

WELCOME!

EACH MEMBER SHOULD HAVE PICKED UP COPIES OF THE AGENDA FOR TODAY'S MEETING AND THE DRAFT MINUTES FOR THE JANUARY 27, 2020 ANNUAL MEMBERS MEETING AND DECEMBER 1, 2020 SPECIAL MEMBERS MEETING. (COPIES ARE AVAILABLE IN THE LOBBY)



Vintage Grand Condominium Association, Inc

Annual Members Meeting

Feb. 2, 2021 Meeting Reconvened on Feb. 23, 2021

Agenda

1. **Procedural Items from Agenda**

- Call to Order
- Determination of a Quorum
- Proper Meeting Notice
- Approval of Minutes

2. **Announcement of Board Members and Vacancies**

3. **Officer Reports**

- 2020 Financial Report
- 2020 Accomplishments and 2021 Goals
 - Operations and Administration
 - Building Remediation Project
 - Updates to Governing Documents

4. **Questions from Members**

5. **Adjournment**

This presentation
will be available
on the website
tomorrow

Vintage Grand Board Members & Vacancies

Term Expires

Dave Carter	2022 Annual Mtg
Karen Domaratzki	2022 Annual Mtg
Joe Gianino	2023 Annual Mtg
Joe Joseph	2023 Annual Mtg
Vacancy* (Jackie Vizzi retirement)	2023 Annual Mtg

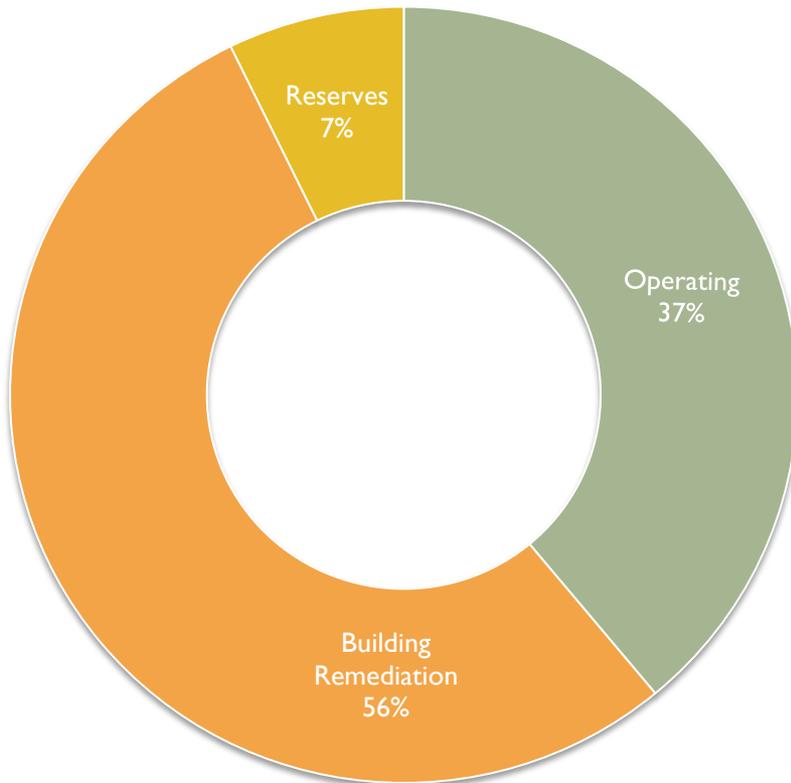
* Board to fill via appointment at tonight's Board meeting



2020 FINANCIAL REPORT

2020 Financial Report

Breakdown of 2020 Monthly Assessment



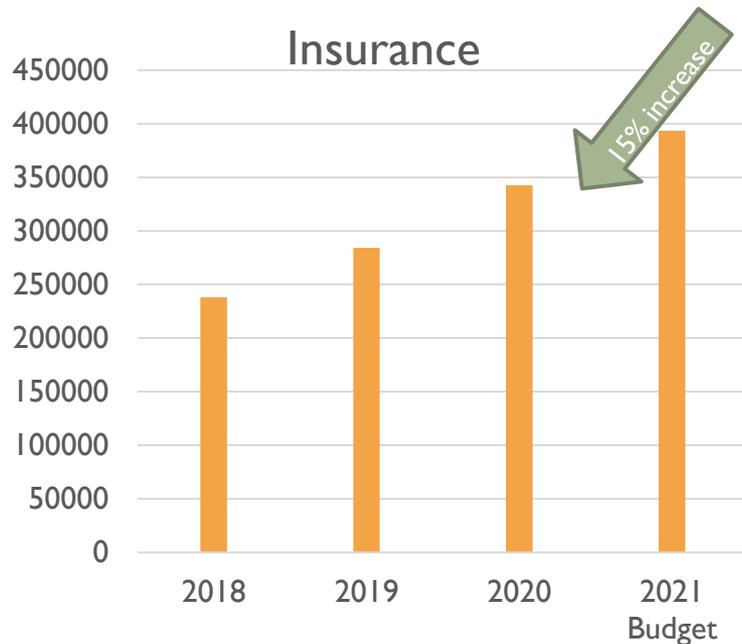
2020 Financial Report overview:

