

December 2018 Palermo Newsletter

As the current Board terms come to an end, and we pass the reins on to a new Board, we would like to provide a final Newsletter of updates since the November 1 Board Meeting.

Annual Membership Meeting: Wednesday, December 12, 2018 at 2 p.m. The Annual Membership Meeting will include the election of three Board members to serve one-year terms. If you are unable to attend, please complete your proxy, attached hereto, and 1) give it to one of your neighbors to bring to the meeting, 2) send to Brian Rivenbark at Sunstate, or 3) give to Nancy Spokowski to bring to the Annual Membership Meeting.

Palermo Financial Status:

- The unaudited Palermo balance sheet and income statement through November 30, 2018 can be found on the Palermo web site (www.mypalermohoa.com).
- There was \$76,066 of cash on hand at the balance sheet date, mostly due to the timing of quarterly collections and timing of expenses payable (a sod replacement bill in the approximate amount of \$10,000 is expected to be paid in December).
- All quarterly fees due to date are current.
- Expenses incurred have been favorable to those budgeted, primarily due to favorable spending and timing as explained above. The budgeted annual expense contingency of \$6,000 has not been utilized, the mulch expense will be \$5.8K less than budgeted and legal fees will also be less than budgeted. Irrigation repairs, representing replacement of broken sprinkler heads and replacement of irrigation control boxes, are expected to be over budget by about \$2,000.
- On a proforma basis we are expecting a surplus of approximately \$12K for the calendar year.
- The Board is pleased to be able to end the year with a surplus due to the careful management of expenses. Further, the sweat equity of the Landscaping Committee, especially Richard Stufft, in setting irrigation timing, rather than paying a third party for this service, has contributed to the positive bottom line. Additional thanks to homeowner, Rick Bingen, who has assisted Richard in this endeavor.
- The Association commenced 2018 with \$53K of cash on hand and expects to end the year with approximately \$57K of cash on hand, depending on the timing of expense payments and/or prepayments of 2019 quarterly homeowner fees. This strong level of cash accumulated over the past two years should place the new Board in a good position going forward to continue to replace sod and, hopefully, to reduce Palermo Association fees in the future.

New Sod: The Board budgeted \$15,000 for calendar 2018 for sod replacement at homes for which bare areas are not progressing. Phase I of the sod replacement occurred with great success at a cost of \$4,629 earlier this year. Phase II of sod replacement has recently been completed at a cost of approximately \$10,000. Prior to installation of the sod, several walk throughs to identify the neediest areas, with a focus on front yards, was done. The 2019 approved budget includes \$15,000 for additional sod replacement and to address other lawn care issues identified below.

Other Sod Issues: In the course of numerous walk throughs regarding sod needs, several issues were identified by the landscaper/sod provider experts.

Soil quality: As most everyone knows, the soil underneath our lawns and planting beds is not high-quality loam, but rather sandy, shell-laden soil, perhaps in part representing lake dredging excess from the rest of Venetian in the past. In order to determine if there were any reasonable remedies to this matter, the Board reached out to various sources, and chose to have the soil quality tested. As a result, the soil pH was determined to be too high for optimal grass growing. To help address this, ArtisTree has recommended that a Sulphur application be applied to the lawns with the first such treatment to be done in January. ArtisTree has agreed to do this first treatment at no cost to the Association. It is recommended that an additional treatment be completed in March, with further treatments during the summer months (Sulphur can be applied in Florida in the summer months). The new Board will need to discuss whether they want to proceed with the recommended follow on Sulphur applications. Lowering of the pH should help the existing grass better absorb the nutrients from fertilization. In addition, ArtisTree has recommended one of the permitted fertilizations (in Florida fertilizer is not permitted to be applied in June – September) be substituted with a Milorganite application in 2019. This recommendation will be passed on to the new Board.

