WELCOME

• Thank you for coming!

• A few ground rules for tonight:
  ✓ This is not a time to complain
  ✓ This is not a time to discuss personal problems or grievances
  ✓ Please hold all questions until the Q & A
  ✓ Please be respectful of others
The Mission of the Transition Advisory Group is to assist the community in achieving an orderly transition from developer control to homeowner control.
COMMITTEES

✓ Facilities
✓ Financial
✓ Lifestyle
✓ Property Management
✓ Legal
GOALS

✓ Ensure the availability and long term cost effective viability of Community assets
✓ Determine the status, condition, regulatory compliance of Community property at turnover and Developer responsibilities post-Turnover
✓ Identify expected corrections of conditions that are non-conforming to industry and governmental standards
✓ Determine appropriate courses of action to inventory, insure and plan for replacement of Community assets
✓ Determine the best sources of independent expertise to advise the BoD on the achievement of these goals
METHODOLOGY

✓ The Committee undertook research into the availability of:
  – Inventories of existing of POA assets
  – Design documents pertinent to POA assets
  – Maintenance records of the assets or major components thereof
  – Contracts related to the maintenance of the asset or major components
  – Industry literature for the study of POA assets
  – Industry players dealing with such studies
FINDINGS

✓ The results of that research determined that:
  – Formal Inventories did not exist;
  – Design Documents will not be fully available until after a Member POA Board takes office;
  – Maintenance records consist principally of vendor invoices (some with work orders attached) that would need extensive organizing to provide meaningful data

✓ However,
  – Contracts were generally available although not always in complete form
  – Industry literature was helpful in clarifying terms, scopes and intents
  – Industry players were, of course, eager to provide information on their capabilities related to standard industry practices
ASSET CONDITION

✓ Clubhouse
✓ Pools & Spa
✓ Lakes & Ponds
✓ Roadways & Walkways
✓ Landscape & Irrigation
✓ Sports/Athletic Areas
✓ Dog Park
✓ R/V Park
FINDING

✓ After study of the industry literature, it was obvious that we would require a professional firm to conduct and complete a Deficiency Study and Reserve Study.

- Deficiency Study - An engineering inspection of the property to identify physical status and repair/replacement costs.
- Reserve Study - A financial extension of the Deficiency Study aimed at accumulating asset replacement funds.
ACTION PLAN

✓ The Committee proceeded to:
  – Draft a set of important questions to qualify vendors
  – Create a scoring system and form to rate vendors
  – Invite vendors to tour the site and sit for interviews
  – Take advantage of the work of the Finance Committee by sitting in on some of their Reserve Specialist interviews and invite them to ours
ENGINEERING/RESERVE STUDIES

✓ Action Plan

- Decide on “One-Stop Shopping” for both Studies or a combination of vendors
- Prepare an RFP for the Study requiring engineers/specialists to “walk the site”, review “As Built” drawings and specifications, review maintenance records and prepare a report with citations, recommendations and costs

✓ The Committee identified 4 firms that are capable of doing both studies, interviewed 3 firms and ranked them. The 3 firms and contact information will be submitted to the new BOD

✓ All 3 firms are capable of doing both studies, we believe that the #1 ranked firm had the best experience and technical knowledge for this effort
LESSONS LEARNED

✓ Define the products desired as a result of any study both by physical scope and intent of use in a formal Request For Proposal (RFP)

✓ Match the products to a firms capabilities and depth of experience considering all future uses of the products produced

✓ Most firms will not only identify conditions, but cite the source by which the condition is acceptable or not

✓ Most firms can make forward looking recommendations regarding ongoing maintenance programs

✓ A firms capability to design remedial ‘fixes’ if required at a future point may be a valuable consideration in firm selection
There have been numerous complaints on the work performed by the current VL contractor.

- The Committee had several meetings with them and they are willing to make changes, as deemed necessary by our community, and to continue with their current contract at Valencia Lakes.

- A quick review of the approximately 600 +/- customer service requests (CSRs) per month show that many are NOT complaints but informational in nature.

- The current vendor has offered to coordinate a presentation to explain the tasks, systems, operations and contract content to better inform the community.

- The current vendor should be asked to share observations & recommendations they have made regarding irrigation system improvements.
If the new BOD decides to seek other bidders for this work:

- We identified 5 other qualified landscaping contractors and contacted them by phone in order to determine their interest and ability to submit a bid to Valencia Lakes.

- Our Committee did not rank the 5 firms. At this point, they would all be considered equally competent because no verifiable work record has been yet established.

- An RFP with measurable parameters should be prepared with professional assistance (Property Manager / landscape consultant).

