 2024	Budget 2024	Budget 2025
40100	Maintenance Fees	\$631,334.00	631,334	\$343,948.00	\$ 687,896	\$ 687,896	670,656
40800	Guest Suite Fees	\$12,750.00	8,000	\$7,200.00	\$ 9,000	\$ 8,000	8,000
48000	Interest Income	\$3,507.15	100	\$3,968.31	\$ 7,000	\$ 100	100
49100	Other Income	\$167.80	100	\$224.87	\$ 300	\$ 100	100
	Reserve Income From Quarterly Fees	\$244,710.41	274,802	\$144,270.96	\$ 288,542	\$ 288,542	378,169
	Reserve Interest Income	\$32,768.85		\$22,232.46	\$ 44,465		
	<b>Total Income</b>	<b>\$925,238.21</b>	<b>914,336</b>	<b>\$499,612.14</b>	<b>\$ 1,037,203</b>	<b>\$ 984,638</b>	<b>1,057,025</b>

**Expense**

A/C#	Description	Year End 2023	Budget 2023	June-24	Projected Y/E 2024	Budget 2024	Budget 2025
60500	Audit and Tax Prep	\$610.00	600	\$675.00	\$ 675	\$ 650	2,390
61500	Fees to Division	\$0.00	95	\$0.00	\$ 96	\$ 96	96
63500	Fees Due & Licenses	\$1,300.68	1,100	\$1,141.85	\$ 1,300	\$ 1,100	1,300
64700	Worker's Comp Insurance	\$3,115.00	5,520	\$1,843.00	\$ 4,050	\$ 3,750	4,200
66000	Legal Fees	\$0.00	2,000	\$175.00	\$ 175	\$ 2,000	2,000
67000	Management Fees	\$11,630.00	13,500	\$6,185.00	\$ 13,000	\$ 14,000	14,000
67500	Office Supplies, Postage and Printing	\$1,020.09	1,800	\$1,288.52	\$ 1,600	\$ 1,800	1,800
67800	Payroll Taxes	\$12,668.77	13,050	\$6,597.89	\$ 13,400	\$ 13,450	13,900
68800	Professional Fees (Insurance appraisal)	\$0.00	0	\$600.00	\$ 1,200	\$ 1,200	800
	Reserve Study Update (included with SIRS)	\$0.00	0	-	\$ -	\$ -	0
	Structural Integrity Reserve Study (SIRS)			\$3,000.00	\$ 6,000	\$ 6,000	0
73700	Social Committee Expense	\$0.00	1,500	\$0.00	\$ 1,500	\$ 1,500	1,500
74500	Taxes- Income	\$0.00	0	\$8,349.00	\$ 8,350	\$ 300	9,000
73500	Salaries & Wages	\$162,616.30	163,118	\$83,573.03	\$ 167,900	\$ 168,100	174,000
62000	Depreciation Expense	\$0.00	0				
62500	Elevator Service Contract	\$26,409.00	26,500	\$13,006.00	\$ 26,000	\$ 27,560	26,180
63000	Eqgmt Service Contracts	\$12,465.02	13,400	\$3,090.11	\$ 11,000	\$ 11,000	12,300
64000	Fire Alarm Test, Monitor	\$384.00	2,200	\$193.00	\$ 2,200	\$ 2,200	2,500
64200	Generator Fuel	\$0.00	1,000	\$0.00	\$ 2,000	\$ 1,000	1,000
64300	Guest Suite Expenses	\$91.31	500	\$0.00	\$ 200	\$ 500	500
