

PHOENIX V

A NEWSLETTER FROM YOUR BOARD OF DIRECTORS | SUMMER 2020



A MESSAGE FROM THE BOD PRESIDENT, JIM REDWINE:

We hope this newsletter finds you well. It has been a very challenging time, to say the least. Since we last published this newsletter, the bulk of the Covid-19 shutdown happened and the building began re-opening on May 1. We have, working with Brett-Robinson, done our best to re-open the building safely in conformity to all applicable guidance from federal, state, and local authorities. As of this writing, almost all amenities are open, with new precautions in place. These issues change frequently, however, and we are just now adapting to Governor Ivey's July 15th order requiring masks when in public and in close contact with other people. Projections are now that summer rentals will be between 85% and 90% of last year's bookings. This is quite good news, and we continue to monitor the situation. We have also faced the challenges of Tropical Storm Cristobal. More information on that will be provided in the following pages. As to more routine matters, your Board continues to manage the building, and is putting in substantial amounts of time beyond that any board should be required to devote, to fix many years of inadequate attention to our building's financial and maintenance issues. One of the most noticeable improvements we have made is in the building's lobby. The new tilework and coffee bar are quite impressive. Lauren and her committee deserve a big thank-you. The next phase will include new furniture in both the north and south lobbies to tie everything together as well as a new TV, new light fixtures, and decor throughout. We are very excited to see how it all comes together after Phase II is complete.

Thanks again for your continued help and support,
Jim

Announcements



ANNUAL MEETING NEWS

Due to Covid-19 issues, it is very likely that our 2020 Annual Meeting, scheduled for November 14, 2020, will be held via Zoom or some other electronic means, and not in person. We are not sure what accommodations will be made for anyone on-site, but it likely means that we will all miss the in person reveal of the lobby, the owner social, and the shrimp dinner we have been looking forward to all year. Whimper. We will keep you posted as the date gets closer!

COVID 19

As you all are well aware, Brett-Robinson has reported that a total of 4 employees have tested positive for COVID-19 in the past month. B-R sanitized all of the employees' work areas; and, in an abundance of caution, they sanitized an additional time after 72 hours. We have instituted new precautions applicable to B-R employees. B-R is tracking all of the employees' close person-to-person contacts; and, they are taking additional action in accordance with the Center for Disease Control (CDC) guidelines. Should you have any questions regarding this situation, please email BR at info@brettrobinson.com.

Meet & Greet



Welcome

**PHOENIX V WOULD LIKE TO
WELCOME ED LIPINSKY AS OUR
NEW FACILITY MANAGER!**

Ed Lipinsky

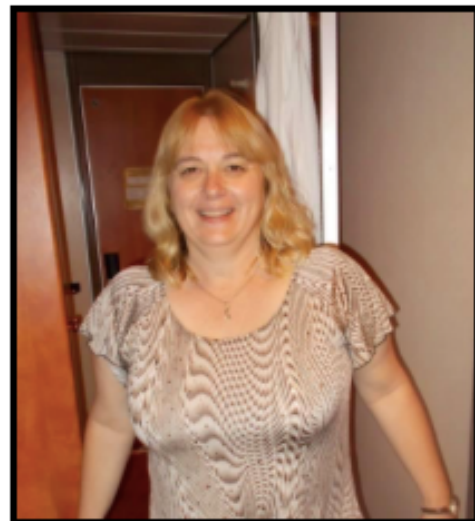


Phoenix V Facilities Manager
Office: 251-960-9505
p5maint@brett-robinson.com

Born and raised in New Jersey, 20 minutes from Philadelphia. US Navy Veteran, stationed in Long Beach, Ca. Afterward, founded and operated a landscape/snow removal company for 20 years. I also have several years experience as a facility coordinator in the pharmaceutical industry as well as working with smaller construction/remodeling companies when it wasn't snowing. My father-in-law was born and raised in Mobile so we vacationed here on the beach probably over 35 times. This is where we always wanted to be and believe it or not, I knew I wanted to work at Brett-Robinson. What they did over the past 30 years is inspirational. Staying at various Phoenix buildings and other properties managed by Brett-Robinson over the years, I knew they were a strong, dedicated, and professional group, and I wanted to work with the best. Being a guest for these many years, I know what is expected of a facility and I work hard every day to achieve those goals. I thrive on challenges and fully believe that we can do great things through communication, understanding, and teamwork.

