

MINUTES
SANDPIPER OWNERS ASSOCIATION
BOARD OF DIRECTORS MEETING
September 19, 2018

A meeting of the Board of Directors took place at 5 p.m. on September 19, 2018, at the office of Board Member Terry Hadley at 200 East New England Avenue, Suite 300, Winter Park, Florida 32789. Notice of the meeting was properly posted.

QUORUM

All members of the Board in attendance and establishing a quorum were: Scott Johnson, Terry Hadley, Rhonda Pearlman, Michael Pollack, Pam Shaw, Bucky Hurt, and Dave Kacsmarek (by phone). Randy Teagarden, Sandpiper manager, was not able to be in attendance due to health issues.

MANAGER'S REPORT

- As update on Randy, he has been admitted to the hospital for further observation. Diane, Silvia and Shawn will be overseeing Sandpiper in Randy's absence. A notice will be sent to the Owners to update on Randy's status.
- Scott gave the Manager's Report in the absence of Randy. See attached Report prepared by Randy as further outline for comments.
- Repair of putting green is complete. Looks great, and hopefully the new protective perimeter wall will avoid putting green wash-out in the event of any future storm surge.
- Trash chutes: After Randy reviewed needed repairs as part of the 2018 proposed capital projects, it was determined that a full replacement of trash chutes would be more involved than anticipated. Accordingly, the near-term repair will be to try to eliminate the internal areas of chutes that are snagging garbage bags, and see if that fix makes the chutes more workable in the short term, especially the north chute. In 2019 there will also be the proposed replacement of the trash chute doors. So the overall chute situation will involve more investigation.
- Proposed work on our roof has been accelerated to 2019, as set forth in the proposed 2019 reserve schedule attached to these minutes.
- Railings: Randy has been investigating various options for repainting of all railings, both on Owners' balconies and the west side public walkways. We are investigating the options that will provide the longest life to maintaining a first-class appearance, but at a reasonable cost.
- Parking lot re-sealing and striping is to be completed by the end of this week.

- 7th Floor upgrades: Mostly complete, with touch-up and finish work to be completed hopefully by the end of September. The Board has currently tabled any further upgrades to furniture and art work, as well as consideration of an area of the 7th floor for possible placement of exercise equipment. Will be further discussion on those topics.
- Landscaping – Randy has proposed that in Spring 2019 he will focus on appearance of our overall landscaping on the Sandpiper grounds.

TREASURER'S REPORT

- Michael Pollack, Treasurer, presented the proposed 2019 operating budget and reserve schedule, copies attached. The proposed budget includes an increase in the monthly maintenance fee of \$5 to \$595 per month. A motion was made, seconded, and after discussion, the Board voted in favor of the proposed budget and schedule being presented to the Owners for discussion at the upcoming 2018 Annual Meeting. The Board expressed appreciation to Mike and Randy for their efforts in developing the budget and schedule.

PLANNING FOR 2018 ANNUAL MEETING OF OWNERS

- The Association annual meeting of Owners will be November 3, 2018 at 9:30 AM in the 7th floor clubroom. A first mailing was previously mailed to all Owners, and a second mailing will be mailed to include the 2018 proposed budget. The Board also discussed the waiver of the annual audit of 2018 financial statements, and in place have the CPA prepare an independent audit, saving the Association the audit expense of approximately \$5,000. Our current system of handling invoices and finances reflects a solid system of checks and balances, to support a waiver of an audit. A motion was made and seconded, and after discussion, the Board approved presenting to the Owners at the annual meeting the vote of waiving the annual audit. The waiver requires an affirmative vote of a majority of the Owners attending the annual meeting in person or by proxy.

RENTAL REPORT

- The written rental report of Diane Moreno through August 2018, with estimates through September, is attached with these minutes. Discussion took place on the report, including the overall increase in rental income.

OLD BUSINESS

- No old business came before the meeting.

NEW BUSINESS

- Based upon the recommendation of a unit owner, the Board recommends that a written notice be sent to all Owners to have their units inspected regarding the condition of their plumbing fixtures and A/C fixtures. The purpose of the inspection is to identify any

problem areas, such as leaking pipes or clogged condensation lines. We have had some instances of pipes leaking into a unit, and also into the unit below them. The Board agreed that having a unit by unit inspection would be beneficial to identify any problems that could be addressed to prevent issues. There will be further discussion on the mechanics for the unit by unit inspection, including whether the Association will retain a professional inspector to report on each unit. In the meantime, all Owners are requested to inspect their plumbing and A/C fixtures for any problem areas, including piping, condensation lines and the like, and to immediately address any needed repairs, bringing any issues to the attention of the office.