65000	Landscape Maintenance Contract	\$13,798.00	14,160	\$7,107.00	\$ 14,214	\$ 14,500	14,500
65500	Landscape New Plants	\$5,470.06	8,000	\$2,064.27	\$ 8,000	\$ 8,000	8,000
68000	Pest Control	\$2,952.00	3,000	\$1,536.00	\$ 3,072	\$ 3,000	3,000
66500	Pool/Spa/Fountain Contract	\$7,800.00	7,800	\$3,900.00	\$ 7,800	\$ 8,100	8,100
69000	Repairs & Replacements	\$39,444.74	55,000	\$19,244.75	\$ 40,000	\$ 55,000	25,000
69500	Repair & Maintenance- Elevator	\$800.00	900	\$800.00	\$ 900	\$ 900	1,200
70000	Repairs & Maintenance- Interior Plants	\$0.00	250	\$0.00	\$ 250	\$ 250	250
70200	Repair & Maintenance- Pool/Spa/Fountain	\$5,193.32	2,000	\$475.61	\$ 2,000	\$ 2,000	2,000
70300	Repairs & Maintenance Fire Alarm	\$976.14	3,000	\$0.00	\$ 1,500	\$ 3,000	3,000
70500	Repair & Maintenance- Landscape Other	\$2,982.82	4,000	\$2,380.00	\$ 2,500	\$ 4,000	4,000
71500	Repair & Maintenance- Stormwater	\$0.00	0	\$495.00	\$ 495	\$ 150	500
72000	Repair & Maintenance- Window Cleaning	\$4,460.00	4,460	\$2,830.00	\$ 4,300	\$ 4,460	5,860
74000	Supplies- Cleaning	\$960.44	1,800	\$569.94	\$ 1,500	\$ 1,800	1,800
74200	Supplies- Maintenance	\$3,771.59	5,000	\$1,559.40	\$ 4,000	\$ 5,000	5,000
67600	Miscellaneous Expense	\$0.00	1,000	\$0.00	\$ -	\$ 1,000	1,000
64500	Insurance	\$144,428.00	156,750	\$75,703.00	\$ 171,000	\$ 200,000	200,000
75000	Telephone	\$9,657.33	11,500	\$4,325.86	\$ 8,650	\$ 11,800	9,000
77000	Utilities- Cable TV	\$21,828.85	21,500	\$11,721.94	\$ 23,450	\$ 22,500	25,000
77500	Utilities- Electric	\$41,384.40	43,100	\$17,633.94	\$ 40,000	\$ 42,000	42,000
78000	Utilities- Gas	\$6,650.91	8,000	\$5,746.58	\$ 7,000	\$ 8,000	8,000
79000	Utilities- Water/Sewer	\$43,100.09	42,000	\$21,053.11	\$ 42,000	\$ 44,000	44,000
79500	Utilities- Trash/Recycle	\$603.76	630	\$369.18	\$ 740	\$ 630	800
	<b>OPERATING EXPENSES</b>	<b>\$588,572.62</b>	<b>639,534</b>	<b>\$307,632.98</b>	<b>\$ 644,017</b>	<b>\$ 696,096</b>	<b>678,856</b>
<b>Reserves</b>	Amount Funded to Reserves	\$277,479.26	274,802	\$166,503.42	\$ 333,007	\$ 288,542	378,169
	<b>Total Expense</b>	<b>\$866,051.88</b>	<b>914,336</b>	<b>\$474,136.40</b>	<b>\$ 977,024</b>	<b>\$ 984,638</b>	<b>1,057,025</b>
	<b>Projected Y/E Income / (loss)</b>	<b>\$59,186.33</b>	<b>0</b>	<b>\$25,475.74</b>	<b>\$ 60,179</b>	<b>\$ -</b>	<b>0</b>

