MINUTES approved 5-27-25
BOARD OF DIRECTORS' MEETING
April 29, 2025

Call to Order: Bill Steenburgh called the meeting to order at 9:00 AM.

Directors Present:
Bill Steenburgh in person
Jimmy Lammon by speakerphone
Carole Maeder in person
Juliane Mondano in person
Shawn Parker absent

Bonnie Schinke CAM, several units represented in person, were also present.

Approval of Minutes:

Carole Maeder moved, seconded by Juliane Mondano, to approve the minutes of March 25, 2025, as presented. All voted aye. The motion passed.

OFFICERS REPORTS:
President
President's Report - Board of Directors Meeting

- Thanks, Recognition and Asks
  - Continued thanks to Sorrento staff, Board and all committee members for work done on all Sorrento owner's behalf. We are seeing an increased participation by unit owners and their efforts are recognized and greatly appreciated.

- Executive Summary of YTD 2025 Financials
  - March YTD financials are better than plan and expenses remain better YOY.
  - Remain cautiously optimistic that we will fund ongoing maintenance, needed repairs as well as Sorrento building improvements out of current operating budget and reserves. Goal remains to deliver 2025 to plan and use opportunity areas like insurance and increased scrutiny on costs with our largest vendors to once again enable improved HOA assessments in 2026. This

is obviously contingent on not incurring any large and unforeseen expenses due to special causes (fingers crossed on 2025 Hurricane season).
    - When the 2026 budget comes out we will be asking for a vote on rollover of net interest (interest minus taxes on that interest) to the reserves. For 2024 the full interest went to reserves, but the taxes hit the operating expenses providing unfavorability to 2025 budget. Will consider adjusting year end reserve assessment for net taxes this year as well (net will provide favorability to your 2026 HOA reserve assessment).

- Selective comments for Old Business
    - Tower Roof Replacement – Contract has been signed with Advance Roofing for our tower roof replacement. Tentative start date of 5/10 with completion late July/early August. SOCOTECH (engineering consultants) developed bid specs, managed the bid process and will ensure work is done to specs. This project is funded out of Structural Integrity Reserve (SIRS reserves favorability of $60K) and did have favorable impact on our 2025/2026 insurance rates. Motion to ratify contract.
    - 40 Ton AC Update - Thanks to Tim Albers who did an outstanding job leading the assessment effort, including getting Trane (OEM) management and the service team on site to assess the unit, repair the unit and provide us an annual service contract which has been approved and signed. Trane contract starts on 6/1 and they are scheduling initial agreement start up services. Will also reprogram run timing and parameters for optimal performance. Motion to ratify contract.
    - Insurance Renewal – New Insurance contract signed with Acrisure (term is 5/9/25 to 5/9/26). Rate is $389K for improved coverage (down $67K or 14.7% for contract term and down $89K or 17.8% for 2025 calendar year). Acrisure will soon be providing Risk Management Services Calendar of events.
    - Hurricane Glass Door Replacement – Julianne Mondano and team leading the effort. Julianne to provide update in meeting.
    - Reserve Project Planning
        - Hallway Revitalization – Committee to provide update in meeting
        - Social Room Revitalization - Committee to provide update in meeting

        - Upper Patio Enhancements - Committee to provide update in meeting
        - Asphalt – Will be soliciting offers from multiple vendors. Decision will be made over the summer and the work completed after the roof project is complete and the crane is removed.
        - Site Lighting – Still assessing best utilization of site lighting funds.
        - Fitness Room – Greg Bellon leading the project and is looking for additional volunteers interested in participating. Survey sent out to all unit owners looking for input.
- Selective comments for New Business
    - Ratify Fire Pump Contract -Coastal Services selected to replace Fire Pump. Thanks to all involved in assessment process. Replacement funding for pump, as well as Fire Services and temporary pump will come from SIRS Reserves. Motion to ratify contract.
    - Unit Renovations

- Meetings-Last Tuesday of Month at 9AM. Every month in season (November through May) and every other month for balance of year (no meetings in June, August and October)
    - Board Meeting dates for balance of 2025: 5/27, 7/29, 9/30, 11/25, 12/30

Sorrento Condo Association Vision

Strive to enhance the overall quality of life, making Sorrento a desirable place to live, while generating enduring value for all stakeholders.

Key strategic planks

- **Building community** - key point of differentiation for Sorrento
- **Building value** - preserving and augmenting owner's investment
- **Balanced/Focused Outcomes** - meeting owner needs, as well as Sorrento, and the broader Colony & Pelican Landing communities
- **Financial prudence and discipline** maintained
- **Enhancing collaboration** – owners, board, committees and employees

- **Employee satisfaction** as integral members of the Sorrento community.
- **Adherence to Condo Association laws, rules and regulations**

Treasurer's Report—Shawn Parker provided, read by Bill Steenburgh

OPERATING ACCOUNT
Operating cash in a Valley National Bank checking account totaled approximately $465,021.

