

SANDPIPER OWNERS ASSOCIATION, INC.
MINUTES OF BOARD OF DIRECTORS MEETING
May 8, 2019

A meeting of the Board of Directors took place at 5 pm on May 8, 2019, 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.

1. Quorum

Members of the Board in attendance and establishing a quorum were: Scott Johnson, Michael Pollack, Rhonda Pearlman, Terry Hadley, Kenny Schwartz, Bucky Hurt, Ruth Delaporte (by phone) and Henry Besten (by phone).

2. Brian Wichlei – insurance report

Brian joined the meeting, and was introduced by Scott. He is with Sihle Insurance as Sandpiper's new insurance agent for all our Association required insurance, which is going through current annual renewals in May and June. He has extensive background and experience with the condo association insurance. He reviewed with the Board our proposed new insurance program. The new flood policy will be in place mid-May. He is currently working on a new liability and umbrella policy which will renew in May/June. He has received quotes for this insurance that will not require any material modifications to our the property. After discussion, a motion was made, seconded and approved to accept the presented policy with \$10,000,000 umbrella coverage. The balance of our insurance needs will also renew in June, and Brian will get back to us on those details. Brian then answered other Board questions, and thereafter departed the meeting.

3. Manager's written report from Greg Foster (not in attendance)

Greg's last day as our Manager is May 16. Attached to these minutes is his final written report to the Board reporting on the referenced topics from the time he has been our manager. The Board reviewed the report and commented on certain topics. His proposed suggestions were noted for further consideration.

As part of this discussion, we discussed future staffing, including consideration to revert back to our former staffing of also having an on-site housekeeper/maintenance assistant to be responsible for the tidiness and cleanliness of our property. This would be in addition to the heavier maintenance needs overseen by Allen. There was a general agreement that there is enough to do on a daily basis that a full-time person for these cleaning tasks in important for the appearance and upkeep of all of our common areas. A former housekeeping employee who previously did a good job for us may still be in the area. Scott will try to contact that person to determine if available to be considered (we are keeping the name of such person currently confidential as we believe employed by another condo who should not be aware of our interest).

4. Report of Board search committee for new Property Manager

Scott reported that we have received three resumes from manager candidates. The search committee recently interviewed one of those candidates, but wanted to meet the other two candidates. Scott is initially personally meeting those two candidates later this week, and subject to those meetings, will determine whether those candidates should be further interviewed by the search committee, and if so, hopefully next week. In the meantime, assuming there is a period of time when we are without a manager after Greg's departure May 16, Scott will be meeting with the remaining staff to assure that through joint efforts of the Board and staff, our property and operations are properly managed.

5. Board ratification of recent Board decisions

The Board discussed ratification of 4 decisions that the Board had recently approved since the last official Board meeting in January 2019. Each of the 4 matters were identified, and upon separate motions made for each one, the following decisions were unanimously approved by the Board as ratified: hiring of Allan Wyatt in March as our Director of Maintenance; annual evaluation in March of office manager, Silvia Isele, with related increase in her hourly compensation; adoption in April of new Association rules, which were previously announced and distributed to all Owners, and are applicable to all Owners, guests and renters; and payment from our reserve account for unscheduled capital projects that have arisen for the proposed new mailboxes (approximately \$8,000; project in planning but not yet started) and new parking lot lights that have been installed (approximately \$8,300); it was acknowledged that these are considered capital projects and that we have sufficient funds in our reserves to currently pay for these from reserves.

6. Review of major projects completed, in process or to be scheduled

The Board reviewed the status of major projects. For projects completed, see the attached Manager's Report.

Projects in process include that all ceiling lights in walkways have been replaced, but with touch-up repairs to be completed by Allan Wyatt.

