



## VINTAGE GRAND CONDOMINIUM ASSOCIATION 2020 NEWSLETTER #2

### 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:
  - Detailed schedules and 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 100% complete. New gutters and downspouts have been installed and the Association will be completing other required post-remediation work over the next several weeks.
  - R. L. James' work on building 5 is progressing on schedule. Their target completion date for that building is April 10, 2020.
  - Stucco demolition work on building 23 is now scheduled to start during the week of March 9.
  - Buildings 21 and 20 are also scheduled to be remediated in 2020, bringing the total number completed to fifteen (15) of the twenty-eight (28) residential buildings in the complex.
- Actual vs. Estimated Costs for Completed Work:

Through mid-January, the accumulated actual costs of work completed under R. L. James current contract continue to track about 3% over the initial cost estimates, 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
  - To date, the Board has not tapped into capital reserve funds to pay remediation project expenses. Factoring in the January deposit of proceeds from the developer lawsuit settlement, our current cash flow projections indicate there will be no need to begin using capital reserve funds 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.

- R. L. James has furnished preliminary bid data for the thirteen (13) remaining residential buildings that will need to be remediated after December 31, 2020 to complete the project. Delta Engineering is currently reviewing this data and the Association, Delta Engineering and R. L. James will be meeting within the next two weeks to firm up cost estimates for the project under varying scheduling scenarios.
- As was reported at the January 27, 2020 Annual Membership Meeting, one of the scenarios that the Board is examining is obtaining a construction loan to accelerate completion of the project. We expect to provide loan scenarios to owners for a vote in June or July of 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. If the vote is passed then the Association would begin the extensive effort to formally apply for and negotiate a loan.

#### **Status of Legal Proceedings:**

- **Building Collapse Claim Against Association Insurance Carriers (Consortium lead by Lloyds of London):**  
One of the three people on the arbitration panel for our claim was determined to have a conflict of interest and has recused himself from the panel. The two remaining arbitrators are now seeking to appoint a third “neutral arbitrator” to replace the one recused. As a result, the arbitration and all discovery will likely be backed up a few months. Notwithstanding, depositions are being scheduled. The Association has also commenced a separate lawsuit against the insurance agency that procured the policies based upon negligence and breach of contract for their failure to provide accurate policy purchase applications.

## **2. Grounds and Common Elements Update**

### **Grounds Update**

- The major tree trimming project of all palms, hardwoods, and the pepper trees around the boundary of the nature preserve area between buildings 17 and 9, around the lake shore on the east end of building 10, and around a tree behind building 18 has been completed. A lot of wildlife live in the trees near the lake and these were trimmed back just to keep the greenery under control.
- Power washing of every sidewalk, curb, and parking stop on the property has been completed. This took several weeks to complete. Curbs and speed bumps will be repainted in the weeks ahead. The parking areas look much improved with this major refresh.
- The keypad and deadbolt lock in the gym were replaced.
- The fence, pool lights, and shower at the front pool were repaired.
- All water meters in Building 22 were tested by our maintenance staff.
- The fountains were cleaned and repainted.
- The annual cleaning of dryer vents is beginning. This is expected to take almost a month. You will be advised in the customary manner if access to your unit is required for this important task, which helps reduce fire risk and enables clothes dryers to perform using less electricity.
- The 11 buildings which have not been remediated and will not be remediated in 2020 will be carefully pressure washed in the months ahead. This will remove algae build-up and surface dirt, brightening the buildings.

## Violations and Fines

- At the February 14 Board meeting 43 violations totalling \$2,100 in fines were approved for submission to the Fines Committee. Most of these were violations relating to items on balconies.
- We wish to remind owners again (third reminder) that our Association documents do not permit decorations affixed to balcony walls.

