



## VINTAGE GRAND CONDOMINIUM ASSOCIATION NEWSLETTER #17

### 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

## 1. Building Remediation Update

### Work Completion Status – First Five Buildings

- Building Sealant, Grading and Landscape Restoration Work: R. L. James is currently installing a caulk sealant around the base of the five remediated buildings between the concrete slab and back of the stucco walls. This feature, which was recommended by Delta Engineering, will help prevent water intrusion during heavy storm events when water might temporarily pool around the base of the buildings.
- R. L. James' caulking work is being coordinated with WestCoast Landscaping's current activities to complete final grading and landscape restoration around the five remediated buildings. The process for the landscaping is for the landscape architect/horticulturalist to design the plant arrangements on a building-by-building basis. This involves removing some existing plants that are overgrown, in a poor location, etc. and replacing them while retaining other existing shrubs that are healthy and well located. Then the 300 new plants per building are planted and plant beds mulched as per the landscape design.

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

- Building 14 Status:
  - Elevations D and E (lakeside walls of units 1414, 1424, 1412 and 1422): Stucco work on a "mock-up" section of elevation D has been completed and inspected. Stucco work on the remainder of both elevations should be completed by November 23.

- Elevation F (west gabled end, side walls of units 1411, 1412, 1421 and 1422): Wood framing repairs on the top gable section and truss repairs in the attics above units 1421 and 1422 are in progress. Plywood sheathing, Tyvek building wrap and a new attic louver will then be installed on the top gable section, and the entire elevation will be prepared for stucco work to begin during the week of November 26.
- Elevations A and B (parking lot side, front windows of units 1411, 1421, 1413 and 1423): Wood framing and balcony support repairs have been completed, hurricane straps/bracing have been installed, and wood preservative and termite mitigation treatments have been completed. Plywood sheathing, Tyvek building wrap and new windows will be installed during the week of November 19.
- Elevation C (east gabled end, side walls of units 1413, 1423, 1414 and 1424): Wood framing repairs have been completed and hurricane straps/bracing have been installed below the top gable section. Wood framing repairs on the top gable section and truss repairs in the attics above units 1423 and 1424 will be completed during the week of November 19.
- **Building 25 Status:**
  - Elevation H (east gabled end, side walls of units 2511, 2512, 2521 and 2522): Wood framing repairs have been completed and hurricane bracing/straps have been installed below the top gable section. Wood preservative and termite mitigation treatments will be completed during the week of November 19 followed by the installation plywood sheathing, Tyvek building wrap and new windows during the week of November 26.
  - Elevations A, B and C (parking lot side, front windows of units 2511, 2521, 2513, 2523, 2515, 2525, 2517 and 2527): Stucco demolition and damage discovery work has been completed across the front of the building. Wood framing and balcony repairs will begin during the week of November 19 and should be completed by November 30.
- **Other 2018 Work Components:** Interior attic truss repairs in buildings 4, 17, 19, 22 and 28 will begin in December. That work will require interior access to the second-floor units in all five buildings. Owners will be notified. R L James is currently firming up the building by building schedule for that work and will also be providing a detailed schedule for repairs that will be made to the balcony structures for units 727, 1324 and 1824 (living room balcony), so that those balconies and the associated lanais can be reopened.

## 2. Grounds and Common Elements Update

### Grounds Update

- The fountain at the main entrance to Vintage Grand hasn't worked in over 6 years. The fountain has now been cleaned and the pump is on order with delivery expected in two weeks. We'll soon have a fully functioning fountain at our beautiful entrance, to compliment our new entry signs.
- Our irrigation system is now better than ever. The repaired pump, wider output pipes, and repaired lines are finally giving our grounds the reliable water supply it needs. Our grounds and plants will flourish now.
- Our existing landscape company, Oakley Landscaping, is in the final 6 weeks of its contract with us due to our disappointment with their service. We are looking forward to having Westcoast Landscaping on board in January, with much more attention being paid to weeding and trimming our grounds.

### The Gym

- Recently some concerns were voiced over the condition of the gym. Our staff continuously assesses all the common elements. The gym is slated for some painting in 2019, just as the pools and dock were painted/sealed in 2018.
- We have a contract with an equipment maintenance company, who monthly visits and inspects the equipment, then advises whatever parts need to be ordered for the necessary repairs. There is unfortunately lead time in getting repairs done, as we have to wait for parts delivery etc.
- We know that the gym is a popular spot for owners and should there be surplus budget funds in 2019 the gym will form part of the discussion.