Projects to be scheduled include replacement of trash chutes (we are looking at alternatives); repaint of exterior walkway and balcony columns by Twin Palms (under warranty; currently scheduled for the Fall to avoid such a project during our busy summer season upon us); west side railings that continue to flake paint (we are looking at alternatives); landscaping enhancements (on hold until new manager in place and per budget); walkways (undergoing inspection for areas of peeling, with repair quote being obtained); video cameras (we have operating cameras for the clubhouse, parking lots and pool area, which are monitored in office; we are considering other areas for camera installation, including at both north and south gates, and on 7th floor balcony for coverage of entire pool/seawall areas); irrigation system being inspected by Allen for any needed repair, coverage and timing of being in use; mailbox replacement is on hold pending measurements and quotes for proper installation in current location; cell phone service (based on periodic complaints of spotty reception depending on

location of use on the property, we are reviewing ways to improve coverage); elevators (all 3 elevators remain a constant challenge to keep operational without periodic repairs we are experiencing; exposure to our salt air and moisture environment will continue to be our challenge for keeping elevators properly maintained; Oracle is our maintenance company, and we have had some issues there, but Greg advises we would have similar issues with any other company, and we should keep Oracle for now, including because they know our equipment); pool furniture and umbrellas (these are in need of repair, replacement or additions, but currently will remain as is pending consideration of options and cost) .

7. Treasurer's Report - Henry Besten

Henry reviewed with the Board his attached report. The Association's finances are in good shape. We have also just received a written study of our reserves and capital projects, that will assist the Board in developing the 2010 reserve budget and capital project schedule. Henry is still reviewing the study for his initial comments before we distribute the study to the Board for its comments.

8. Rental Report – Diane Moreno

Diane was not in attendance at the meeting, but her May 2019 rental report is attached to these minutes.

9. Old Business

There was no old business to discuss.

10. New business

a. Spectrum proposal to renew bulk contract for TV and other services

Spectrum is our current provider for cable TV and other related services, for which the Association pays the monthly bill. We have now received a proposal from Spectrum for a new 5 year bulk contract to provide each unit with upgraded service for cable TV, wifi/internet and phone service. Attached is summary of the proposal (the acceptance date is incorrect). After discussion, including consideration of the advantageous economics, and prior communications with our Spectrum account rep and with Greg to get his opinion, the Board approved accepting this proposal. The basic services will continue to be billed monthly and paid for by the Association, similar to the current process. Any extras an Owner wants will be billed to that Owner, just as occurs now. The highlights include a reduction in current pricing, saving approx \$4200 per month; upgraded equipment for each unit as identified in the summary; and a one time payment to the Association of \$16,800 for being a good past customer and as an "incentive" for this new proposal. There are details to work out on logistics to transition to this new contract. It will take approximately 90 days for the new program to be in place, so perhaps August. Once the new contract is signed by May 30, each unit owner will be receiving a letter from Spectrum giving more details of exchanging of current equipment for new equipment, etc. Once we know more details, the Board will also send a letter to the Owners giving more details. For Owners that

don't use Spectrum services, there would be no change for them, but the Association still pays a per unit amount for all 84 units since all our units are wired for these services.

b. Security

The Board addressed overall security of Sandpiper. We continue to have periodic instances of unauthorized persons on our property, including coming from the parking lot areas or from the beach. We will continue to address what we can do to tighten up our security. Several years ago we installed the fencing and four gates separating the parking area from the pool area. It is thought that has been somewhat of a deterrent to unauthorized users, especially coming from the parking area. But more often than not, our authorized users don't consistently lock the gates as they come and go, so the protection of locked gates does not occur, so that continues to be an issue. There is no current interest in installing protective railings along the seawall, including due to fact that would interfere with the Sandpiper amenity of an open view and atmosphere we have for unobstructed views of the beach, including from first floor units. So we will continue to discuss proposed "best practices" that would be appropriate and acceptable for our Owners, and other authorized users, to improve our security against unauthorized trespassers.

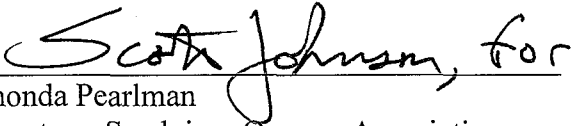
11. Closing comments/questions

There were no further comments or questions for the meeting.

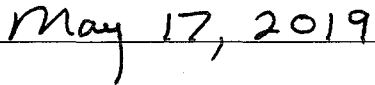
12. Adjourn meeting

There being no further business to come before the Board, the meeting was adjourned at 6:30 pm.

Respectfully submitted,



Rhonda Pearlman
Secretary, Sandpiper Owners Association



Date

Sandpiper Condominium

90 Day Report

To the Board of Directors, Sandpiper Owners Association

When I was hired, I was asked to review all phases of the Sandpiper Condominium over the first 90 days and report back to the Board. Using the "fresh eyes" approach the following is my summation. I assure the Board that even under the current situation, this report is strictly a business report with absolutely no bias or animosity.

