



Life in the Sunshine

The Towers of Key Biscayne Newsletter

Board of Directors: President: Anthony Ottavio, Vice President: Alison Owen, Treasurer: Ricardo Martinez, Secretary: Dr. Elsa Dominguez, Directors: Alan Khan, Mario Lopez, Judith Rosenblum.

March 2010 - Volume 10, Issue 1

ANNUAL MEETING

- The results of the election at the 2010 annual meeting for the seven seats on the Board of Directors were as follows: Alison Owen – 194; Dr. Elsa Dominguez – 183; Ricardo Martinez – 182; Judith Rosenblum – 175; Anthony Ottavio – 148; Alan Kahn – 140; Mario Lopez – 127; Marcos Perez – 84; Irving Singer – 55. The seven with the most votes were elected to one-year terms. There are no term limits. A total of 253 owners cast their ballots. We thank all who participated.
- A six-member impartial election committee appointed by the board oversaw the election of the directors. The members, one from each Tower, were Lurlene Gasner, Andrea Valencia, Lois Greenberg, Regina Guben, Anita Sommer and Alicia Estefani. Norma Blum also helped out. We thank them for their efforts.
- The following officers were elected by the Board: President: Anthony Ottavio, Vice President: Alison Owen, Treasurer: Ricardo Martinez, Secretary: Dr. Elsa Dominguez, the Directors are: Alan Khan, Mario Lopez and Judith Rosenblum.

BOARD MEETINGS

- At the Board meeting on January 28, 2010. Mr. Martinez reported on the Lobbies and Common Areas Repair Project. All the board members have received a copy on the final contract with Sepi Construction approved by our attorneys. An initial deposit of \$60,000 is to be paid when the contract is signed. This is a significant reduction from the \$200,000 originally requested by the contractor. The flooring, one of the largest expenditures, is being purchased directly by the Association, thus reducing the cost. Renderings of the project are being placed in the Phase I lobby and are available on Channel 98. The Manager and Treasurer will manage the project and hold weekly meetings with Sepi Construction and request monthly written reports. Payments will be made accordingly.
- The Board passed a motion unanimously to approve the contract with Sepi Construction as presented by our attorneys. The project is expected to be completed in less than one year.
- Mr. Martinez proposed that the Towers hold Realtor Open Houses on Wednesdays in the Ocean Room during the repair process. This could be a good way to promote the sale of condos in our buildings by explaining to realtors the progress of the project and that no special assessments will be required. Presently there are 43 units for sale.
- The Board approved the motion to set up Realtor Open Houses. (The first one was scheduled for March 10 and was very successful. More than 40 realtors attended.)

- The Board approved a motion to dispose of the furniture in the common areas that will not be reused and to define the process giving residents the first option to buy these items.
- The Board approved a five year maintenance elevator contract with ThyssenKrupp based on recommendations by our consultant Landmark with a reduction of \$60 per month.
- At the Board meeting on February 25, Mr. Martinez announced that the contract for the common area repairs had been signed and work will begin in March.
- The six members of the impartial annual election committee listed above were approved by the Board.

TREASURER'S REPORT

December 2010 Financials

In the income accounts we see that the Maintenance Account shows no variance for the year from the budgeted amount since we accrue this number for book purposes. The other administrative expense account shows a Bad-Debt Write off of 166,384.34. This combined with the Allowance for Bad Debt on the Balance Sheet reflects the full amount of uncollected accounts. This gives us a clear picture of our actual situation. We also review individually our liened and foreclosed accounts to see any trend due to our economic conditions. We are aggressively collecting our outstanding debts from renters when possible. One item on the income side we are above budgeted is our late fees due to the current economic situation which has caused many people to pay late.

On the expense side, we see in the landscape department we are close to \$16,000 below budget in personnel costs and over \$20,000 in the Receiving Dept. The housekeeping dept. is over \$25,000 below in total costs. In other administrative costs our legal fees are \$34,000 in excess mainly due to all the foreclosures & maintenance fee collections. We also had litigation due to an assessment amount for sq. footage. Here we also see the bad debt write-off. The insurance premiums are below budget by \$71,490. The Maintenance personnel costs are \$116,463 below and \$144,000 for total department costs. On the Utilities side, our common area power is over \$80,000 below budget and our oil expenses are \$79,000 below budget. On the other side, we are over budget in the Balcony Repairs by \$128,000 for the year. The Water and Sewer account and the Cable TV accounts also reflect over budget amounts.

The final unaudited 2009 Net Income is over \$138,000.

On the balance sheet, we have in excess of \$480,000 in the operating account and \$1,387,000 in our reserve account. Our security deposit account shows a balance of \$98,450.

January 2010 Financials

A quick overview of our January statements shows. In the income accounts we see already the large increase in late fees. We currently have 11 units which are either in lien or foreclosure.

On the expense side, we see an increased expense in sick Time buyout because we accrue it for book purposes but actually pay it out in January. We see lower personnel costs in the Pool and Housekeeping Depts. The insurance premiums are below budget but we will get a better picture in a few months when we get our insurance renewal. The oil expenses are above budget by \$7,000 which is normal because we accrue the expense for the year but we obviously have more residents in house and have had a cold winter. We do keep a close eye on this.

The Net Income is over \$25,000 despite all the sick time buyout.

On the balance sheet, we have in excess of \$995,640 in the operating account and \$1,378,747 in our reserve account. Our security deposit account shows a balance of \$106,473.

Banking Situation

As you remember, we were using current FDIC insurance amounts in order to diversify our banking options with accounts at Bank of America, Citibank, SunTrust and U.S. Century Bank in the amounts of \$250,000 in order to secure our money. Our interest income right now is very low as you may all be aware due to current interest rates offered out in the market. We are vigilant of our money and where it is for security purposes.

