

## The Towers Journal

Hello and Warm Wishes for Fall,

In an effort to be completely transparent and bring you, as owners, up to date on the current progress and state of affairs here at the Towers, I am providing you with the following update. As a newly formed Board, we have been extremely busy with the day-to-day operations as well as several projects. My goal is to ensure the operational needs are met and completed in the most efficient, both timely and financially, manner possible. The truth is there is a lot going on here at the Towers and to the best of my ability – the following should assist with keeping you informed as well as disproving any myths or untruths that are being circulated.

### Concrete restoration project

Bernie Swenson, Dave Aull and myself have met with the owner of R&J Coatings on several occasions to ensure we remain on task and can provide the most accurate update possible. We are currently in Phase One with no specific completion date provided; approximately 50% completion of this Phase. Please understand the timing is dependent upon weather and winds; expected completion of Phase One may not be until end of December potentially January, the contractor is unable to provide a guaranteed date of completion due to these circumstances.

Be advised of the following that is now complete:

- Phase One - Units ending in 16 - balconies are opening effective 11/22.
- Concrete restoration of Pool Pump Room & Ceiling of garage area (underneath the Shuffleboard court) is now completed. The costs incurred were \$17,200 for each project and the contractor has been paid in full for both.

In addition, we are working on obtaining contractor to complete fabrication of a Pool Pump Room hatch door as well the installation of a fan unit to ensure our pump room meets code.

Dave Aull and Bernie Swenson met with our Engineer that is overseeing the R&J project. As a result of this meeting, we were able to ensure Mr. Adams understood our expectations and understands that frequent visits to inspect scope of work being completed will be mutually beneficial.

### Building Projects:

With input from staff & multiple owners we have worked on many issues to facilitate repairs, implementing short-term/long-term maintenance repairs and planning in an effort to be proactive vs. reactive. I personally am beyond grateful for those owners who have stepped forward to assist with various projects, with no other interest in mind except to serve for the betterment of our building, our home!

- It was discovered that the AC units in the hallways had not been serviced for an excessive period of time. It is believed this was significantly increasing moisture visible on the walls of the hallways. Repairs involved replacing of A/C filters, cleaning and replacement of drain

pans and cleaning of coils. This seems to have alleviated most of the issues – we continue to monitor progress and will determine if additional remedies are needed. While doing this project, laundry rooms were painted and dryer vents cleaned. We've also ordered vents that will be placed on the hallway air conditioning unit access doors. We are testing a few to see if it is a potential solve for all laundry rooms.

- We are researching options for entry doors into our building and have contacted multiple companies. This project is deemed a priority due to safety.
- Multiple emergency and urgent plumbing and water leak repairs have been completed. We are investigating options to look at repairing/replacing water pipes in the building. We have also hired a contractor that is currently working to clean out drain lines in the building. You should have already received via US mail the notice informing of appropriate maintenance & care required of drains inside your unit. It is critical that we as homeowners take care of our drains. In addition, we have been advised that it is imperative that all residents use the appropriate laundry detergent. Signage is being posted in the laundry rooms, please assist by checking to ensure only High Efficiency (HE) laundry detergent is being used in the proper dosing. Using the incorrect or too much detergent only causes excessive suds and causes the drains in the washer to clog.
- After a walk through between owner of R&J (as an advisor), Bernie Swenson and myself, it was determined that the water leaking in the garage when it rains suspected source was the backup of the drain pipes/boxes that needs to be routinely serviced by maintenance. We have since had these boxes emptied by maintenance staff. In addition, we had spots on the ceiling and walls of the garage that continued to leak and since our maintenance staff painted using waterproofing paint, the leaking has ceased. We will continue to monitor. We have completed painting of the interior walls of the garage, and continue to work on painting the ceiling in areas, parking space numbers and directional arrows.