- ▶ Operating Budget
- ▶ Building Remediation Budget
- ▶ Reserves
- ▶ Balance Sheet
- ▶ 2019 Audited financial statements in progress, with 2020 to commence thereafter

Operating Budget Results - \$ 2020

Item	Budget	Actual	Variance	
Assessments	1,449,226	1,449,185	(41)	Fines & interest on overdue assessments
Other revenue	26,300	60,674	34,374	Amounts billed, not all have been collected
Total Revenues	1,475,526	1,509,859	34,333	
Buildings Mtce	307,650	251,806	55,844	Drywall, roof, & electrical repairs. Versus 2019 when we spent \$337K.
Grounds	217,600	216,084	1,516	
Common Areas	33,200	28,696	4,504	
Utilities	89,000	123,268	(34,268)	Water meter replacement project: 37% of meters replaced in Bldg 1-18
Administration	828,076	816,358	11,718	
Total Expenses	1,475,526	1,436,211	39,315	
Net income/ (Deficit)	0	73,648	73,648	Operating budget surplus! Replenish our cash balances

Insurance – our largest operating expense – ~25% of our operating budget



Unit type	2020 monthly assessment spent on insurance
Antiqua	\$37.37
Byzantine	\$48.15
Classica	\$66.90
Danti	\$73.76
Ethos	\$85.51
Floreta	\$94.75

- Double digit percentage increase in cost every year since 2018
- Our policies renew in June, meaning that annual budget preparation in Oct/Nov is based on estimates of increases received from our broker
- Efforts to manage the expense include hiring new insurance broker and plan to increase the hurricane deductible at June 2021 renewal
- 2021 budget includes a \$50,700 increase in insurance premiums, but we reduced other budgeted expenses to keep the assessment increase low.

Financial Report: 2020 Building Remediation Contingency Account Activity

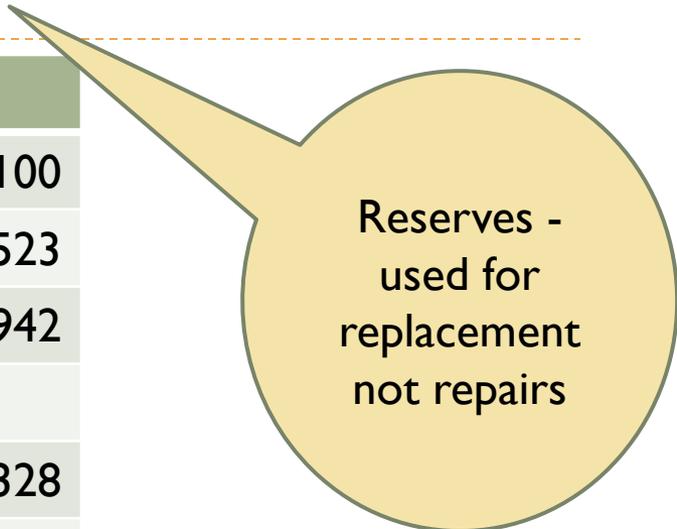
	\$
Contingency Fund Cash Balance on 12/31/2019	6,457
Member assessments invoiced in 2020	2,000,000
Proceeds from lawsuit and insurance claim	<u>1,269,750</u>
Total Cash Available	3,276,207
Construction Expenses (R. L. James)	(1,878,884)
Engineering Expenses (Delta Engineering)	(163,262)
Post Remediation and Other Project Expenses (detail on next page)	<u>(150,271)</u>
Total Expenses	(2, 192,416)
2020 Cash Available minus Expenses	1,083,790
2020 Decrease in Construction Retainage	(11,941)
Contingency Fund Cash Balance on 12/31/2020	1,071,849