BUILDING:

The Sandpiper is a beautiful building and I applaud the Board and members for the extraordinary move that was made in 2004/05. To shut down for 2 years, strip the building to the skin and remodel is a bold move and unheard of. The longevity of your building will be much greater having done this.

As stated above, it has been 14 years since the remodel and as concrete goes, you will start to see some deterioration in the coming few years. Preventative maintenance will be the key to limiting/slowing this deterioration. It is recommended that you consider pressure washing the building once or twice a year. I understand that this sounds ridiculous as I thought the same thing when I was told about this procedure 4 years ago during a complete exterior concrete restoration at Peck Plaza, a 30-story high rise.

"The rain will take care of that" was my thought as well but as it has been explained to me by concrete experts, and many associations currently do this, pressure washing gets the salt out of the pores of the concrete and delays the inevitable rebar failure underneath. It will also help keep the windows and the caulking around them from failure.

You currently have an excellent roof maintenance program which is vital as the roof is one of the most expensive components of your building. Parking lot, tennis court are in great shape.

Elevators are the most problematic, expensive component in many buildings are yours are no exception. While we have had some issues with the center elevator over the last 2 months, which appears to finally be reconciled, the fact that they are open to the outside salt air and moisture, means they will require constant maintenance and cleaning.

The center elevator has the old tube lighting in the ceiling while the N and S elevators have nice LED's with a beautiful "cover". It is recommended that the center elevator get the same lighting as the N and S elevators.

Walkway and related railings have been discussed and except for some paint on the beach stairs, we suggest that this be put on hold until the next budget year or two. Please remember that if you select to paint, even with powder coat, you do not get a warranty, but with new railings, you get a good warranty.

Not part of the building, but the front perimeter wall on the north west corner, where the rain water drains, we discovered that the water flows to that corner and pools. There is a 4-inch pipe sticking up from the ground about 5 inches. A great deal of water pools there before it gets high enough to go down the drain. I would be concerned what that sitting water is doing to the concrete wall. Possibly a better drain would in order.

Property:

The property is beautiful aesthetically. It is recommended that you arrange your 2020 budget to reflect some significant dollars to new landscaping. Multiple ways to improve the "first impression" or curb appeal as well as the east side or pool area.

Allen has suggested that the bike area be fenced. They have done it next door and it does look great. I would suggest same.

The pool stairs on the south side of the south pool are the only beach access stairs you have and are not ADA compliant. They are grandfathered in and as it appears there was a second set of pool stairs at the north pool in the past, it is recommended that you consider adding a second set of stairs that is ADA. This would make it accessible for a handicapped person and would also alleviate MANY people from climbing over or jumping off the sea wall to get to the beach, pool or their unit on the north side.

I foresee some edge work on the pools in the next year or two, but as they were just cleaned, a good painting should suffice.

You currently have 69 lounge chairs, 17 chairs, and 8 umbrellas. Obviously with 84 units, most of which are 3 bed 3 bath, there is a significant shortage of both. This also leads to people holding chairs first thing in the AM. This issue needs to be addressed as soon as possible.

SECURITY:

It is virtually impossible to secure your property when the front and back doors are completely wide open. The current gates were intended to provide area security assuming they were locked. As you know very few users latch the gates when they come through them. It is strongly suggested that you look into getting front gates, similar to the ones next door. They recently had theirs installed INSIDE the property. It is also strongly suggested that you consider railings on the sea wall. As you know we had an incident a few weeks ago with a stranger knocking on doors and walking into a 1st floor unit when the door was left open. He was ultimately taken away and Baker Acted.

Finances:

Very good shape, no one is in arrears. Excellent Operating account balance and good reserves although Mgmt would like to see a stronger reserve, and the upcoming new reserve study will guide you through replacement future costs.

Accomplishments: Below are the things we were able to accomplish in our first 90 days.

Hired Allen Wyatt as Dir of Maintenance, which is a great hire for the Association. You will not find a more conscientious, self-dedicated man who will look out for the property's best interest.

