



VINTAGE GRAND CONDOMINIUM ASSOCIATION NEWSLETTER #10

The Vintage Grand Condominium Association Newsletter

The newsletter is a team effort of the Vintage Grand Board of Directors and reflects the input and review of each of us. Our goal is to provide key information through this newsletter on a biweekly basis. More time sensitive information will be communicated by President's Letters or owner update e-blasts between newsletters.

Key Goals and Priorities for 2018

1. Continuous progress on the remediation of buildings
2. Renewed focus on the care and maintenance of grounds and common elements.
3. Proficient and professional management of the day-to-day operations of our association
4. Open two-way communication with owners

Special Notice: At the July 23 Board of Directors meeting Mr. Joe Joseph was appointed as a Director.

1. Building Remediation Update

Work Completion Status – First Five Buildings

- Elias Brothers has completed all of its contracted work on the five buildings, including all “punch list” correction items that were written up during Delta Engineering’s inspections of each completed building. Closeout and warranty paperwork is being assembled and will be reviewed by Delta Engineering prior to being provided to association representatives (Dave Carter and Joe Gianino) for final acceptance. All of that activity should be completed by mid-August.
- D&D Seamless Gutters has completed gutter and downspout installations on all of the remediated buildings. Over the next weeks we will be working to extend some of the downspouts as our goal is to get rainwater further away from the buildings and prevent water pooling at the base of buildings.
- Replacement building address signs have been installed on all five buildings.
- At its July 23 meeting, the board approved a contract with West Coast Landscaping to perform the needed grading and landscape restoration work around building 17. Unfortunately, issues relating to the current inoperability of our on-site irrigation system will likely require us to postpone the start of landscape restoration work until late September or early October.

Next Phases of Remediation (remainder of 2018 through end of 2020)

- R L James has started demolition and damage discovery work on the rear (lake side) right side corner section up to the first balcony of building 14. So far no issues impacting schedule or cost performance have been identified.
- At the board’s July 23 meeting, Dave Carter presented a comparison of the cost and schedule expectations delineated in the R L James contract to what we actually experienced on the five buildings included in the Elias Brothers contract. The highlights of his report were:
 1. The projected total per building remediation cost for the next nine buildings is only 2% higher than our expected final total per building cost for the first five buildings. This is remarkable, given

the current tight market for construction labor in Florida and the fact that attic truss repairs are included in the R L James scope of work but were not performed by Elias Brothers. (R L James will be addressing the needed attic truss repairs on the first five buildings as a separate element of their contract).

2. R L James is contracted to complete nine buildings over the next 27 months, which would be about the same overall work pace as what Elias Brothers actually achieved (they completed five buildings in about 14 months, after adjusting for approved change orders related to Hurricane Irma and our paint color deliberations). However, while the overall work pace is similar, R L James is contracted to meet specific individual building work duration targets ranging from 100 to 135 days, depending on the type/size of building. No individual building completion targets were spelled out in the Elias Brothers contract. Also, under the approved R L James schedule that was communicated to all owners on July 20, no more than two buildings will be in process at any given point in time. Elias Brothers' work activity was typically spread out across three or more buildings throughout the duration of their contract. The shorter duration per building will make the remediation process less onerous for residents of these buildings compared to what residents in the first 5 buildings endured.
- Dave also highlighted contract language differences/improvements that provide our association stronger tools to hold our construction services contractor accountable for meeting the associations expectations:
 1. The R L James base contract includes estimated amounts of wood frame damage repair and incorporates learning that took place during the remediation of the first five buildings. As a result, we should have far fewer change orders that increase cost and schedule and make the project more difficult to track and manage (we've had 96 change orders to date on the Elias Brothers contract)
 2. The R L James contract spells out liquidated damage payments/refunds that would be provided to the association if significant delays that were not justified through approved change orders. These potential liquidated damage payments are tied to the individual building work duration targets referenced above (such provisions were not included in in the Elias Brothers contract language).
 3. Minimum staffing expectations are spelled out in the R L James contract. The need to maintain minimum average daily staffing levels was not addressed at all in the Elias Brothers contract.
 - Owners will receive a detailed report on schedule status in each biweekly newsletter. A higher level report covering both cost and schedule status will be presented and discussed periodically at board meetings and summarized in the board of director meeting minutes.
 - Minutes of the opening meeting of the project have been posted to the Owners, Building Remediation Project section of our website. <https://vintagegrand.org/building-restoration-project>. (section 4 of the Newsletter always includes a hotlink to the website and reminder of the Owner section password)

Status of Legal Proceedings

- Dave Carter and Joe Joseph will be meeting with our construction attorney, Salvatore Scro, within the next few weeks to receive an update on the various law suits that are in progress related to the project. They will try to pin down his current assessment of the probability of any settlement offers being received in 2018 or 2019. The results of that meeting will be reported to the board and subsequently to all owners in a future biweekly newsletter.