<b>"Proposed" Operating Budget Year 2025</b>				
Operating Budget Income from Quarterly Fees				\$670,656.00
			<b>Per Unit</b>	
<b>Unit Type</b>	<b>Unit Number</b>	<b>Per Unit %</b>	<b>Annual Fee</b>	<b>Qtrly Fee</b>
A	401, 701, 1001	3.857%	\$25,867.20	\$6,466.80
A1	301, 501, 601, 801, 901	3.897%	\$26,135.46	\$6,533.87
B	402, 502, 602, 702, 802, 902, 1002	4.423%	\$29,663.11	\$7,415.78
C	403, 503, 603, 703, 803, 903, 1003	3.655%	\$24,512.48	\$6,128.12
PHA	1101	7.012%	\$47,026.40	\$11,756.60
PHB	1102	5.386%	\$36,121.53	\$9,030.38
	Confirmation Formula	Number of units per type times annual fee		
a	3	\$77,601.61		
a1	5	\$130,677.32		
b	7	\$207,641.80		
c	7	\$171,587.34		
pha	1	\$47,026.40		
phb	1	\$36,121.53		
	24	\$670,656.00		
<b>"Proposed" Operating &amp; Reserve Budget - 2025</b>				
Total Operating and Reserve Budget for the Association				\$1,048,825.00
2023 Budget Surplus Applied to Reserves				\$59,186.33
				\$989,638.67
			<b>Per Unit</b>	
<b>Unit Type</b>	<b>Unit Number</b>	<b>Per Unit %</b>	<b>Annual Fee</b>	<b>Qtrly Fee</b>
A	401, 701, 1001	3.857%	\$38,170.36	\$9,542.59
A1	301, 501, 601, 801, 901	3.897%	\$38,566.22	\$9,641.55
B	402, 502, 602, 702, 802, 902, 1002	4.423%	\$43,771.72	\$10,942.93
C	403, 503, 603, 703, 803, 903, 1003	3.655%	\$36,171.29	\$9,042.82
PHA	1101	7.012%	\$69,393.46	\$17,348.37
PHB	1102	5.386%	\$53,301.94	\$13,325.48
	Confirmation Formula	Number of units per type times annual fee		
a	3	\$114,511.09		
a1	5	\$192,831.09		
b	7	\$306,402.03		
c	7	\$253,199.05		
pha	1	\$69,393.46		
phb	1	\$53,301.94		
	24	\$989,638.67		
<b>2024 Reserve Contribution per Schedule:</b>			\$378,169.00	
Subtract 2023 budget surplus and apply to 2025 reserve budget			\$59,186.33	
			\$318,982.67	
Total Reserve Fund Contribution from Quarterly Fees			\$318,982.67	

**The Savoy on Palm Condominium Association, Inc.**  
**Building Manager's Report**  
**9/5/2024**

**Elevator Service Contract –**

Our current contract is set to expire in November. Schindler has provided a quote to extend the original contract for an additional five years. We currently pay \$27,365 per year; the new contract would begin at \$26,160 per year (\$1,200 less per year). I would like to request that the Board approve the 5 year contract extension.

We have had very good service from Schindler over the years, they have provided us with very good maintenance and response times when called.

If preferred, I can request proposals from competing elevator service providers, but in the past, they would not include the addendum that we currently have with Schindler, the proposed price was quite a bit more than Schindler, and they would not include 24-hour call backs for service.

The included addendum includes a max 4% price cap per year instead of open ended, \$50 per day penalty when elevator is out of service (beginning on second day), specifies the minimum amount of time required for maintenance visits, along with several other items that are beneficial to The Savoy. This is the original addendum that was add to the original Schindler Contract upon its first renewal back in 2009 and was negotiated by Mort Siegel and Lee Rigby (Vertical Assessment).

**Elevator Equipment A/C Replacement –**

A/C Unit 12-1 was found to be not cooling on 7/29. I had AAP Air out, it was determined that the blower motor was bad and in need of replacement. This unit cools the elevator equipment for the south side of the building and is critical to keep the elevator equipment running properly.

I requested a quote to repair the unit and to replace the unit. This unit is an original unit (18 years old). The repair quote came in at \$1200. I approved replacement of the unit as I didn't see it as cost effective to perform major repairs to a unit this old. The replacement cost was \$6,412, which is less than the most recent quotes I had received from Custom Air & Veteran Air for a similar sized unit.



**The Savoy on Palm Condominium Association, Inc.**  
**Building Manager's Report**  
**9/5/2024**

**Irrigation Well Pump Replacement –**

The irrigation well pump is currently in need of replacement. This equipment is original (18 years). I have quotes from Guest Well Services (\$11,600) and B&B Services (7,980) to remove the existing equipment and replace. Both companies have a smaller well rig that will do the least amount of damage to the landscaping in order to access the well.

I discussed the options of the proposals with Mr. Rivera, and he authorized me to proceed with approving the proposal from B&B Pump Services so that we could get the replacement scheduled as soon as possible. Both companies were several weeks out on scheduling.

