

SAVOY ON PALM CONDOMINIUM ASSOCIATION, INC.
BOARD OF DIRECTORS MEETING MINUTES
August 14, 2008

The Board of Directors Meeting was held August 14, 2008 on the Third Floor of the Savoy on Palm Condominium at 401 South Palm Avenue, Sarasota, FL 34236 in accordance with Proper Proof of Notice. The Directors present were Mr. Fanning, Mr. Hawley, Mr. Ruben joined the meeting at 4:25 pm, departed the meeting at 4:50 pm and returned at 5:40 pm and Mr. Siegel. Attending by phone was Mr. Lindeman. Representing Beth Callans Management Corporation were Gary Glass and Neil Fleet.

Call to Order

Mr. Fanning called the meeting to order at 4:07 pm.

Determination of a Quorum

Mr. Fanning noted a quorum was established with three (3) Board Members present. Mr. Ruben joined the meeting at 4:25 pm and Mr. Lindeman joined the meeting at 4:30 pm.

Confirm Proper Proof of Notice

Mr. Fanning stated that Proper Proof of Notice was posted in accordance with Association documents and Florida Statutes.

Verizon FIOS TV Update

Mr. Hawley and representatives of Verizon led a discussion with the Board and owners on the benefits of Verizon FIOS TV compared with Comcast cable and Direct Satellite TV. Mr. Hawley reported on the results of the survey of owners regarding the Direct TV proposals. Only 13 owners responded and 9 voted against the Direct TV proposal. It was stated Verizon FIOS should be available by the end of the year.

Turn Over Committee Report – Mr. Ruben

Mr. Ruben had a turnover meeting with Turner Construction Company and Floria on August 15, 2008. The following was discussed:

- The elevator repairs were made.
- The Board will contact the owners when they receive notification in regards to the warranty issues and other items.
- Hire an outside construction supervisor to inspect and to sign off to consult Crain Construction before Crain signs off.
- Mr. Ruben mentioned there will be one (1) more meeting in October to finalize all the issues and he believes it is a positive outcome.
- The Savoy will receive eight (8) years of warranty on the building

Reading and Approval of Previous Minutes

Mr. Siegel made *motion*, seconded by Mr. Hawley to approve the minutes of the June 11, 2008 meeting with a correction to first sentence on last page. The corrections are as follows:

(Mr. Fanning stated that the Regency was interested in the Savoy's offer to pursue discussions with their Board regarding acquiring the air rights over their parking area. Mr. Fanning stated that the Savoy would be drafting a concept proposal for the Regency's representatives to consider in order to facilitate additional discussion). *The motion passed unanimously.*

Treasurer's Report & Review- Mr. Siegel led a discussion on late payment issues for the Association. Mr. Siegel made a *motion*, seconded by Mr. Fanning, to direct Management to send a notice to all unit owners, beginning with the next quarterly assessment, that any payment received after the tenth day of the month, of the month an assessment is due, shall incur an interest charge of 18% from the date due until the date paid, and in addition a late charge equal to 5% of the original amount due shall be assessed. *The motion was passed unanimously. Mr. Ruben was not present for the vote.*

Mr. Siegel presented the Treasurer's report. Mr. Siegel stated the Association was within budget and currently reported a surplus of \$23,000. Mr. Siegel made a *motion*, seconded by Mr. Lindeman to accept the Treasurer's report as presented. *The motion passed unanimously.*

Committee Reports

Life/Safety Committee – Mr. Hawley

Mr. Hawley read his report. A copy is attached and thereby incorporated herein.

Investment Committee Report – Mr. Hawley read Mr. Mesirov's report in his absence. A copy is attached and thereby incorporated herein.

Civic Committee Report – Mr. Siegel

Mr. Siegel read his report. A copy is attached and thereby incorporated herein.

Plaza Hotel Report & Request for Legal Bill Assistance by Essex House – Mr. Siegel made a *motion*, seconded by Mr. Hawley to approve the Savoy on Palm for this appeal. Mr. Rubin was not present for this vote. *The motion passed unanimously.*

Participating Condo Associations are donating \$1,300.00 for this appeal. Mr. Siegel made a *motion*, seconded by Mr. Hawley that the financial part could be met by the owners on a voluntarily basis. *The motion passed unanimously.*

Update Air Rights over Regency Condominium Property – Peter Fanning/Mort Siegel

Mr. Siegel suggested having an informal meeting with Regency representatives to establish negotiations to buy the air rights over the Regency's garage area and to put forth a non binding letter of interest by the Savoy.

Beth Callans Management Report – Gary Glass, LCAM

Mr. Glass summarized his report. A copy is attached and thereby incorporated herein.

