



## VINTAGE GRAND CONDOMINIUM ASSOCIATION 2020 NEWSLETTER #4

### **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 schedule and status information for the buildings that are currently in progress is posted on the Owners' page of the Vintage Grand website at <https://vintagegrand.org/building-restoration-project/>
- Overall Progress:
  - R. L. James' work on building 5 is complete. Most of the Association's post-remediation work has also been completed, including the installation of a new drainage system that collects rainwater that runs off the building and grounds on the pool side of the building and moves it into the parking lot drainage system.
  - R. L. James' work on building 23 is about 90% complete and they expect to meet or beat their June 26, 2020 target date for substantial completion of that building.
  - R. L. James' work on building 21 is about 25% complete and progressing on schedule. Substantial completion of that building is targeted for mid-August.
  - Building 20 is also scheduled to be remediated in 2020, bringing the total number of buildings completed to fifteen (15) of the twenty-eight (28) residential buildings in the complex (54% completion of the entire project).
- Actual vs. Estimated Costs for Completed Work:

Through May of 2020, the accumulated cost of work completed under R. L. James contract exceeded the initial contract cost estimates by about 3.5%. Spending on balcony support structures, breezeway arches and attic repairs has significantly exceeded the original cost estimates but that has been offset by underspending on wood frame repairs behind the stucco walls.
- Project Financing:
  - To date, the Board has not tapped into capital reserves to pay any remediation project expenses. Current cash flow projections indicate that we will begin using capital reserves to manage cash flows on the project in July of 2020 and the accumulated borrowing from

reserves will build up to approximately \$290,000 by early 2021, if there has been no inflow of funds from our insurance claim against the Lloyds of London consortium by that time.

- The Association and R. L. James have agreed on pricing that would be incorporated into a contract extension to complete the remaining thirteen (13) residential buildings under several alternative work scheduling and project financing scenarios.
- The Association has been discussing potential loan opportunities with a local bank but the recent pandemic and economic uncertainty has made lenders cautious. There is too much uncertainty to push forward with a loan like ours, which already exhibits some exceptions to standard lending guidelines.
- As discussed at our annual meeting, the Board wants a sense of owner support for a loan before engaging in the significant efforts required to secure one. To this end, we will be polling members on this topic in the next couple of months.
- Given all this, it now appears unlikely that we will be able to negotiate a construction loan and have it approved by more than 2/3 of a voting quorum of members in time to take effect in January of 2021. Therefore our 2021 building remediation work plan will most likely have to be self-funded and constrained to complete no more than three (3) additional buildings.

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

- Building Collapse Claim Against Association Insurance Carriers (Consortium lead by Lloyds of London): Preparations for the planned arbitration hearing in New York on the Association's building collapse claim are moving forward at a painfully slow pace. Our attorney's focus over the past month has been on replacing the Association's representative on the three-person arbitration panel (our existing representative resigned two months ago and the replacement was selected on June 10) and attempting to schedule a deposition with a corporate representative from Lloyds of London. An attempt to negotiate a settlement that would obviate the need for an arbitration hearing is in progress but does not appear to be on a trajectory that would result in a fair settlement for the Association any time soon.

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

#### **Services during Pandemic**

- Community Association Management is deemed an essential business in the state of Florida and the Vintage Grand staff of 4 continue to be employed and on-site. The office is closed for drop-in services, with interactions being conducted by email, phone, and document drop-off.
- Open Board meetings have resumed, with social distancing of all participants. A Board meeting was held on June 1, the first such meeting since March 16.
- The Fines Committee has been reconvened and hearings will resume.

#### **Grounds & Common Elements Update**

- Upkeep of the common elements continues during this time. Over the past weeks the following work has been completed:
  - Our maintenance staff have cleaned the dryer vents in 95% of units. The remaining vents require specialized cleaning by an outside vendor and that work will be completed before month end.
  - Completed photocell inspections and repairs of streetlights
  - Replaced faulty breakers identified in buildings 21, 25, and 28
  - Annual maintenance of the security system, including replacement of the pool camera

- Fire safety: Property-wide repairs to remedy the issues raised in the semi-annual fire alarm system inspection. This included replacement of 34 mini horns, 2 building strobes, and a pull station. The fire sprinkler panel in one building was also repaired.
- Rotted boards on the fishing pier were replaced
- The main water valve to the pump room at the front pool was replaced
- Sanitation of all the doors and machines in the laundry room was completed
- Gym equipment maintenance completed
- Grounds work completed includes:
  - The irrigation system intakes in the pond were cleaned and submerged
  - Planting of annuals completed
  - Performance review meeting called with WestCoast Landscaping and Lawns executive, resulting in new Grounds Manager assigned to Vintage Grand. The new manager has walked through the property with our CAM and an owner noting all deficiencies in landscaping work and these are being remedied now and for future performance.

### Water Meter Replacement Project

- We hope that everyone reviewed the President’s Letter of June 2. Within the next several weeks the Association will begin this initiative to replace 142 water meters which are not providing consumption readings to the NES meter reader. For full information on this initiative: <https://vintagegrandcondo.files.wordpress.com/2020/05/water-meter-plan-5.22.2020.pdf>
- This project will improve our annual operating budget in 2021 and beyond, as water consumption will be correctly billed to these owners and not absorbed by the Association.

### Rules and Regulations for Balconies and Lanais

- The President’s Letter also discussed draft Rules and Regulations for Balconies and Lanais, which would form the basis of changes to our governing documents presented to members for a ratification vote. If you would like to provide input to these draft rules please do so by June 30, 2020 to Dave Carter at [dwcvg18@gmail.com](mailto:dwcvg18@gmail.com).