Detail on 2020 Post Remediation and Other Project Expenses

	\$
Landscaping	(54,094)
Drainage System Improvements	(39,183)
Gutters and Downspouts	(15,049)
Irrigation System Repairs	(13,864)
Tree Trimming and Removals	(8,100)
Termite Treatment	(6,941)
Miscl. Items <\$5,000	<u>(13,040)</u>
Total Post Remediation and Other Project Expenses:	(150,271)

Financial Report: Reserves

	\$
Balance, January 1 2020	1,916,100
Add: Member Assessments invoiced	269,523
Interest earned on balances	14,942
Less: Reserves spent:	
Exterior Painting	39,328
Plumbing	8,600
Balance, December 31 2020	2,152,629



Reserves -
used for
replacement
not repairs

- The largest Reserve category is Roof Replacement with Dec 31/20 balance of \$1.5 million representing 70% of the total Reserves account. Estimated remaining life of the roofs is 4 years.
- Members have voted to **underfund Reserves each year from 2016 – 2021**. Ultimately Reserves will need to be replenished to levels recommended by an updated Reserve Study.



Financial Report: Balance Sheet Highlights

At December 31, 2020:



▶ **Cash:**

- ▶ The Association had \$3.6 million cash in bank accounts and certificates of deposit/term deposits.
- ▶ The bulk of this (\$2.1 million) is held for Reserves, while Building Remediation has a \$1.1 million balance and the operating account has \$365,300 cash.

▶ **Overdue from Owners:**

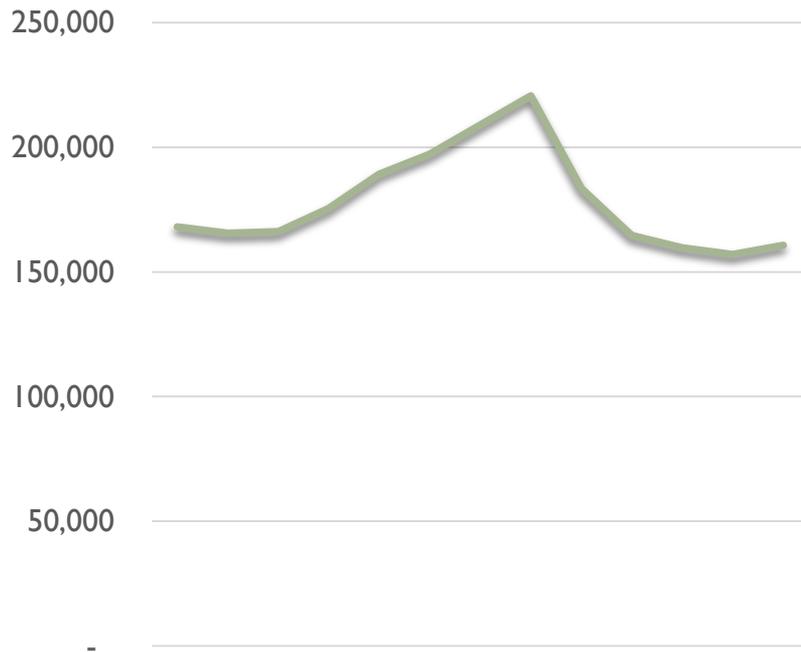
- ▶ The Association has \$160,644 overdue from owners, comprising unpaid monthly assessments, fines, late fees, reimbursement of repairs, and interest on overdue fees.
- ▶ This amount is \$7,400 less than the amount owed at year end 2019.....despite the pandemic
- ▶ In mid-2020 we hired a new Collections attorney, recommended by PCM. This attorney has issued demand letters, phone calls etc. with owners and has collected tens of thousands of dollars for the Association this year.
- ▶ We have two owners who are in bank foreclosure or on the brink. We will receive no further assessments from these two and hope to recover a small statutory amount from foreclosure proceeds.
- ▶ The next slide shows this information in more detail.

