

**MINUTES**  
**SANDPIPER OWNERS ASSOCIATION**  
**BOARD OF DIRECTORS MEETING**  
**JULY 29, 2020**

A meeting of the Board of Directors took place at 5 pm on July 29, 2020, virtually as an online meeting through Zoom. Notice of the meeting was properly posted.

**1. QUORUM**

All members of the Board in attendance and establishing a quorum were: Scott Johnson, Rhonda Pearlman, Ruth Delaporte, David Satcher, Kenny Schwartz, David Kaczmarek, Terry Hadley and Bucky Hurt, along with Diane Fitzgerald, Property Manager.

**2. RATIFICATION OF PAST BOARD DECISIONS SINCE  
LAST BOARD MEETING IN JANURARY 2020**

The Board discussed ratification of several decisions approved since the last official Board meeting in January 2020. Each of the below matters were identified, and upon a single motion approved by a majority of the directors, these decisions were approved as ratified as follows:

1. Change of elevator maintenance company from Oracle to Kone on July 1, 2020.
2. All required insurance renewed for a new annual period.
3. Board approval to lock North and South gates for security purposes in May, with that approval then rescinded several days thereafter by a Board majority following comments from many Owners in opposition, followed by the County Fire Marshal requiring all gates not requiring key from poolside but instead be accessed from poolside to parking lot side by push bars not requiring keys per fire code regulation.
4. Approval to install security fencing on a portion of the top of the North and South boundary walls from seawall west, followed thereafter by a majority of Board agreeing to reverse decision to fence North wall based upon further consideration, including comments from several Owners that North fencing not necessary and would impede views to the North of some units. Majority of Board then approved use of the extra North fencing that had already been fabricated to extend fencing on South wall, subject to seeing whether the extra fencing can first be sold to recoup the expense since not used on the North wall.
5. Annual review of staff: Silvia, Diane Fitzgerald and Christine Johnson.

6. Board approval of hire of Kenny Futch as additional grounds/maintenance staff member.
7. Board approval of sale of units 111, 205 and 614.

### **3. MANAGERS' REPORT – DIANE FITZGERALD**

See Diane's report attached to these minutes, on which she provided oral report on each item as noted. Her oral report also included:

1. New hinges for gates have been ordered.
2. Covid-19 Protocols: Taking steps to protect Owners, renters, guests and staff by requesting masks in office at ALL times. Masks are available should someone not have one. Christine and Kenny have been wiping down everything. All beach chairs are being wiped down every morning with hospital-grade disinfectant. Questionnaire is being sent by Diane Moreno to each renter to be completed prior to rental date; and subject to answers to questions that show a risk, that rental may not be allowed. This must be on file prior to check-in.
3. Major projects completed include new garbage chutes at each end of the building, and repainting of the steel doors on the property. Some of the repainted doors already showing wear of paint, and contractor being called to provide warranty work at its expense. Steel doors on north side have been replaced with fiberglass doors.
4. Future project is required update to fire alarm system in the building. This was a 2020 reserve budget expense for which funding in place. Contract approved for cost less than budgeted.
5. From January Board meeting, we had approved an inspection of all units for water leaks or potential water leak issues, at cost of approximately \$70 per unit as an Owner's expense upon invoicing. This was scheduled following garbage chute project. But due to Covid virus, we decided to postpone this project until the circumstances will allow a better situation for inspectors to enter individual units.

Comments or questions on Diane's report:

1. Question asked about installation of security cameras at the 4 gates. These are on hold as we determine if other steps are proving to be sufficient deterrents to trespassers or those failing to lock gates behind them. We do have bids for cameras.
2. Some of the unit numbers on the decorative wall fixtures next to each unit front door need repair or replacement. Diane is checking on a source for repair or replacement where needed.