- Consideration should be given to reconfiguring the scopes of services are better aligned (e.g., landscape maintenance + mulch vs. irrigation + water management) or to provide single point responsibility to a sole vendor.
Current contractor work scope is for comprehensive lake management for 43 ponds

- Scope of Work (SOW) in the contract includes bi-weekly inspections and chemical treatments for algae and aquatic vegetation
- This Committee is concerned that the complete SOW is not being performed or that the SOW is deficient. Details on this contract need more research in the future
- There are possible free resources available to Valencia Lakes from:
  - Residents with expertise in water management
  - Hillsborough County Public Utilities Department
  - Southwest Florida Water Management District
  - University of Florida at Gainesville
The Facilities Committee Members are:
- Robin Wannemacher - TAG Liaison
- Tom White - Chairman
- Emil Kentsis
- Dave Lake
- Robert Longenecker
- Paul Mayerowitz
- Lester Stoia
- Bob Zysk

Jon Burstein – Sub-Committee Chair
Mitch Layne
Bill LeFor
Colleen Thomas
Jeff Thomas
Bob Rogin
VALENCIA LAKES
TAG FINANCE COMMITTEE
SUMMARY REPORT TO THE COMMUNITY

JUNE 21, 2018
FINANCE

• Concentrated efforts in the following areas:
  ✓ CPA Firm
  ✓ Banking
  ✓ Insurance
  ✓ Reserve Study
  ✓ Financial Statements/Audit Report
  ✓ Other Considerations including Financial Controls
CPA FIRM FOR AUDITS

✓ Developed a Questionnaire (RFI)
✓ Sent out to 12 firms
✓ Responses:
  o 8 declined to participate
  o 4 returned questionnaires
✓ Conducted 4 interviews
✓ Selected 2 firms for consideration by the Board of Directors
BANKING

✔ Developed 4 main criteria for evaluating banks
✔ Met with VESTA (Gwen Lancaster)
✔ Researched banks on Internet
✔ Identified 9 banks
✔ Interviewed 7 banks
✔ Selected 3 banks as meeting criteria for consideration by the Board of Directors
INSURANCE

✓ Obtained existing insurance policies from VESTA
✓ Met with VESTA (Gwen Lancaster) and also spoke with GL Homes regarding existing policies
✓ Found all insurance policies renew March 2018, but continued evaluation
✓ Performed detailed review of existing policies
✓ Interviewed 2 existing agents and 2 new agents
✓ Provided Options for moving forward with insurance needs
**RESERVE STUDY**

✓ Developed a Questionnaire (RFI)
✓ Sent out to 6 companies
✓ Conducted 5 interviews
✓ Selected 2 firms for consideration by the Board of Directors
✓ Recommended 2 types of reserves
  o Capital (Statutory per FS 720)
  o General (non-Statutory or Discretionary)
FINANCIAL STATEMENTS
AUDIT REPORTS

✓ Obtained year-end Balance Sheets and Income/Expense Statements for last 5 years and compared changes in major line items over the timeframe

  o Added predicted turnover expenses
  o Added reserve funding
  o Review POA fees for 2019 and 2020

✓ Reviewed and analyzed last 4 years of Audit Reports focusing on understanding “Due from Developer” calculation to better understand cash flow needs after turnover
OTHER CONSIDERATIONS

✓ 92% of 2018 budget concentrated in approximately 12 vendors

✓ Other Valencias change their Declaration to make Working Fund Contribution applicable to resales

✓ Some contracts may need to be renegotiated or vendor replaced
COMMITTEE MEMBERS

✓ Harvey Weiss, Chairperson of the Committee
✓ Tom Russo, TAG Committee Liaison to Finance Committee
✓ Paul Mayerowitz, TAG Committee Liaison to Finance Committee
✓ Chandan Sengupta, TAG Committee Liaison to Finance Committee
✓ Alan Bovarnick, Banking Subcommittee
✓ Denny Lawrence, Budget Subcommittee
✓ Katherine Emanuel, Insurance Subcommittee
✓ Michael DeCurtis, Reserve Study Subcommittee
✓ Michael DiZazzo, Banking Subcommittee
✓ Mickey Saperstone, Audit Subcommittee
✓ Zoki Mbolekwa, Banking Subcommittee
VALENCIA LAKES
TAG LIFESTYLE COMMITTEE

SUMMARY REPORT TO THE COMMUNITY

JUNE 21, 2018
THREE IDENTIFIED TASKS:

✓ Resident Survey
✓ Club and Group Leader Survey
✓ Service Provider Interviews
RESIDENT SURVEY

✓ Questions related to the adequacy of the current facility as related to the resident’s experiences with Lifestyle programs and Staff.