The meeting was adjourned at 6:00 p.m.

Respectfully submitted,

Scott Johnson, for
Rhonda Pearlman
Secretary, Sandpiper Owners Association

10/1/18
Date

Managers Report
Sandpiper Condominium
September 16th 2018

- The putting green has been completed and we have been hearing nothing but positive comments from owners.
 - The trash chutes on the north end of the building have been opened and Shawn and myself have been working to try and clear the rusted edges that are snagging the trash bags which create a clog inside the chute. I am suggesting that we replace the trash chute doors as soon as possible as we have many that are not functional.
 - The budget for 2019 is completed included in this is a \$110,000 roof repair project which will be guaranteed for 10 years. I have had several issues regarding this and I would recommend this for 2019.
 - The railings are in need of repair. I have heard from many owners about the peeling of paint. I have included an amount in the budget to have the same contractor who painted the building to do a test section on a few of them. I have also met with a contractor who could replace the railings with vinyl which would not require painting he has given me a quote of \$68,000.00 for all the balconies on the east side of the building. This could save the the condo money in the future as it does not require painting.
 - The parking lot sealing and striping will be completed this week and has gone smoothly. I am pleased at this point with the work the contractor has done.
 - The Sandpiper is in need of landscaping. I would suggest that in April of 2019 we should put some effort into this area.
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**SANDPIPER CONDOMINIUM ASSOCIATION
PROPOSED 2019 OPERATING BUDGET**

			<u>YTD</u>	<u>Projected</u>	
		<u>2018 Budget</u>	<u>Jan-August, 2018</u>	<u>2018</u>	<u>2019 Budget</u>
				<u>Year End</u>	
<u>INCOME</u>					
<u>4000</u>					
4020	Maintenance Fees	594720	396480.00	594720.00	599760
4056	Special assessment	0	0.00	0.00	0
4060	Late Charges	500	284.70	500.00	0
4080	Transfer Fees	300	200.00	300.00	300
4100	Interest from Operating Accounts	3000	305.59	600.00	600
4350	Interest from Reserve Accounts	1600	2616.83	3000.00	3000
4500	Office Rent	11400	7600.00	11400.00	11400
4501	Employee expense reimbursement	15320	10164.00	15320.00	16300
4999	Miscellaneous/Laundry Income	0	500.00	500.00	0
<u>4000</u>	<u>Total Income</u>	626840	418151	626340	631360
<u>EXPENSES</u>					
<u>5000</u>	<u>Building Maintenance</u>				
5010	Building Maint – Supplies	10000	5766.05	10000.00	10000
5011	Building Maint – Labor	3000	2220.85	3000.00	5000
5012	Projects	5000	0.00		
5013	Stucco repair	5000	0.00	2500.00	2500
5014	Railings repair/replacement	0	0.00	0.00	10000
5015	Steel doors repair/replacement	7000	5610.00	5610.00	7000
5089	Elevator Phone Monitoring	1800	1944.60	2200.00	2200
5095	Elevator Contract and maintenance	21000	3893.40	10000.00	21000
5240	Interior Pest Control	3000	1750.00	3000.00	3000
5260	Water/Sewer	9500	7918.23	9500.00	9500
5280	Trash Removal	9000	7013.52	9000.00	9000
5300	Electric Power	17000	11813.52	17000.00	17000
5350	Fire Alarm Maintenance	6000	2615.77	6000.00	6000
5352	Fire Alarm Monitoring	1000	123.01	1000.00	2000
5400	Cable Service	60000	37787.65	60000.00	60000
5450	Miscellaneous/Contingency	18600	27036.41	30000.00	18600
<u>5000</u>	<u>Total Building Maint</u>	176900	115493	168810	182800
<u>6000</u>	<u>Grounds Maintenance</u>				
6040	Contracted Lawn Service	20160	13440.00	20160	20160
6041	Grounds Maint – Supplies	3000	1175.00	3000	3000
6080	Lawn Spraying	2000	600.00	2000	2000
6140	Water - Irrigation	12500	4338.79	8000	9000
<u>6000</u>	<u>Total Grounds Maintenance</u>	37660	19554	33160	34160
<u>7000</u>	<u>Pool & Clubhouse Expense</u>				
7040	Contracted Pool Service	15000	8300.00	15000	16500
7060	Chemicals/Supplies	600	0.00	200	300
7070	Pool Heating (Gas)	13000	8018.74	13000	13000
7080	Pool Equipment Repair	6000	5951.00	7000	7000
7220	Furniture Maintenance	5000	3019.28	5000	5000
<u>7000</u>	<u>Total Pool & CH Expense</u>	39600	25289	40200	41800
<u>8000</u>	<u>Management & Admin</u>				
8012	Payroll	126640	87760.60	126640	133000
8013	Payroll Taxes	11500	8198.99	11500	11100
8040	Postage	1000	98.00	1000	1000

