

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

February 13, 2014

Call to Order: The Savoy on Palm Board of Directors Meeting was held February 13, 2014 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 Peter Fanning at 4:01 p.m.

Determination of a Quorum: Board Members present were Peter Fanning, Bill Roe, Leon Ellin, Allen Klein, and Richard Rivera via conference call. It was confirmed that proper proof of notice of the meeting had been conveyed.

Approval of Minutes:

1. **MOTION** – (Bill Roe) to approve the minutes from the November 14, 2013 Board Meeting. Motion approved by a consensus of the Board.
2. **MOTION** – (Bill Roe) to approve the minutes from the November 14, 2013 Organizational Meeting. Motion approved by a consensus of the Board.

President's Report: Peter Fanning deferred the President's Report until the Facility Committee Report to avoid duplications.

Treasurer's Report: Bill Roe presented the attached report.

3. **MOTION** – (Bill Roe) to accept the Treasurer's Report as presented. Motion seconded by Allen Klein. Motion passed unanimously.

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

4. **MOTION** – (Peter Fanning) to approve expenditure not to exceed \$3,500 to redo the second floor lobby as explained by Bill Veal. Motion seconded by Allen Klein. After a brief discussion amongst the Board, the motion passed unanimously.
5. **MOTION** – (Peter Fanning) to replace the 3rd floor waterfall for \$4,300. Motion seconded by Leon Ellin. After discussion amongst the Board and comments from the owner's in attendance, the motion was withdrawn so that an anonymous survey could be conducted.
6. **MOTION** – (Peter Fanning) to conduct a survey on whether or not to replace the 3rd floor water wall. Motion seconded by Bill Roe. The motion passed with 3 Board Members in favor (Bill Roe, Leon Ellin, and Allen Klein) and 2 against (Peter Fanning and Richard Rivera).
7. **MOTION** – (Peter Fanning) to approve the following expenditures: replace the irrigation pump contactor (\$932), the telephone entry system (\$2,475), purchase the tile for the pool renovation (\$600) and perform the needed fire sprinkler repairs (\$1,469). Seconded by Bill Roe. Motion passed unanimously.

The Board had a lengthy discussion about how to proceed with providing electric for individual owners who may in the future decide to purchase an electric car. The Board directed Bill Veal to investigate the costs involved with option #2 on his report.

Facility Committee Report: Peter Fanning presented the attached report.

8. **MOTION** – (Peter Fanning) to approve an expenditure of \$200 per quarter and direct Bill Veal to hire a person to pressure clean the second floor garage walls and floor on a quarterly basis. Motion seconded by Bill Roe. After a brief discussion amongst the Board, the motion passed unanimously.

The committee recommended a tile sample (Black Marmi) to be used to replace the elevator tile over the summer. There was no objection from the Board.

The Committee suggested that the lobby doors and the exterior stairs be painted as soon as possible. The Board directed Bill Veal to paint the exterior stairs over the summer and proceed with getting the lobby doors completed as soon as possible.

Finance Committee Report: Leon Ellin presented the attached report.

Civic Activity Reports: Jerry Elden and Peter Fanning gave updates on the civic activities they are involved with.

9. **MOTION** – (Leon Ellin) to allow information on a Revised Charter for the City of Sarasota and a petition to be placed at the front desk in the lobby. Motion seconded by Bill Roe. Motion passed unanimously.

Old Business: None at this time.

New Business: None at this time.

Owner Comments:

- Jerry Elden asked for a clarification on the amount spent on the exterior paint project. Leon Ellin responded to his question. Mr. Elden also said he would support having lanes installed in the pool for lap swimming.
- Fred Doery commented that it may be possible to prevent air from getting into the fire sprinkler lines if air bleeders are installed. Bill Veal responded and said he would check with the fire sprinkler company to see if this is possible per code.

Adjournment: There being no further business, the meeting was adjourned at 5:30 p.m.

