

**MINUTES  
SANDPIPER OWNERS ASSOCIATION  
BOARD OF DIRECTORS MEETING  
SEPTEMBER 16, 2020**

A meeting of the Board of Directors took place at 5 pm on September 16, 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, Tiffany Lytle, Terry Hadley, David Satcher, Diane Browning, Henry Besten, Bucky Hurt, David Kaczmarek, along with Diane Fitzgerald, Property Manager, and Steven Selznick, unit owner/guest attendee.

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

The Board discussed ratification of several decisions approved since the last official Board meeting in July 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. Vote against a suggestion to replace grass area between the 2 pools at edge of seawall, and replace it with pavers to increase lounge chair area.
2. Approval of sale of units # 114, 404, and 601.
3. Approval of initial 90 day review of staff member Kenny Futch, who received positive comments.
4. Approval of repair of damaged underground waterline outside unit #115.

**3. TREASURER'S REPORT – HENRY BESTEN**

1. Proposed 2021 Operating and Reserve Budgets:

Scott Johnson first reminded the Board of the budget review and approval process. Today's discussion will review for preliminary Board approval the proposed 2021 operating budget and reserve schedule prepared by Henry Besten and Diane Fitzgerald, with subsequent input from Scott, which will then be presented to the owners for their comments and discussion at the annual meeting on November 7, 2020. If preliminarily approved today, the proposed budgets will be sent out to each owner prior to the annual meeting. Once owners have the opportunity to review and comment on the proposed budgets at the annual meeting, the Board will then vote to approval the final proposed budgets at the first new Board meeting which will be held on November 7, 2020, immediately after the close of the annual meeting.

Copies of the budgets along with Henry Besten's budget notes are attached.

Discussion: Henry then discussed the process for developing the proposed 2021 budgets, including the proposed expenses that most greatly impacted the need for an increase of expenses in the operating and reserve budgets, all as highlighted in Henry's attached budget notes. The proposed 2021 operating budget requires an increase in the 2021 owner monthly payment starting January 1 from \$650 to \$714 (with \$55.50 per unit per month funding increases in operating expenses, and \$8.50 funding an increase to the reserve schedule - 9% increase). As noted on the line items of the budget compared to 2020, four items account for 75% of the operating expense increase: insurance, employee compensation, cable service, and irrigation costs. The increase in the annual contribution to reserves is needed to address the required 2021 capital projects and to keep our reserve requirement properly funded.

Henry also pointed out that projected cash balance anticipated will be underfunded, and recommended that the targeted cash balance be \$75,000 as a monthly baseline to adequately fund the monthly expenses.

The reserve schedule presented for review is supported by input provided by an outside independent firm that last year provided a report on needs, remaining useful lives of capital assets, and the costs to replace at the appropriate time. The recommendation to increase the reserve funds was noted and discussed.

The general observation for the proposed 2021 operating and reserve budgets represent the best estimate for the upcoming year consistent with the needs for the proper maintenance and management to keep Sandpiper as a first class beachfront property. We would all like to see our monthly fee be at a lesser increase, but the reality of our needs requires the proposed increase, including for the reasons set forth in Henry's attached notes and as further discussed at this meeting. A motion was made and seconded to allow for further discussion of the proposed operating budget and reserve funding for 2021, as submitted.

Discussion by other Board members was first led by Board member Dave Kaczmarek, questioning if certain budgeted expenditures can be reduced. Dave's premise was with current economic pressures, including due to the Covid impacts, he would like us not to increase the monthly fee this year, or at least not increase to the level proposed. Having reviewed submitted calculations, questions were generated and discussed about the following items:

- Steel door repairs
- Elevator maintenance and contract
- Trash removal
- Fire alarm monitoring
- Operating contingency
- Irrigation expense - water
- Contracted pool service

- Furniture maintenance and replacement of wind screen
- Office supplies
- Telephone/fax expense
- Internet services
- Additional holiday security
- Reserve contribution allocation

Dave had previously sent all Board members a detailed list that showed projected budget reductions by line for each of the line items. These reduction targets were based on prior year's budget actuals, actions that had been taken this year, and information he received from Diane F. He believed they could be accomplished without sacrificing the upkeep of the property.

Upon the completion of all discussion, including on Dave's comments, Scott called for a vote to preliminarily approve the proposed budgets as presented. Dave K moved to amend the motion to reduce the proposed operating costs by \$40,000, with details to be determined in what line items the decreases would be made. This motion was seconded by Diane Browning. After further discussion, the vote on the amended motion failed, with those voting in favor of that amended motion being Dave K, Diane Browning and Tiffany Lytle. All other Board members voted against the motion.