Parking lot lights with new LED lights

Hallway and stairwell lights with new LED's

LED bulbs in front door fixtures of all unit doors

Brand new trash chute doors

Concrete work in front of unit 207, 208 and drains that were clogged that caused damage in front of 207/08 corrected

New pool pump

Radios for 2-way communication

Painted the stop stripes at each entrance

New Knox Box, which is the box used by firefighters to get to the necessary emergency keys during an emergency. These boxes have a universal key that opens them that Volusia County uses in almost all buildings

Uniforms – we purchased shirts for the staff so they can be easily recognized on the property.

Speed limit signs have been placed throughout the parking area

No trespass signs have been placed at the entrances and the N and S gates

Tow away signs

Additional signage ordered to be added at putting green that reads "Putting Only"

New garbage cans -- we purchased cans with flaps for the first floor to keep critters out of them and discourage using them for domestic trash on the first floor. We then put the old ones on the pool deck which only had 2 when we arrived

New dog poop bag dispenser out front

Motion sensors in all bathrooms, ground floor and clubroom

Painted the office, added new blinds and put the new SP logo and hours on the front door

Fire extinguisher & hoses have been inspected, and hoses have been tested and broken replaced

Fire pump inspection had not been done since 2016; that has been done and found to have a bad impeller which is ordered and will be replaced.

We will be happy to answer any questions the Board may have about this report.

This report is respectfully submitted to the Board of Directors, April 30, 2019

Greg Foster, CAM

Manager, Sandpiper Owners Association

TREASURER'S REPORT

Sandpiper Owners Association, Inc. - Q1 2019

Date: 4-30-2019

Summary: SOA financial results are in order for the quarter ending March 31. Net income was modestly favorable to pro rata budget. Our balance sheet is in good order. Additional detail follows.

Balance sheet: As of 3/31/19, SOA account (BBT, FCB, Schwab) balances totaled \$557k – of which \$161k were operating balances and \$396k were capital reserve balances. Capital Reserves of \$250k were invested in short-term CDs at interest rates of 2.3-2.5%.

Income: First quarter income of \$158.6k was on target with budget.

Expenses: Operating expense of \$124.8k was \$12.7k below budget. Within that favorable variance, building maintenance was over budget by \$4.3k and management/admin was favorable \$15.4k. Unplanned replacement of the 2nd floor ice machine accounted for \$3.4k of the maintenance variance. Within the management/admin expense grouping, staff payroll expense was down \$14.4k due in part to Manager vacancy through January though there was an operating contingency offset of \$3k related to a payment to Diane for transition assistance.

Projects: Budgeted 2019 capital reserve projects include: (i) flat roof replacement and repair for \$120,000 (completed for \$108.2k), (ii) replacement of the trash chutes doors for \$10k (completed - \$8.8k), and (iii) repair of trash chutes for \$10k. Repair of the trash chutes will require more than planned work and costs and therefore are currently deferred pending further determination of course of action.

Unplanned capital projects for 2019: Mailbox replacement as approved by Board as a capital item will be installed at a cost of approximately \$7.7k. Parking lot lights were replaced with a 10 yr warranty at a cost of \$8.3k which was charges to reserve account. These items will be added to our 2020 Reserve schedule for future replacements.

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Notes

Accounting: Charles Belote & Assoc. is our accounting provider. They prepare detailed monthly financial statements and reconcile our monthly bank account statements in conjunction with preparation of the monthly financial statements. Financial statements include comparisons to budgeted amounts. Budgets are prepared on annual amounts and the financials assume prorated monthly amounts. Belote also prepares our income tax return and conducts an independent, end-of-year review.

Invoicing: Sandpiper pays invoices generally weekly. Our property manager is responsible for reviewing and coding the invoices. The manager then submits them to Treasurer and President, who review them independently. Upon President's approval Treasurer submits invoices to accountant for payment.

Financial accounts: We have accounts at 3 financial institutions: BB&T, Florida Community Bank, and Charles Schwab. Operating funds are in checking and money market accounts. Reserve funds are in money market funds and CDs.

Reserve Schedule of Capital and Deferred Maintenance – A twenty year schedule is prepared and updated annually based item costs as well as useful and remaining lives. We periodically engage an independent firm to update our reserve items. Our last independent review was conducted in 2014. Greg has engaged Expert Inspectors Inc. to perform an updated study. This will be a part of the basis of our updated 2020 Reserve Schedule. We use the pooled method of accounting for our reserves.