**Treasurers Report to
Savoy on Palm Board of Directors-February 13, 2014
(period: Jan 1, 2013 to December 31, 2013)**

Balance Sheet- Summary of Accounts	2011	2012	2013
Assets			
Operating Accounts	\$159,776	\$131,785	\$121,909
Reserve Accounts	\$425,626	\$506,327	\$488,606
Prepaid Expenses	\$43,802	\$45,183	\$42,278
Other Assets	<u>\$2,297</u>	<u>\$10,100</u>	<u>\$15,442</u>
Total Assets	\$631,502	\$693,395	\$668,235
Total Liabilities	\$98,009	\$96,533	\$111,072
Members Equity	\$533,493	\$592,914	\$557,163

Operating Statement(CY 2013)

Revenue CY 2013		\$469,810
Less: Expenses		<u>(\$441,595)</u>
Excess Revenues over Expenses		\$28,215
Plus: Depreciation		<u>\$4,257</u>
Net Excess Cash		\$32,472
Significant Over Budget Items: Mgt Fees(\$1,345); Depreciation(\$4,257);Landscape Contract((\$1,400); Water/Sewer(\$4,149)		

Income Statement-Comparisons

Net Excess Cash for period (incl. Depreciation)	\$39,556	\$20,088	\$32,472
% of Budget	8.6%	4.4%	6.9%

Reserve Statement-Comparisons

Revenue, Transfers, & Interest	\$97,522	\$97,042	\$93,471
Expenses	<u>\$21,464</u>	<u>\$15,742</u>	<u>\$117,882</u>
Net	\$76,088	\$81,300	(\$24,411)

Banking Relations

- A) Gateway- All Operating & Reserve accounts of \$190,717 @ .5% interest rate
- B) C1 Bank – two accounts
 - Money Market of \$89,998 @ .5% interest rate
 - CD of \$100,541@ .65% interest rate
- C) Iberia Bank
 - CD of \$241,711 @ .95% interest rate
- D) Vanguard
 - MM & GNMA Fund of \$6,475 @2.5%

Interesting Comparisons of Operating Data (assuming Cy 2013 data)

Savoy-\$6.31/ft/yr; ~~\$6.80/ft/yr~~ in 2014 Budget
 Tessera-\$6.97/ft/yr;
 Ritz Condo-\$7.18/ft/yr

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Building Manager's Report
2/13/2014

- **Elevator –**
 - We recently had some trouble with elevator number 2. Schindler was very responsive and after several trips and many hours onsite they found a bad brake contactor and replaced the part. We have had no further problems.

- **Second Floor Walkway –**
 - I have received a proposal from Don Bamford to remove the metal trim strip, remove the base tile, add new base tile and add a tile cap to the top of the wall on both sides of the walkway. The cost to do this is \$3,462.

- **Gym Camera –**
 - The new camera has been installed in the gym.

- **Water Wall –**
 - I have had no luck finding someone who is interested in giving a price to refurbish the water wall. I asked Don Bamford about it and he said that it would cost almost as much for him to try and refurbish it as it would to purchase a new one. To purchase a new water wall the cost would be approx. \$4,300.

- **Brick Pavers –**
 - We had 2 areas of concern. One at the pool area and one at the front entrance to the building. One area at the pool area was repaired, but there is still a very large area that needs work due to settlement. I have been in contact with Pat O'Hara Pavers to give an estimate for the repair, but have not yet been able to get him here to look at the area. The area at the front of the building was caused by the palm tree roots. This will continue to be a problem area due to the size of the palms at the front of the building.

- **Possible 3rd Floor Planter Leak –**
 - After several days of steady off and on rains, a leak was reported in a garage on the second floor. We had a leak once before in this same area when it was not raining and I found a broken irrigation line in one of the planters on the 3rd floor. I have now found several areas of concern in other planters in the same vicinity. I contacted a waterproofing company to come out and give advice on the best way to handle the issues and we have determined that we will need to do extensive water testing during dry periods of weather to determine for sure if we are dealing with a single planter leak, multiple planter leaks, or a leak in the membrane under the brick pavers on the third floor walkway. I will begin the water testing as soon as possible, weather permitting.

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- **Irrigation Pump Contactor –**
 - The contactor for the irrigation pump is very noisy and the enclosure is in need of replacement. When the contactor gets noisy, this is a sign of a weak contactor and can cause premature pump failure. The cost to replace the contactor and enclosure is \$932.

- **Phone Entry System**
 - I had the phone entry system checked out by Sunstate Gate. It is their opinion that we need a new main board. They provided a proposal to repair the system for \$2,012 with a 1 year warranty, or replace the system with a new one for \$2,475 with a 2 year warranty.
 - I had Comcast out to identify why we were not receiving the front door camera on any of the channels that they had provided. After extensive troubleshooting and replacing their equipment, the front door camera is now working and is broadcast on channel 195.