✓ Questions were divided into sections determined by sub groups of the Lifestyle Committee including:
  o Food Services
  o Entertainment
  o Fitness Programs
  o Facilities Usage
  o Life Enrichment
SURVEY RESPONSES

✓ Survey responses were received from approximately 25% of total resident population. 344 of the 1399 sold homes by November, 2017

✓ Household responses were 42.7 %

✓ Individual responses were 57.3%

✓ Responses scored on a 5 Point Leikert Scale

✓ Very Dissatisfied, Dissatisfied, Neutral, Satisfied, Very Satisfied
BISTRO

✓ 65% utilize the Bistro 1-7 times per month on average
✓ Most popular meal is lunch
ENTERTAINMENT

✓ Overall responses were positive
✓ Big Shows 80% satisfied or better
✓ Bus Trips under utilized
✓ Dances and Holiday Parties had a high attendance
✓ Bingo very popular
✓ Free entertainment were 80% satisfied or better
✓ Willingness to pay more for premium shows indicated
FITNESS PROGRAMS

✓ 39% attended programs at least once
✓ Majority attended 1 – 3 per week
✓ 69% used the center, with most using it 1-3 times per week.
✓ 27% were Stay in Shape members
✓ 49% satisfied, 31% very satisfied
✓ 48% satisfied with instructors and registration process
✓ 31% satisfied with quality
✓ Trainers received 51% satisfaction or better with value
✓ Skills of trainers received 58% satisfaction or better
LIFESTYLE FACILITIES

✓ Most used: Restrooms, Social Hall, Pools, Lobby, Bistro, Outside eating lounges, Fitness Center

✓ Least used: Basketball Court, Shuffleboard Court, Tennis Courts (considering total population), Garden Center, Business Center, Dog Park, Bocce Courts

✓ Usage of all facilities received high ratings except the exercise studio and art studio as being inadequate for the high numbers of clubs and groups utilizing the limited and inadequate space
✓ Most respondents attended 1-3 activities
✓ Most valued programs were education, wellness, and health/safety
HIGHS AND LOWS

✓ Highest satisfaction for wellness and enrichment
  o Health and safety
  o Education
  o Wellness

✓ Lowest satisfaction for wellness and enrichment
  o Spa services
  o Demo kitchen
  o Art classes
High level of satisfaction for the facilities, except for Art Studio space
High level of satisfaction with the Lifestyle staff interaction with leaders
Some dissatisfaction with the venue reservation process
SERVICE PROVIDER COMPANY
INTERVIEWS

✓ Conducted from April 14 – April 25
✓ Interviewers: Alan Berkov, Diane Rosenfeld, Richard Beck
✓ RFI letter sent to 9 firms
✓ One responded: Not interested
✓ Two did not respond
✓ Four were interviewed
RESULTS AND RECOMMENDATIONS

✓ All 4 companies provided highly professional presentations
✓ All 4 companies were open and honest in their responses
✓ 2 of the 4 companies would undertake Property Management and Lifestyle Services
✓ All showed high interest and motivation to gain a contract with us
TAG LIFESTYLE COMMITTEE

MEMBERS

✓ Richard Beck, Facilitator
✓ Alan Berkov, TAG Steering Committee Liaison
✓ Diane Rosenfeld, TAG Steering Committee Liaison
✓ Patricia Fahie, Entertainment Chair
✓ Holly Jamison, Fitness Programs Chair
✓ Harold Emanuel, Food Service Chair
✓ Kathy Sitzman, Facilities Chair
✓ Michael Stahl, Compilation Survey Consultant
MEMBERS AT LARGE

Mary Anderson, Barbara Calderon, Cheryl Coffey, Dennis Coffey, Alicia DeCurtis, Stu Goldblatt, Ed Heckard, Becky Ingham, Ed Jamison, Marsha Kimmelman, Paul Kimmelman, Richard Lollis, Sandie Papa, Bill Roberts, Keith Schneider, Maria Schneider, Bill Schaefer, Jane Telander, Eric Wenkle
VALENCIA LAKES
TAG PROPERTY MANAGEMENT COMMITTEE
SUMMARY REPORT TO THE COMMUNITY
IDENTIFIED TASKS

✓ A general search was done on-line and information from the Community Association Institute (CAI) was also obtained to find property management companies that may be able to meet our needs

✓ We sent out a Request for Information (RFI):
  o 9 companies accepted
  o 3 companies declined
  o 1 company missed the deadline by about a week