We would like to extend our gratitude to Lisa Behel for creating and managing the Phoenix V owners Facebook group. The Behels purchased their condo in 2017. Before ownership, they rented many times at Phoenix V and fell in love with Orange Beach. They were married on the beach in September of 2012, so OBA holds a special place in their hearts. Lisa works full time in addition to running the Phoenix V Facebook page. She is the office manager for her and her husband's company, American Machine and Tool. Although it is not associated with the HOA, the Board has received feedback from owners that the Facebook group she created is a very helpful and informative page. Lisa spends many hours each week managing the group, posting quality information that is relevant to PV, OBA, and to our owners. She also screens and manages the members by reviewing city documents and deeds. **Thank you, Lisa!**

Lisa Behel



**THANK
YOU**

INSURANCE

We are pleased that we have been able to complete the insurance placement for 2020-21. As we reported in our last newsletter, we changed insurance brokers, particularly after learning of some of the short-comings of our coverages in less than ideal circumstances. As you may recall, we attempted to obtain a one-off "project policy" to cover our potential risks in the garage project. We found out later in the process that we had no coverage under our existing liability insurance policy for the building's negligence (if any) or pre-existing conditions that might result from it. (We had coverage only for "routine maintenance," which the garage project clearly was not.) These holes in our coverage were not disclosed by either our prior insurance broker or Brett-Robinson. We had to fix that issue either through completion of the project policy or plugging the coverage gap by renewing our liability insurance policy. We were able to plug the gap through the renewal of our liability insurance policy with our new insurance broker. (We also previously noted that our liability insurance was almost cancelled as we were trying to close the insurance deal due to a personal injury claim involving the poor condition of the pool deck expansion joints that neither Brett-Robinson nor our prior broker informed us of. See below for the corrective work we are performing.) Unfortunately, the amount of time it took to get all this figured out kept us from starting the garage project when we wanted, and we have now pushed the start until after Labor Day 2020. (See further discussion of the garage project below.)

INSURANCE, CONT.

As part of the annual renewal of our insurance program, we were able to improve several other aspects of our coverage program. We were able to get full coverage for our hot tubs and pools, for example (previously, only the pools were covered). Most importantly, we were able to get “excess flood coverage.” We were previously only covered for flood damage up to \$275,000 per unit, and all of our condos are worth substantially more than that.

To keep premiums manageable, we selected a deductible level of 3% (equaling \$2,425,391) for our property coverage. Our total insurance premiums for this year for our property and flood coverage are \$336,488.40. To spread our premiums over the entire year, and to preserve our cash in the event revenues were depressed or received late because of the pandemic or a hurricane, we elected to finance \$218,717.46 at an interest rate of 3.56%, for a total finance charge of \$3,257.10. We will keep our fingers crossed that the current hurricane season, which is projected to be above normal, passes us by.

PROCUREMENT REFORM

We continue to make progress in implementing our procurement reforms. We have now put in place a system to require our vendors to complete a pre-qualification questionnaire and to sign up to terms and conditions protective of our financial interests, as do almost all businesses. A number of vendors have agreed to our terms. A few, who have apparently gotten used to the prior lax system, have declined to do so. These hold-outs do not seem to present any significant issues. In accordance with our prior authority limits resolutions, we are also requiring almost all procurements to have at least three (3) bids to make sure that we are getting the best possible prices for our work. This seems to be working well, although the Board is having to provide the names of potentially qualified bidders to Brett-Robinson, rather than the other way around, as it should be.



