



VINTAGE GRAND CONDOMINIUM ASSOCIATION NEWSLETTER 2019 #9

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 monthly (every 4 weeks) basis. More time sensitive information will be communicated by e-blasts between newsletters.

Key Goals and Priorities

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

- Painting of Balconies and Lanais: The balconies and lanais in buildings 19, 22 and 28 that were not painted by Elias Brothers last year will be painted by Josue's Maintenance Services, LLC (JMS) within the next few weeks. When the schedule for that work is finalized, the affected residents will be notified and asked to remove their furniture and belongings from their balconies/lanais.

Current Phases of Remediation (R.L. James Contract)

- Building 14 Status:
All of R. L. James' remediation work has been completed and accepted by the Association. The Association has contracted for the needed post-remediation work, including the installation of an improved drainage system at the back of the building, landscape restoration and the installation of new gutters and down spouts. That work will begin during the last week of May and extend through the week of June 10.
- Building 25 Status:
The remediation of this building was deemed to be substantially complete as of May 8. R. L. James is currently addressing a couple of remaining "punch-list" correction items identified during inspections. The Association has contracted for the needed post-remediation work, including the installation of an improved drainage system at the southwest corner of the building, landscape restoration and the installation of new gutters and down spouts. That work will begin during the last week of May and extend through the week of June 10.
- Building 24 Status:
 - Elevation D (west gabled end) and Elevations A, B and C (parking lot side of building): Stucco cement application is in progress on these elevations and is scheduled to be completed by May 24.
 - Elevation H (east gabled end) and Elevations E, F and G (pool side of building): Plywood sheathing, Tyvek building wrap and new windows have been installed on these elevations. The installation of black paper, screen lathe and the various stucco accessories has been completed

on Elevations G and H and is scheduled to be completed on Elevations E and F during the week of May 20.

- **Building 26 Status:**
 - Elevation H (north gabled end) and Elevations A, B and C (parking lot side of building): Wood frame repairs and the installation of hurricane straps and bracing have been completed on Elevations H and A. Stucco demolition and damage discovery work has been completed on Elevation B and is currently in progress on Elevation C. Attic truss repairs have been completed and inspected in units 2621 and 2622 and are currently in progress in the interior of the building (units 2623 through 2626).
- **Balconies:**
 - All work has been completed on the balcony support structures for units 727 and 1324, including the reinstallation of balcony railings and screen enclosures.
 - The balcony support structures for unit 1824's living room balcony have been repaired and the application of stucco cement is currently in progress. All remaining work, including painting and reinstallation of balcony railings and lanai screens, is now scheduled to be completed by May 24.
- **Other Buildings to be Remediated in 2019:**

At a May 14 project progress meeting, R. L. James reported that they will be able to advance the remediation work on Building 27 two months ahead of the schedule that was communicated previously. They expect to begin stucco demolition on the west gabled end (Elevation H) and across the parking lot side of the building (Elevations A through C) during the last week of June. They will be furnishing an updated detailed schedule document for this building early next week which we will post to the Vintage Grand website.

Status of Legal Proceedings:

- **Breach of Warranty and Breach of Fiduciary Duty Lawsuit Against Developer and Developer-Appointed Board:** A formal mediation session to potentially resolve the Association's complaints against the developer and developer-appointed board members took place on May 2 and 3. Unfortunately, the mediation was unsuccessful. The final settlement offers made by the development company and developer-appointed board members were much lower than we had expected and the board representatives who participated in the process (Joe Gianino, Joe Joseph and Dave Carter) concluded that the Association should continue to prepare for a jury trial in October of 2019. Our attorney is continuing to complete discovery work in preparation for that trial, including scheduling depositions of additional people who worked for the developer in the 2009 to 2013 timeframe. He is also taking steps to have a court establish whether the Association, on behalf of the owners, could file a damage claim directly against the developer's property damage insurance carrier.
- **Building Collapse Claim Against Association Insurance Carriers:** Over the past few weeks, our lawyer and the three-person arbitration panel have been exchanging availability information and working to set up the arbitration meeting dates and location. In addition, our lawyer has prepared and is about to file a formal complaint against the insurance agent who improperly prepared the application for the Association's 2016 property insurance policy and has submitted a revised proof of damage document to support filing a separate claim against the Association's 2015 property damage policy.

2. Grounds and Common Elements Update

- The grounds were fertilized in the last week of April as planned.
- The semi-annual cleaning of A/C lines by our maintenance staff has been essentially completed.
- Plans are underway to inspect and test smoke detectors in the latter part of May.

