

COLONIAL MANOR WEST
Minutes of the November 14, 2020 Board of Directors Meeting
The 2021 Budget + Special Assessment

Ann Smalarz called the board meeting to order at 10 AM.

Three board members were present either in person or via a Zoom: Gustavo Pineiro, Ann Smalarz, and Dan Glendale. In addition, Tom Neubecker (Assistant Treasurer), Mike Moskowitz (our CPA) and a number of owners were also present either in person or via Zoom.

Minutes Approval – Reading of the minutes from the previous board meeting held on July 30, 2020 was waived since they were published on the website. The minutes were approved as written by unanimous vote.

Appointment of New Board Members – There are 2 empty positions on the Board of Directors as a result of members quitting or selling their unit. Two new board members were identified and volunteered to serve on the board. These are Gerasim Nyagolov (owner of 101) and Simone Malak (owner of 207). A motion was made by Ann to appoint them to the vacant positions and the motion passed unanimously. They immediately became members of the Board. (NOTE: Gerasim also offered to assume the Secretary position).

Treasurer’s Report – Tom Neubecker reported that as of 11/14/20, we have a balance of \$45,217 in our checking account with a liability of \$846 on our association credit card. This leaves us with funds of \$44,371. Tom noted that the amount is a little higher than expected since 2 unit-owners have already paid their condo fees for all of 2021 in advance. Tom also pointed out that our largest single bill (our property & wind insurance policy) will come due in late December and that this is expected to be in the range of \$40,000. So, we are now operating close to the minimum amount of funds necessary to run the association. Hopefully, there will be no more large, unbudgeted expenditures for the remainder of the year.

Ratification of Expenditures – The following “non-recurring” expenditures made since the last board meeting held on 7/30/2020 were reviewed:

Date	Amt.	Purpose
8/11/2020	\$300.00	Ft. Lauderdale 10-yr inspection fee
8/26/2020	\$237.11	Paradise (reseat toilet in 312)
9/3/2020	\$320.00	Bee removal
9/16/2020	\$215.00	Tropic Star (re-soding)
9/17/2020	\$125.00	Broward Elevator Inspection
9/21/2020	\$476.00	Alba Tech (Pool heater repair)
10/7/2020	\$5,960.00	Motion Elevator (50% on repairs)
10/15/2020	\$106.94	New Light Fixtures
Various	\$1,995.00	4 visits to clear AC cond. Lines in '08 & '11 stacks
Various	\$4,118.75	4 months of engineering fees
Various	\$600.00	Rick Mystic (molding, gate, concrete, dry wall repair, plumbing repairs)
Various	\$405.50	Miscellaneous small items
Total	\$14,859.30	

These expenditures were ratified by a unanimous vote.

2021 Budget – Tom reviewed the proposed 2021 budget. The only differences from the 2020 budget is that we have moved \$5,000 from the “Repair & Maintenance” category (\$30,000 in 2020 and \$25,000 in 2021) to the “Property + Wind Insurance” category (\$40,000 in 2020 and \$45,000 in 2021). We did this because we expect fewer sewer line failures now that all of the sewer lines on the east side of the complex have been replaced. In addition, our insurance agent told us to expect a 10%-15% increase in wind & property insurance as a result of the hurricanes that hit this past year. We will not know until the end of the year the exact amount of the increase. The net of all of this is that the TOTAL budget for the association has not changed and, as a result, condo fees will NOT change if this budget is adopted.

A question was asked if the association collects reserves. Tom answered that reserves have always been voted down so there are no reserves.

Ann made a motion to accept the budget as written and the motion passes unanimously.

Special Assessment – This is where the bulk of the meeting was spent.

The Association needs to attack 3 different major projects which are outlined below:

- 1) Elevator Renovation – When we had our elevator inspected by the city this past July, it failed. This is primarily because the electronics in the control room no longer meet code (they are the original ones from 1969 with mechanical relays). They have to be replaced at an expected cost of ~\$10,000. In addition, the elevator company highly recommended that we replace the closing mechanism on the door as it too is original and is in danger of failing at any time. The door replacement would cost an additional \$5,000. This totals \$15,000 in elevator repairs.
- 2) Building Renovation – When we had our 10-year inspection in May (by Akouri), the complex passed the electrical portion of the inspection but failed the structural portion. When this happened, we were required to hire an engineering company to perform a detailed structural analysis of the building. The firm we hired (United Professional Engineering) identified several areas in need of repair/replacement. The major area was the balustrades (railings) on the balconies. Many of them are cracked, split or loose and need replacement. In addition, there is some spalling on the balconies and the catwalk. The engineering company prepared a detailed list of the repairs and then prepared a bid package for 5 different contractors to bid on the project. The bids were quoted in two different ways: 1) repair/replace the current balustrades with ones of the same design (bids ranged from \$158K to \$232K), or 2) replace ALL of the balustrades with an aluminum railing (bids ranged from \$128K to \$180K). The first option would cost substantially more than simple replacement because of the complexity of removing the cap on the patios and molding replacement balustrades. Also note that these are estimates based on a survey of the building. Actual costs could exceed this if damage is more extensive than superficially determined. In addition, engineers must supervise the work to meet code. The additional engineering cost could be \$40,000-\$50,000. So, the total project is projected to cost ~\$220,000.
- 3) Sewer Line Replacement - While the sewer lines on the east side of the complex have been replaced, they have not been replaced on the west side. We have an estimate from one company of \$115,000 to complete replacement on the west side. We expect bids from other companies to be in the same range.