8060	Copies/Printing/Supplies	3000	1608.47	3000	3000
8064	Computer	1500	78.81	1000	1500
8080	Accounting	12100	6600.00	12100	12100
8100	Legal	1000	0.00	0	1000
8120	Insurance	80093	52101.56	80093	80000
8122	Flood Insurance	22700	13303.83	22700	23000
8160	Telephone/Fax	11000	0.00	0	0
8161	Internet Service	9000	5537.60	9000	9000
8190	Miscellaneous/Contingency	3000	100.00	3000.00	3000
8230	Bank Charges	500	40.00	60	200
8300	Group Health Insurance	7200	7200.00	7200	7200
8375	Office Expense	2275	259.27	1500	1500
8390	Uniform Business Report	65	0.00	65	65
8440	Security	1500	0.00	0.00	1500
8442	Dues/Licenses/Permits	1000	786.25	1000	1000
8460	Bureau Of Condo Fees	400	336.00	400	400
8000	Total Management & Admin	295473	184009	280258	289565
	Total Operating Expenses	549633	344345	522428	548325
	Total Reserve Contribution	77207	51471.32	77207	83035
	Total Expense	626840	395817	599635	631360
	Monthly maintenance fee	590.00			595.00

Sandpiper Reserve Schedule for 2019

QK&KS		0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Act	Description	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
2210	Roofing, Metal																
2212	Roofing, Flat/Membrane		120000									76830	120000				212976
2231	Painting and Waterproofing Building								212976								
2232	Painting curbs and stairwell grids			5000					5000					5000			
2233	Walkways and stairwells, Resurfacing							83632								83632	
2279	Elevator Modernization, Hydraulic																
2280	Putting Green															25000	
2286	Pool Deck Brick Pavers								93492								
2287	Pool Deck/Common Area Furniture			24235													
2288	Pool, Interior Resurfacing											67961		8000			
2290	Pool Equipment			8000							34000						
2291	Restroom Interiors, Ground											15600					
2292	Restroom Interiors-7th Floor																
2297	Seawall, Restoration																
2299	Shuffleboard Court, Resurfacing								3000							3000	
2300	Tennis Court, Resurfacing, Asphalt			4000								4000			10000		
2301	Trash Chute		10000												10000		
2302	Trash Chute Doors		10000												10000		
2303	Tennis Court, Fencing and Gate									10200							
2308	Pool Heaters, Propane			3000				3000				3000				3000	
2314	Fire Alarm System Modernization			88200													
2315	Fire Pump/Equipment								20800								
2317	A/C Unit Club Room											7520					
2354	Asphalt parking lot resealing and striping				10000			10000			10000			10000			10000
2355	Asphalt parking lot repaving																
2357	Domestic Water Pump/Equipment				16000												
2375	Interior Renovations, Common Area																28000
2381	Kitchen Interiors																
	Total Annual Expenditure		140000	132435	26000	0	0	96632	241776	10200	137492	185311	120000	23000	20000	114632	250976
	Reserve Contribution, Annual		83035	83035	83035	83035	83035	83035	83035	83035	83035	83035	83035	83035	83035	83035	83035
	Reserve Balance 12/31 before interest		430298	390074	455404	546977	640121	638486	492661	576937	533290	442224	415127	483834	555945	534837	377908
	Interest		9176	8295	8538	10109	11972	12906	11441	10810	11210	9867	8672	9076	10489	11013	9238
	Reserve Balance 12/31 with Interest		439474	398369	463942	557086	652093	651402	504102	587747	544500	452092	423799	492910	566434	545849	387146
	Reserve Contribution per unit per month		82	82	82	82	82	82	82	82	82	82	82	82	82	82	82
	Int. rate								2%								