#### **4. TREASURER'S REPORT – HENRY BESTEN**

See Henry's report attached to these minutes. Henry was unable to attend the meeting, so Scott reviewed the report as attached. Finances are in good shape. Scott, Diane and Henry are working to compile the 2021 operating and reserve budgets. to reviewed by the Board at its next meeting in September, for final proposed budgets to be ready for review by Owners at the November Annual Meeting.

#### **5. RENTAL REPORT – DIANE MORENO**

See Diane's report attached to these minutes. Diane was not at meeting, so Scott reviewed the report as submitted. Diane had earlier this year received approval to requested deferment of her obligations of monthly payment toward Silvia's salary and office rent due to expectation that virus issue would severely impact her rental income due to cancellations. But Diane has been able to remain current for all financial obligations with the Association, so no deferment to date. As reported under the Manager's report, Diane M communicates with each proposed renter with a Covid questionnaire to help assure no Covid issues arise through our renters coming to our property.

#### **6. DECISION MAKING PROCESS OF THE BOARD**

The Board discussed the desire to keep Owners advised of major decisions the Board will be considering for which the Owners may have input to provide to the Board in advance of such decisions. So we want to give Owners a chance to comment in advance on such proposed decision. If no comment is made by Owners, the expectation of the Board is that they can then make decisions relying upon the fact that no Owner had comments or opposition.

So moving forward, for any decisions the Board will be undertaking that are of the type that should be shared with Owners in advance for their ability to comment, a written notice will be provided to Owners in advance, so that Owners can have appropriate notice and time to respond to the Board if they disagree or have other comment with a proposed decision. That way, the Board will know in advance of such Owner comment and opposition, and can take that into account during the decision-making process. And once such notice is given, if no Owner opposition is registered in a timely fashion, then the Board will deliberate on its decision assuming no Owner opposition, and such Board decision will then become final. Any Owner dissent once that Board decision is made and acted upon will be deemed untimely and will not require the Board's reconsideration of that decision. This system will allow the Board to conduct its business in an informed manner and without being concerned about having to reverse decisions once made based on untimely Owner input.

## **7. OLD BUSINESS**

There was no old business to discuss.

## **8. NEW BUSINESS**

Board member Diane Browning had requested for future consideration a nominal amount of financial contribution from the Association to support 'fun events' that are organized by some Owners for the families of Owners, renters and guests who are onsite during the 3 main holiday periods of Memorial Day, July 4 and Labor Day. Based on the good will and fun generated by these holiday events, the Board was generally in favor of such Association contribution, subject to the requested amount on a case by case basis, and also subject to the status of the Covid virus for future holidays, since for liability purposes, we don't want the Association in role of being a sponsor of such events if Covid is still with us. So this topic will be considered on case by case basis upon request at the particular time.

Board discussed proposed November annual meeting, and whether it will be conducted in person or virtually through Zoom. That format will be determined as we get closer to the selected date in November. Scott will also be reviewing with the Board the terms of the current Board members, to determine the members whose term will expire at this annual meeting, and who will want to re-up for another 3 year term. The consideration of the 4 officers for next year will also be reviewed, to be discussed no later than the next Board meeting to be scheduled in September.

## **9. UNIT 115 – WATERLINE ISSUE**

The Board discussed as a last item of business a recent legal demand letter received from Craig Pearlman, one of the co-owners of unit 115, regarding an alleged waterline issue impacting their unit. As also being a co-owner of 115, Board member Rhonda Pearlman departed the Board meeting at this point, and was not part of this discussion.

As background for Owners reviewing these minutes, the Owners of unit 115 have advised they have had two events of backups of water into their unit through a waterline under their sink. They advised only of the second incident from late 2019. They assert that the problem is the waterline that connects under their sink, and through which flows sink and related water from both their unit, and all units above them, and which ultimately flows through a connecting horizontal line underneath the sidewalk outside their unit to an outfall some distance to the north. The line serves the entire 15 stack, through which water from sinks etc. (not toilet water), runs vertically from 615 to 115, and then runs horizontally from 115 to the front door of 115 and then continues through the underground pipe to the outfall to the north.