There was extensive discussion of whether or not we should attack all 3 projects in one special assessment or do the first two and see how much remains to do the third. Most people agreed that a single assessment to cover all 3 was the right approach especially since some owners may need to secure loans to pay for the assessment and the cost of a single loan would be much less than getting two separate loans.

There was also extensive discussion about the replacement of the railings. It was decided that, because it is a “material change” to the complex, we ask the owners if they prefer replacing all the railings with aluminum (the lower cost option) or should we seek to replace them with balustrades of the same design. Tom offered to send an email or letter to all

owners asking for their opinion. The majority would win. In addition, we plan to ask all owners that – if we go with aluminum replacement railings – would they prefer white or black. White would mimic what they currently have while black would match the remainder of the complex. Again, the majority vote would determine our choice.

As a result, we expect the total repair/renovation costs to be as follows:

Elevator Renovation	\$15,000
Building Renovation (including Engineering)	\$220,000
<u>Sewer line replacement on west side</u>	<u>\$115,000</u>
TOTAL	\$350,000

Several board members indicated that, because repairs seldom go as expected, we should build in an “overage” factor of about \$50,000 – especially since we don’t have surplus funds in our checking account to cover any overage. In addition, the board recognizes that some unit owners may need to secure loans to pay the assessment. It is less expensive in the long run to get one single loan to cover all 3 projects than to get separate loans for separate assessments if we did the elevator/renovation project and the sewer line replacement project separately. Also, because funds from special assessments are restricted, any funds not used for the above 3 projects would have to be refunded to the unit owner or applied to their future maintenance fees – their choice.

Timing and collection of the assessment was then addressed. It was pointed out that we need to collect the majority of the funds before the renovation can begin in February. Thus, it was proposed that 50% of the assessment should be due and payable by January 15, 2021, before the project begins. This will give owners about 2 months to secure the funds. The next payment of 25% would be due on March 15th, towards the middle of the renovation work. The final payment would then be due on June 15th – when the renovation should be completed and we will be in a position to see how much funds remain for the sewer line replacement. We anticipate holding a board meeting before June 15, 2021 to assess the amounts spent on the first 2 projects and determine if we can proceed with the sewer line replacement.

As a result of the above discussion the following resolution was proposed:

In order to fund 1) the structural repairs necessary to pass our 10-year inspection, and 2) to fund required elevator upgrades, and 3) to replace the sewer lines on the west side of the complex, Colonial Manor West Apartments Condominium Association passes the following resolution.

- 1) A special assessment in the amount of \$400,000.***
- 2) The special assessment will be collected over a period of 6 months.***
- 3) The first payment of 50% of the assessment is due on or before January 15, 2021. Remaining payments of 25% each will be due on or before March 15, 2021 and on or before June 15, 2021.***
- 4) Payment of the assessment will be enforced in the same fashion as maintenance fees as outlined in our condo documents.***
- 5) Non-payment of the assessment may result in a lien being placed on any delinquent owner’s unit.***
- 6) Liens will be released only upon payment of the remaining portion of the assessment and any legal fees incurred by the Association in placing.***
- 7) Any funds remaining at the end of the project will be refunded to the unit owner or applied to future maintenance fees at their discretion.***

Unit owners are encouraged, but not required, to pay the entire assessment as one lump sum payment on or before January 15, 2021.

A motion to pass this resolution was made by Ann Smalarz and seconded by Gustavo Pineiro and it was passed unanimously by the board.

Owner Questions & Comments – One owner asked if we could rescind the “no short-term visitors” rule for use of the pool and pool deck since the county rescinded its requirement. Dan pointed out that, separate from the Broward County emergency order, the county gave condo associations the authority to place such restrictions during the pandemic and this is what the Association did at its July 30, 2020 board meeting. Several owners expressed that they didn’t want the directive rescinded until the pandemic had passed. One owner even disclosed that a recent visitor/resident at the complex had contracted the virus and used this as an example as to why short-term visitors should not be in or around the pool. It was finally decided that we table any consideration of changing the pool and pool deck access rules as they currently exist.

Another owner brought up the fact that there were a lot of cardboard boxes stored on the catwalk outside of one unit making it difficult for our cleaning person to clean the catwalk. That unit’s owner indicated that he had just moved in and the boxes would be removed soon.

A question was also raised about noisy pets in the backyard and pets defecating in the back yard. Ann mentioned that she had already contacted the owner/renter of the unit in question to convey our concerns.

Adjournment – There being no additional questions, Ann made a motion to adjourn, it was seconded by Simone and passed unanimously. The meeting adjourned at approximately 11:45 AM.

Respectfully submitted,
Gerasim Nyagolov, Secretary