16	17	18	19	20	20 year
2034	2035	2036	2037	2038	Total
			76830		153660
					240000
					425952
	5000				20000
					167264
140000					140000
					25000
					93492
	24235				48470
					67961
8000					24000
					34000
			15600		31200
					0
					6000
		4000			12000
					20000
					20000
		10200			20400
		3000			15000
					88200
					20800
					7520
	20000				60000
		10000			20000
					16000
					28000
					10400
148000	49235	27200	92430	0	1815319
83035	83035	83035	83035	83035	
322181	363074	425833	424396	516013	
7093	6923	7958	8582	9490	
329274	369998	433791	432978	525503	
82	82	82	82	82	

SOUTH BEACH RESORT PROPERTIES, LLC

SANDPIPER RENTAL PROGRAM

RENTAL REPORT SEPTEMBER 2018

	2017		2018	
Month	Rental Income	Commission	Rental Income	Commission
			* Jan - August	* Jan - August
January	\$94,377.07	\$14,156.56	\$141,176.90	\$21,176.53
February	\$141,952.86	\$21,292.93	\$176,565.83	\$26,484.87
March	\$177,112.14	\$26,567.29	\$187,063.04	\$28,059.45
April	\$118,494.99	\$17,774.25	\$103,442.59	\$15,516.39
May	\$38,628.57	\$5,794.29	\$43,980.35	\$6,597.05
June	\$152,927.14	\$22,939.07	\$182,121.43	\$27,318.21
July	\$259,086.00	\$38,862.90	\$242,245.00	\$36,336.75
August	\$102,373.55	\$15,356.03	\$127,282.13	\$19,092.32
September	\$11,334.29	\$1,700.14	\$33,500 Est	\$5,025 Est
October	\$10,077.00	\$1,511.55		
November	\$21,528.57	\$3,229.28		
December	\$7,400.00	\$1,110.00		
Totals	\$1,135,292.18	\$170,294.29		

First 8 months of 2018 reflect rental increases in just about every month. Summer season is over and the majority of rental guests have re booked for summer 2019. As a welcome gift South Beach Resort Properties, LLC gave every January, February and March monthly winter renter a monogrammed Sandpiper Towel, which was well received. All of the Sandpiper rentals are now integrated with VRBO/Home away family. I have converted several leads into bookings, just not the number I was expecting. To help increase rental activity in our off months, I have signed up with Vacay Home Connect, a distribution company to assist with more exposure by adding our rental condos on travel web sites like booking.com, expedia, TripAdvisor, Airbnb and the home away family. Integration should be complete in three weeks. The only downside to these travel web sites is their payment and cancellation policy, which are not as strict as ours, they require a 60 day advanced payment and cancellation policy.

Current listings

608 listed for \$600,000

Current sales

505 sold for \$715,000

SOUTH BEACH RESORT PROPERTIES, LLC

SANDPIPER RENTAL PROGRAM

RENTAL REPORT SEPTEMBER, 2018

Sandpiper Marketing Expenses by Category		
	2017	2018
		*Jan-Sept
Barefoot Software	\$3000.00	\$1500.00
HOMEAWAY/VRBO	\$8,027.44	\$1000.00
NEW SMYRNA VISTORS CENTER		\$500.00
Office Supplies	\$1,987.94	\$1,249.94
Orlando Sentinel	\$750.00	
Sandpiper Website/ Google ad	\$1,970.39	\$2,139.00
Virtual Tours	\$3,033.40	\$1,665.00
Mail Outs – Brochures-Guest marketing/Sandpiper Towels	\$1,200.00	\$2,610.70
Chamber Of Commerce Advertising	\$330.00	
Office Rent	\$10,200.00	\$8,550.00
Admin	\$15,234.88	\$10,920.00
Credit Card Fees	\$33,358.40	\$24,511.38
Banner advertising/ Google 360	\$1,364.00	\$
Totals	\$80,456.45	\$54,646.02

Thank you,

Diane Moreno

Broker

South Beach Resort Properties, LLC