After the second backup in late 2019, they hired a company to video the inside of the horizontal line. The Association agreed to pay for the video. From that video, they determined there was a 6 foot "sag" in the underground line located about 15 feet north of their front door. Because of the sag, they asserted that the water leaving their unit does not freely flow past the sag and out to the outfall. Based on finding the sag, the Owner's had the line "blown out" so that anything blocking the line was eliminated. So the assertion was that when the water does not flow freely to the outfall and gets "blocked" at the sag, the water then backs up into the line and back into their unit to create a flooding issue. And even though the line was cleared of any blockage by their entity, they assert this blockage would happen again.

So earlier this year the Board received an initial demand letter from the 115 Owners that the Association is responsible for this line as the entity that installed the line as a common element, and therefore the Association should repair the line where it sags. And their contractor's estimate of approximately \$9900 was provided as the cost to dig up the area, replace the sagging line, and then reconstruct the sidewalk area back to its original condition.

After initial investigation by the Board and a plumbing company hired after receiving the initial demand letter some months ago, it was determined that the line was then clear, that water now flowed appropriately and with a clear line, it was s0nly speculation that there would be another back up. So the Board did not agree with the Owners' demand to replace the pipe at that expense.

The Owners thereafter retained an expert in such issues to perform a further investigation, who reviewed the video of the line that the Owners had ordered that confirmed that there was a sag in the line and that such sag was in fact a defect, and that the line should be replaced. The demand letter asserted that the Association's line was in fact in violation of the building code because it has the sag, presumably from the time when that line was installed underground in the early 2000 building project. The demand letter further advised that if there were another backup into unit 115 caused by the sag in the line, and there were resulting damage to the unit, the unit owners would look to the Association for reimbursement of all expenses to repair any water damage, loss of rentals etc.

Based upon the contents of the recent letter, including expert report, and the threat of potential legal action, the Board needed to again address the matter to respond to the Owners. The Owners were then advised that the Board would take the matter under further advisement at this Board meeting, and did so.

Without disclosing in these minutes all of the Board discussion since this is now considered a confidential legal matter, it was determined that the Board would obtain a second bid in the event a decision was made to replace the line. The Board is in the process of doing so, and the Owners have been advised.

It is noted that the demand letter did not acknowledge that the Association in fact paid for the Owners' video of the line, and has attempted to cooperate with the Owners in their investigation, so these minutes wanted to reflect that. The next step is for the Board to obtain a second bid to compare to the \$9900 repair bid of the Owners, and then determine what course of action to take. All Owners will be updated with the Board's further action on this once the Board finalizes its additional investigation.

There being no further business to come before the meeting, it was adjourned at 6:05 pm.

Submitted,

Rhonda K Pearl  
Rhonda Pearlman, Secretary

8/5/2020  
Date



## MANAGER'S REPORT - DIANE FITZGERALD

### SANDPIPER BOARD MEETING – JULY 29, 2020

#### GARBAGE CHUTES

New trash chutes have been installed in the north and south stack.

#### ELEVATORS

The Board has entered into a new contract for our elevators with Kone. They took over July 1, and so far are a 100% improvement over Oracle. Their techs seem very knowledgeable and their response time is excellent.

#### SAND INTRUSION ON POOL DECK

We purchased a piece of machinery called a Force Blower (Billy Goat) that works great to mechanically sweep the pool deck when the beach sand intrudes over the seawall during strong high tides. This saves us countless hours of payroll or hiring another company to sweep off the sand. We were unable to get any governmental regulatory approval to have machinery access the beach to lower the sand near our seawall.

