

Sorrento at the Colony
MINUTES
BOARD OF DIRECTORS' MEETING
July 29, 2025

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

Directors Present:

Bill Steenburgh by speakerphone
Jimmy Lammon by speakerphone
Carole Maeder by speakerphone
Juliane Mondano by speakerphone joined at 9:05
Shawn Parker by speakerphone

Bonnie Schinke, CAM, was present, along with several unit owners by speakerphone and one unit owner in person.

Approval of Minutes:

Carole Maeder moved, seconded by Jimmy Lammon, to approve the minutes of May 27, 2025, as presented. All voted aye. The motion passed.

OFFICERS REPORTS:

President – Bill Steenburgh

- Thanks, Recognition and Asks
 - Continued thanks to Sorrento staff, Board, and all committee members for work done on all Sorrento owners' behalf. We continue to see an increased participation by unit owners, and their efforts are recognized and appreciated.
 - Very positive Insurance inspection of Sorrento...top 1% of high rises and considered exemplary after completion of our liability site inspection from Acrisure (objective to improve risk profile of insured through the review, development and implementation of effective safety/risk management policies, procedures and controls focused on the mitigation of risk and minimization of losses). There is a copy of the report on our website.
- Executive Summary of YTD 2025 Financials

- June YTD financial results are improving YOY and remain better than budget
- Expenses down YOY by \$68K or 11% (insurance leading the way down \$57K or 21% and will continue to provide more good news for the balance of the year). Expenses are also better than the budget by \$30K, but some of the good news is just calendarization.
- Operating net income better than budget by \$22K.
- We remain cautiously optimistic that we will fund ongoing operations, needed repairs, and Sorrento facility improvements that are in process out of current operating budget and reserves.
- When the 2026 budget comes out, we will be asking for a vote on rollover of net interest earned on our investments (interest minus taxes on that interest) to the general reserves. For 2024, the full interest went to reserves, but the taxes hit the operating expenses, providing an unfavorable variance to the 2025 budget. We will adjust the year-end reserve assessment for net taxes this year as well.
- The net is barring any unforeseen circumstances (e.g., large hurricane expenses), we will be able once again to provide YOY favorability to your 2026 HOA assessment.

Treasurer's Report—Shawn Parker

June 30th, 2025

OPERATING ACCOUNT

Operating cash in a Valley National Bank checking account totaled approximately \$195,262.

RESERVE ACCOUNT

Reserve cash totaled approximately \$1,511,264

The reserve cash is held as follows:

\$250,885 in Merchants Bank Sweep 3.15% (fully insured)

\$608,056 in Merchants Bank of Indiana money market/savings account yielding 4.16% (fully insured)

\$33,310 in a Valley National money market account yielding 3.65% (fully insured)

Merchants Bank various CDs (Fully insured)

\$104,076 @ 5.25% maturing 9/18/2025

\$104,076 @ 5.25% maturing 9/19/2025

\$260,854 @ 5.25% maturing 9/09/2025

Due From Operating: \$150,007

The interest is reinvested in the CD's (so that more money earns the 5.25% rate). However, we have chosen not to reinvest the maturing CD proceeds in anticipation of the roof, driveway, and decorating expenditures.

FINANCIAL RESULTS (YTD 2025)

Favorable variances* in the budget resulted from:

- 1) Lower Utility and Pool expenses (11k)
- 2) Lower Grounds (7.5k, since we have not spent money in the category yet)
- 3) Lower Building Insurance (5.8K)

* not due to the lack of a calendarized budget

Unfavorable variances in the budget resulted from:

- 1) Higher Building and Elevator Maintenance (11k)
- 2) Higher Fire Pump expenses (10k). However, this expense will be moved to reserves**

The Budget Comparison Report indicates that Sorrento was under budget by about \$15,000 as of 6/30. Each month going forward, the new, lower insurance cost will have a positive impact on our budget variance.**

Respectfully submitted:
Shawn Parker, Treasurer

Managers' Report

1. Guest Suites – 8 nights for June and 16 nights in July.

2. Unit rentals

UNIT	LEASE PERIOD	NAME
1002	07/31/24 - 06/30/26	Marjorie Jo Koch & Lawton Koch
803	04/01/21-03/31/26	Stephen O' Toole
701	6/01/25 – 12/01/25	Nadia Abdalia
302	04/30/25 -10/31/25	Colby & Nancy Banker

3. Sales- None

4. Quarterly Fees – two units are in arrears. Both have been notified.
5. Units for Sale – 802, 604 & 302
6. Fire Alarm System – All is running well. The continuous beeping was from the fire pump. This issue has been resolved, and the beep should not occur in the future.
7. Fire Sprinkler System—Imperial/Marmic performed the sprinkler inspection and identified several sprinkler heads that required replacement. The work was completed in June.
8. The Fire Pump—A new fire pump was installed on June 4th.
9. Generator - Cummings came out and found several things that need to be repaired, as it is currently not working. Kohler came out and provided the necessary items to get it up and running. Cummins will repair the generator to get it back up and running, hopefully before the end of July.
10. Domestic Water Pumps- Pump two is up and running. We are waiting for parts for one of the panels, and we have the necessary pressure to sustain the water demand. A new backflow was required and installed on June 11 as per the requirements of Bonita Springs Utilities.
11. Landscape—We installed new flowering plants around the fountain and pool planters, as well as new plants in areas that had lost their original plants due to Hurricane Ian. Plam and hard wood trimming was completed in June.
12. Pool/Spa—The spa heater is not working. Symbiont replaced a heater coil. New chemical tanks and spa filter will be replaced soon.
13. The Building's Air Conditioners—The AC in the elevator tower was not functioning. Comfort Caddies came out and repaired it.
14. Building Maintenance - Asphalt proposals were received from D & G Sealcoating, Rose Pavement/Atlantic Southern, and Boness. They were all in the \$80,000 range. The lobby upholstery was professionally cleaned, and the furniture looks fresh and clean. Still having an issue with a roof drain in the one stack. The roofers have done that area; however, it is still leaking. We had PRS Pipe Restoration Solutions that use a camera for investigation. The interior of the drain line will need to be sealed. They will also be performing camera work on the sovent piping to inspect for any issues. The roof is ¾ done.
15. Employee- Rich Mancini, our maintenance supervisor, has submitted his resignation effective August 15. Rich has sold his house and is moving to Ohio. We are interviewing for his replacement. Rich will be sorely missed.