Amounts Overdue from Owners

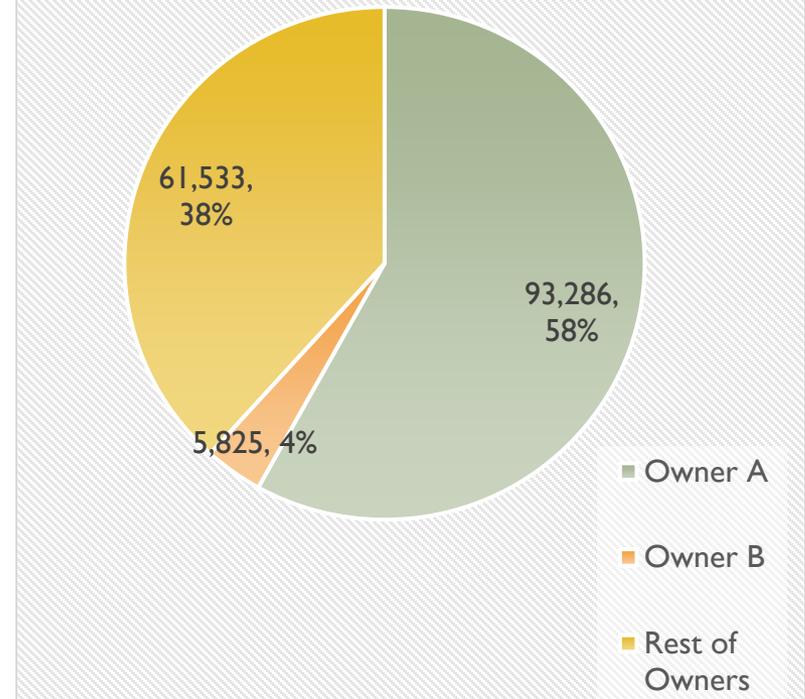
During 2020 overdue amounts from owners climbed, peaking at \$220K at 7/31. Through the efforts of our Collections attorney this was brought down to \$160K at 12/31.

Two owners account for \$99K of overdue amounts. All other owners collectively owe \$62K, representing 38% of the total overdue amount owed.

Amounts Overdue from Owners, 2020 monthly



Amounts Overdue Dec 31/20





2020 ACCOMPLISHMENTS AND 2021 GOALS

Operations and Administration

Operations and Administration – 2020

Accomplishments

I. **Building Maintenance**

- ▶ Fire safety: Inspected fire sprinklers 2x/yr.
- ▶ Fire safety : Replacements of FACP panels, mini-horns, strobe lights and pull stations where required based on inspections
- ▶ A/C common drain line cleanout 2x/yr.
- ▶ Dryer vent cleanout 1x/yr.
- ▶ Inspection, notification and follow-up with owners regarding hot water heater tanks > 10 years old
 - 266 units inspected; 100 (38%) notified that their tanks were >10 years old
 - 63 of 100 were replaced leaving 37 not acted on and in violation
- ▶ Achieved savings in drywall repair costs through new maintenance staff
- ▶ Pressure washed 13 non-remediated buildings
- ▶ Various electrical repairs – main breakers and circuit breakers, photocells for building lighting



Operations and Administration – 2020

Accomplishments

2. **Grounds Maintenance**

- ▶ Irrigation system improvements:
 - Upgrades to pump controllers
 - System maintenance improvements with hiring of new contractor (Hostetler)
- ▶ Annual major tree trimming – palms and hardwoods
- ▶ Pepper tree trimming
- ▶ Leaf raking and removal
- ▶ Winter lawn seeding to enhance appearance
- ▶ Street maintenance – replacement of photocells

3. **Common Areas**

- ▶ Replaced lifted and broken sidewalks in 10 locations
- ▶ Painted speed bumps and disabled persons spaces
- ▶ Pressure washed fishing docks, picnic areas/gazebos, parking structures, sidewalks and curbing
- ▶ Investigated potential locked bicycle storage solutions – no economically viable solutions were found



Operations and Administration – 2020

Accomplishments

4. Amenities

- ▶ Pools and spa – replaced valve to main pool pump room, replaced pump for back pool, power-washed pool decks, repaired lights, repaired fencing and gates
- ▶ Exercise room – replaced key pad and dead-lock mechanism, routine maintenance and repairs to gym equipment

5. Utilities

- ▶ Water consumption under-billing analyzed and alternatives evaluated
- ▶ Initiated water meter inspection and replacement program
 - 266 meters inspected: 99 (37%) required replacement
 - Negotiated discounted bulk pricing for meter replacements
 - 99 meters replaced: 72 VG responsibility to pay, 27 owner responsibility
- ▶ Replaced Building 20 main water valve and ball valve