#### SECURITY

We have installed fencing along the east end of our south boundary wall so that proposed trespassers cannot climb over the wall and enter our pool deck, as has been observed over a period of time. We are currently not fencing the north wall in the same manner, including to determine whether we have an issue at that location as we do on the south end, and also based on opposition of Owners at the north end who suggest fencing will impede their northern views of the beach/ocean. We also experimented with closing the north and south gate with a padlock, but based upon opposition of many Owners, and that the Fire Marshal advised this was against code, we removed the padlocks. The Marshal also required that we install panic bars on the beachside of our 4 gates to open them from the beachside, as opposed to allowing us to use keys from beachside as had been the process. We installed the panic bars and has a welder to put mesh on the gates so that unauthorized users cannot access the panic bars to enter the poolside from the parking lot side. Staff is also now more often walking the property to make sure the 4 gates are locked when not in use, and also patrolling

the pool areas and the parking lot more frequently, including to identify vehicles that are subject to towing as not having a parking permit. Staff now also maintains a trespasser log to record instances of trespassing when observed, so that we have a record of such occurrences. This should help us determine the extent of alleged trespassing. To date, we have recorded several instances, including trespassing from the beach, from Ocean Walk across the street, and as caught in the parking lot.

#### JULY 4<sup>TH</sup> WEEKEND

We closed the north entrance and put a staff member in the parking lot to control access at the south entrance, and only had to tow a few cars. Kenny worked from 4:00 to 12:00 midnight on July 4, so we did not hire security. Our office was opened the entire weekend including Sunday, and our staff plus Diane Moreno all worked the weekend and I think did a great job. It appeared everyone that was entitled to a parking space had one, and there were no incidents at the pools. We received many compliments from Owners and renters about the great weekend enjoyed by all.

#### COVID 19

We have put in place protocols to protect our staff, owners, and guests. A plexiglass screen has been installed in the office over the counter. We purchased Hepacide Quat II (a disinfectant used by hospital) for use on pool chairs, elevator buttons, handles, stairwell rails, luggage carts, etc. All handles, elevator buttons, restrooms, etc. are cleaned every hour. Masks are required, available and worn in the office. Diane Moreno has also instituted protocols for the rental units and instructed her cleaners accordingly. Diane M also sends a Covid questionnaire to all proposed renters in advance to be completed and returned to Diane by the renters as condition to being able to stay with us. Depending on how the questions are answered, Diane M follows up with the renters to clear them to come, or not come, as the case may be.



Please contact me in the office or by phone if there is anything you would like to discuss at any time.

Respectfully submitted,

Diane Fitzgerald, CAM

## **SOA – TREASURER’S REPORT**

Our current financial position is good and somewhat favorable to our 2020 pro-rata budget. Absent material unexpected adverse events it is reasonably expected the association will perform within budget for the year.

### **June 30 Financials – Year-to-Date**

- Revenue YTD is essentially as budgeted.

- Operating expenses are running 11% favorable to pro-rata budget through mid-year. Notable variations are below budgeted staff expense (\$9k), operating contingency (\$10k), and building maintenance (\$10k).

Going forward - Monthly operating expenses are uneven and certain expenses tend to be higher in the second half of the year. Higher insurance costs and the lapsing of the Spectrum “incentive payment” amortization will also contribute to eroding the first-half net favorable position. Revenue from earned interest will be lower than budgeted due to the significant fall in short term interest rates.

### **Budget for 2021**

We are in the initial stage of developing next year’s budget.

Operations: At this point in time the only notable comment on the 2021 operating budget is that budgeted insurance costs will be higher by about \$28k.

Reserves: Reserve projects for 2021 will be considered and discussed by the Board over the next few months.