SECURE VISION

SecureVision (SV) has installed their triple play package which includes internet, phone, and video. They rewired the building to provide a better internet experience to include hard wiring existing smart devices. The project also included installation of a security camera package that saves the HOA recurring monthly fees. Additionally, 2 Digital Information Display (DID) boards were installed on the basement and first floor levels. As we all know, April brought closures of the beaches and reduced the opportunity for rental owners to rent their units. SV saw the opportunity to take a bad situation and turn it around. They hired 20 people from the local communities that had lost their jobs due to the virus and put them to work to finish our building in hopes that when things opened up, there would be little impact for owners and guests of Phoenix V. They completed 79 units during the closure period and only 4 remain. Those owners have restricted access for personal reasons, and have asked to schedule later in the year. As we know, generating revenue is extremely important. SV accommodates scheduling requests as best as possible and continues to work with owners ensuring the lowest impact for this project. SV also has big plans to make our building a technology showcase. Here are some highlights of what is to come, at no additional cost to the HOA:

- Increasing internet speeds to 100 mbps for downloads and 50 mbps for uploads.
- Adding WIFI to the pools and lobby areas
- Planning the implementation to pull fiber optic into the building. This does require engineering, extensive planning, and scheduling. That work will start in the near future.
- There are other things on the horizon for Phoenix V, as well, but at the moment, these topics are for board discussion only. More exciting things to come!

AT&T CELL TOWER LEASE

As we reported previously, we have been dealing with AT&T's demand to reduce our monthly rent from \$2250 to \$1700 per month. The Board viewed this as unacceptable and inconsistent with the actual value of our roof space. We engaged a broker to see what we could do, and we are pleased to report that we have signed and now closed an agreement to lease the roof for 50 years. In return for this, we just received an upfront payment of over \$436,000 (\$475,000 less 6% commission and other expenses, a few of which will continue to come in), plus 50% of the profits if our new tenant is able to sign an additional subtenant (in addition to AT&T). The Board has determined that this is in the best interests of the HOA and should help address our under-reserved situation. Our AT&T lease was terminable on 30 days notice. Now, we have some long term certainty. There is one caveat / trade off, which is that while we now have a good addition to our capital reserves, we will have to look for cuts in annual operating expenses or increased revenues to offset the monthly rent previously paid by AT&T. Ultimately, we believe the path we chose will garner the most benefit for the HOA and our owners.

Budget

FINANCE

The HOA finances continue to improve despite the virus closings in April. Owners kept up their monthly HOA fees which allowed BR and the Board to continue improvements and maintenance in the facility. We have paid for the completed tennis court project with new pickleball courts added. The hot tub improvements were completed, the lobby enhancements were started, and turtle lighting improvements made. We have once again spaced out the payments for our multi-risk and flood insurance and spread the parking garage project over the period of the execution. These measures have improved the HOA cash flow, while protecting the capital reserve funds.

Financial Summary:

Operating Funds: \$280,484

Capital Reserves: \$1,238,252

Cash on Hand: \$1,518,736

April 2020 Revenue		YTD Revenue	
Actual: (less assess. Income)	\$163,491	Actual: (less assess. Income)	\$629,229
Budgeted:	\$170,711	Budgeted:	\$635,037
Variance: Less than Budget	(\$7,220)	Variance: Less than Budget	(\$5,808)
April 2020 Expenses		YTD Expenses	
Actual: (Less Cap. Exp.)	\$171,164	Actual: (Less Cap. Exp.)	\$673,571
Budgeted:	\$171,325	Budgeted:	\$653,360
Variance: Less than Budget	\$161	Variance: Over Budget	(\$20,211)
Significant Expenses for April were: <i>Capital Expenditures-</i> Tennis Court \$340 Pickleball. <i>Capital Expenditures-</i> Garage Project \$19,220 Simpson Gumpertz/C Sharpe Exploratory work/Bidding Process. <i>Capital Expenditures-</i> Lobby Enhancements \$14,805 W&W Flooring.			
Significant Misc. Income for April was: Service Fees/Beach Concession Income \$6,108 below budget - Lost revenue due to lower occupancy from COVID-19 Beach Closure			

HIGHLIGHTS OF THE APRIL YEAR-TO-DATE FINANCIALS INCLUDE THE FOLLOWING:

April 2020 Year-To-Date Operating expenses were \$20,211 over budget, primarily due to the following:

- a. Fire Pump Maintenance \$13,332
- b. Pressure Reducing Valve Replacement \$4,200

April 2020 Year-To-Date Capital expenses included the purchase of dehumidifiers, fans, and waterhog mats \$22,006

Additionally, total spending on the following Capital Reserve projects was:

	<u>Spent</u>	<u>Nov 19 Budget</u>	<u>Under (Over)</u>
Tennis Court Resurface Project	\$31,440	\$14,000	(\$17,440)
Parking Garage Project	\$84,464	\$1,200,000	\$1,115,536
Hot Tub Project	\$23,236	\$9,500	(\$13,736)
Lobby Enhancements	\$30,494	\$30,000	(\$494)
Turtle Lighting	\$7,600	\$13,000	\$5,400
	\$177,234	\$1,266,500	\$1,089,266

We are beginning the process to develop next year's budget. We are requiring Brett-Robinson to develop actual, anticipated costs for maintenance and facilities issues, rather than the prior practice of relying just on prior expenditure patterns. We plan to do a walk-through of these items at the September board meeting.

GARAGE

After hearing valuable feedback from owners at the June 3, 2020 Board of Directors meeting, and reviewing the insurance policy for the garage, the Board voted to push back the garage project until after Labor Day. We thank you for your continued support and understanding as we undergo this project.

LOBBY ENHANCEMENTS

Phase I of the Lobby Enhancement project has been completed. Phase I included the installation of tile along the light fixtures, elevator kick plates, the columns by the front desk, the front desk, and also the bands along each elevator in the North lobby. This amazing tile work is a beautiful addition to the overall upscale beach theme we are trying to achieve. Phase I also included the coffee bar artwork. We believe this is an inviting space and something that makes Phoenix V stand out from other buildings.

LOBBY ENHANCEMENTS, CONT.

In addition to the lobby tile and coffee bar artwork, the lobby committee and the facilities and maintenance committee worked hand in hand to purchase waterhog mats for water absorption which are located in the basement (which will cut down on the use of unsightly fans). We have also installed blinds in the South lobby and the fitness room which will help with our turtle lighting program, and vinyl greetings that say "Welcome to Phoenix V" on the entry sliding doors to the lobby.

Next up is Phase II of the lobby enhancement project which will focus on new uplighting along the tile work, a "wow" factor of some sort, a new TV for the South lobby, and new furniture for the North and South lobby. If you would like to help with Phase II, please email Lauren at lauren.pvbod@gmail.com.



FACILITIES AND MAINTENANCE REPORT

South Door and Window Update 6/15/2020 Tropical Storm Cristobal paid us a visit on June 6th -7th with 32MPH wind and 45MPH gust from the South-East. This was the first true test of the South door and window pilot project. Of the 48 doors (with past intrusion history) that had repairs, only 8 of these units had any water intrusion. While this is not a perfect record, it shows major progress, and affirms that we are on the right path. With proof that the maintenance program improves the integrity of the sliding glass doors, we are planning to continue to do the rest of the building over this year and next, beginning after the busy summer season.

A few owners have suggested that new doors are the only solution, but we need to remember that NO door is waterproof and a storm with sustained blowing rain in the right direction will cause water intrusion on ANY door. In fact, the one unit in PV that had NEW doors installed in 2017 experienced water intrusion during Cristobal. Also other buildings along the beach, that have new doors, had water intrusion during this storm. We are still investigating the sources of water intrusion but have determined that the doors are not always the entry point; closet doors, building calking, and the roof have been identified as some of the other issues.

Remember that new doors come with a one year warranty only. As we all remember from the 2018 Annual Meeting, replacing the doors before we have the ability to build up our reserves over time comes with a huge assessment hit, for not much assurance.

POOL DECK

All the expansion joints in the pool and splash pad concrete decks are being cleaned out and sealed with epoxy Deck-o-Seal flexible joint sealant to address safety issues with the prior wood joint filler. This project will include removing the deteriorating wood filler in the joints, cleaning out the joints, and installation of filler backer rods and epoxy joint sealant. Work is proceeding in the morning and evening hours, and will be completed during the week July 27-31. Completion of the projects will provide a safe deck surface for years to come.