RESERVE ACCOUNT
Reserve cash totaled approximately $1,482,330
The reserve cash is held as follows:
$250,799 in Merchants Bank Sweep 3.15% (fully insured)
$188,320 in Merchants Bank of Indiana money market/savings account yielding 4.16% (fully insured)
$70,887 in a Valley National money market account yielding 3.65% (fully insured)
Merchants Bank various CDs (Fully insured)*
$100,241 @ 4.5% maturing 6/12/2025
$102,311 @ 5.25% maturing 9/18/2025
$102,311 @ 5.25% maturing 9/19/2025
$255,423 @ 5.25% maturing 9/09/2025
Due From Operating: $101,330

* The interest is reinvested in the CD's (so that more money earns the 5.25%/4.5% rate).

FINANCIAL RESULTS (YTD 2025)

Favorable variances in the budget resulted from:
1) Lower Utility and Pool expenses (10k)
2) Higher other income from the Guest Suites (2K)
3) Lower Building Maintenance expenses (9.3K)

Unfavorable variances in the budget resulted from:
1) Higher Elevator Maintenance (we have almost spent the annual budget)
2) Higher Fire Pump expenses (we have spent the annual budget)

The Budget Comparison Report indicates that Sorrento was under budget by about $23,000 as of 3/31. However, some of this good news can be explained by the fact that we do not have a calendarized budget. For example, over $11,000 is because our employees receive 26 paychecks, not 24.

Managers' Report

1. Guest Suites – 9 nights for April.
2. Unit rentals

UNIT	LEASE PERIOD	NAME
1002	07/31/24 - 07/31/25	Marjorie Jo Koch & Lawton Koch
803	04/01/21-03/31/26	Stephen O' Toole

3. Sales- None in April
4. Quarterly Fees – only one unit not paid yet.
5. Units for Sale – 802, 604 & 302
6. Fire Alarm System – All is running well and hooked to the temporary fire pump.
7. Fire Sprinkler System—All is good.
8. The Fire Pump—We have a temporary fire pump installed until the replacement is available, hopefully in June. With the temporary fire pump, we could go off Fire Watch, with Estero Fire Department approval.
9. Generator: The turbo and gaskets were found and delivered. John Deere tech came in and installed. New batteries were installed, and a new charger is needed.
10. Domestic Water Lines—On April 22, the main ball valve was leaking, so we shut the water off for 5 hours to replace it. On April 23, another leak at a coupling started leaking, so we shut the water off for a few hours on April 24th to repair the leak.
11. Domestic Water Pumps- Pump #1 is disconnected to be rebuilt. We are still having issues with pump #2 shutting off. We will check the panel once we get the main water flow going.

12. Landscape—The CDD has cut back the irrigation schedule so that you will notice dry areas in the grass. These will come back when the rainy season starts. We will install new flowering plants by the fountain and pool planters.
13. Pool/Spa— The spa heater quit working on April 17th. Tuesday, April 22, Symbiont came and repaired the heater. Also, all the pool and spa filters were replaced. These get gummed up when people wear sunscreen and get in the pool and spa. This causes the filter to stop the water flow, which affects the heaters and the pumps. Please remember to shower before entering and when exiting the spa and pool.
14. The Building's Air Conditioners Are in good working condition. On June 1, we will start a maintenance contract with Trane for the 40-ton.
15. Building Maintenance—The north garage door has been grinding loudly. Action Automatic will be out to grease the 12 fittings. They also replaced the manual buttons inside the garage, as the panel was corroded.
16. Russ, our part-time maintenance man, has been moved on. We welcome Adam Schlesier as our new part-time maintenance man, who will be working Monday, Tuesday, and Wednesdays.

PLCA Report—Jimmy Lammon reported, as read by Bill Steenburgh.
Board elections were completed on March 26, with 4 new members seated on March 27th. Jim Fugelsang is the new Colony member of the PLCA board (ran unopposed). Special meeting held on April 15, and regular meeting on April 24, with the major item being addressed being the cancellation of rezoning of the Renaissance property to allow private recreation. After many comments and debate explaining the financial impacts, the vote to withdraw the rezoning application was passed.
Changes were made to attorney liaisons due to legal matters unknown to the new board members. Financial and treasury controls were changed. PLCA is in good financial shape. Privacy updates were implemented for the new visitor gate access system, and guest pass processes were reviewed. Beach refresh, construction, sand reclamation and dredging, water systems, dock rebuilding, and marina rebuild planning updates were reviewed.