**SOUTH BEACH RESORT PROPERTIES, LLC**

**SANDPIPER RENTAL PROGRAM**

**RENTAL REPORT JULY 2020**

Month	2019		2020	
	Rental Income	Commission	Rental Income	Commission
January	\$138,489.29	\$20,773.39	\$137,595.00	\$20,639.25
February	\$172,705.00	\$25,905.75	\$195,821.67	\$29,373.25
March	\$173,365.00	\$26,004.75	\$194,518.80	\$29,177.82
April	\$113,265.00	\$16,989.75	\$51,676.66	\$7,751.50
May	\$48,064.00	\$7,209.60	\$60,980.00	\$9,147.00
June	\$150,393.00	\$22,558.95	\$157,700.00	\$23,655.00
July	\$267,100.00	\$40,065.00	\$212,500.00	\$31,875.00
August	\$63,100.00	\$9,465.00	\$	\$
September	\$43,600.00	\$6,540.00	\$	\$
October	\$4,457.14	\$668.57	\$	\$
November	\$30,200.00	\$4,530.00	\$	\$
December	\$10,788.13	\$1,618.22	\$	\$
<b>Totals</b>	<b>\$1,215,526.56</b>	<b>\$182,238.98</b>	<b>\$1,010,792.13</b>	<b>\$151,618.82</b>

**This certainly has been the most challenging seven months of my lifetime! Since the pandemic we have had 88 cancellations to date, and still managed to salvage a decent summer! We have put in to practice new cleaning and sanitizing procedures for housekeeping which involves CDC approved cleaners, and more time in between guests for housekeepers to complete a thorough sanitation clean. We have also developed a COVID-19 questionnaire which must be completed and signed by all rental guests prior to arrival. So far we have only had the one guest who tested positive. All of our Canadian winter renters have cancelled due to border closures, and I'm sure we may get more cancellations if COVID numbers do not decrease in our state. Coming soon I've signed up with a travel software company called ITIDIGITAL to design and implement navigation menu settings on The Sandpiper Website, in order to promote tourism in our local area. Some examples are: must see & do, fishing charters, Art festivals/local art hot spots, local bars and breweries. This should be completed by next month! We continue remain vigilant in our efforts to keep everyone safe and well.**

**Sales**

**614 \$807,000 June 2020**

**111 \$785,000 July 2020**

**SOUTH BEACH RESORT PROPERTIES, LLC**

**SANDPIPER RENTAL PROGRAM**

**RENTAL REPORT JULY 2020**

<b>Sandpiper Marketing Expenses by Category</b>		
	<b>2019</b>	<b>2020</b>
	<b>Jan-Dec</b>	<b>*Jan-July</b>
<b>Barefoot Software</b>	<b>\$3000.00</b>	<b>\$1500.00</b>
<b>Home away/VRBO</b>	<b>\$1,996.00</b>	<b>\$746.50</b>
<b>New Smyrna Visitors Center</b>	<b>\$535.00</b>	<b>\$</b>
<b>Office Supplies</b>	<b>\$1,956.37</b>	<b>\$1,056.54</b>
<b>Sandpiper Web site</b>		<b>\$1,357.00</b>
<b>Sandpiper Website/Google Ad</b>	<b>\$4,147.53</b>	<b>\$758.00</b>
<b>Virtual Tours</b>	<b>\$2,880.00</b>	<b>\$1,020.00</b>
<b>Marketing/Towels/Gift Baskets</b>	<b>\$1,881.90</b>	<b>\$1,431.13</b>
<b>Chamber Of Commerce Advertising</b>	<b>\$340.00</b>	<b>\$</b>
<b>Office Rent</b>	<b>\$11,400.00</b>	<b>\$6,650.00</b>
<b>Admin</b>	<b>\$17,514.00</b>	<b>\$7290.00</b>
<b>Credit Card Fees</b>	<b>\$32,665.23</b>	<b>\$16,548.61</b>
<b>Banner Advertising/Google 360</b>	<b>\$535.00</b>	<b>\$</b>
<b>Totals</b>	<b>\$78,851.00</b>	<b>\$38,357.78</b>

**Thank you,**

**Diane Moreno**

**Broker**

**South Beach Resort Properties, LLC**

**386 689 0160**