SOUTH BEACH RESORT PROPERTIES, LLC

SANDPIPER RENTAL PROGRAM

RENTAL REPORT MAY 2019

Month	2018		2019	
	Rental Income	Commission	Rental Income	Commission
January	\$141,176.90	\$21,176.53	\$138,489.29	\$20,773.39
February	\$176,565.83	\$26,484.87	\$172,705.00	\$25,905.75
March	\$187,063.04	\$28,059.45	\$173,365.00	\$26,004.75
April	\$103,442.59	\$15,516.39	\$ 99,265.00	\$14,889.75
May	\$43,980.35	\$6,597.05		
June	\$182,121.43	\$27,318.21		
July	\$242,245.00	\$36,336.75		
August	\$127,282.13	\$19,092.32		
September	\$36,616.00	\$5,492.40		
October	\$5,150.00	\$772.50		
November	\$21,900.00	\$3,285.00		
December	\$9,285.79	\$1,392.87		
Totals	\$1,276,829.06	\$191,524.34		

Experienced a great winter season with our snowbirds, sad to see everyone go but all good things must come to an end. This season we entertained our renters with a catered poolside Bar B Que from a local restaurant, and for the first time based on Greg Fosters recommendation invited Sweets and Eats a food truck to come out and set up in the parking lot. They serve an amazing gourmet lunch including several homemade desserts. Everyone enjoyed both events!

No Current listings

Sales

504 sold for \$870,000.00

SOUTH BEACH RESORT PROPERTIES, LLC

SANDPIPER RENTAL PROGRAM

RENTAL REPORT MAY 2019

Sandpiper Marketing Expenses by Category		
	2018	2019
	Jan-Dec	*Jan-April
Barefoot Software	\$3500.00	\$750.00
Home away/VRBO	\$998.00	\$998.00
New Smyrna Visitors Center	\$1,239.00	\$
Office Supplies	\$2,172.25	\$984.00
Orlando Sentinel		
Sandpiper Website/Google Ad	\$3,344.70	\$692.00
Virtual Tours	\$2,625.00	\$620.00
Marketing/Towels/Gift Baskets	\$3,387.83	\$595.50
Chamber Of Commerce Advertising	\$330.00	\$
Office Rent	\$11,400.00	\$3,800.00
Admin	\$16,300.00	\$4,154.00
Credit Card Fees	\$32,500.82	\$6,531.64
Banner Advertising/Google 360	\$150.00	\$
Totals	\$77,947.60	\$19,125.14

Thank you,

Diane Moreno

Broker

South Beach Resort Properties, LLC

386 689 0160



COMMUNITY
SOLUTIONS

Proposal Overview

4/19/2019

Property Name: SandPiper Condo
Location: 5501 S Atlantic Ave. New Smyrna FL 32169
Property Contact: Greg Foster
Email: greg.sandpiper@gmail.com
Current Service: Bulk Video and Phone
Current Rate: 53.00

Offer: Bulk Video, Phone and High-Speed Internet (HSD):

The following offer includes:

- ▶ High-Speed Internet 100 Mbps & Spectrum Platinum TV & Phone service
- ▶ Three (3) HD Digital box/remote per unit (STB- Set Up box).
- ▶ One Internet modem and One Wireless Router per unit.
- ▶ Annual price adjustments shall not exceed 4%.
- ▶ No price increment until January 2022
- ▶ Contract term 5 years.
- ▶ **Unit price of \$50.00**

These were the important factors for the analysis of this offer.

- ▶ Exclusive prime community with 84 Condo/apartments.
- ▶ Community qualifies to include the Internet as part of the Bulk Agreement because already has the infrastructure in place that serves the community.
- ▶ Community qualifies for the Marketing/Door fee incentive of 200.00 per unit. A lump sum payment check of \$16,800.00 will be paid to the HOA upon delivery of a current W-9 form.
- ▶ Lower Rate increase: from 5% to 4%.
- ▶ Upgrade on equipment: From 1 HD Set top box and 2 DTA's to 3 HD Set-top boxes, one (1) Internet modem and one (1) Wireless Router
- ▶ Every resident that requires additional STB, Premium channels or events can request them through Customer service, and it will be billed directly to the resident.

**Offer is contingent on acceptance by the Association and Spectrum's management by
May 17, 2019**

Please address questions or concerns to: **Samir Mussa** | Account Executive
407-462-4276
Spectrum Community Solutions
2251 Lucien Way | Maitland, FL 32751
samir.mussa@charter.com