FIRE PROTECTION SYSTEM

Work to get the PV Fire Sprinkler System and emergency exit stairwell positive pressure system renovated and in compliance with NFPA standards has been completed as of June 5th. This work had been neglected by Brett-Robinson for years. The stairwell positive pressure fans (keeps smoke out of the stairwell during fire) and the fire sprinkler manifolds and control valves (supplies water on each floor in event of fire) have been replaced with new equipment. Going forward, an Inspection, Testing, and Maintenance (ITM) program with Viking Fire Protection (VFP) has been implemented to maintain the PV fire sprinkler system and pressure fan systems per NFPA code requirements. VFP was also the successful proposer for the PV Fire Alarm System ITM service contract. Inspection and testing of the fire sprinkler pumps, fire alarm controls, sprinkler heads and all other fire alarm and sprinkler system components have not been completed in full compliance with NFPA code requirements in the past. To rectify this situation, these systems will be inspected and tested in June to bring PV in full compliance with the NFPA code requirements.



COMMON AREA AIR CONDITIONING SYSTEM

Air conditioning (AC) in the PV indoor common areas (basement, 1st floor, and 2nd floor) is provided by an EVAPCO cooling tower that is located across from the front entrance. The cooling tower and the connected air handler fan and evaporator coil units that supply AC to the common areas, are critical building operation systems (along with Fire Systems and Domestic Water Systems), that must be maintained in a reliable operational condition. In late May, the PV BOD found that the EVAPCO cooling tower was not operating properly and that the cooling tower was not being regularly maintained by Brett-Robinson or a service contractor per the manufacturers recommendations. The cooling tower bearings were found to be dry of lubrication and rusty, and the entire fan system vibrated severely. The tower is operating, but because of lack of maintenance, could fail in the near future. The PV BOD contacted the EVAPCO manufacturer's representative and organized a complete condition assessment of the cooling tower. The cooling tower is original to the building and was programmed in the PV Reserve Study to be replaced in 2021 for \$87,000.

COMMON AREA AIR CONDITIONING SYSTEM, CONT.

An evaluation was completed to determine the benefits of rehabilitating the existing tower versus replacement in conjunction with a mechanical engineer and EVAPCO representatives. The tower structure is in good condition and rehabilitation of all the mechanical and control components was determined to be the preferred course of action. Hanson HVAC provided the most competitive proposal for the rehabilitation work and will complete the project for \$24,000 before the end of June. The PV BOD has also directed BR to solicit proposals for a cooling tower O&M contract per the manufacturer's requirements so that going forward, the cooling tower will not be allowed to fall into disrepair.



PAINTING/CORROSION CONTROL

BR continues to wade through “hundreds” of resumes in search of an experienced painter to add to the PV facility maintenance staff to address ongoing painting, drywall, and corrosion issues with the PV building. The PV BOD is exploring other painter employee development options due the protracted delay by BR in identifying a suitable person and asks the PV ownership for any recommendations of an experienced painter for the position. The position includes benefits. Because several PV painting and corrosion prevention projects have been delayed, the PV BOD has directed BR to solicit proposals from larger regional painting contractors for unit price painting services. After evaluating three competitive proposals, Coastal Construction has been selected to accomplish rust and corrosion removal, surface preparation, priming and painting of the fire sprinkler system piping, stairways, handrails, and the stairwell doors. Work will begin the first week of August and take three weeks.