Colony Report—Jimmy Lammon reported as read by Bill Steenburgh.

A sinkhole occurred on the road to the Bay Club near Palermo. Repairs were completed, and further study of the road condition is being done.

Bay Club dining continues to perform well, although some staff shortages have impacted on service. Special events are well attended. The Club continues to include many activities for the residents.
A discussion about board members being excluded from board legal communications was brought to the attention of the Colony membership.
Kayak slips are available for private storage of kayaks.
The CDD will replace and repair streetlights to ensure consistency by the end of 2025.

Social Committee

Jane Mook stated that since the last board meeting, the Social Committee hosted the end-of-season party on April 8th. We had 29 people in attendance, and unfortunately, we could not use our outdoor patio due to the wind. However, everyone enjoyed themselves, and Fire and Rice did their usual good job. The next scheduled event is the Kentucky Derby Party, which will take place this Saturday at 5:30, with everyone bringing an appetizer and plenty of mint juleps to share. We hope to see you all there; it promises to be a great party. This event will bring our season to a close.
The Social Committee met approximately 10 days ago and has planned the Tree Trim & Pizza party, scheduled for December 2nd. Also scheduled is a Dessert and Coffee in the Social Room on January 8, 2026. We have tentatively scheduled other events for later in the coming year, but more details will be shared in the fall.

Old Business-

Tower Roof- The contract has been signed with Advance Roofing for our tower roof replacement. Tentative start date of 5/10 with completion late July/early August. SOCOTECH (engineering consultants) developed bid specs, managed the bid process and will ensure work is done to specs. This project is funded out of Structural Integrity Reserve (SIRS reserves, favorability of $60K) and had a favorable impact on our 2025/2026 insurance rates.
Carole Maeder made a motion, seconded by Juliane Mondano, to ratify the approval of contracting with Advance Roofing and Sheet Metal. To Start in May. The motion passed unanimously.

40 Ton AC Update - Thanks to Tim Albers, who did an outstanding job leading the assessment effort, including securing Trane (OEM) management and the service team on site to assess, repair, and provide an annual service contract. The contract has been approved and signed. Trane contract starts on 6/1, and they are

scheduling initial agreement start-up services. Will also reprogram run timing and parameters for optimal performance.
Juliane Mondano made a motion, seconded by Carole Maeder, to ratify the approval of contracting with Trane for service on the 40-ton unit. The motion passed unanimously.

Insurance Renewal – A new insurance contract has been signed with Acrisure (term: 5/9/25 to 5/9/26). The rate is $ 389,000 for improved coverage, representing a decrease of $ 67,000 (14.7% for the contract term) and $ 89,000 (17.8% for the 2025 calendar year) compared to the previous rate. Acrisure will soon provide risk management services, including a Calendar of events.

Hurricane Glass Door Replacement: Juliane Mondano stated four units do not have any hurricane shutters on the west side. The committee is exploring hurricane glass shutters for all to use on the lanai year-round. Juliane is obtaining quotes and will need to research whether the weight of the shutters will be an issue. All specifications and requests must be approved by the Colony Review & Design Committee.

General Reserves-
Hallways- Diane Koslosky spoke regarding the hallway revitalization. The Committee is working diligently. Three types of designs are being researched: all carpet, carpet with hard flooring by the elevators (which could be tile, hardwood, or vinyl), and all hard flooring. They will present a CAD design to the board and the membership for opinions. The committee is currently working with Metro Flooring, design, and products. The plan is to have the hallway done by Thanksgiving.
Social Room – The committee aims to complete the social room carpeting concurrently with the hallway walls. They are considering re-upholstering the social room chairs, as well as installing new lights and painting. The committee is also looking at terrace furniture.
Asphalt - Three companies will visit the property in May to assess it and submit proposals.
Site Lighting - We are still assessing the best utilization of the lighting funds.
Fitness Room- Greg Bellon has volunteered as the chair for this project.

New Business
Fire Pump – Coastal Fire Service provided a temporary pump and the cost of installing a new pump.

Carole Maeder motions, and it is seconded by Juliane Mondano, to ratify the hiring of Coastal Fire Service for the new fire pump. The motion passed unanimously.

Unit Renovations- Five units submitted renovation applications. 402: retiled shower, 501: replace accordion hurricane shutters on front balcony, 503: closet remodeling with shelves only, 1204: remove and replace tile in master shower, and 1402: master bath update, including vanities, minor electrical, plumbing, and toilet replacement, and removal of tub.

Members' Comments: Owners thank the board and committee for all their hard work.

The next meeting will be on May 29, 2025.

Adjournment—Carole Maeder *moved, seconded by Juliane Mondano, to adjourn the meeting at 10:02 a.m. The motion passed unanimously.*