Operations and Administration – 2020

Accomplishments

6. Administration

- ▶ Upgraded tenant screening procedures – shifted application processing responsibilities to PCM headquarters and implemented more complete background checks
- ▶ Engaged a new insurance broker and a new financial auditing firm
- ▶ Issued 8 newsletters to owners
- ▶ Rolled out website renters' page
- ▶ Filed an insurance claim for roof damage caused by Hurricane Irma in 2017, seeking funding for full roof replacements
 - Inspections by engineers engaged by insurance carriers and the Association's legal counsel were completed in October and November
- ▶ Achieved a final legal settlement with one owner who was involved in short term rentals
- ▶ Polled members to gather input on long term goals and direction:
 - Financing of building remediation project
 - Potential amendments to governing documents



Operations and Administration – 2021

Goals

I. **Building Maintenance**

- ▶ Fire safety: Inspection of fire sprinklers 2x/yr.
- ▶ A/C common drain line cleanout 2x/yr.
- ▶ Dryer vent cleanout 1x/yr.
- ▶ Complete inspection, notification and follow-up with owners with hot water tanks > 10 years old
 - 166 units to be inspected in 2021
 - Follow-up on 37 units still in violation from 2020
- ▶ Pressure wash 10 remediated buildings – transition to a biannual cycle for all buildings

Operations and Administration – 2021

Goals

2. **Grounds Maintenance**

- ▶ Irrigation system:
 - Investigate possible change-out of pump drives
 - Continued focus on inspection and maintenance of heads and rotors
- ▶ Annual major tree trimming – palms and hardwoods
- ▶ Pepper tree trimming
- ▶ Leaf raking and removal
- ▶ Winter lawn seeding to enhance appearance
- ▶ Ongoing street light maintenance

3. **Common Areas**

- ▶ Additional sidewalk replacements and/or grinding of uneven joints
- ▶ Pressure washing of fishing dock, picnic areas/gazebos, parking structures, sidewalks and curbing
- ▶ Repair and treatment of wood on fishing dock
- ▶ Mail kiosks: -- Develop plan and budget for upgrade/replacement

Operations and Administration – 2021

Goals

4. **Amenities**

- ▶ Pools and spa – continued routine inspection and maintenance; bid out and award a new pool service contract
- ▶ Exercise room – continued routine inspection and maintenance

5. **Utilities**

- ▶ Continue water meter inspection and replacement program
 - 166 units remain to be inspected in 2021
 - Complete billing and collections from impacted owners
- ▶ Install water meters to monitor consumption of common elements: 2 pools, laundry room, possibly car wash

Operations and Administration – 2021

Goals

6. **Administration**

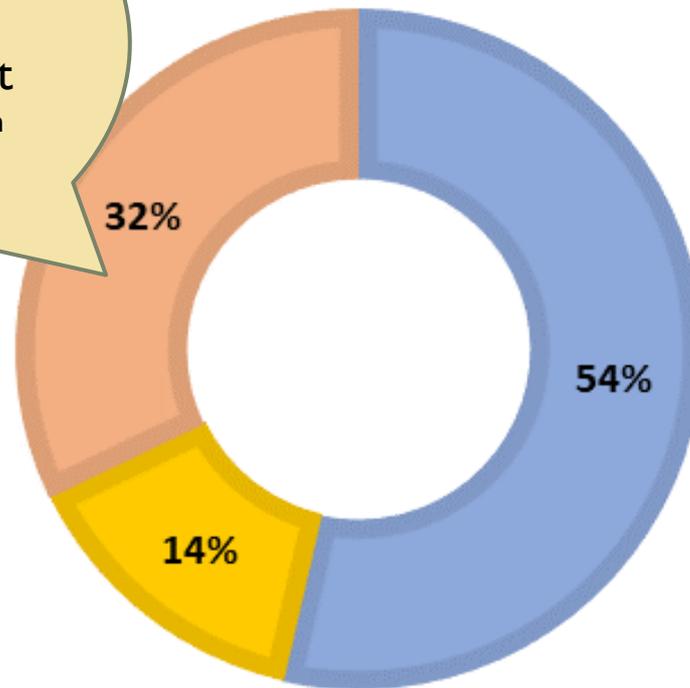
- ▶ Continue issuing periodic newsletters to owners
- ▶ Better organize our website
- ▶ Settle insurance claim for roof damage caused by Hurricane Irma and develop plan, schedule and budget for roof replacements
 - Engineering reports from both parties expected to be furnished in early 2021
 - If insurance carrier denies coverage, our lawyer will request arbitration
 - Expect that arbitration hearings would take place in mid to late 2021 with settlement likely by early 2022
 - Our lawyer and the roofing company that is assisting with the claim are optimistic about a successful outcome. Our damage is in the upper 20% of 100 claims that the roofing company has handled