## 3. Proficient & Professional Management of the Association

### Annual Members Meeting

- The Annual Members Meeting was held on Monday January 27 at 6 pm at Covenant Life Presbyterian Church, with 45 persons in attendance and a total of 174 members in attendance in person or by proxy. A quorum was achieved.
- The 3 proposed amendments to our Association documents were approved and are now being filed with the state.
- The Board provided an overview of the past year, future plans, and discussion points regarding a possible bank loan. The presentation is available on our website at <https://vintagegrandcondo.files.wordpress.com/2020/01/1-27-2020-annual-members-meeting-presentation.pdf> and we urge all members to take a few minutes to review this presentation.
- Following the Annual Members meeting, the Board held its organizational meeting. It was agreed that Board members would continue in their same roles for 2020. The Board members and their roles are listed in the box at the end of this newsletter.

### Ongoing Vendor Review

- As part of our continuous review of the effectiveness of our suppliers the Board has drilled down to some of the professional services firms which we use. Since the start of the year we have reviewed proposals from 3 accounting firms and engaged a new accounting firm, Stroemer & Co LLC, to perform the 2019 audit.
- We also met with 3 insurance brokerages to select a new broker for the Association's insurance needs, for our coverage which renews in June 2020. The insurance brokers were rated on 8 criteria, and Community Associations Insurance of Florida was selected as Vintage Grand's agent.
- The agreements with these firms are, or shortly will be, posted in the Owners section of the website, under "Agreements". <https://vintagegrand.org/agreements-bids/>

### Financial Update

- The December financial report was presented and approved at the February 14 2020 Board of Directors meeting, and is posted to the website <https://vintagegrandcondo.files.wordpress.com/2020/02/december-2019.pdf>
- The December Operating budget was \$16,600 under budget. For the first time in recent memory drywall maintenance was significantly under budget, with \$890 in expenses vs a budgeted amount of \$4,700. This reflects the skills of our new maintenance staff, who are able to make drywall repairs that were previously outsourced to vendors. This is a tremendous saving to the Association, and we are expecting this to continue through 2020. In another positive development, roof repairs for the month were nil, vs budgeted amount of \$3,750. Overall, Building maintenance expenses came in \$14,000 under budget in December and were the main contributor to the month's budget surplus.
- For the full year of 2019 the Association reported an operating budget deficit of \$27,600 vs a plan of break-even. We prepared the 2019 budget with care and discussion of potential challenges on the horizon, nevertheless it is difficult to predict the Association's expenses and "surprises" that turn up over the course of a year at a 30 year old property with over 400 units.

- Categories with expenses that significantly exceeded budget were Drywall Maintenance (\$41,200 over budget due to an abundance of water leaks), Electrical Repairs (\$10,900 over budget due to repairs to street lights and building lights which arose during the construction process), Roof Repairs (\$7,600 over budget), and Insurance (\$42,000 over budget as a result of the June 2019 annual renewal coming in significantly higher than projected).
- Members may recall a budgeted amount of \$37,000 for mold remediation of one unit, a situation caused by ineptness of previous Vintage Grand employees. The final cost for this remediation was \$30,700 which resulted in a budget surplus of \$6,300. Various other line items reported small budget surpluses, resulting in the overall final deficit amount of \$27,600. This is a marked improvement from the 2018 operating deficit of \$61,600.
- At December 31 reserves stood at \$1.9 million. The Contingency rebuilding fund had \$6,500 cash available to meet expenses. The Contingency fund has not utilized any funds reallocated from reserves at December year end.
- Accounts receivable from owners: At 2019 year end these stood at \$168,000 with one half of this amount (\$84,000) due from one owner. This owner has filed for bankruptcy numerous times, and the Association will be forced to take a significant write-off of this amount due to us. Two owners owe over \$5,000 each and the other amounts owed are spread over 100 or so owners, many with small amounts owing for fines or assessments which are less than 60 days overdue. All significant amounts due are followed closely by the Accounts Receivable department at PCM and sent to our attorneys for collection action as necessary. Note that the legal fees incurred in doing this are billed to the delinquent owner.

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

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

Contact information:

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