The original motion to approve the budgets as submitted was then voted upon. That motion passed, with those voting in favor being Scott Johnson, Rhonda Pearlman, Terry Hadley, David Satcher, Henry Besten and Bucky Hurt. Those voting against were Tiffany Lytle, Diane Browning and Dave K.

Based on the foregoing vote, the attached proposed operating budget and reserve schedule will be sent to the owners in advance of the November annual meeting, for discussion with the owners at the meeting.

## 2. Waiver of 2020 Annual Audit

As was done in 2018 and 2019, there was a recommendation to waive the annual audit of the 2020 year end financial statements, instead having an independent review performed. Sandpiper is not required to have an annual audit, with the option to satisfy state requirements to have an independent review performed. This will save Sandpiper \$3,000 to \$5,000 of audit expense. Based on the process of proper checks and balances, including that our CPA helps oversee the financial operation, we have a high level of trust in the proper financial operations of the Association, therefore not requiring an annual audit. Upon motion made and seconded, and after further discussion, the Board approved the motion to waive the annual audit. This issue will be presented to the owners at the annual meeting, where a majority vote of owners in attendance is required for the audit to be waived.

## 4. MANAGER'S REPORT - DIANE FITZGERALD

Diane's written report is attached to these minutes. She gave oral report consistent with written report, as follows:

- New fire system installation is proceeding through the permitting phase
- Wire mesh on the 4 entry gates being painted white to match the gate color
- All A/C drain lines have been flushed with plans to complete monthly
- Steel doors painting completed with warranty touch-up painting to be completed this month
- Underground waterline servicing the units in the 15 stack to be repaired week of September 16
- Fall projects ongoing
  - Pressure wash all walkways
  - Clean all pool furniture/umbrellas
  - Hose down all stairwells
  - Pressure wash around pools and then caulk
  - Paint parking lot curbing
  - Paint first floor bathrooms
  - Bids in process to paint all unit balcony railings

#### **5. PLANNING FOR ANNUAL MEETING OF OWNERS TO BE HELD NOVEMBER 7, 2020**

Sandpiper owners have been notified of the Association annual meeting of owners to be held in person on November 7, 2020 at 9:30 am at the 7th floor clubroom. The required first notice of the meeting has been sent to owners, and the required second notice will be sent at least 2 weeks prior to the meeting. Scott reviewed the current Board members terms remaining, with confirmation of the current 4 members running for another 3 year term being Tiffany Lytle, David Satcher, David Kaczmarek and Bucky Hurt. We have received at Notice of Intent from owner Steven Selznick also wanting to run for a 3 year team. Because we have only 4 Board positions available to be filled, and now have 5 persons running, this means we will have a contested election for those 4 Board positions, with the vote to be conducted at the annual meeting. And per the first notice sent to all owners, any other owner that wants to run for the Board has until Sept 28 to submit their Notice of Intent. So we will need to wait until Sept 28 to see what the final count is on those wanting to run for the 4 positions available. Scott also reviewed the proposed officers to be elected by the new Board following the annual meeting. Henry and Rhonda have both confirmed their willingness to again be Treasurer and Secretary, respectively, for another year, if the Board elects them. Scott, as current President, and Terry, as current Vice-President, both have one year remaining on their Board terms, and will be conferring if they want to be considered for election to those respective offices for one more year if the Board elects them. They will advise the Board of their decision to be considered.

#### **6. RENTAL REPORT - DIANE MORENO**

Diane's report attached to these minutes. Diane not at the meeting. Scott reviewed the report as submitted. No comments.

## 7. OLD BUSINESS

There was no old business.

## 8. NEW BUSINESS

A suggestion was made to consider having a special Board meeting to discuss topic of security, including some instances observed of unauthorized users accessing our property for parking, or entry into pool areas, or accessing the beach from our property. Since all Board members were not in attendance, Scott will send out information to the Board to gauge the interest of the Board to have a special meeting and undertake any other actions on the topics of security and unauthorized users.

## 9. ADJOURN MEETING

There being no further business to come before the meeting, it was adjourned at 6:36 p.m.

