



VINTAGE GRAND CONDOMINIUM ASSOCIATION 2020 NEWSLETTER #1

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 basis. More time sensitive information will be communicated by President's Letters or owner update e-blasts between newsletters.

Key Goals and Priorities for 2020

1. Continuous progress on the remediation of buildings
2. Continued 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

Current Phases of Remediation:

- Schedule and Status Information:
 - Updated schedules and detailed status reports for the buildings that are in progress have been posted in the Owners' page of the Vintage Grand at <https://vintagegrand.org/building-restoration-project/>
- Overall Progress:
 - R. L. James' work on building 10 is now approximately 85% complete. This puts them about one month ahead of the schedule in their original contract.
 - Demolition and damage discovery work has been completed on the south gabled end of building 5 and is nearly complete on the pool side of that building.
 - Buildings 5, 23, 20 and 21 are scheduled to be completed by the end of 2020, bringing the total number completed to fifteen (15) of the twenty-eight (28) residential buildings in the Vintage Grand complex, or 54% completion of the total project
- Actual vs. Estimated Costs for Completed Work:

Through mid-December, the accumulated actual costs of work completed under R. L. James current contract exceeded the original cost estimates by about 3%, which is excellent for a project of this size and complexity. Spending on balcony support structures and attic repairs has significantly exceeded the original estimates but that has been offset by underspending on wood frame repairs behind the stucco walls and on breezeway arch rebuilds.
- Project Financing and Staffing:
 - The net proceeds from the developer lawsuit settlement (\$369,750) have been received and deposited into the Association's bank account. This money will be used to help fund the remediation of an additional building in 2020 (building 5).
 - To date, the Board has not tapped into capital reserves to pay remediation project expenses. Current cash flow projections indicate there will be no need to begin using capital reserves to manage cash flows on the project until mid-2020. The accumulated borrowing from reserves

would then build up to approximately \$290,000 by the end of 2020, if there has been no inflow of funds from our insurance claim against the Lloyds of London consortium by that point in time.

- The Board is examining options to obtain a construction loan to accelerate the completion of the thirteen (13) residential buildings that will not have been remediated as of December 31, 2020. Information about available financing options will be shared with owners at the Annual Membership Meeting on January 27, 2020. Our governing documents require that any loan greater than \$25,000 be approved through affirmative member vote by a margin exceeding 2/3 of a quorum.
- At this point, R. L. James will increase its field staffing only to the extent needed to complete building 10 in February of 2020 and buildings 5, 23, 20 and 21 by the end of 2020. The completion cycle times for those buildings will be in the range of 4.5 to 5 months.

Status of Legal Proceedings:

- Breach of Warranty and Breach of Fiduciary Duty Lawsuit Against Developer and Developer-Appointed Board: All activity related to this case was completed on January 16, with the receipt and deposit of funds (\$369,750) obtained through the negotiated settlement.
- Building Collapse Claim Against Association Insurance Carriers (Consortium lead by Lloyds of London): Efforts to schedule depositions of key witnesses who will provide testimony for the upcoming arbitration hearings are in progress. Those hearings will take place in New York City in July of 2020. Our lawyer has also prepared a civil complaint against the insurance agent who prepared the Association's application for the 2016 property insurance policy against which we filed our original building collapse claim. That complaint will be filed next week.

2. Grounds and Common Elements Update

Grounds Update

- The semi-annual inspection of the fire sprinkler system of each building was conducted in the early part of January. The inspection identified an FACP panel in each of two buildings that required replacement, at a total cost of \$2,000.
- The major tree trimming project of all palms and hardwoods on the property is underway. Once this is completed and cleaned up trimming of the pepper trees will begin.
- Leaf removal is in progress. This is a new contracted initiative to systematically clear the grounds of the large amount of leaves dropped by our hardwood trees in January and February.
- Parking stops, speed bumps, and handicap parking spots have been repainted in the north end of the community and will continue southward over the next few weeks until complete. The parking areas look much improved with this repainting. Curbing and parking stops are also being pressure washed throughout the complex.
- Sidewalks: The sidewalks at the north buildings have been pressure washed and work is moving south. This past week sidewalks were pressure washed around buildings 11, 12, and 13. A new sidewalk was installed behind building 26 where a large oak tree was removed and the culvert drain was cleared. A section of the sidewalk in front of building 1 was ground down to eliminate a tripping hazard.
- Unfortunately the plastic owls installed to deter birds from landing on the dock and fowling it have not been as successful as hoped. The birds still love to flock on the dock, perhaps because they are sometimes fed by residents? We continue to explore solutions to keep the dock clean.

Violations and Fines

- At the January 10 Board meeting 8 trash and recycling violations totalling \$470 in fines were approved for submission to the Fines Committee.

3. Proficient & Professional Management of the Association

Rest in Peace, Penny Hellbach

- It is with sad hearts that we share the news that Louise “Penny” Hellbach passed away on January 11 2020 in Maryland. Penny was a long-time owner at Vintage Grand and Secretary of the Board of Directors for many years during the developer turnover period until 2018. Penny was passionate about Vintage Grand and always willing to share her views and knowledge with owners, management, and Board members. The funeral was on January 16 and the Association sent flowers and our condolences to her family.

Have you submitted your proxy for the Annual Members Meeting?

