

MINUTES
BOARD OF DIRECTORS' MEETING
February 25, 2025

~~Draft~~ *Approved 3-25-25*

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

Directors Present:

Bill Steenburgh in person
Jimmy Lammon in person
Carole Maeder absent
Juliane Mondano in person
Shawn Parker in person

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

Approval of Minutes:

Jimmy Lammon moved, seconded by Juliane Mondano, to approve January 28, 2025, minutes, 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 owner's behalf. Bonnie will be providing update in Manager's Report, as well as continuing to update the action register on Sorrento website.
 - We remain in process of looking for owners interested in participating on Sorrento Board for 2025-2026, as well as anyone interested in participating in various committees that keep our building looking great, running efficiently and enabling community.
- Executive Summary of Financials
 - 2024 Financial Statements just finalized. Shawn will provide details in Treasurer's report, as well as post reporting on Sorrento website.

- In summary, full year financials better than plan and YOY, although December financials cut into some of overachievement. As noted in budgeting process, excess will be applied to 2025 operating expenses.
- 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 (top 5) to once again enable improved HOA assessments in 2026.
- Will review process and progress on reserve project funding under new business.
- Selective comments for Old Business
 - Generator Update - We repaired versus replaced the building generator. Additionally, we are replacing our current vendor due to lack of confidence in technical abilities, as well as potential integrity questions. Special thanks to John Fisher, Dick Betrand and Bonnie Schinke for working through the process to get the generator up and running in an effective manner. Funding will be from Structural Integrity Reserves (SIRS). As an aside, if you are willing and have specific experiences/skills that might be useful in any area of our building maintenance, please let us know. The overall time commitments are minimal and the potential paybacks to all are significant.
 - Tower Roof Replacement Update – As noted last meeting, we have contract with SOCOTEC (engineering consultants). They developed bid specs, are managing the bid process (*bid specs have been sent out to potential bidders*) and ensuring work is done to specs. Goal to have signed contract for roof prior to 4/1/25 and work completed prior to Hurricane Season. This project will be funded out of Structural Integrity Reserve (SIRS) and will have a favorable impact on our insurance rates.
 - Insurance Renewal - We are targeting significant opportunity in rates this year. We are in a softening market and need to make sure we take maximum advantage of it. We have made the decision to change our insurance agency this year. We have met with partner at Acrisure (Gulfshore Insurance) and came away very impressed at how knowledgeable and prepared partner was, as well as risk management services/processes they use throughout the year to improve our risk profile/costs. They are very proactive and provide many services that our current insurance provider does not (see notes from 1/25/25 meeting).

- Navona Cover for Upper Level Parking – We have been in contact with their GM and President. They have design approved and are targeting work to begin in late spring after the “season” is over to avoid parking challenges for residents. We have provided some input on potential design changes and recently sent follow up note. Awaiting their input.
- Selective comments for New Business
 - Hot Water Heater Replacement – Unit owner brought up potential new Sorrento policy to require replacement of hot water heaters at xx years. There are other condos within the Colony that require replacement of hot water tank every 10 years to prevent property damage to their buildings. No motion to be made this meeting but want to begin the dialogue to gather unit owner input.
 - Reserve Project Planning - Potential projects in 2025 (possibly 2026) that will use reserve funding if we go forward with them. Will decision projects/funding in March Board Meeting.
 - Total Reserves on 1/1/25 - \$1,399K (\$900K SIRS and \$499K General). Prior to any distributions on 12/31/25 we will have \$1,741K + interest income (\$1,146K SIRS and \$595K General)
 - Potential Reserve Projects under consideration between now and 2030
 - SIRS Reserves - Tower Roof - actual cost is TBD...reserves costing \$380K...6/1/27 date in study.
 - General Reserves - Hallway - \$451K (\$184K for flooring...9/1/25 date in study, \$267K furnishing and finishes...9/1/2030 in study), Social Room - \$149K (Bar and Kitchen - \$72K...6/1/26 date in study, Flooring - \$11K...10/1/28 in study, Furnishing and Finishing - \$66K...10/1/28 in study), Asphalt Paving - \$52K...6/1/26 in study, Asphalt Sealing - \$17K...1/1/27 in study, Pool Heater 2 - \$8K...on 6/1/28, Site Lighting - \$80K on 6/1/26. Additionally, some recent discussion on potential updates to Exercise Room equipment, as well as potential Upper Patio Improvements (e.g.- couple of fire pits and nice patio furniture, potential landscape changes, etc.)-TBD
 - Hurricane Glass Doors - TBD
 - 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: 3/25 (annual meeting), 4/25, 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, employees, and the broader Colony & Pelican Landing communities
- **Financial prudence and discipline**
- **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 stated that she had prepared the report with the adjustments that were sent to the accountant. There were at least three items that we needed to have clarified or corrected. Also, the income from the guest suites and the income from the investments, we would like taxes paid from their prospective areas. Guest Suite from operating and interest income from reserves. We are waiting for the final year-end from the accountant.