- **Outdoor Cushion Bin**
 - A new bin was purchased but all of the cushions from the west end of the pool would not fit inside it. I moved the new bin up to the roof terrace and moved the larger existing bin down to the pool area.

- **Elevator Sound Panels –**
 - I scheduled a demonstration with any owners that may be interested in hearing the difference between the brake noises on the 2 elevators on the north side of the building. No one showed up for the demonstration, but I did receive some feedback from a couple of owners that said they didn't feel that the elevator noise is a problem, especially when they heard the estimated cost of the project.

- **Electric For Car Charging –**
 - I have met with an electrician to give advice on the most cost effective way to provide electric to the first and second floor garages to handle electric car chargers. We have enclosed garages to accommodate 50 cars. We basically have two options:
 - Option #1 – If it is even possible, the Association provide electric to 3 service panels on each garage level from which individual owners can at their expense hire a licensed electrician to connect to and run power to their individual garages. This would involve the Association hiring an electrical engineer (to see if plan is possible), getting FPL involved to add an additional meter and possibly an additional transformer, and adding 3 service panels to each garage level that would need to be mounted in a location that is behind a locked door, to prevent liability issues and

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tampering. I don't recommend we go this route as it is going to have an extremely high startup cost and individual owners would then need to be billed from the Association for their electric use based on the usage from the additional meter. In other words if we had 4 owners purchase electric cars, we would split the bill from usage on the additional meter amongst the 4 owners regardless of how many times they actually charged their car.

- Option #2 – Have any owner that wishes to install an electric car charger hire an electrical contractor to tie into their existing electric meter, run conduit through each slab and down to their garage. This is the same thing that was done for unit 1102 when they enclosed their single garage and made it into a storage room. They wanted to add an air conditioner for the storage room and this involved running electric from the 10th floor electrical room down to their second floor garage and a sub-panel was installed in the garage for the air conditioner and other outlets. All expenses and usage costs are then absorbed by the unit owner. I recommend, this is the option that be taken. The Association would still be responsible for making sure that proper permits, licensing, and insurance are provided. The Association would also provide oversight on how the exposed conduits in the garages are ran along the ceiling so it can be kept uniform and have a neat and unobtrusive appearance.

- If option 2 is chosen, there will be a one-time expense to X-Ray each slab and mark any post tension cables in the electrical rooms with permanent marking to be sure that the conduits do not interfere with the cables. The Board may want to consider paying this expense as it will need to be done before any installation can begin.

- **Fire Alarm –**

- As most of you know, we had a very early fire alarm on 2/7. The alarm was set off by a water-flow sensor on the fire sprinkler system at the 10th floor. I had Piper fire out to check the sensor. They tested it multiple times and it worked as it should. Piper believes the alarm was caused by air in the line after our recent quarterly flow test. In the future we will open the main valves on the roof to try and flush any air from the system before the testing begins. We do not know for sure if this will help or not, but it is worth a try. We have the flow tests performed quarterly, and this is the first time we have ever had a problem like this.

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- **Fire Sprinkler system –**
 - A laminated picture with shut down instructions has been posted at all floors. I believe that everyone who wanted a demonstration has received it.
 - In our most recent inspection, we had a few deficiencies noted. I have received a proposal from Piper to replace 1- 8" gate valve, 2- ½" pressure relief valves, and 1- 1" gate valve and drain. The total cost for the repairs are \$1,469

- **Pool Renovation**
 - I have received a proposal to have the pool and spa resurfaced. There are several options on the proposal (new hand rails, type and color of finish, and the granite weir on the spa). All of the tile will be replaced with the same tile as we currently have. The tile is discontinued, but a local supplier has more than enough to do the job. We need to go ahead and secure this tile to be sure that it is available at the time the renovation is done. The approx. cost of the tile is: \$600
 - If we do not secure the tile, there will be an additional expense as more tile around the spa area will need to be changed to match a new tile.
 - I recommend that the Board consider going with the pebble sheen white diamond finish as it typically holds up longer than the existing Krystal Krete (additional 3 to 5 years).
 - I also recommend going ahead with the replacement of the granite weir on the spa.
 - I would not recommend replacing the rails at this time as they are in good condition and should be trouble free until the next renovation.
 - I will seek other proposals, but wanted to be sure all offered options were considered and decided upon so the proposals can be exactly the same.