Building Remediation Project

Building Remediation Project Status

28 RESIDENTIAL BUILDINGS

With continued self-funding at \$2,000,000/year, we will finish the project no later than the 4th quarter of 2024



- Completed
- 2021 Work Plan
- Future

Building Remediation Project – 2020 Accomplishments

1. Completed post-remediation work on Building 10
2. Remediated four (4) additional buildings in 2020:
 - ▶ Buildings 5, 23, 21 and 20*
 - * Post-remediation is in progress and will be completed by end of February
3. Achieved a negotiated settlement of building collapse insurance claim providing net proceeds of \$900,000
4. Negotiated firm contract pricing with R. L. James for any remediation work that can be completed in 2021 or 2022
5. Polled members on financing alternatives for balance of project; determined that self-funding at current rate is preferred by 72% of members



Building Remediation Project – 2021 Plans

1. Complete post-remediation work on Building 20
2. Remediation of four (4) additional buildings in 2021:
 - ▶ Buildings 1, 2, 3 and 6*
 - * Some work including post-remediation work will extend into 2022
3. Pursue legal claim against our 2016 insurance brokers to potentially obtain additional funding for our project
 - ▶ Complaint filed in Sarasota County Circuit Court for the insurance brokers' negligence in preparation of our 2016 property insurance application (the application stated that we had not had a policy canceled within the past 3 years when actually our original 2015 property insurance policy was cancelled due to building condition/maintenance concerns)
 - ▶ The application error compromised the settlement of our building collapse insurance claim with the 2016 insurance carrier (Lloyds of London consortium)
 - ▶ Expect court to issue a scheduling order within the next month or so for a trial in mid to late 2021



Building Remediation Project – R. L. James Schedule for 2021 Work

	Start	Finish
➤ Building 1	12/1/2020	5/7/2021
➤ Building 2	3/25/2021	7/29/2021
➤ Building 3	6/23/2021	10/29/2021
➤ Building 6	9/15/2021	1/11/2022



Building Remediation Project-

Tentative Work Plans for 2022-2024

General strategy is to work from the north to south end of the complex. If no additional funding is obtained through legal proceedings, self-funding at \$2 million per year would support the following work plans:

2022:

- ▶ Buildings 7, 8 and 11

2023:

- ▶ Buildings 9, 12 and 13

2024:

- ▶ Buildings 15, 16 and 18



Update to Governing Documents

Update to Vintage Grand Governing Documents

Declaration

**Articles of
Incorporation**

By-Laws

**Rules and
Regulations**



Update to Vintage Grand Governing Documents

Written/Adopted by
Conversion
Developer in 2005

Several Amendments
Approved By
Owners 2015-2020

Not In Tune with
Current Community
Needs/Priorities

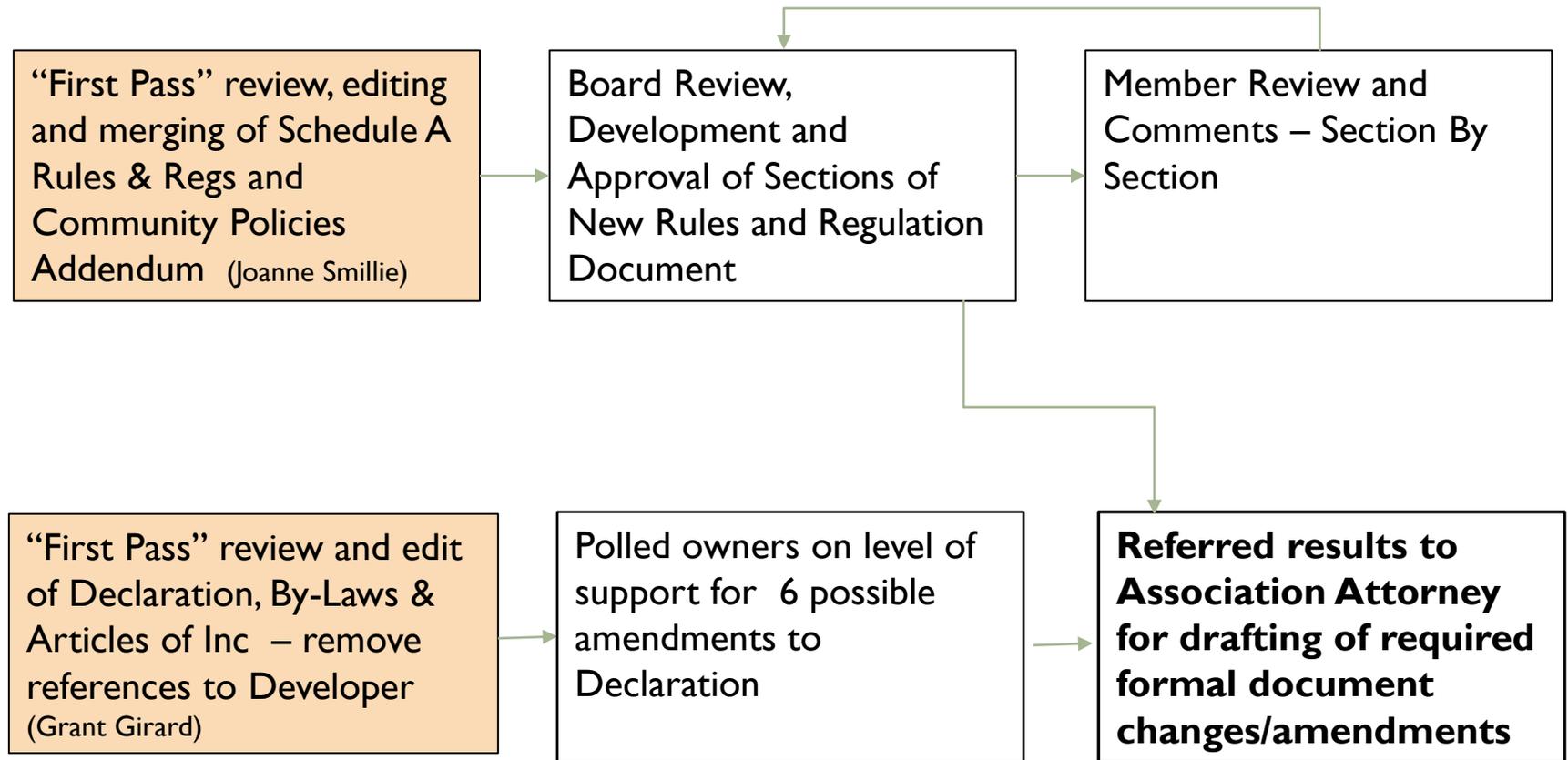
Not Up to Date
with Florida Statutes

Project Objectives

1. Remove all references to the Developer
2. Remove unnecessary redundancies
3. Bring up to date with current Florida Statutes
4. Simplify wording
5. Meet current community needs
6. Engage owners in the update process