The Ixora shrubs behind the handicapped space will need to be removed to gain access to the well. Grant's Gardens is going to prune them back, transplant them to pots, and keep at their greenhouse until the work is completed. If they survive the transplant, they will re-install them, if not, we may need to replace them.

**2024 Year End Audit –**

I have an engagement letter from Michael Mullin CPA. To perform our 2024 end of year audit. The amount to perform the independent audit is \$1,690. I recommend that the Board approve the engagement letter. Mike Mullin has been providing our independent auditing service since 2012.

We currently perform an independent audit every three years, new audit requirements passed this year will only allow audit to be waived every other year, so we will need to do another audit at least every other year.

**Interior Painting –**

At the request of the Facilities Committee, I have a paint specification from Sherwin Williams, and a quote from Siesta Key Décor for the painting of all interior common areas of the building.

If the Board wishes to proceed with this project, I will request at least two more proposals and bring them back for discussion at the next Board Meeting, or if you would prefer, you can approve a not to exceed amount based on the current proposal. The quoted amount is \$35,909.

**The Savoy on Palm Condominium Association, Inc.**  
**Building Manager's Report**  
**9/5/2024**

**Insurance Appraisal & Insurance –**

The insurance appraisal was updated this year. We typically update the appraisal every three years as is required by statute. The insurable value increased by 25% or approximately \$7.2 million. This in turn also caused our insurance renewal premium to increase by \$25,580.

All policies except flood have been renewed for 2024. We should end up about \$20k under budget at year end.

Mike Angers at Brown & Brown recommends we keep our budgeted amount the same for 2025 (\$200k).

**Fire Alarm Repairs –**

After this most recent fire alarm test, we have nine speaker/strobes that are not functioning and in need of replacement, and 8 batteries that are due for replacement. I have a proposal for \$4,669 to complete the repairs, but I am going to get at least one other quote before proceeding as this price seems extremely high for the amount of work and parts required.

**UPDATES -**

- **Women's Locker Room Faucet** – the replacement parts have been ordered and are expected to arrive within the next week or two (\$534)
- **Common Area A/C Maintenance** – new maintenance contract signed with AAP Air, Veteran Air increased renewal price by 40%. (\$400 less per year than Veteran)
- **Pressure Washing** – completed in August
- **Fountain** – pump and motor were replaced in July (\$2,430)
- **Neighbor's Tree** – large broken tree limb removed from spa area in July (\$1,560). Landscaping replacements will be planned after irrigation system is repaired.
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Respectfully Submitted,

Bill Veal



Notes from Facilities meeting

WEDNESDAY 21<sup>st</sup> August 2024

THIRD FLOOR MEETING ROOM

ATTENDEES: Jo Haraf, Fred Doery, Brenda Griffiths

APOLOGIES: Bill Veal, Leslie Rivera, Marilyn Shapo, Kim Blakemore, Chelle Stoner

Fireplace replacement - we need to clarify width required. Bill previously mentioned that we could go for 60 inch model. Work needs to be completed to see if concrete surround can be removed further.

We will get clearer idea before the board meeting in September.

Garden - It was mentioned that there are garden plants lying down near the water pump area. NB: After talking to Bill; these are going to be removed soon in the garden clean up and replanting.

POOL - where the branch broke off from next door's tree we could do with a spreading small palm or bush to fill in the gap there and around the jacuzzi.

Leslie sent a note and photo of a small corner seat to replace the sofa in massage room. We have \$400 refund from DWR (the library sofa and chairs delivery) and would like to ask the board if we could go ahead and use that monies to replace the sofa.

The three of us discussed this and felt that it wasn't a priority as it is not a common room. The rest of the Facilities team need to have a say about this before I mention it to the board meeting.

Ceiling lights - a discussion whether the lights could be focused on some of the art pieces. Jo to chat to Bill if this is a possibility.

Welcome Party - Chelle asked whether we could have a party for the newcomers in the building. Discussion followed - we need a social committee, a team leader and how much it would cost etc. before it is raised with the Board.

BRG 21<sup>st</sup> August 2024