Submitted,

Rhonda K Pearlman  
Rhonda Pearlman, Secretary

9/23/2020  
Date

**Sandpiper Owners Association  
2021 Operating Budget**

9/05/20

	2020			2021
	Budget	08/31 YTD	Forecast Year End	<i>PROPOSED</i> Budget
<b>Ordinary Income / Expense</b>				
<u>Income</u>				
4020 Maintenance Fees	655,200	436,800	655,200	719,712
4060 Late Charges	0	61	61	
4080 Transfer Fees	0	950	600	0
4100 Interest-Operating Accts	300	34	57	60
4350 Interest-Reserve Accts	4,288	1,505	1,755	600
4500 Office Rent	12,600	8,400	12,600	12,600
4501 Reimbursed Employee Expense	17,100	12,120	17,495	18,096
4999 Miscellaneous & Laundry Income	0	50	0	0
<b>4000 Total Income</b>	<b>689,488</b>	<b>459,921</b>	<b>687,768</b>	<b>751,068</b>
<u>Expense</u>				
<b>5000 Building Maintenance</b>				
5010 Building Maint - Supplies (SOA)	15,000	15,084	24,000	24,000
5011 Building Maint - Vendor	9,960	9,556	13,810	12,000
5013 Stucco Repairs	1,200	0	0	0
5014 Railing Repairs	0	0	0	120
5015 Steel Doors Repairs	6,000	1,270	6,600	7,200
5089 Elevator Phone & Monitoring	1,440	1,488	2,040	1,980
5090 Elevator Maintenance - as needed	12,000	5,348	8,040	12,000
5095 Elevator Maintenance Contract	6,600	11,366	14,616	7,800
5240 Interior Pest Control	3,000	1,750	3,000	3,000
5260 Water/Sewer	9,000	6,685	9,240	9,300
5280 Trash Removal	16,800	10,261	15,900	15,000
5300 Electric Power	16,800	11,290	17,040	18,000
5350 Fire Alarm Maint/Inspection	8,400	1,464	3,970	4,800
5352 Fire Alarm Monitoring	1,320	239	540	720
5400 Cable Service	45,000	24,778	48,520	54,240
5450 Operating Contingency	20,592	0	7,500	19,356
<b>5000 Total Building Maintenance</b>	<b>173,112</b>	<b>100,578</b>	<b>174,816</b>	<b>189,516</b>
<b>6000 Grounds Maintenance</b>				
6040 Contracted Lawn Service	22,800	6,720	20,280	20,400
6041 Grounds Maint - Supplies	3,900	8,995	7,455	8,400
6080 Lawn Spraying	1,200	1,200	2,000	1,920
6140 Water - Irrigation	10,800	12,246	19,380	19,200
<b>6000 Total Grounds Maintenance</b>	<b>38,700</b>	<b>29,161</b>	<b>49,115</b>	<b>49,920</b>
<b>7000 Pool &amp; Clubhouse Expense</b>				
7040 Contracted Pool Service	18,000	10,225	15,480	16,800
7060 Pool Chemicals/Supplies	1,200	1,610	3,025	3,600
7070 Pool Heating (Gas)	9,600	6,845	11,340	10,800
7080 Pool Equipment Repair	7,800	3,445	1,980	4,800
7220 Furniture Maintenance	2,400	0	540	1,200
<b>7000 Total Pool &amp; Clubhouse Expense</b>	<b>39,000</b>	<b>22,125</b>	<b>32,365</b>	<b>37,200</b>

**Sandpiper Owners Association  
2021 Operating Budget**

9/05/20

	2020			2021
	Budget	08/31 YTD	Forecast Year End	<i>PROPOSED</i> Budget
<b>Ordinary Income / Expense</b>				
8000 Management, Admin, Misc.				
8012 Payroll - Assoc. Employees	154,980	96,368	149,180	160,056
8013 Payroll Taxes	13,140	9,931	14,727	14,400
8040 Postage	600	0	120	300
8060 Copies/Printing/Supplies	3,000	3,210	4,360	4,200
8064 Computer	900	157	780	1,500
8080 Accounting (Belote)	12,000	7,800	11,950	10,200
8100 Legal	900	0	120	300
8120 Insurance - Gen, Wind, D&O, Fire, etc	101,400	90,751	120,000	128,400
8122 Insurance - Flood	20,520	13,754	20,940	21,600
8160 Telephone/Fax	1,440	612	780	720
8161 Internet Service - Office	6,804	5,329	7,400	6,000
8190 Miscellaneous & Contingency	6,000	0	2,400	6,000
8230 Bank Charges	96	87	120	120
8300 Group Health Insurance	10,800	6,000	9,600	10,800
8375 Office Expense	1,500	786	1,200	1,200
8390 Uniform Business Report	60	61	120	120
8440 Security	2,040	0	540	1,200
8442 Dues/Licenses/Permits	1,020	500	840	780
8460 Bureau of Condominium Fees	420	336	580	600
<b>8000 Total Total Management, Admin, Misc.</b>	<b>337,620</b>	<b>235,683</b>	<b>345,757</b>	<b>368,496</b>
<b>Total Operating Expenses</b>	<b>588,432</b>	<b>387,547</b>	<b>602,053</b>	<b>645,132</b>
8600 Reserve Contribution Allocation	96,768	64,512	96,768	105,336
8605 Reserve Interest Allocation	4,288	1,505	1,600	600
<b>Total Expense</b>	<b>689,488</b>	<b>453,565</b>	<b>700,421</b>	<b>751,068</b>
<b>Net Ordinary Income - Operating</b>	0	6,356	(12,654)	0
<b>Net Income from Operations</b>	0	6,356	(12,654)	0
<b>Owner's Monthly Maintenance Fee</b>	<b>650.00</b>			<b>714.00</b>
- for Operating	554.00			609.50
- for Reserves	96.00			104.50