## 3. Proficient & Professional Management of the Association

### Hurricane Preparedness

- It’s that time of year again ---- tropical storm and hurricane activity in the Atlantic basin is beginning to pick up. Owners are reminded to review the documents on our website in the Owners section outlining hurricane emergency preparedness plans. <https://vintagegrand.org/other-informational-forms>

- Please note that the 14 Vintage Grand buildings that have not been remediated **must be evacuated** for any hurricane rated Category 1 or stronger. These buildings are:

1	2	3	6	7	8	9	11	12	13	15	16	18	20
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- Residents in the 14 buildings which have been remediated **could remain** unless or until Sarasota County orders evacuation due to storm surge or flooding concerns. These buildings are:

4	5	10	14	17	19	21*	22	23	24	25	26	27	28
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\*Remediation will be completed in mid-August

- Sarasota County agencies provide an abundance of information to residents regarding hurricane preparedness and actions to take as major storms approach. This information is available on their website.
- Owners with uninhabited units are reminded that the Vintage Grand Condominium Association will not go in and check your unit after a storm. You may wish to hire a property manager or make

arrangements with a neighbor to inspect your unit. You should also review what your insurance policy states regarding the expected frequency of property inspections during periods of vacancy.

### **Insurance Update**

- You may recall that in June 2019 the Association incurred a significant jump in its insurance premiums, which resulted in our insurance cost coming in \$42,000 over budget.
- The 2020 budget process included in-depth consultation with insurance professionals to gain a better understanding of future insurance costs. For 2020 we increased the insurance budget by 36%, to \$330,000, to more accurately plan for continued increases in this key expense.
- The Board also made a decision to sever our relationship with our insurance broker due to poor client service. We researched and reviewed information from 3 new brokerage firms and selected Community Association Insurance of Florida as the Association's new insurance broker effective with the annual June 2020 policy renewal.
- Working with this new broker we were successful in acquiring insurance coverage for the coming year at a figure that will keep us essentially within budget for 2020.
- Our new broker relationship also includes a number of no-cost value-added services. In the coming months they will be providing educational material and possibly Zoom meetings with owners to explain the type of insurance policy and coverage that each individual owner should have.
- Another service has been an end-to-end review of our complex to identify repairs that would reduce our future insurance premiums. During this review the company which inspected our roofs believed that we sustained roof damage from Hurricane Irma in 2017 and may be eligible for compensation under our insurance policy. We are now in the preliminary stages of working with this roofing and restoration company to file an insurance claim for such damage.

### **Tenant Processes Improved**

- At the June 1 Board meeting a new tenant screening process was approved. This involves deeper background checks than were previously being done.
- A decision was also made to outsource the tenant application, screening and approval process to PCM, based on agreed criteria. Vintage Grand will be pre-advised of any applications that will be denied. This is a service they perform for many other Associations.
- Tenant applications henceforth must be submitted to PCM at their offices on Osprey Rd, and the application fee collected from prospective tenants will cover this cost. Removing the Vintage Grand on-site staff from this process frees up meaningful time for our staff to be performing duties for the betterment of our Association.
- As outlined in the President's Letter, on June 30 we will be launching a tenant webpage, housing a list of documents pertaining to living at Vintage Grand. We believe this electronic delivery of information will be an effective way to keep tenants informed and keep them from contacting the office. This will benefit all of us.

### **Financial Update**

The financial report for February – April was presented and approved at the June 1 Board of Directors meeting, and these financial statements have been posted to the website at: [Click Here...](#)

- Looking at our Operating budget, results were as follows:
  - February: In February we had 2 very large expenses: \$45,200 paid for the trimming of palms and hardwoods across the complex and \$10,300 for the annual inspections of the fire safety system, fire sprinklers, and hydrants and required repairs resulting from this inspection. As a result, our expenses came in \$40,600 over budget for the month.
  - March: In March all our major expense categories – Building, Grounds, and Administrative – came in under budget, leading to total expenses came in \$20,000 under budget, good news

indeed. There was zero spent on drywall and roof repairs, which have typically been heavy expense areas for us in the past.

- **April:** In April we were again under budget on Building and Grounds maintenance expenses. April invoices reflect work performed by vendors in March and early April and we start to see here the effect of the pandemic, as overall vendor activity and projects for repairs etc slowed down to stop the spread of disease. We had 2 large admin expenses in April, paying the \$5,000 invoice for our 2018 audit and the annual \$4,000 in mandatory membership dues to the Crocker’s Lake Assoc. For the month as a whole expenses came in \$12,700 under budget.
- At the end of April on a year-to-date basis expenses are \$18,000 under budget.
- Turning to the Balance Sheet, our reserves crossed the \$2 million mark in April, and \$1.7 million sits in interest bearing instruments.
- Accounts Receivable from owners:
  - At April month end these stood at \$189,000 with \$13,000 of this owed by owners for emergency water repairs made by the Association and billed back to the owners.
  - Of the remaining \$176,000 almost half - \$86,000 – is due from one owner who has filed for bankruptcy numerous times. 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 but we have taken bad debt provisions against it.
  - There are 5 other owners who owe over \$5,000 each and we are exercising the full remedies allowed to us under the law against these owners, including filing liens against the units and our Association filing a foreclosure if it comes to that. We have a new collections attorney and are working with him on these files. Legal fees are charged to the delinquent owner.
  - We have observed that a few more units than normal had not made their monthly assessment payment by month end, and these owners are being sent reminders by PCM to make these payments. Late fees and interest are being charged.
  - Recent employment reports have indicated a positive trend. We remind all owners that assessments are due each month even if you did not receive rental income.

#### 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