- The Annual Members Meeting will be held on Monday January 27 at 6 pm at Covenant Life Presbyterian Church, 8490 Macintosh Rd. Sarasota in a 2nd floor meeting room.
- We require a quorum of at least 145 members participating at the meeting in person or by proxy. To date we have received only about 100 proxies. **We cannot convene the meeting and conduct business, including member votes on three proposed Amendments to the Vintage Grand Declaration of Condominium and discussion of 2020 plans and financial matters, without the participation of another 50 members.**
- As the time to submit proxies by mail has passed, please submit your proxy electronically via one of the following alternative methods:
 - 1) Online using myhoast at <https://vintagegrand.myhoast.com>
 - 2) Fax the signed proxy form to PCM at (941) 923-7000
 - 3) Scan a copy of your signed proxy and email to vintagegrandoffice@gmail.com
- The official mailing containing the President’s Letter, agenda, 3 proposed amendments to the Declaration to be voted on and other items was sent out on December 20.
- If you are in Sarasota or can make your way here on January 27 please plan to attend this important meeting in person. The Board will provide a financial report to members. We’ll also share information about accomplishments and challenges of 2019 and goals for 2020, including discussion of a possible bank loan for the remediation project.

Renovations and Modifications to Units

- Our governing documents require that any renovation or modification to units be submitted for approval to the Association before any work commences. This includes changes to flooring, kitchens, bathrooms, and sliding glass doors. Replacement of appliances and toilets does not require pre-approval.
- The Architectural Change Request form which must be completed and submitted to the Association Manager will be posted to the Association website next week. Any questions can be sent to [Request Form to Vintage Grand Office](#)

Financial Update

- The October and November financial reports were presented and approved at the January 10 2020 Board of Directors meeting.

- The October Operating budget was \$1,300 under budget. Drywall maintenance exceeded budget by \$2,700 with drywall repairs to 12 units, and continues to be one of our large expenses, but overall the Building Maintenance category came in \$8,800 under budget, which was very positive. Grounds maintenance exceeded budget by \$4,600 due to high irrigation system parts and repairs as we completed the last group of repairs that were identified earlier in the year. Lower legal fees and higher insurance expenses than planned made up the other significant variances to budget.
- The November operating budget came in \$2,500 under budget. Both drywall maintenance and safety were \$2200 over budget. Drywall repairs were undertaken for 3 units, and mold remediation for one. Safety expenses related to replacement of components of the fire safety systems. There was no spending required on irrigation repairs in November after the widespread repairs paid for in October, resulting in Grounds Maintenance being \$3,000 under budget. And for a second month in a row legal expenses were lower than budgeted.
- Looking at the Association's financial situation now on a year-to-date basis, after 11 months the operating budget is \$44,200 over budget. We will likely finish the year in that position or slightly worse, as there are many year-end expense accruals in December. The assessment increases for 2020 and our new maintenance staff with more robust skills should result in break-even operating results for 2020.
- At November 30 reserves stood at \$1.9 million. The Contingency rebuilding fund had \$35,000 cash available to meet expenses. The Contingency fund has not utilized any funds reallocated from reserves at November month end.
- Accounts receivable from owners: At November month end these stood at \$163,000 with \$80,000 of this due from one owner. This owner has filed for bankruptcy numerous times, and the unit is in foreclosure with Wells Fargo, who has the first lien. We expect to receive at most \$2,000 from the proceeds of the sale of the unit, as per Florida guidelines for foreclosures and bankruptcy of primary residences. We have a law firm assigned to this file who is diligently following up on each legal action and judgement, and we have discussed the situation with PCM management, who corroborate what the attorney has told us. When this situation is resolved we will have to take a write-off of bad debt. There is another unit also in foreclosure, but in that case all the assessments are up to date and no funds are owed to the Association.
- Of the remaining \$83,000 due from owners \$5,100 is fines owed, \$6,400 is reimbursement for plumbing repairs, and the balance is overdue assessments and late fees and interest on overdue assessments. When units are rented the Association issues a rent demand to the tenant, requiring them to pay the monthly rent directly to the Association, but we do not have this tool when the unit is owner occupied or vacant. The second largest owner debtor owes the Association \$11,500 in unpaid assessments and has advised us of plans to sell the vacant unit and repay the Association. We have 2 members who are on long term repayment plans and 8 owners who have received demand of payment letters from our attorney. We are working closely with PCM accounts receivable and following their processes, and they work with our collections attorney. Management of these delinquent accounts is a high priority item for the Association.
- On other financial topics, the Association has met with two insurance brokers to find a better solution from a cost and service standpoint for the Association's insurance needs. We are also reviewing bids from 3 accounting firms with a view to changing financial auditors as soon as feasible.

4. Two-Way Communication with Owners

Dates to Remember:

- January 17, 4 - 6 pm: Welcome back Snowbirds party at front pool. Snacks will be provided and please bring your own beverage.

- January 27, 6 pm: Annual Members Meeting, Covenant Life Presbyterian Church, 8490 Macintosh Rd
- All newsletters are posted on the website in the Owners section, for handy reference.

Contact information:

President	Dave Carter	dwcvg18@gmail.com
Vice President & Treasurer	Karen Domaratzki	Karen_vgboard@aol.com
Secretary	Jackie Vizzi	jvdirectorvg@gmail.com
Director	Joseph Gianino	gianinojosephr@gmail.com
Director	Joe Joseph	Jsting56@gmail.com
Association Manager	Glenn Aitelli	Request Form to Vintage Grand Office
Vintage Grand Website	https://vintagegrand.org	Password to Owner section: PalmTree40
Vintage Grand office		941-923-7380
Vintage Grand: After Hours Emergencies		941-923-7380 and follow the prompts to leave a message.
Signal 88 Security		941-217-7300
PCM, our Community Association Management company	For address changes, to request account statements and coupon books mid-year	http://pcmfla.com/progressive/outside_home.asp# then select Homeowner Services and the desired service