Old Business: The Board took action on the gas usage. Mr. Fanning made a **motion**, seconded by Mr. Ruben to refund the full amount to owners from the Gas Bill Income account not to exceed total credits in the account. *The motion passed unanimously.*

New Business:

Mr. Fanning made a **motion**, seconded by Mr. Hawley that the Annual meeting date will be held on November 13, 2008 at 4:00 pm. *The motion passed unanimously.* (The Annual meeting date was changed to November 20, 2008 at 4:00pm).

Owners Comments:

None

Adjournment:

With no further business, the meeting was properly adjourned at 6:15 pm.

Respectfully Submitted

Gary Glass, LCAM
Beth Callans Management Corporation

Savoy Life Safety Committee

Report for August 14, 2008 Board Meeting

No committee meeting has been held since June 3 due to unavailability of members.

- 1. Electrical:** The emergency generator now has about 840 gallons of fuel capacity. The generator has 350 kilowatt maximum output but our normal emergency load requires only about 50 kilowatts of power to run the emergency lighting, garage doors, elevators, security system and unit refrigerator/freezers. This load requires only 3-4 gallons of fuel per hour. A Savoy "haven" capability has been implemented to take advantage of the fuel capacity and power capacity. This entailed wiring the lighting, convenience outlets, kitchen facilities and air conditioning systems for the 3rd floor meeting room and library room spaces to the Emergency panels. Now, in the event of a long duration power outage, residents will be able to seek air conditioned respite on the 3rd floor. The motor-generator set was tested by Tampa Armature Works at 80% of full load or 280 kilowatts of simulated load for 2 hours. The system performed as designed. In addition there was an unscheduled test on June 26 when a FPL high voltage line fell down across the street cutting off commercial power to the Savoy building. The system worked perfectly.
- 2. Lighting Efficiency and Safety:** The Board approved the installation of photocells on outside egress stairwell light fixtures. Alternate light fixtures have been turned off in the garage areas as a further power saving measure, as photocells were not sensitive enough to operate as intended.
- 3. Fire Safety:** AES performed their annual inspection of the fire safety alarm system on August 4 and 5. There were 6 items to be replaced or repaired. One repair is a ground fault condition that has been submitted as a warranty item. Question: should the other 5 items which entail speaker, strobe, or enunciator replacements also be submitted as warranty items?
Southeast Fire Protection has performed the visual part of their annual inspection of the sprinkler system in the building. They are scheduled to return on August 28 to test the pump and related systems.
- 4. Satellite Television Option:** Advanced Audio Design has provided us with a proposal for adding DirecTV capability to the building for \$22,331.13. Residents were canvassed for interest in footing the installation bill, as the Board voted at the June Board meeting not to make this an Association project. The results so far are 4 in favor of installing the Satellite system and 9 against. This project has been put on hold awaiting Verizon's FIOS system presentation, scheduled for today's Board meeting.
- 5. Emergency Planning and Operations:** Plans have been drafted for the preparation of the Savoy facilities in the event of a Hurricane Warning. Sand bags have been obtained by Bob Lindeman and filled and placed in storage by Bill Veal for prevention of storm surge ingress to the electrical room and the generator room on the first floor. An Emergency Planning and Operations Manual has been drafted for review by the Board. It has been sent by email to Board members and BCM.
- 6. Water:** Residents have complained that the water softening system is not working. A check revealed that the system had about 20% of the salt available at the time. Culligan was reminded to recharge the system. They did this on August 4. Bill Veal purchased a supply hardness test strips and will monitor the water hardness in the future. Currently, the test strips show a medium level of water softness which we think is OK.
- 7. Archive of Life Safety Information:** This has been replaced by the Emergency Planning and Operations Manual in section 5. above.

The investments of the capital reserve fund were disappointing for our first quarter. The total value on June 30th was \$36859 vs initial investments of \$37500. This is an overall loss of 1.1%. Both the equity and the fixed income markets declined. The GNMA fund after dividends lost 0.6%. The total market index fund , after dividends, lost 3.4%%. The prime money market fund contributed \$120 to our investments.

At our last meeting we switched our fixed income portion to bank insured CDs. The yield is lower than the GNMA fund (4.4% vs 5%) but the interest rate risk is much lower. Inflation seems to be a real possibility and our any loss (of income) would be for less than 2 years. The GNMA fund would , in a higher interest rate environment, lose principal value. However the yield (which gets compounded) would rise. It should be noted that mutual funds can be redeemed immediately , while CDs are not liquid. Also as a point of reference, they tend to be marked down a small amount by Vanguard the day after purchase. This is just bookkeeping and it should be ignored.

As a point of reference, CDs were yielding 2% in March due to the Fed opening its discount window. They now yield more than treasuries with FDIC insurance. To confirm, the GNMA's are mortgage bonds, but are insured by the US Government. They are on a par with Treasuries regarding repayment. Defaults are not an issue.