PLCA Report—Jimmy Lammon reported that the PLCA lawsuit with Ronto regarding units sold at Infinity is ongoing. The Ad Hoc committee with PLCA and The Colony was discussing financial fairness. No further information has been provided. PLCA is still waiting for the insurance to pay for the funds for Hurricane Ian. They are working on repairs throughout the community on the

sidewalks and streets. London Bay beach rights that belong to Raptor Bay. London Bay wants to move Raptor Bay beach rights, approximately 250, to the Ritz-Carlton. The timeshare properties have 216 beach rights. The current agreement states they must use PLCA buses, boats, and parking. Please be cautious while driving and biking in the community. There was a serious car-bike accident at Penny Royal.

Colony Report: Jimmy Lammon stated the owner survey regarding the Bay Club had a positive outcome. The renovation on the Bay Club floor, specifically the rotunda and second floor, will be closed for repairs from August 11 to 22. The loan payment begins in August for the Ian renovation loan. RFID code bars will be available in September or October, and all cars will need a new RFID bar. The Bay Club now has online reservations. CDD changes include the possibility of consolidating Bay Creek and Bay Side.

Old Business-

Tower Roof—SOCOTEC Consulting completed another site inspection for the roof replacement project being done by Advance Roofing and Sheet Metal. Work is being done per project specifications and following good roofing practices. As of 7/16 roof was 35% completed with membrane tear off and coverboard/base sheet installation. Approximately another 4 weeks of work (weather dependent) until completion

Hurricane Glass Doors—Juliane Mondano reported that three companies are to send in quotes; however, they will want several units to sign up.

General Reserves –

Reserve Project Planning Decorating Committee Projects – Team (Elaine Spero, Diana Perkinson, Dianne Koslosky, Lynn Steenburgh, Moustafa El-Khashab, and Bonnie Schinke) is doing an incredible amount of work on our behalf. The goal is to complete as much work as possible before next season, all within the approved budgets. Action plan in process with 30-40 actions being worked (will share some of the actions in flight in the meeting). We should all greatly and gratefully appreciate their expertise, their efforts, as well as their creative cost consciousness to refresh Sorrento while keeping our key objectives of Building Value and Building Community front and center in the decision-making process, and now targeting early August to provide unit owners with the opportunity to vote on

hallway flooring options. Owners will also vote on multiple flooring options for the social room. Other decisions need to be made by the Decorating Committee.

- Hallway Revitalization – Broadloom carpet, carpet squares, and some tiles. The vinyl planks have been eliminated due to the flooring companies stating there are issues with this in terms of value and wear and tear. The options will be sent out to the owners for their vote. Painting for hallway wall areas, including the copper ceiling in the elevator area.
- Social Room Revitalization – There will be carpet squares, reupholstery of the chairs, and new window coverings. The kitchen will have new door pulls and knobs. We will not replace the appliances at this time and will do so as needed. There will be a larger TV installed in the Social Room.
- Upper Patio Enhancements – Four tables and 16 chairs, along with a couch, four chairs, and a fire pit coffee table.
- Site Lighting – We are trying to do all first and second-floor lighting, which includes new chandeliers in the lobby, as well as high hats/can lighting with LEDs on all 21 floors. Outside lighting, garage, and other lighting in hallways will be installed once additional funding is available.
- Main Lobby - Ceiling is peeling and has been added to the list (staying within the existing budget). Other lobby opportunities under consideration (e.g., repair and polish marble floors, refresh interior plantings, etc.)

Fitness Room – Greg Bellon has contacted three vendors to change equipment. Once all three bids are received, we will present them to the board.

Asphalt-- We received three proposals for the Asphalt project, all of which were close in cost. The building committee reviewed the proposals, and the company with the thicker asphalt was chosen. D & G Asphalt was selected for a price of \$85,450. This will be done after the roof project has been completed. *Jimmy Lammon made a motion, seconded by Carole Maeder, to hire D & G to re-asphalt and line paint. All voted aye. The motion carried.*

New Business

Unit Renovations- 1402 hired Cornerstone to replace their kitchen countertops and cabinets. *Jimmy Lammon made a motion, seconded by Carole Maeder, to approve the renovation of unit 1402. The motion passed unanimously.*

Members' Comments: Rich Ragazzo suggested having the asphalt sealed in 2026. Jimmy Lammon stated that the interest earned on reserves costs us in taxes. It will be a considerable drop in taxes paid, as we are spending reserves this year. Shawn Parker stated that her AC line is clogged up again, and the AC quit working. This is a type of zooglea that forms in the AC lines. Owners can install Iflow on their AC to prevent this clogging of the lines. Once the owners return, we can arrange for the AC company to visit and explain the service that will prevent this issue from happening again.

The next meeting will be on September 30, 2025.

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