### 3. Proficient & Professional Management of the Association

#### An Unexpected Expense

- Due to a series of missteps in 2017 and early 2018 by the former Argus property managers, our Association is faced with an extraordinary expense which could be as high as \$54,000. The issue centers around a broken A/C Freon line to a unit in building 4 and delays in repairs which has resulted in a serious mold issue. The following is a timeline of events relating to this situation. It's a detailed explanation, but important to share as it demonstrates how an accident spiralled into errors and mismanagement on several levels. This is a long article that covers some maddening events. You may want to pour a glass of wine before you read this:
  - In November 2017 Oakley Landscaping damaged the A/C Freon line of a unit in building 4 while digging to make some changes to the piping of the irrigation system near that building. Their field staff immediately reported the incident to the VG maintenance staff, but not immediately to the VG office. We have learned that Oakley offered to pay for the repair to the Freon line but VG staff told them the Association would take care of it.
  - The VG maintenance staff attempted to turn off the power to the unit A/C system to prevent additional damage. However, due to the fact that switch boxes were mismarked, they inadvertently turned off power to the A/C system that serves a neighboring unit in building 4. As a result, the A/C condenser for the impacted unit was damaged when the system started to run without Freon flow. That additional damage occurred two days after the initial damage by Oakley to the Freon line. The association then had a much larger and costlier problem to address.
  - It appears that the owners of the unit were not in town when the damage occurred but were notified about the problem by the VG office and were told by Bob Kresnik that the association would take immediate steps to replace the entire A/C system at no charge to the unit owners.
  - Bob decided to use Power Air Conditioning, Inc., to provide and install the replacement A/C system. That firm happens to employ Tim Fouquet, the husband of then-assistant property manager Gina Fouquet. Bob was very likely of the opinion that the purchase qualified as an "emergency", as defined in the Association's By-Laws, and therefore would not require that he obtain competitive bids, obtain approval for the purchase at open board meeting and/or develop a formal written contract for the work, even if the cost exceeded \$5,000. We do not know why Bob chose Power Air Conditioning over other potential vendors. This was the first time that Vintage Grand hired this A/C firm for any work.
  - Bob asked Power Air Conditioning to provide a quote for the project. Scott Larimer of that firm replied with a \$6,595 quote dated November 8, 2017, that covered the entire project cost except for related electrical work (an additional \$350). The quote was sent to Gina Fouquet, but before resigning on April 27, 2018 she told us that she did not evaluate the quote, but simply turned it over to Bob Kresnik.
  - It is unknown what Bob Kresnik did with the quote over the next week or so. There is no evidence that he made any informal checks with other vendors to verify that the \$6,595 price tag was reasonable. He may have discussed the project, its quoted cost and the need for an "emergency

level" response with one or more board members during that week, but there is no record in file of any such discussions or of any other quotes requested or received.

- On November 16, 2017, then- President Bill Wild signed the quote and it was faxed back to Power Air Conditioning, Inc. labeled "faxed acceptance". That happened to be the day of an open board meeting when two other large purchases were to be discussed and approved by the board. It would have been feasible for the unit A/C replacement project to be reviewed and approved at that meeting, but it was not. The minutes of the November 16 board meeting state that all of the association's board members and officers attended the meeting, however this topic was not raised.
- Our association by-laws state that emergency purchases that are not approved in advance at an open board meeting must be reviewed and approved, after the fact, at a subsequent board meeting. The minutes of all board meetings after November 16 show that no such after-the-fact review ever occurred.
- Our association by-laws also state that any purchases over \$5,000 should be supported by a written contract. The only exceptions stipulated in those by-laws are purchases of professional services such as legal services, engineering, and association management services. No written contract with Power Air Conditioning, Inc., spelling out the expected work schedule, provisions for acceptance testing/commissioning of the system, warranties that would be provided, etc., was ever prepared.
- When Power Air Conditioning, Inc. was ready to begin work on VG property in late November, Elias Brothers had scaffolding erected around the perimeter of building 4. They reported that the installation of the A/C condenser would require that a portion of the scaffolding be temporarily dismantled. Several people have told us that Bob Kresnik approached Elias Brothers regarding Power Air Conditioning's request, and that Elias refused to accommodate the request unless the association would agree to approve a project Change Order providing Elias Brothers the ability to charge the association for the scaffolding dismantling and reassembly work, and perhaps adding a day or so of extra time to the approved schedule for Elias Brothers' overall contract. Bob Kresnik apparently decided that the need to complete the unit A/C replacement project was not sufficiently urgent to warrant any additional association payments on the Elias Brothers' contract. There is no evidence that he discussed this issue with Bill Wild or any other association officer, though having approved the A/C purchase one would expect President Bill Wild to have followed up on the status of it.
- The project remained on hold through the end of 2017 and into late January 2018, when board elections were held and Joe Gianino was elected Board President. At that time, no steps were taken by the outgoing Board President and Vice President (Bill Wild and Mick Tomlin) to meet with the incoming President and Vice President (Joe Gianino and Dave Carter) to bring them up to date on the many building and grounds projects that were in progress, including this A/C project. Joe Gianino and Dave Carter met with Bob Kresnik shortly after the January 30 board elections to come up to speed on all of the projects that he was managing. There was no mention of this unit A/C project.
- In early March the owners of the impacted unit in Building 4 approached Joe Gianino and Dave Carter and informed them of delays that had occurred in their A/C replacement project which had severely inconvenienced them. While visiting Sarasota and staying in their unit during a very hot period in February, they had no A/C and not even any screens in their windows (!) while building 4 was undergoing remediation. They said that they had visited and called the VG office multiple times asking for expedited attention but were told by then-property manager Gina Fouquet that nothing would be done until Elias Brothers' work had progressed to the point where they would be removing all of the scaffolding around building 4.
- The next day, during the biweekly project progress meetings with Elias Brothers and Delta Engineering, and during the "Owner's Issues" segment of that meeting, Dave Carter brought up