Nematode/Grub Presence: Prior to starting the Phase II sod installation, soil tests were taken from ten sites, using two separate vendors. The first vendor reported 17.5% of the tests showing high nematode presence; the second vendor showed a 6.25% presence of nematodes. Extensive diligence was carried out by the Board, including meeting with a third party specializing in nematode treatment. Based on the diligence done and the input from the specialist, the Board was advised that 85% of all nematodes are beneficial as these nematodes help reduce the infestation of other damaging insects, and 15% are not desirable, but generally do not result in problems for residential lawns. This is because St. Augustine grass that is fertilized and watered adequately will be healthy enough to ward off nematode damage. In fact, they informed us that once grass gets healthier it often has a higher incidence of nematodes, yet shows no external damage. Further, the Board was advised that if one tested a site, and then tested another site ten inches away, results would vary significantly – i.e. it is almost impossible to effectively test for nematodes or know where to treat them. After several meetings on this subject the Board was advised that it would be best to continue with the installation of new healthy sod as planned and to apply a one-time nematode treatment as a preventative measure atop the newly planted sod. In part this advice was rendered by a nematode treatment vendor that suggested it is highly unusual to treat residential properties for nematodes (such treatments were not even commercially available for residential use one year ago), as it is better to focus on sod installation, watering, and fertilization, and avoid repeated toxic nematode treatment. ArtisTree will be applying a nematode treatment to the new sod shortly.

In addition, in the course of this process grub infestations were noted in several locations. We were advised to also apply a grub treatment at the time of the new sod installation -- and that has been done.

Swimming Pool Overflow Drains – In many cases sod was found to be damaged proximate to these drains. The salt water kills grass. It is highly recommended all homeowners with pools look at the location of these drains and consider installing French drains to mitigate this problem. The current Board will recommend to the new Board a full property inspection regarding this issue.

Pets – Many areas, generally adjacent to the sidewalks, and near the mailboxes, are being damaged by pet urination. While we can't suggest a solution to this matter, we can only share that repeated use of the same areas does have a damaging impact on the grass.

Downspouts – Due to the terrain on some properties, it is apparent that during heavy rains, water flow emanating from downspouts is gushing over sodded areas and causing grass to suffer. The Board suggests homeowners review the location of their downspouts and consider French drain installation where appropriate. The current Board will recommend to the new Board a full property inspection regarding this issue.

Landscaping Survey: In November the Board sent a Landscaping Survey out to residents so homeowner feedback could be provided to the landscape company. As of today, 28% of residents replied to the survey, 72% did not. Of those that replied, 50% reported that they prefer to retain ArtisTree and 50% indicated they would prefer ArtisTree be replaced. Of those that would like ArtisTree replaced, 27% indicated they would like this replacement only if there is no cost differential, the remainder are willing to absorb varying levels of cost increases. The full survey results will be shared with the new Board for follow up. Please note that the existing landscape firm, ArtisTree, provides all lawn care and fertilization services, but a separate company, RAMCO, was employed to provide mulch and a separate company, Tri-County, was employed to provide sod. Therefore, any comments and or change in vendors for these services will need to be directed by the new Board to those vendors.

Common Areas Surrounding Palermo:

At the recent Board Meeting it was discussed that in connection with review of the items yet to be completed by Lennar for the common areas surrounding Palermo to be turned over to the VCDD, it has been discovered that the developer did not comply with the City of Venice code requirements for tree plantings when building out the Palermo neighborhood. As a result, numerous trees are required to be planted, many of which were supposed to be included on homeowner lots. The failure of these trees to be located on the subject lots causes each homeowner to be subject to a Code Violation. As a result, Lennar wishes to clear up this compliance problem. Each Palermo homeowner was sent a letter by Lennar explaining this matter and a meeting was held at the River Club to address any homeowner questions. Included in Lennar's letter to each homeowner were several forms required to be filled out by homeowners and

returned to Lennar's consultant, Kimley-Horn, in order to grant Lennar permission to proceed on this matter on each homeowner's behalf. These forms were due back by November 30th. At this stage three Palermo homeowners (out of 78) have failed to return their required forms, and hence, these three homes will have an uncleared Code Violation against their property. There likely still is a short window of time to clear this violation, so if you are one of those homeowners that did not complete their forms (there were three follow up requests to all non-responders), please get in touch with Nancy Spokowski (philnans@verizon.net), as soon as possible.

**The Palermo Board of Directors
Nancy Spokowski -- Phil Occhino -- Mark Faford**

NOTE: A new Board will be elected on December 12, 2018 and that Board will decide what committees, including a Landscape Committee, that they would like to form.

Board:

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Mark Faford (faf99@aol.com)

Landscape Committee:

Harry Wildman (hwildman@comcast.net)

Richard Stufft (mdmsp08@gmail.com)

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