## **ROOF**

- Elevator Tower Roof: It was discovered that we had a major water intrusion from roof damage (Hurricane Irma damage) and R&R has since been out to complete the repair.
- Thank you to Peter Stavros and Charlie Blake, we now have appropriate signage on the roof – these markers now label the numerous pipes that are on our roof & they are now visible at night as they are made with reflective material.
- Fans on roof did occur damage from Hurricane Irma –working on replacement and repair options including 17th floor ceiling damage. It was discovered that multiple owners and our laundry room suffered from water damage, we have worked with contractor to ensure the roof is repaired as well as working to complete the necessary ceiling repairs.

## **Financials**

I have been working with our CPA to bring our Quickbooks up-to-date in an effort to have accurate information of monies due from owners since not all entries have been completed.

Budget was created with the accountant using YTD actuals. In doing this review, we were able to find money in line items that were inaccurate and allowed us to offer a 0% maintenance fee increase to cover our estimated operating expenses.

## **Laundry**

We continue to receive complaints in regards to functioning of washers/dryers. We were able to confirm that the new machines purchased this summer cannot be returned due to return policy and do not have an extended warranty. One of the major complaints received was that the new dryers were not working properly, it was determined that they had the incorrect amount of time setting and this has been corrected. We continue to review options for future replacements. In addition we have received complaints of the new washers “leaking”; again, Whirlpool is stating that the problem is not with the machine but instead a direct result of incorrect laundry detergent or amounts being used. We will continue to monitor this.

Concerns over the laundry money collection process have been addressed through a new procedure of collecting. Our funds collected for October (36 days) collected was \$3419.50

It was also determined that the keys to our laundry machines have not been accounted for previously and multiple keys were missing. Due to this, we have changed out the locks for the laundry machines in an effort to secure our funds.

## **Security**

We have been experiencing increased vandalism to our property which includes – damage to our sprinkler systems, damage to our railings on the stairway down to the beach, damage to our elevators resulting in shutting them down, drains plugged with all sorts of debris which includes live plants, vegetation, food items, dog hair; roof repairs tampering – as an example, a temporary repair using tarps and sandbags to stop water intrusion was tampered with resulting in water intrusion overnight; we’ve had multiple occasions where garage doors have been found open or half-open during odd hours; this also includes doors into our building being propped open.

All of this means that we need to be vigilant – as residents, if you See Something, Say Something. If someone before you has propped a door open, please take the time to secure our building and close the door behind you. Report maintenance issues appropriately to the Front Desk.

In addition, we have had reports of potential unauthorized entry into their units and reports of theft. Keys to units now have a sign in and out process in the office. We are looking into options to re-key and complete a full complete audit of all locked items on property and changing locks where necessary. As a reminder, if there is suspect of theft, please engage the proper law enforcement authorities to file a report.

## **Banking:**

We now have a business credit card, which means that we can now legally order items for the Association since the regulations changed in July.

## **Legal**

Post-election, the DBOT attorney was non-communicative with the new BOD and therefore it was agreed upon that we would seek out new legal counsel based in Daytona Beach. The BOD voted to seek new legal counsel, Attorney Dan Webster has been reviewing our docs and able to take us on as a new client.

## **Insurance:**

Bernie Swenson & I met with Brown & Brown Insurance to discuss policy renewal options and status of insurance claims. The decision was made to renew with Brown & Brown, with the same Property Ins carrier as we have a claim open from Hurricane Matthew which has been extended to March 2018.

Zenith Workers Compensation insurance carrier, denied request to renew due to the increase in WC claims; we had (3) this year which was excessive. We were able to obtain insurance from a different carrier and as long as we are required to provide our own Workers Compensation insurance we will need to implement ways to create a safe workplace as well as a proper return to work program.