what the owners of the unit had told him and asked that Elias Brothers make arrangements to have the appropriate segment of scaffolding temporarily removed to facilitate the A/C condenser installation, and to also immediately install screens on the new windows. Elias agreed to do so without hesitation.

- Gina Fouquet was asked to make arrangements to have the A/C unit replaced promptly. The A/C unit replacement and required electrical work was completed on March 20, 2018, with bills totalling \$7,000. Contrary to provisions in our management agreement with Argus Property Management, she did not obtain an approval signature from our Board President or from any other officer before directing that the Argus office immediately make payment of the invoice. The invoice showed that a "Tim F." had worked 8 hours on the project on March 20. There is no indication that Gina or anyone else from VG staff verified that the work had been properly completed and that the new A/C unit was in operation and performing to specifications before the bills were paid by Gina.
- At this point in late March the Board was disturbed by the management errors and breach of policy by the former President that had come to light but believed that the air conditioning of the impacted unit had been resolved.
- Unfortunately, that was not the case. On July 30, 2018, our current property manager, Glenn Aitelli, informed us that the unit's owner had brought in his insurance agent, a mold specialist and a leak finder to assess damage in their unit that they believe was caused by the long delay in completing the project (the unit was without an operating A/C system over a period of almost five months) and thereafter by faulty installation practices by Power Air Conditioning, Inc. Even with the A/C running regularly the level of humidity in the unit did not drop to a comfortable level.
- Regrettably, there are findings of serious mold contamination in the unit. We have received an estimate from industry leader ServPro of a cost of up to \$47,000 to remediate the unit. The estimate is 7 pages long and in detail outlines every item that this entails.....all drywall to be removed (walls and ceiling), all carpeting to be removed, cleaning, reconstruction, repainting, application of special anti-microbe compounds, dehumidifiers, etc. It is possible that the final amount may be higher if further contamination is revealed when the walls are opened. And it could be lower if cabinetry can be cleaned rather than replaced.
- The unit owner's insurance company refused to pay for the repairs. We discussed the situation with the Association's insurance company, who advised that our claim would be denied. The Board also sought legal advice from our Association attorney as to whether we should pay this expense (or wait to be sued by the owner). He advised that we pay it. A motion was passed at the Oct 31 closed Board legal meeting to allocate funds to this expense.
- The mold remediation work will begin immediately. \$10,000 of the estimated \$47,000 expense will be paid in 2018 and will be a negative hit to our budget (on top of the \$7,000 paid earlier this year for the installation of the A/C unit). We asked, and Serv Pro has agreed, to invoice the balance in 2019. This enables us to budget for it. This should be thought of as an "extraordinary" expense for 2019, as it is not a regular operating expense of the Association.
- In conclusion:
  - This issue was poorly managed from start to finish by our two on-site Argus property managers and past president, Bill Wild.
  - There were several violations of our Associations' by-laws and our contract with Argus property management which resulted in the project not being escalated to the Board and thereby not receiving an appropriate level of attention and oversight by our past and current boards of directors.
  - The project highlights the need for improved controls within the VG office to ensure that all legal and policy documents are adhered to when work is contracted.
  - There should be a more formally defined process for resigning board members and officers to transition their responsibilities to their replacements.

- Improper air conditioning over a number of months can result in a very serious mold issue.
- An owner has been severely impacted and inconvenienced by these actions, through no fault of their own. It could have been any of us.

#### 4. Two-Way Communication with Owners

- The Annual Members Meeting is scheduled for Tuesday January 29 in the evening. You'll receive all the official correspondence regarding this in the weeks ahead as per Florida regulations, but we want to provide some extra advance notice for anyone from out of town who may wish to attend.
- In the coming weeks you'll be receiving the 2019 budget and related correspondence, as well as information on running for a seat on the Board of Directors.
- A Board of Directors meeting will be held the week of November 19.
- All newsletters are posted on the website in the Owners section, for handy reference.

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