Submitted By:

Bill Veal

Savoy Facility Committee Minutes
February 11, 2014 Meeting

Attending Members: Peter Fanning, Chair, Kim Blackmore, Leslie Rivera, Toby Kaulkin, Betsy Cole, Bea Elden

- I. The Chair called the meeting to order at 4:00 P.M. in the 3rd Floor Function Room of the Savoy on Palm.

- II. Peter reviewed the "Open" and "Closed" items from prior recommendations of the Committee.
 - Cushion Bin is in place to store cushions in the pool area that are most likely to sustain weather damage.
 - First aid kit is in the Fitness Center.
 - Purchase proposals to replace luggage cart are well over the approved expenditure approved by the Board of Directors.
 - Second floor garage was pressure washed in November as scheduled.
 - Lower wattage lights were used to replace column lights which significantly improved lighting in the lobby.
 - Proposals for replacing sheetrock on second floor elevator lobby may be ready for the BOD at its February 13 meeting, as will the proposals to replace/restore the water fall fixture at the entrance to the fitness center.
 - Maintenance items were completed as suggested.
 - The amendment to the Rules of the Savoy regarding balcony fans still needs to be added to the rules document. Facilities Committee has moved this item to the Rules Committee for inclusion.
 - The owner who had volunteered to review the environment and equipment in the fitness center has asked to be relieved of this task.

III. Recommendations for the BOD to continue the maintenance and improvement of the Savoy Facilities:

- Include the power washing of the walls in the second floor garage with the quarterly washing of the floor. The Committee recommends that the BOD approve the expenditure of funds to allow the Property Manager to hire a person to accomplish this task on a quarterly basis. Estimate: 16 person hours of part time help at \$12.50 per hour (\$200).
- Owners should be informed that there is an area to hang dormant orchid plants on the rear fence. Bea and Betsy will work with Bill to establish a system to monitor this process.
- Toby Kaulkin will bring a cost proposal back to the Facilities Committee at its next meeting to improve the kitchen facilities in the 3rd floor meeting/party area.
- The Committee is recommending replacing the tile in all four elevators at a time when most owners are away from the Savoy (summer) with "MARMI – Black Polish."

- The Committee is recommending that the pool and spa surfaces be re-surfaced this summer in order to restore and preserve the pool and spa finish. This should be funded through the Reserves Fund.
- The Committee recommends that the Board move forward with a plan to add a 220V Trunk Line in the garage for electric vehicles. The Facility Committee members don't feel they have the expertise to oversee and obtain a proposal for this project and recommends the BOD establish a Committee to work with the Property Manager to bring a proposal back to the BOD through the Facilities Committee.
- The Committee recommends implementing a plan so that stairwell doors can be opened after exiting through the door. Likely solution may be to put button-lock handles on the doors.
- Entrance/Exit doors to the Garages from the lobbies on the first floor, and garage storage room doors should be painted on a regular schedule. Also, the stairs to the pool from the third and second floor back should be painted as have other stairs in the interior stairwells.
- Committee recommends that Peter work with Leon Elin, Chair of the Finance Committee, to determine the budget and replacement schedule that would support equipment replacement for the fitness center. Facility Committee members will bring a proposal to update the Fitness Center based, at least partially, on this information.

IV. Landscape Report:

- Bea Elden updated the Committee regarding landscape issues including recommendations she has been discussing with Savoy's contracted landscape company, including:
 1. Fertilizing to improve the looks of certain plants, trimming, and replacing poorly performing plants and plants that were removed.
 2. Some of the landscape has suffered from both unseasonable weather and dry conditions.
 3. Bea will also ask the landscaper to check on the sprinkler system, especially in the third floor planters on their next visit.

V. The Meeting was adjourned at 5:15 P.M

Respectfully Submitted By:

Peter S. Fanning, Chair, Savoy on Palm Facilities Committee

FINANCE COMMITTEE

The Finance Committee met just prior to the Board Meeting.

Jim Boyle has agreed to work with our agents on our insurance program. The objective will be to consider policy alternatives and costs so the Finance Committee can make a recommendation to the Board well before our next renewal.

Al Cohen has agreed to work out some possible investment alternatives for our reserve funds. The objective will be to increase returns without any material increase in risk. Peter Fanning and Leon Ellin agreed to get more information on the tax treatment for municipal bond interest in condo associations electing the special exemption for association operations.

Leon Ellin agreed to prepare and circulate a draft of Finance Committee project review guidelines.