We have also been monitoring our cash balances at Superior Bank in order to maximize our investment income in Vanguard's Federal MM fund. We must maintain an adequate balance to fund our expenses----AND make sure that we do not exceed the \$100M FDIC insurance limit. Exceeding this limit (as coined by Jim Grant) would be a return free risk. Unfortunately 4 owners were late in paying the July dues. Two paid around July 17th. One ownert paid their dues on August 4th and one owner is in arrears.. It seems unfair that some owners can play the float at the expense of the others. If all the late payers would have remitted their funds prior to our paying the insurance premiums, we would have gone over the FDIC limit. Personally we would like a late payment penalty instituted, subject to comments by Beth Callins. They would have to administer the paper work.

We also have discussed on an informal basis, how to solve a cash flow problem next year. We currently have enough cash due to the \$32M in dispute with Floria and about \$32M in our operational reserves. Does the Board want us to look into this? We need guidance. We project very low cash by September 30th and proably will need the outstanding dues.

The Savoy has earned \$550 in the Federal MM used for our operational funds.

michael mesirov for the committee

CIVIC COMMITTEE REPORT

August 14, 2008

Gerry Elden has left several messages with the Episcopal Church in regard to improving the landscaping on the corner of South Palm and Ringling. The city has also walked the area and City Commissioner Richard Clapp reported that, at the present time, none of the above are willing to improve the site. Gerry is on vacation and when he returns he will attempt to contact the Church again.

As many of you know, I have been actively involved in politics for many years. On November 7, 2007, I suggested to Peter Fanning, President of the Savoy Board, that we form a Civic Committee. He agreed that this would be an excellent additional committee for our Savoy residents. As the term "Civic Committee" implies, the mission was to become passively and actively involved in our community and City events.

One of our current projects involves registering additional voters on our block and adjacent streets on Palm Avenue. In the last City local election only 10 to 12% of the registered voters actually voted out of 39,000 registered voters in Sarasota. What does this mean? It means that only 3,000 to 3,500 voters turned out in the last local election. Palm Avenue and adjacent streets have approximately 800 registered voters. We have 20% of the votes and in the future we will be in a position to affect the outcome of City elections.

Anne Bladstrom, a Member of the Civic Committee, is in charge of printing and distributing the "INTENT TO REGISTER" applications to all the Presidents of the Palm Avenue Condominium associations and the town homes, too, plus a letter explaining why "YOUR VOTE COUNTS AND CAN MAKE A DIFFERENCE". Our goal is to be organized and to increase new registered voters so that the CONCERNED VOTERS OF PALM will be in a better position to determine WHO GETS ELECTED in Sarasota.

Mort will now bring the Board up to date on the Plaza Development Plan since our last Board Meeting.

Respectfully submitted,

COOTS SIEGEL

THE CIVIC COMMITTEE – STATEMENT OF PURPOSE

- A) To enhance the quality of life for the residents of the Savoy Condominium.

The Committee will address present and future issues related to our concerns as residents of the City of Sarasota.

Therefore, the Committee will undertake the following:

- 1) upgrade the physical appearance of the areas surrounding the Savoy, i.e. such as: streets, sidewalks and landscaping.
- 2) addressing security, traffic/parking, future development//commercial/residential, and density concerns.
- 3) Monitoring the activities and communicating with the city, county and state officials and agencies.
- 4) be active in the electoral process of national, state and local candidates to protect the interests of our community and the surrounding neighborhood.
- 5) working with other city and neighborhood associations having similar interests to achieve mutually desirable goals.

- B) Communicating initiatives, process, results and recommendations of the Committee to the Savoy Association Board.

BETH CALLANS MANAGEMENT REPORT
For the Savoy on Palm
August 14, 2008

I. Maintenance

- a. Daily walk list performed
- b. Bill completed updating records and organizing them in binders.

II. Other

- a. Paul Hillenbrand joined the concierge team at The Savoy on Palm Condominium Association. Paul has recently served in a similar position, as concierge at the Alinari Condominium Association.
- b. BCM sent a Gas Bill Income report to the board for them to review.
- c. BCM has added a separate line item on the budget for the association to pay the gas usage for the individual units and will be on the August financials.
- d. Jim and Bill are working on the Fob and Garage Gate opener list.
- e. The guest suite fob opens the guest suite and all common areas.
- f. Bill is working on organizing the key box.
- g. Reviewed and forwarded the property inspection report.
- h. Processed bi-monthly payables.
- i. Reviewed monthly financial reports.
- j. Darren Howard from Atlas Insurance will be at the February 14th meeting to explain the master insurance policy and to answer any questions. ON HOLD BOARD WILL DECIDE ON NEW DATE

Respectfully Submitted,

Gary Glass, LCAM
Beth Callans Management Corporation