**Sandpiper Owners Association - 2021 Reserve Schedule Items**  
Useful and remaining life years and anticipated cost as of 1-1-21

Acct	SOA - Description	2021		Reserve Scheduled 1st Year	Line Item Costs \$	Comments
		Useful Life (Yrs)	Remaining Life (Yrs)			
2287	Pool Deck/Common Area Furniture	15	0	2021	33,000	Expenditure Plan: as approved in 2020; 2021 remaining \$5k; then \$11k in 2026 and every 5yrs thereafter
2290	Pool Equipment	10	0	2021	9,000	
2899	Pool Windscreen	20	0	2021	43,000	new
2357	Domestic Water Pump/Equipment	24	0	2021	9,000	revised cost
2279	Elevator Modernization (doors, panels, hoist, etc.)	15	0	2021	442,000	Refurb plan: \$145k 2021 doors; '22 hoist clean; \$90k per cab in '31, '36, '41 (per Kone)
2286	Pool Deck Brick Pavers	20	6	2027	94,500	Accelerate a portion of 2027 spend to 2021 for spot paver rehab
2354	Asphalt parking lot resealing & striping	3	1	2022	10,000	
2308	Pool Heaters, Propane	4	2	2023	4,000	
2233	Walkways and stairwells, Resurfacing	8	4	2025	84,500	
2315	Fire Pump/Equipment	20	4	2025	22,500	
2257	Landscaping, Curb Appeal	5	4	2025	6,000	
2232	Painting curbs and stairwell grids	5	4	2025	5,000	
2231	Painting and Waterproofing Building	8	5	2026	215,000	
2289	Shuttleboard Court, Resurfacing	7	5	2026	2,500	
2303	Tennis Court, Fencing and Gate	10	5	2026	11,500	
2291	Restroom Interiors, Ground Roofing, Metal	12	6	2027	27,000	
2210	Pool: Resurfacing interior, exterior	25	7	2028	89,000	
2288	Restroom Interiors-7th Floor	15	7	2028	75,000	
2292	A/C Unit Club Room	24	7	2028	16,000	
2317	Kitchen Interiors	13	7	2028	8,000	
2391	Tennis Court, Resurfacing, Asphalt	24	7	2028	20,000	
2300	Roofing, Flay/Membrane	8	7	2028	8,385	
2212	Mailboxes	10	8	2029	108,000	
2205	Parking Lot Lights	10	8	2029	8,800	
2256	Trash Chute	10	8	2029	8,300	
2301	Trash Chute	25	10	2031	148,500	2 chutes completed 2020; assume middle chute replaced 2031; U-Life 28yrs
2302	Putting Green	12	10	2031	8,800	
2280	Interior Renovations, Common Area	15	12	2033	25,000	
2375	Utility Infrastructure & Equip	15	13	2034	28,000	
2357	Asphalt parking lot repaving	15	15	2035	10,000	
2355	Fire Alarm System Modernization	20	14	2035	23,000	
2314	Seawall, Restoration	20	20	2040	65,000	To be replaced in '20. Excludes unit alarms.
2297		39	19	2040	52,000	
<b>Total Expenditures</b>					<b>1,720,285</b>	

\* Cost Basis is generally in 2020 dollars per our EII Reserve Study.







## **2021 SOA Budgeting Notes**

### **Maintenance Fee for 2021**

- Proposed increase in monthly maintenance fee is \$64 to \$714 per month.  
Of that, \$55.50 is attributable to operating requirements and \$8.50 to reserve requirements.