MANAGER'S REPORT

- Pressure cleaning and painting of Phase I is complete. Pressure cleaning and painting of Phase II is well underway. The engineer who is checking the work makes regular inspections. The work should be completed by May 2010.
- Packages will not be held at the Phase II lobby during construction. However, Receiving will be open from 10 a.m. to noon on Saturdays as well as from 8 a.m. to 6 p.m., Monday through Friday to give residents additional opportunities to pick up packages. You can now e-mail Receiving at receiving@tkbonline.com.
- Repairs to a leak in the expansion joint under the fish pond are underway.
- Most of the furniture and other items that will not be reused after the common area repairs are completed have been sold. A total of \$4,000 has been collected so far.
- The barbecue is being repaired. A sink has been added as well as a small table for children and two additional large tables.
- Painting of all the hallway walls is underway.
- An additional pool heater has been installed in the Phase II pool.
- The installation of the sliding glass doors scheduled for 2010 will begin in March. The office is now taking requests for 2011.

- New pool furniture and additional lounges and chairs for the beach are being ordered.
- The annual inspection for leaking toilets will begin in March.
- Residents who are leaving at the end of the winter season should remove all items from their balconies and notify the office to have the shutters closed.
- Intercoms have been installed at all garage entrances so that anyone having problems entering can contact a security guard.
- Cameras have been installed along the boulevard, in the parking lot and on the beach to improve security. Additional cameras will be installed in the card rooms and other public areas inside the buildings.

HEATING /AIR CONDITIONING

On January 5, the Towers started to have problems with the heating system, because the company that takes care of the system did not notify us that parts needed to be fixed or replaced. The company admitted its mistake in writing and will be refunding the Towers the cost of the labor of our employees for those days that we all had to attend to heating problems as well as refunding us for the cost of the two a/c//heating companies that came to help.

In addition to the problems with the building's system, the staff found that a number of the apartments had no heating connections to their individual systems. The office is notifying all these owners that they need to have repairs made. We also urge all of you to have your equipment checked by an air conditioning/heating company at least once a year.

ANNOUNCEMENTS

- **Please do not park your cars in front of either lobby.** These areas must be kept free for emergency vehicles. You can leave your car for a few moments to pick up mail but for no other purpose. If you are waiting to pick someone up, please stay in the car and turn off the motor.
- **If you have guests leaving late in the evening, please minimize the noise of farewells and conversation as the guests leave the lobbies and get into their cars.** Please be considerate of the residents in the apartments above the lobbies. They are often woken up by the noise from below.
- Remember that it is illegal to toss anything off the balconies. Falling objects can be a hazard, and cigarette and cigar butts also cause litter and possibly fires. For instance, the south end of the recently replanted east lanai is already littered with cigarette butts. **Please don't throw cigar or cigarette butts off the balconies.**
- Owners and guests must use approved yellow towels at the pools. All owners should purchase towels if they do not have any. The cost is \$42. The towels can be ordered at the office. A limited number of guest towels are available at the pool cabana. ID is required so that the towels will be returned.
- Please don't let your children ride their bicycles or skateboards in the garage. This is not a play area, and serious accidents could result.

- There is a golf cart charging area in the lower garage between Phase I and II. The charge is \$15 per month for 6 batteries and \$30 for 12 batteries.
- Kitchen trash bags are available from the office.
- The trash chutes are open from 7 a.m. to 10 p.m. Use the chute and please don't leave trash on the floor.
- Please make sure you have a decal on your car indicating your assigned parking space. The decals are available from the office.
- The barbecue area cannot be exclusively reserved. Residents renting the Ocean Room for a party do not also have exclusive use of the barbecue.
- If you require an additional transponder on a temporary basis because you are using a rental car, you may obtain an additional transponder good for a maximum of 30 days at the office for a refundable fee of \$300. The money will be refunded when the transponder is returned to the office in working order.

RECYCLING

- There are recycling bins - paper, plastic, glass and cans - in the lower garage in both Phase I and Phase II. The following items can be placed in the bin for paper: cardboard boxes, magazines, newspapers and books. The only items that can be placed in the plastic bin are plastic bottles without lids and plastic bags. No food or kitchen waste is permitted in the recycling bins.
- Please commit to recycling, and please make an effort to place the correct items in the correct bins.

SUGGESTIONS, COMMENTS, CONCERNS, COMMUNICATION

Your Board of Directors urges you to communicate and participate. Come to the meetings or watch them on Channel 98. Write to us. Let us know what you think. Elsa Dominguez at elsa_tel@hotmail.com, Mario Lopez at mrlopez1@bellsouth.net, Ricardo Martinez at ricardomartinez@bellsouth.net, Tony Ottavio at tonyottavio-board@prodigy.net, Alison Owen at aowen310@aol.com, Alan Khan at alankhan@bellsouth.net, and Judith Rosenblum at judy.rosenblum@yahoo.com

Board meetings can usually be seen live on Channel 98 and also Friday through Thursday at 9 a.m., noon, 6 p.m. and 9 p.m. the week following a Board meeting. However, during the repairs to Chuck Shaver, meetings are being held in the Ocean Room where they cannot be televised.

The Board requests that all owners ensure that the Management office has your updated phone numbers, e-mail addresses and fax numbers on file. This information is becoming more and more essential not only for basic communications but also for functions like hurricane status reports and other notifications that have a pressing time element. You can e-mail Joe at: jmaura@tkbonline.com with your updated information.

The Towers' website can be accessed at www.tkbonline.com.

This newsletter is prepared by Alison Owen, Tony Ottavio and Ricardo Martinez. E-mail Alison with suggestions for the next edition. The newsletter is published four times a year and distributed with the quarterly statements