✓ Interviews were held from February 13 to April 10
COMPANY GOALS

The Property Management Committee believes these companies will:

✓ Make performance improvements, efficiencies and possible consolidation of services throughout the community

✓ Train and educate their employees to better serve Valencia Lakes

✓ Train and educate the resident of Valencia Lakes to understand:
  o On-line capabilities
  o Role and responsibilities of Board of Directors
  o The transition process
INTERVIEW METHODOLOGY

✓ History, Licensing, Trade Association Membership, Insurance
  o Years of experience
  o Types and sizes of communities
  o List of referrals
  o Licensed by State of Florida
  o Trade Association Membership & Certifications
  o Bonding & Insurance list coverage

✓ Examples of Services
  o Bundle service packages
  o On-site services
  o Off-site services

✓ Duration of contract and severance terms by both parties
✓ Accounting Information
✓ Continuing Education (employees and residents)
✓ Information Technology
✓ Manage Delinquency Process
✓ Manage Complaints from Residents
✓ Vendor Management
✓ Budget Preparation
✓ Tax Filing and Yearly Audit
✓ Association Bylaws and Rules
RECOMMENDATIONS

✓ The Board of Directors should create a formal Request for Proposal (RFP)
✓ Set up interviews with the Property Management companies selected
✓ Costs and Fees of Property Management Firms – Reminder: our committee did not discuss specifics of costs and fees
✓ The Board of Directors should consider whether or not Property Management and Lifestyle Management be handled by the same firm
MEMBERS OF PROPERTY MANAGEMENT COMMITTEE

✓ Bill Goldman - Chairperson and TAG Liaison for Committee
✓ Jerry Banach
✓ Emil Kentsis
✓ Phil Leggio
✓ Hannah Pincus
✓ Jeff Rosenfeld – TAG Liaison for Committee
✓ Lois Singer – TAG Liaison for Committee
✓ Jim Sitzman
✓ Bob Zysk
MEMBERS

CHARLES BROWN – A RETIRED LAWYER
MARILYN KUFFNER – A RETIRED CORPORATE PARALEGAL
DOUGLASS CAMPBELL – A RETIRED COMMUNICATIONS PROFESSOR
DONALD PATTERSON – A RETIRED BANK EXECUTIVE
RICHARD SINGER – A RETIRED ENGINEER
ROBERT ZYSK, CHAIR – A RETIRED ENGINEER
✓ To ensure all governing documents are identified and gathered in so far as now possible.

✓ Ensure the documents adequately serve the needs and desires of the VL Community long term and/or suggest necessary changes.

✓ Identify the risks the VL Community will assume under an Owner controlled HOA including vendor relationships.

✓ Identify a recommended ‘short list’ of capable, efficient and reasonably priced law firms to recommend to the Owner controlled Board.

✓ Identify Bylaws changes needed to empower the BoD to fund reserves and levy Special Assessments.
RESULTS

✓ GOAL - To ensure all governing documents are identified and gathered in so far as now possible.

✓ COMMITTEE ACTIONS

  o The Declaration, Articles of Incorporation and Bylaws were acquired and compared to one another to identify obvious conflicts – none were found.

  o The Declaration was reviewed and a ‘highlights’ document was created to point out to the newly elected Board, areas where particular care needs to be exercised in execution of fiduciary duties and where the consent of POA Members is required.

  o The various state statutes most pertinent to POA governance / compliance were researched and a matrix of those was created to serve as a reference guide to the BOD when considering future actions.

  o Queried the law firms interviewed on their experience in the necessity for governing document urgent revisions. They suggested a ‘use and learn' period of 6 to 12 months before undertaking revisions.
RESULTS

✓ GOAL - Ensure the documents adequately serve the needs and desires of the VL Community long term and/or suggest necessary changes.

✓ COMMITTEE ACTIONS

  o The documents were subjected to multiple reviews by the Committee.
  o Suggestions from other TAG Committees were evaluated by the Legal Committee.
  o General questions regarding the impetus for immediate changes were put to various attorneys during the interview process. None of those opining on the documents said in their experience there was not a need to make immediate changes. Most suggested a 6 month to year’s worth of living with the documents before initiating changes.
  o In some cases, the myriad of state statutes will limit or preclude the degree to which the documents can be modified depending on subject matter.
✓ GOAL - Identify the risks the VL Community will assume under an Owner controlled HOA including vendor relationships.

✓ COMMITTEE ACTIONS

- A review of major contracts was undertaken for assembling a standardized presentation of format, type, scope, interrelationships amongst contracts, etc., which will help the BOD prioritize by magnitude and timing, those which will require renewal/ rebidding.