From Hurricane Matthew, it was brought to my attention from our carrier that there are significant funds due to us:

1. We currently have \$262,000+ in recoverable depreciation due to us if we complete the projects and submit proof of payment and copies of invoices/contracts detailing the work.
  - a. Of this amount, we are reviewing our completed work and providing the proof of payment and necessary documentation to determine if additional funds will be paid to us to cover these costs incurred.
  - b. In addition, we will need to continue to move forward & review Hurricane Matthew repairs – reviewing items not yet completed and previously submitted to insurance. If we move forward with said project we will be submitting the final bill and proof of payment to receive recoverable depreciation.
2. Elevator Repairs – We are pending receipt of two additional checks – (1) from Flood and (1) from Property Insurance – which will totals approx \$96,000 – once received we will be moving forward with necessary repairs to elevators with these funds.

## **New Insurance Claim:**

We had major water damage in the 16 stack from the 14th floor down due to a pipe rupture. This has been submitted to our insurance – claim is opened, adjuster has been to the property and we

have submitted bills incurred. This is ongoing process and the carrier will be informing us as the Association any final bills due to be paid by us after the carrier pays out directly to vendors.

### **Property Management Company**

With everything that has been discovered & other critical items coming down the pipeline, it was imperative that we hire a property management company to oversee the day-to-day operations and these critical projects. Seven options were contacted the property management firm that meets the needs of our business was deemed to be SENTRY Management.

At the most recent BOD meeting, the BOD voted (6-1) to hire SENTRY Management. What you need to know:

SENTRY is a leader in the industry, with an A+ BBB rating –SENTRY currently is providing management services to approximately 2250 communities within 13 states having concentration of association management primarily located within Central Florida. They will be providing an onsite CAM Manager 5 days per week – on-call 24/7 and a backup CAM if that Mgr is not available. In addition, we will be receiving Back Office Support which includes a District CAM Manager who will be hands on for several weeks as we onboard and ongoing. We will also have Accounting Services which will replace the function of our current accountant with additional services for the same cost.

All inclusive of our budgeted line item, SENTRY will provide planning and coordination of association meetings, enforcement of deed restrictions, contract supervision /negotiations and collection of assessments including late fees. Included will be detailed financial and BOD reports. Community websites (current website options does not meet our needs going forward and will need to be in compliance with the new statutes effective Summer 2018). In addition, we gain multiple ways for owners to pay their assessments and monthly maintenance fees, including online payment acceptance. SENTRY will also be providing a website, and each owner will create their own unique log-in ID and password, this also includes reporting of financials in real-time. SENTRY will be mailing all owners with detailed information that will include details on the payment process, information about the website as well as smart device SENTRY App that will allow us to provide live critical updates as well notifications as necessary.

SENTRY will be also be taking on the burden of Human Resources expenses – including Workers Compensation reported injuries, wage and labor dispute resolution, payroll administration, W-2 prep, employment taxes, FICA, Workers Compensation process, Bodily Injury/Property Damage Liability and Errors and Omissions. The burden and liability is now SENTRY's, currently it's the association which means us as owners. Our employees will become SENTRY employees, with their current DBOT hire date transferring which will also allow for employee benefits, including if they select, 401K after one-year and health insurance options.

SENTRY will add 35% to the current payroll for each employee however, we are incurring these expenses now that will be transferred directly to SENTRY. (i.e. Payroll Taxes, WC Insurance)

There is an untruth being circulated – this does NOT mean that your maintenance fee will increase by 35%. These costs are currently being incurred by the Association in other line items in the current budget adopted.

In addition to CAM management, we expect to see significant increases in certain income line items (examples: late fees, strategic tracking of misc income items, and review of items to ensure we are charging condo association sale fees appropriately based on industry standards) as well as enforcement of other monies due; as well access to their portfolio of vendors which will save us significantly for contracted work and repairs.

The expected start date for SENTRY is December 1<sup>st</sup>, which will provide us with an on-site CAM Manager. Please welcome Ryan to our community! We are confident we will see tremendous increase in productivity and positive business results.

I am wishing you and yours the very best at this special time of year of thankfulness! We have a lot to be thankful for here at The Towers and progress of moving forward is one of them!

Happy Thanksgiving to you and yours!

Christina Honeycutt

DBOT President