Manager's Report February 2025

1. Guest Suites – 27 nights for the month of February.
2. Unit rentals

UNI T	LEASE PERIOD	NAME
1002	07/31/24 - 02/28/25	Marjorie Jo Koch & Lawton Koch
202	02/01/25-03/31/25	Glumack, Dennis & Patrica
803	04/01/21 - 03/31/25	Stephen O'Toole

3. Sales- 302 to close March 3rd to Anthony Castelbuono
4. Quarterly Fees – One unit not paid.
5. Units for Sale – 802 & 303
6. Fire Alarm System – All is running well.
7. Fire Sprinkler System—All is good
8. Fire Pump— Tested on Monday and is working well.
9. Generator—On February 3rd, a technician from John Deere came out and installed a new starter for the generator. A new turbo and gaskets have been ordered through John Deere and will be installed soon. This will hopefully take care of the generator issues.
10. Domestic Water Pumps Are running well.
11. Landscape— All is good. With the electrician digging up areas to lay new lines, we will need the landscaper to reseed these areas.
12. Pool/Spa—The pool shower was repaired on February 3rd. One of the thermos pool heaters is leaking, causing water loss. Symbiont was here on February 20. All geo heaters are now working.
13. Building Air Conditioners— Are in good working condition.
14. Building Maintenance—The pool lights are working. Britannia Electric dug new conduits for the few lights that were not working and laid new electrical lines. Lint Out was here on February 18 and 19 to clean each unit's dryer vent stacks and vents.
15. Socotec—Submitted the specifications for the roof replacement. Roofers being asked to bid are Crowther, Advanced Roofing, Colonial Roofing, Sutter Roofing, West Cost Florida Enterprises, and CFS.
16. Elevator Update- Both elevators have new tile floors installed. Both elevators are working well.

PLCA Report—Jimmy Lammon stated that the newsletter has a lot of information, and most should be receiving the PL emails. There is an election coming up; please be sure to vote. The docks are almost ready, and the beach and kayak area are open. The Renaissance motion failed; they moved to continue to rezone to be used as a recreation park and children's area.

Colony Report—Jimmy Lammon stated that for the Colony board, 5 people are running for 4 spots. Please read the Colony emails regarding the Bay Club; they are trying to make it more of a club with activities. The lawsuit regarding insurance is moving forward.

Social Committee— Shawn Parker

The Superbowl party was canceled because not enough people signed up. However, other events were very well attended. The billiard tournament was so popular that they scheduled another one in March. The Taco and Margarita party is scheduled for March 11th. The cost is \$25 per person; please sign up at the office.

Old Business-

Generator Update – Thank you to John Fisher, Dick Bertrand, and Bonnie for their help with the generator issue. It appears that the issue was not a need for a new generator, just a new starter and turbo. Our current company has not been performing as they lack integrity. Replacement of a generator was quoted at \$140,000, and with John Deere replacing the parts needed, the cost will be approximately \$20,000. Once the new turbo and seals are installed, we will replace our current company with another generator company.