- Consideration was given for the need that contract “Terms and Conditions” be made more uniform and to reflect an owner control / protection orientation rather than a developer convenience orientation. This includes review and conformity in vendor insurance coverages, background checks, warranties, etc.

- Consideration was given to the potential to reconfigure certain scopes of work to achieve singular point of responsibility for like services, economies of scale, avoidance of ‘co-employer’ status by the HOA, avoidance of multiple fees just because separate vendors supply like services, etc.

- By agreement with that committee, the Facilities Contracts Committee published a list of contracts with sufficient data for the BOD to prioritize ‘action required’ contracts.
RESULTS

✓ GOAL - Identify a recommended ‘short list’ of capable, efficient and reasonably priced law firms to recommend to the Owner controlled Board.

✓ COMMITTEE ACTIONS

  o The Committee established a set of criteria before searching for law firms;
    • No sole practitioners
    • A significant focus within the firm on HOA law
    • A geographic presence within 50 miles of Valencia Lakes
    • Had no professional conflict of interest in representing Valencia Lakes POA
  
  o A search was commenced utilizing various sources (CAI vendors lists, Martindale-Hubble, personal recommendations) and internet ‘first looks’ at the firms.
  
  o A Request For Information (RFI) was drafted and sent to the firms meeting the criteria along with a 50 point questionnaire covering 5 major areas of interest;
    • 14 Firms were invited
    • 11 Firms responded affirmatively – 10 firms received in-office interviews, 1 firm received a telephone interview
    • 5 Firms were recommended for the BOD’s consideration on the strength of their submitted answers and interviews
✓ GOAL - Identify Bylaws changes needed to empower the BOD to fund reserves and levy Special Assessments.

✓ COMMITTEE ACTIONS

  o The Legal Committee found that NO additional changes are required to empower the BOD for these specific actions.

  o The BOD is already empowered by the governing documents to levy special assessments.
    • Special Assessments are defined in the Declaration Article I, Section 7
    • Special Assessments are required to be paid in the Declaration Article VI, Section 1
    • Special Assessments purposes are limited to specific purposes in the same Article
    • Special Assessments require 2/3 vote of members attending / proxying at a meeting IAW the Bylaws

  o The BOD may fund reserves as long as they are not classified as Operating Expenses for purposes of determining Budget Assessments (thus excluding incomplete lots), also under the Declaration Article VI, Section 1.
ITEMS BEYOND ORIGINAL GOALS

Recognizing the plethora of issues and documents with which the newly elected Board will be dealing, a recommendation was offered for the creation of Standing Committees:

- Reference was made to the need for a Architectural Control Committee (ACC) per the requirements of the Declarations Article VIII.
- Reference was made to the need for a Fining Committee, for the enforcement of the governing documents’ covenants and restrictions, in accordance with FL statute 720.305.
- Suggestion was made to create and populate SEVEN (7) additional Standing Committees in accordance with the Bylaws Section 7.2 to assist the BOD in research, investigations, communications, and policy formulation. A set of Operating rules were drafted based on the ACC operating requirements of the Declarations.
THE END OF THE REPORT

• Our congratulations to the newly elected homeowner Board and our sincerest best wishes that they collectively perform their service to the Valencia Lakes Association and Community with wisdom and the cooperation of all Members of the POA.
SUMMARY

IMPORTANT THINGS TO REMEMBER
THINGS TO REMEMBER

✓ TAG has been in contact with GL homes, VESTA, and WTS
✓ Remember we are a volunteer group
✓ Thank you to all the wonderful people who volunteered to research and compile the information we shared.

✓ The END of our report, but ---
THE BEGINNING of a new era of self-governance at Valencia lakes!
Thanks to all who have contributed !!!
DATES TO REMEMBER

- June 16, 2018  Initial Notice is sent to all Homeowners
- July 2, 2018   Intent to Run form must be received by the Association
- July 6, 2018   Resume/Information sheet must be submitted to the Association
- July 16, 2018  Meet the Candidates Night
- July 31, 2018  Election Meeting of the Board of Directors
QUESTIONS

✓ Stand and state your name and street you live on
✓ Be respectful of time limits
✓ Not a time to air individual problems or concerns
✓ Wait to be recognized
THANK YOU FOR COMING!

https://vltag.weebly.com/

Welcome to the Transition Advisory Group at Valencia Lakes

The mission of the Transition Advisory Group is to assist the community in achieving an orderly transition from developer control to homeowner association control.

The TAG consists of volunteer residents of Valencia Lakes with diverse professional skills and experiences who can help achieve this mission. The TAG hopes to engage other residents in working with them toward this goal.