SECURITY

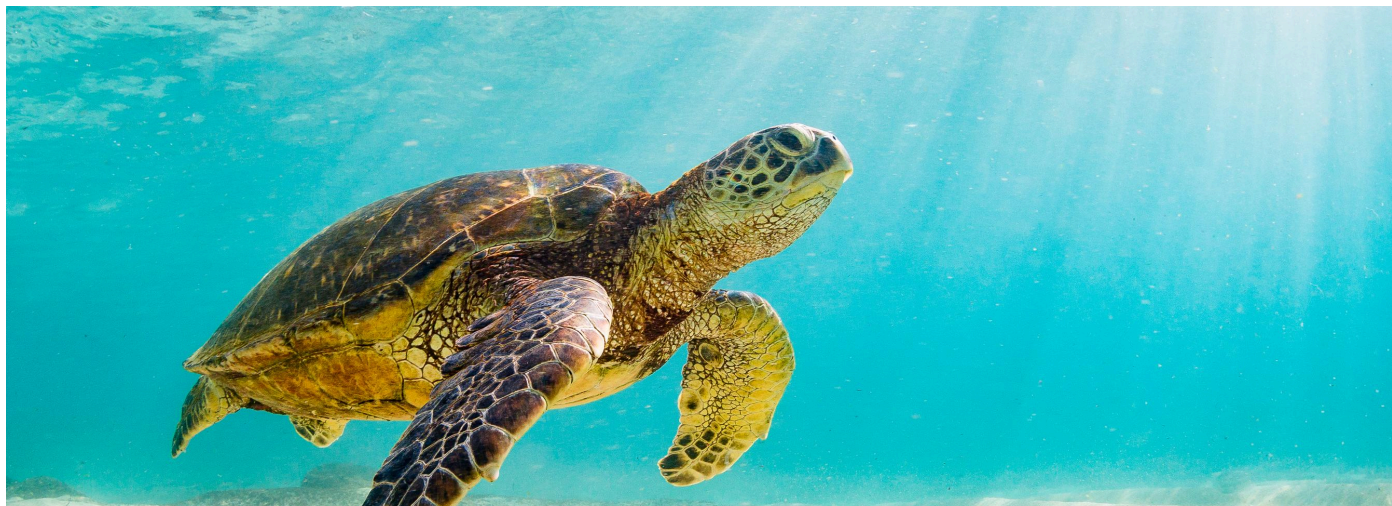
There were a total of 43 Incident Reports at P5 during May, when this newsletter was being drafted. 19 of the incident reports are from Friday-Sunday. Practically 50% of the incidents are occurring over a three day period, and the other 50% are over a 4 day period. Due to this data, the Board voted to approve temporary additional security on the weekends only.

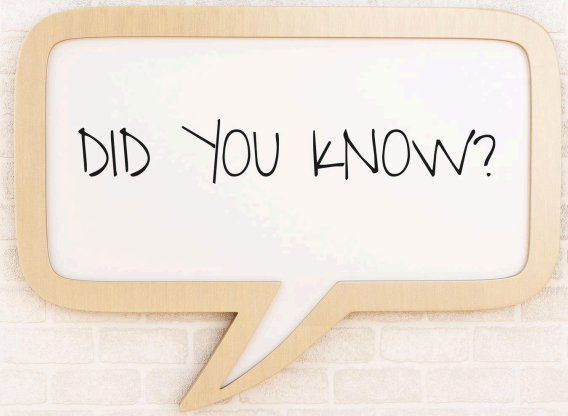
TURTLE LIGHTING

We have formulated a program which we believe should help us address the potential disruption of sea turtle breeding from lights from our building. If we do not, we could face substantial fines for interfering with this endangered species. A substantial portion of our program involves educating guests about how to avoid light pollution issues. We are also replacing light fixtures around the pool and other areas as they wear out with turtle friendly lights. We will also have to replace some lights in the parking lot and other areas that are visible from the beach. Fortunately, we believe that we can spread these expenses over several years. We expect to submit a formal plan to the US Fish & Wildlife Service soon. No guarantees yet that it will be approved.

FUTURE AND CONTINUING PRIORITIES...BRETT-ROBINSON RELATIONSHIP

We continue to evaluate our relationship with Brett-Robinson. We have noted a number of issues where we are not getting the value we are paying for from B-R, such as in the care of our building. There have been a number of failures to properly maintain our building, such as in the fire suppression systems and the cooling tower, as noted above. (Note, also, for example, the \$20,000 credit given last year for maintenance failures.) Some of these issues go back years. We hope to be able to fix these issues amicably and promptly, but we have to make sure that we are getting full value for the substantial money we pay, and that Brett-Robinson works for us, and not the other way around. We will keep you apprised of developments.





DID YOU KNOW?

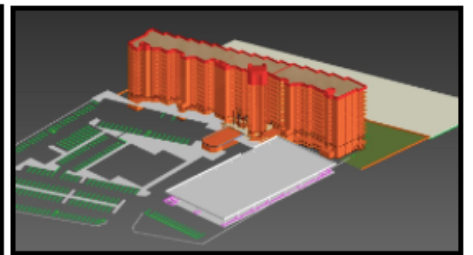
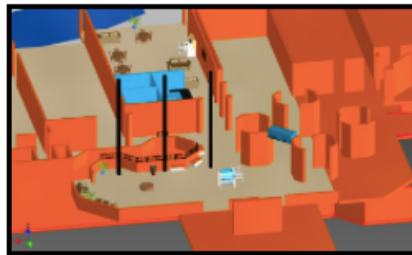
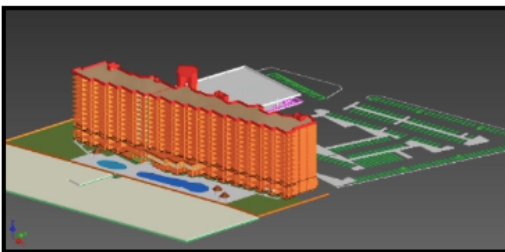
There are 246 Phoenix V units. Of that number, there are 58 one bedrooms, 101 two bedrooms, eighty-six 3 bedrooms, and one 4 bedroom unit. There are 11 ground floor units.