Other Related Activity

- Potential changes in project approach – Dave Carter, Joe Joseph and Glenn Aitelli are currently finalizing the specifications for an “engineering evaluation of alternative discovery and remediation methods”. This study will be conducted this fall in an attempt to identify ways that we might be able to reduce our per building remediation costs going forward. Owners will be provided more information about this component of our overall plan in a future newsletter.

2. Grounds and Common Elements Update

Property Improvement Updates

- Gutter cleaning has been completed on buildings 1 -11. The remainder of the buildings will be completed the week of August 15. Owners and residents are receiving advance notice of any work that impacts their building.
- Installation of a motion- activated sensor and security light at Building 10 has been completed.
- Fountains: Repairs to the large fountain will begin August 6 with completion expected by the end of August. Crystal Clear Pool Company will be performing this work. The pump motor for the small fountain in front of the Clubhouse will be replaced as it is losing power. The repairs to both fountains will greatly improve the appearance, image, and lushness of the entrance to our property.
- Pools: Pool renovations continue. River rocks have been placed in garden beds. The pool walls have been repainted at both pools. Vintage Grand key tags have been ordered for pool keys. This will assist Signal 88 in identifying intruders, as they will not have a key tag to show Security. We’ll let you know when the key tags arrive in the next few weeks and distribution begins.

3. Proficient & Professional Management of the Association

Welcome New Board Member Joe Joseph

- Welcome Joe Joseph as a Director of the Vintage Grand Board. We look forward to working with Joe.
- Joe is a long-time snowbird resident of VG. He has been a regular attendee of Board meetings during his months in Sarasota. We look forward to his insights and participation as a Board member. In the first section of the newsletter you’ll have read that Joe has already stepped up to participate in external meetings relating to the building remediation project.

May Financial Results

- The May financial results were ratified at the July 23 Board meeting. You may recall that at the end of April we were \$106,000 over budget on a year-to-date basis. I’m very pleased to report that our financial position improved significantly in May. At the end of May this budget overage was reduced to \$81,000 ---- a \$25,000 improvement in one month. This is quite dramatic.
- During May our expenses for Building maintenance were essentially right on budget. Our spending on Grounds was \$5,300 under budget. Utilities were \$4,000 under budget and administrative expenses were \$15,500 under budget. Together these resulted in Vintage Grand coming in \$25,000 under budget for the month on May. This is attributable to our new property manager keeping a close eye on bids and invoices of items that are agreed to be necessary expenditures. Suppliers are being managed more tightly as well.
- On a year-to-date basis, as noted earlier, we are \$81,000 over budget, which is certainly troubling as our goal is to be on budget. We have 7 months to dig ourselves out of this budget hole, and if we can be \$11,600 under budget every remaining month this year, we will essentially finish the year in a break-even position.

- One area to highlight is staff costs: our monthly staff costs are down significantly from the early part of the year, and year to date we are \$12,000 under budget in staff costs. The lower head count and staffing costs in the months ahead will definitely play a part in digging us out of the \$81,000 budget hole. There has been no deterioration in service or the condition of the property with reduced staffing levels. Poor performers have been replaced by dedicated staff members with strong skill sets.
- As we've noted before, the 2018 budget was very tight, conservative, and one could say optimistic. With leaky roofs, plumbing failures, fire safety systems that require constant attention to be fully functional at all times, and security issues that have arisen around the property, it is very challenging to stay inside this budget. The large tree trimming expense in January, which significantly exceeded the annual budgeted amount, also put a big dent in our operating results.
- In the next couple of months we'll see some refunds and reversing entries for incorrect invoices paid. This will also help our financial situation.

2017 Financial Audit

- At the July 23 Board meeting it was agreed to accept the draft audited financial statements for the fiscal year 2017 prepared by the Association's CPA firm Flanagan & Jason. The CPA firm will now prepare the final financial reports, and these will be shared with members when available.

Forensic Audit

- At the June 13 Board meeting it was agreed to investigate the cost and terms of engagement of a forensic audit of financial events from 2017 to the present. As you may recall, in the past few months we identified payments for a phantom dumpster, overpayment to Elias Brothers, late payment penalties paid on large invoices, repair work awarded without 3 bids being sought, and possible out-of-order payments to owners. What else could have transpired in that time that has not yet come to light?
- At the July 23 Board meeting it was agreed to engage the CPA firm of Flanagan & Jason to undertake this forensic audit, at a cost not to exceed \$3,750.

4. Two-Way Communication with Owners

All newsletters are posted on the website in the Owners section, for handy reference.

Contact information:

President	Joe Gianino	Gianinojoseph1@gmail.com(<i>New email id</i>)
Vice President	Dave Carter	dwcvg18@gmail.com
Secretary	Jackie Vizzi	jvdirectorvg@gmail.com
Treasurer	Karen Domaratzki	Karen_vgboard@aol.com
Director	Joe Joseph	Jsting56@gmail.com
Property Manager	Glenn Aitelli	Request Form to Vintage Grand Office
HOA Website	https://vintagegrand.org	Password to Owner section: PalmTree40