### **Operating Budget**

- Proposed 2021 total operating expenses are \$56.7k higher than budgeted for 2020. (= \$56.25//mo/u)  
Four specific items/actions account for +75% of the operating increase = \$42.6k (= \$42.26/mo/u):
  - 1) budgeted insurance costs increased \$28.1k (= \$27.86/mo/unit)
  - 2) employee cost changes added net \$5.3k budgeted costs (= \$5.30/mo/u)
  - 3) cable costs increased (incentive amort. lapsed) = \$9.2k increase (= \$9.17/mo/u)
  - 4) Irrigation costs were inadequately budget for 2020 by about \$9k; actual is expected to be about the same in 2020 as 2019 – each at \$19k. 2021 Budget is \$19.3k
- Projected 12/31/20 cash balance in Operating accounts is \$62k. Same for 12/31/2021.  
This is low. Consequently, 2021 Budget contains an additional \$8k (in Operating Contingency) to support a minimum targeted cash balance of at least \$70k.  
For comparison, prior year end operating cash balances were: \$88k, \$161k, \$274k for 2019, 18, 17

### **Reserves**

- Costs and useful life estimates of reserve items in our 2021 Reserve Schedule were kept substantially the same as in last years' schedule – which had been updated based on our 2019 outside independent reserve study. A few items were updated to conform to Sandpiper's most recent experience and timing requirements as well as updated cost estimates for near-term items.
- Notable changes are: the addition of windscreen replacement; retiming of pool paver related expenditures; and a substantial increase in our elevator maintenance refurbishment investments.
- Other assumptions: Inflation was included at 1%/yr except first year; interest was assumed at 2% except in the first 2 years; and starting cash balance was projected at \$265k.
- Projected cash balance in Reserve accounts at 12/31/20 is \$265k.  
Compares to \$360k at 12/31/2019, \$470.4k at 12/31/2018, and \$513.1k at 12/31/2017

MANAGER'S REPORT - DIANE FITZGERALD

SANDPIPER BOARD MEETING – September 16, 2020

ON-GOING PROJECTS

- All drawings and forms have been submitted to the county and we are waiting for the permit to install our new fire system
- Maintenance is in the process of painting the mesh covering on all four pool gates so it blends in with white gate color
- First notice of the Annual Meeting has been mailed
- All a/c drain lines have been flushed out and will be done every month
- Painting contractor for our recently painted steel doors will provide us warranty touch-up work in September where painting has shown wear
- Underground water line servicing the 15 stack will be repaired week of Sept 14

FUTURE FALL/WINTER PROJECTS

- Pressure wash all walkways
- Clean all pool chairs & pressure wash umbrellas
- Hose down all stairwells
- Pressure wash around all pool and then caulk
- Paint white curbing in parking lot
- Paint first floor bathrooms
- We are getting bids to paint all unit balcony railings

Respectfully submitted,

Diane Fitzgerald, CAM

**SOUTH BEACH RESORT PROPERTIES, LLC**

**SANDPIPER RENTAL PROGRAM**

**RENTAL REPORT SEPTEMBER 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	\$42,900.00	\$6,435.00
September	\$43,600.00	\$6,540.00	\$40,047.00est	\$6,007.05
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>\$</b>	<b>\$</b>

**Sales**

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

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

**601 \$1,335,000.00 August 2020**

**404 \$785,000 September 2020**

**114 \$985,000 September 2020**

**SOUTH BEACH RESORT PROPERTIES, LLC**

**SANDPIPER RENTAL PROGRAM**

**RENTAL REPORT SEPTEMBER 2020**

<b>Sandpiper Marketing Expenses by Category</b>		
	<b>2019</b>	<b>2020</b>
	<b>Jan-Dec</b>	<b>*Jan-Sept</b>
<b>Barefoot Software</b>	<b>\$3000.00</b>	<b>\$1,500.00</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>\$2,618.48</b>
<b>Sandpiper Website/Google Ad</b>	<b>\$4,147.53</b>	<b>\$918.00</b>
<b>Virtual Tours</b>	<b>\$2,880.00</b>	<b>\$1775.00</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>\$9,450.00</b>
<b>Admin</b>	<b>\$17,514.00</b>	<b>\$11,808.00</b>
<b>Credit Card Fees</b>	<b>\$32,665.23</b>	<b>\$23,450.47</b>
<b>Banner Advertising/Google 360</b>	<b>\$535.00</b>	<b>\$</b>
<b>Totals</b>	<b>\$78,851.00</b>	<b>\$54,754.12</b>

Thank you,

**Diane Moreno**

**Broker**

**South Beach Resort Properties, LLC**

**386 689 0160**