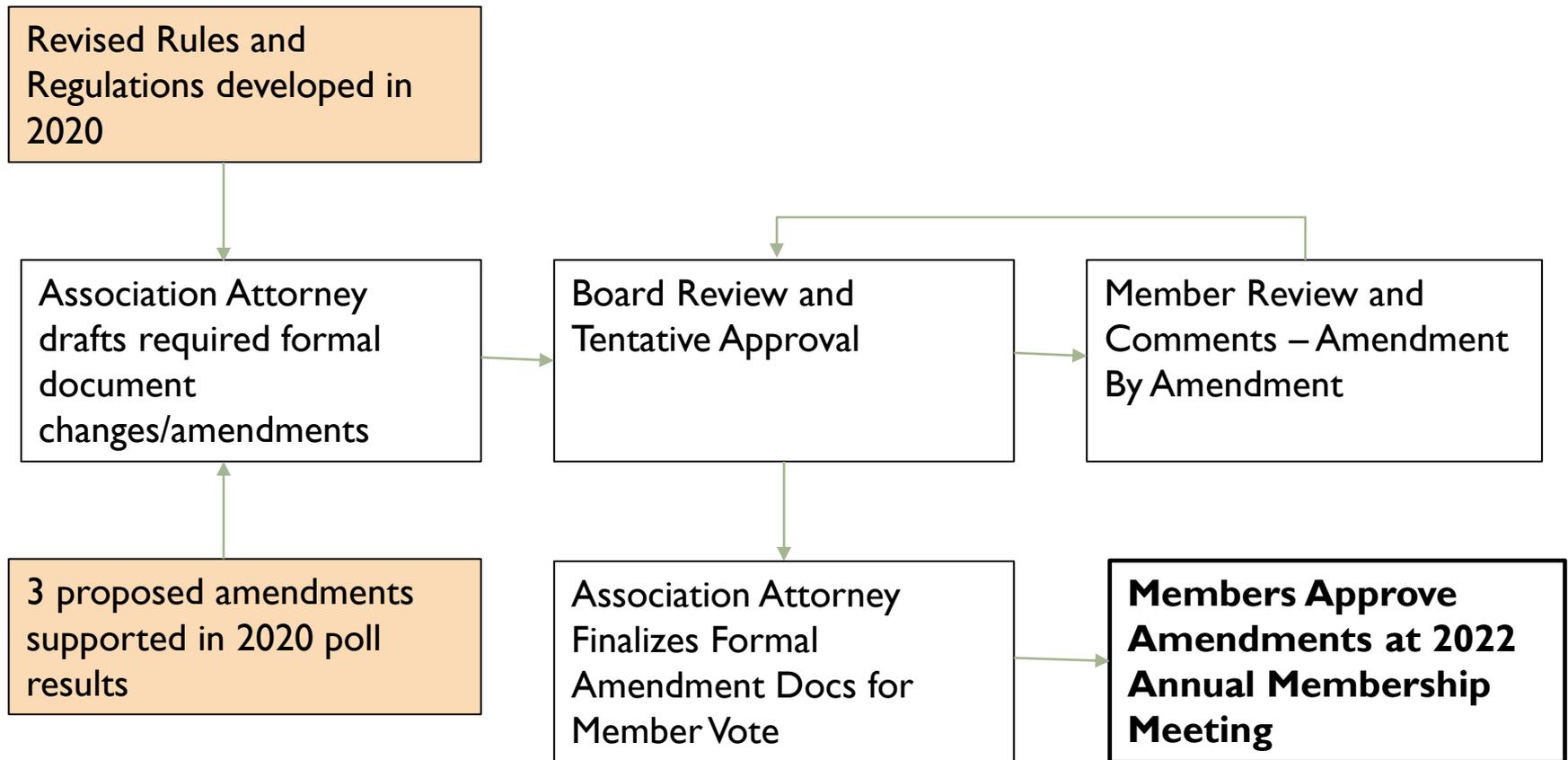
Updating of Governing Documents -- 2020 Accomplishments



Poll Results

2020 Poll - Potential Amendment to Declaration	Poll Results	
#1: Would you support an amendment to our Declaration that would restrict future purchasers of Vintage Grand units from renting out their units on long term leases until such time as the percentage of units occupied on long term leases is below the current FHA mortgage lending criteria of 65% or less?	YES 54	NO 127
#2: Would you support an amendment to our Declaration that would allow a limited number of owners who reside in their units on a seasonal basis to rent out their units on durations as short as one month, providing that those owners follow Association guidelines for applicant screening and pay fees which cover the higher costs that the Association may incur in support of such activity?	YES 94	NO 89
#3: Would you support an amendment to our Declaration that would grant the Association specific authority to approve or deny unit purchase applications based on financial criteria (income verification, credit history, net worth, etc.)	YES 89	NO 94
#4: Would you support an amendment to our Declaration that would grant the Association specific authority to prevent people who have criminal backgrounds from residing at Vintage Grand as an owner or with the permission of an owner?	YES 129	NO 54
#5: Would you support an amendment to our Declaration that would grant the Association specific authority to perform emergency response and damage mitigation services within units when water leaks and other casualty events occur and make the benefited unit owners responsible for reimbursing the Association for the costs of those services?	YES 113	NO 64
#6: Would you support an amendment to our Declaration that would require Unit Owners to purchase and maintain appropriate property insurance coverage or set money aside in a formal self-insurance escrow account to cover potential casualty loss damages?	YES 112	NO 67

Updating of Governing Documents – 2021 Goals



Update of Governing Documents

Work Remaining After 2021

After we have finalized and approved the changes/amendments developed in 2020-2021, we will ask our Attorney to draft a complete rewrite of our set of documents that incorporates the approved amendments, simplifies wording by removing redundancies and obsolete/unnecessary language regarding the developer, and references current Florida statute requirements.



Questions From Members

- **No questions were submitted prior to this meeting**
- **Begin your question by stating your name and unit number**
- **One question topic per member at a time, maximum 3 minutes**





Thank you for coming

This presentation will be available on the
website tomorrow