Tower Roof Replacement—Socotec sent the specifications to 6 local roofers. The pre-bid meeting is today at 10:00 a.m. The closed bids are due to Socotec by March 14, 2025.

Insurance- We have changed our insurance agent to Joe Thompson at Acrisure, formerly Gulfshore Insurance. We were very impressed with the new agent. They offer many services that our current agent does not. The market is softer, and we should be able to obtain better rates for our coverage.

Navona Garage Roof—The garage parking lot coverage design looks very nice. We asked about the row closest to our building, as the plans do not show that row as having trellis coverage. They believe that the trees will cover it. We are waiting for a response from them. The project should start this late spring.

New Business

Hot Water Tank Replacement - A unit owner asked about requiring owners to replace the tank every ten years, as some other community buildings have that in their documents. We have not had any problems with any water tanks causing leaking in any unit. The staff checks this when unit inspections are done monthly. We will not have any requirements at this time, the staff will check during inspections, which includes the circulator in the penthouse units.

General Reserves Project Planning –

As noted in Sorrento Board Meeting earlier today, we are looking for your input in developing priorities for General Reserve Funding for 2025/2026. Your input will be considered as part of decision process to fund Sorrento's Reserve Projects via motions in our March Board meeting.

Background Information on Reserves

Total Reserves on 1/1/25 - @ \$1,400K (\$900K SIRS and \$500K General Reserves). Prior to any distributions in 2025, we will have \$1,741K + interest income at end of current fiscal year (\$1,146K SIRS and \$595K General). Within SIRS, the only project scheduled to date for 2025 is the Tower Roof. Actual costs are TBD since Bid process is currently underway. In the SIRS study, there is \$380K allocated for roof replacement by 6/1/27.

Potential Projects to be Funded by General Reserves

Below are some potential projects in 2025/2026 that require General Reserve funding if we go forward with them. Additionally, we have noted the target dates from current Reserve Study.

- Hallway - \$451K (can do project in total or fund individual projects below)
 - \$184K for Hallway Flooring...9/1/25 date in study
 - \$267K Hallway Furnishing and Finishes...9/1/2030 in study
- Social Room - \$149K (can do project in total or fund individual projects below)
 - Bar and Kitchen - \$72K...6/1/26 date in study
 - Flooring - \$11K...10/1/28 in study
 - Furnishing and Finishing - \$66K...10/1/28 in study
- Site Lighting - \$80K...6/1/26 in study
- Asphalt Paving - \$52K...6/1/26 in study
- Asphalt Sealing - \$17K...1/1/27 in study
- Pool Heater 2 - \$8K...6/1/28 in study
- Additionally, some recent discussion on items currently not included in General Reserves include:
 - New Exercise Room Equipment
 - Upper Patio Improvements (e.g.- couple of fire pits, new patio furniture, etc.)
 - New Security Camera System

Hurricane Glass Doors- Julianne has agreed to lead the effort to assess the option to replace hurricane shutters with clear glass or plexiglass shutters. What are the options, and how does it affect the structure of the building and insurance implications. Juliana said she had found sliding glass doors and encasement windows that were hurricane-rated. Volunteers to help with this project are Elaine Spero, Zack Murphy, and Marge Rew.

Unit Renovations—Unit 401 submitted a renovation to replace the shower tiles, countertop, and sink in the guest bathroom.

Juliane Mondano moved, seconded by Jimmy Lammon, to approve the renovation of the guest bathroom in the 401-unit building. All voted aye. The motion passed.

Members' Comments: No comments were heard.

The next meeting will be on March 25, 2025, immediately following the Annual Meeting.

Adjournment—Jimmy Lammon moved, seconded by Juliane Mondano, to adjourn the meeting at 10:06 a.m. The motion passed unanimously.