- The Association has been dealing with higher than expected roof repairs in the first part of 2019. Thus far we have paid for repairs to sections of the roofs of 9 buildings: 4, 14, 16, 17, 18, 23, 24, 25, and 27. This has resulted in expenses over budget and has also taken a significant amount of time and attention of our Association Manager.
- Our Association Manager Glenn has been on vacation for 2 weeks in May, and various initiatives will continue upon his return on May 20. Our Association Administrative Assistant Nancy has done a tremendous job of responding to issues and owners during Glenn's absence.

Planned Drainage System Improvements

- In our March 8 newsletter we discussed the chronic drainage problems around certain areas of the property that multiple rounds of fixes over the years had failed to remedy. We reported that at the February 28 board meeting a motion was passed to contract with a civil engineering firm to more carefully analyze these problems, survey the topography and develop engineered site drainage plans for all three areas. Those plans would then be converted into scope of work document in a formal bid package that would be sent out to multiple grading contractors.
- Over the past 2 months all of this preliminary work has taken place. At the May 13 Board meeting members reviewed the 3 bids received and the engineering firm's review of these bids. It was agreed to award the work to the lowest cost bidder, Westcoast Landscape and Lawns, at an amount not to exceed \$32,000. This work will begin in the next couple of weeks and will be overseen and verified by the engineering firm. The board is optimistic that this approach will result in permanently effective solutions to these longstanding drainage design deficiencies in our complex.

3. Proficient & Professional Management of the Association

Change to the Frequency of this Newsletter

- In March 2018 the Board launched this bi-weekly Association newsletter for timely and open communication with members. Since that time we have issued 28 editions. We've made the decision to publish the newsletter every 4 weeks going forward, with eblasts in between to share any urgent information. The content will continue to be as thorough as what you have become accustomed to.
- The next edition will be issued on June 14.

Financial Results - March

- Our March 2019 financial results were ratified at the May 13 Board meeting. The plan for the Operating budget is to break even every month. Our surplus operating budget trend stopped in March, with a very large \$48,700 budget deficit for the month. This was attributable to three causes, as outlined further below.
- The Operating budget results for 2019, with 2018 for comparison, show that the Association is managing vendors and expenses better than it did at this point last year when Argus managed our community.

	2019	2018
January surplus/(deficit)	\$ 16,365	\$(73,248)
February surplus/(deficit)	\$ 550	\$(6,820)
March surplus/(deficit)	\$(48,700)	\$(43,681)
<i>March 31 year-to-date surplus/(deficit)</i>	<i>\$(31,800)</i>	<i>\$(124,684)</i>

- There are three reasons for the large March deficit. First cause – timing. Three vendors submitted January/February invoices late, resulting in larger than normal payments in March. Together this resulted in checks paid in March of \$22,000 more than planned or is typical for a month.

- Secondly, expenses related to water damage were higher than budgeted in March. Roof repairs to leaky roofs in buildings 14, 24, 25 and 27 plus drywall repairs due to water intrusion totalled \$18,600 which was \$10,400 over the amount budgeted.
- Thirdly, we paid 2 chunky invoices in March. As you know our budgeted expenses are evenly spread over 12 months. But sometimes expenses are in a chunk, and then greatly reduced in the following months. This can create a large variance early in the year. The two chunky expenses were \$15,000 for tree trimming, whereas the monthly budget amount is only \$3,700, and the repairs to the unit in building 4 caused by mismanagement of AC unit damage. We paid invoices of \$8,800 for that remediation in March vs a monthly budget amount of \$3,000. These two expenses alone accounted for \$17,000 of the March budget deficit.
- On a year-to-date basis we had a \$31,800 operating budget deficit at the end of 3 months. This is clearly not good news, but compares favourably to the approx \$125,000 deficit at the same time last year. The following months should see more normalized levels of expenses, but we are \$13,600 over budget in roof repairs after 3 months and going into the rainy time of year. We will continue to carefully view all our spending decisions and the vendors we use for them.
- In terms of Reserves, we're on track to earn over \$20,000 in interest on our reserve fund this year.
- The Building Remediation (Contingency) account had a balance of over \$600,000 at March month end, which will be utilized increasingly over the next months as R.L. James accelerates the pace of its work from the earlier schedule that was provided.
- One of the Association's largest accounts receivable from a member was collected in early May as a result of legal action by the Association culminating in the sale of the unit. The Association received \$29,500 in overdue fees and fines thereon from this member. This will be reflected in the May financial results.

4. Two-Way Communication with Owners

- All newsletters are posted on the website in the Owners section, for handy reference.
- Please remember to use [Request Form to Vintage Grand Office](#) for all correspondence with the office.

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