1BD Stacks – 02, 07, 11, 14

2BD Stacks – 04, 06, 09, 10, 13, 15, 16

3BD Stacks – 01, 03, 05, 08, 12, 17

Check out these awesome CAD drawings from one of our board directors, Wendel Behel!



CHECK OUT THIS STORY FROM WKRG NEWS!



BALDWIN COUNTY

Artificial reefs being installed off coast of Orange Beach, Gulf Shores



SNORKEL REEF IN THE GULF

COVERING ORANGE BEACH



Click [HERE](#) to
read the article!



"We sold our one bedroom in P5 for our asking price of \$349,500. I want to say thanks and I credit the current Board with us being able to get the price we wanted. The word is definitely out that "P5 is back!" We are very appreciative of the Board's hard work." - Former PV Owner

"A 2 bedroom, 2 bath condo sold for \$442,000 the last week of June according to city records. This is great news for our building!" -Lisa Behel



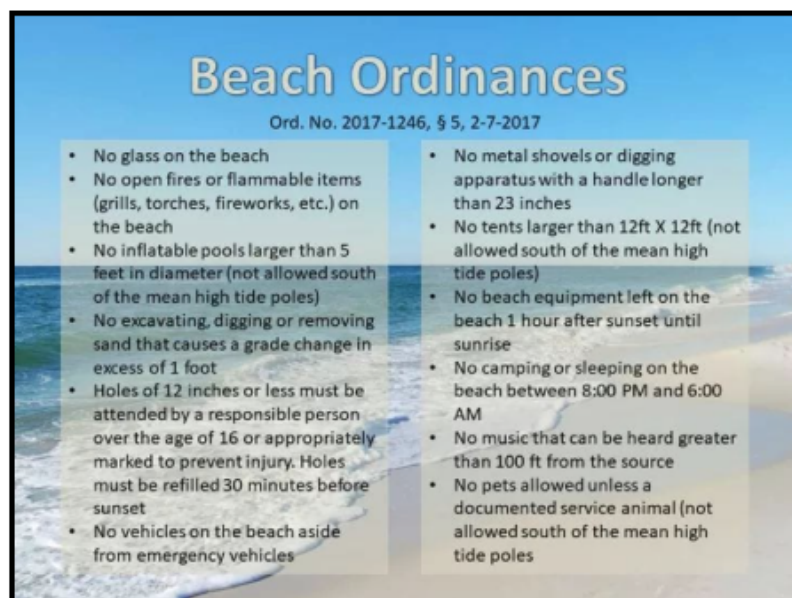
FACEBOOK

FOOTNOTES



A local realtor- condo owner in another complex posted this. I wanted to pass it along. "Make sure you are cleaning your HVAC drain lines with bleach, etc. The humidity is UP, and already having units shut off because they clog and hit the float shut off valve." - Lisa Behel

If you are in the market for a parking spot, many owners mention that they are selling their parking spots on the Facebook group. Make sure to join if you would like to stay up to date in real time with regard to matters such as this. Join [here](#).





CLOSING REMARKS

Amid this pandemic, there is still hope of a great summer rental season. It is our hope that families will be ready to get out and enjoy the sun as soon as they are able. We encourage owners to lean on each other during this time and to trust the process. We are here to serve you, and we are very proud to do so. Thank you for your support! Stay safe and healthy!

Are you interested in serving on the HOA Board of Directors? If so, please fill out the following survey by clicking [here](#) or email us directly at phoenixvhoa@gmail.com.

Sincerely,

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