

**Colonial Manor West  
Quarterly Report  
January - March, 2012**

This report covers the first quarter of 2012 (January - March). We have also attached a financial report for the first quarter of our fiscal year.

**The Roof** – As you may know, we have been struggling with how to manage the maintenance of the current ~17 yr. old roof. We had our roof inspected in 2010 by an independent roofing inspector (the roof report is on our web site). We also had the roof inspected last year as part of the county mandated “40 yr. inspection” by Zimmer Associates. Finally, we had 4 companies look at our roof to get bids for maintenance work. ALL of these companies indicated the roof was in relatively good condition, but they ALL said we need preventive maintenance performed soon.

The most pressing issue is the pitch pans which hold up the AC units and electrical connections. Many of them are collecting water since the pitch in the pan has dried up. As a result, they are rusting badly and are the first place water is likely to leak in. But there were also roof issues with seams separating, roof bubbles, the reflective coating wearing off, loose flashing, severe ponding, etc.

All 4 companies we spoke with presented bids for the preventive work. However, the company that impressed us the most was SK Quality Roofing. They were the only company we interviewed that offered a package to correct all of current problems plus an option for a 10 year service contract that would warrant the entire roof plus resurface a portion of the roof each year with a new seamless roofing system. Thus, we would have an essentially NEW roof after that 10 year period. In the meantime, the entire roof would be maintained and warranted.

The roofing system they proposed is called Topcoat Elastomeric Coating made by GAF Corp. It is a 3 coat system that incorporates an elastomeric coating with fabric mesh substrate. The final roof is seamless, white (to reflect sunlight and heat), and designed specifically for situations like ours where there is ponding of water.

We also liked the cost of the system. At the end of 10 years, we will have an essentially new roof which will cost us a total of ~\$68,000. But we will be paying for it over a 10 yr period (~\$6,800 per year). In the meantime, this \$6,800 per year warrants the entire roof – not just the portions recovered.

We also really like the fact that there is a set, predictable cost over the next 10 years. It is something we should not have to worry about anymore (or at least for 10 years). The cost is relatively small (\$6,800 is about 5% of our total budget for any given year) and we can budget it in each year. A new roof (flat) would cost us ~\$150,000 if we did it all at one time, and to pitch it properly would probably result in a cost >\$250,000. I don't think any of us would like to see a special assessment in that amount.

Finally, we like the company. They specialize in treatment of flat built up roofs like ours. They are A+ rated by the BBB. They provided us with a list of over 150 clients (all condo associations like ours), and indicated that we could contact any of them for references. Dave contacted some of them and they all gave a glowing recommendation of the company. They have been in business since 1982. They are fully licensed and insured. They answered any/all questions we had and they attended our board meeting to answer owner's questions. It also gives us some assurance that we will have a “relationship” with a roofing company in case we have a hurricane. If there was ever damage from a hurricane, we would have priority with this company for service at a time when everyone would be looking for a roofer.

At the last board meeting, the board agreed to the 10 year contract. The maintenance repairs and this year's 10% resurfacing of the roof have already been completed. The first 10% resurfaced was over the 311 & 312 units where the deepest ponding was occurring. The following are some before and after pictures so you can see what the new roofing looks like now and how the areas around the AC units have been treated.



By the way, there is an additional advantage to the new roof. It is a reflective white color. The temperature of the roof when it is sunny is drastically lower. This should result in lower AC costs for the 3<sup>rd</sup> floor residents as there will be much less heat buildup in the crawlspace under the roof.

One other thing we should note. While up on the roof, we noticed that many of the AC units had no insulation or severely degraded insulation around the condenser tube going from the AC unit into the roof. This can waste a lot of cooling to the outside. When/if you have your AC serviced, you may ask them to check and replace, if necessary, this insulation in order to save you on electric costs. You can also do this yourself if you don't mind getting up on the roof.

**Gutters** – We are planning on adding an additional downspout to the west end of the back of the complex to deal with water overflow issues there. While the downspout is not installed yet, it should be there within a week or two. We also plan to seal leaks in some of the seams. Total cost is ~\$300.

**Plumbing** – There were 3 plumbing issues this quarter.

- In January, there was a leak from one of the 2<sup>nd</sup> floor bath units into the ceiling of a first floor unit. Thinking that the drain had failed, the Association hired a plumber to open the bathroom ceiling and determine the nature/source of the leak. The leak was from a 2<sup>nd</sup> floor unit owner's tub. The unit owner was notified and had the tub repaired. The Association repaired the ceiling in the first floor unit (since the Association opened the ceiling). The total cost to the Association was ~\$500.
- Also in January, we had a sewer vent collapse in the kitchen area of the 111, 211, 311 stack. Since it would have been difficult and expensive to fully replace that vent through the roof (the vent was not a straight shot up), the plumbers suggested that we add a mechanical vent to the front of the building. This was a far cheaper solution (~\$1,800). The old vent to the roof was essentially abandoned and has been sealed.
- In February, yet another stack collapsed in the 112, 212, 312 kitchen area. Once again, the plumbers were able to access the stack from the exterior wall (adjacent to the west stairway). All of the stack and the connections to the kitchen sinks were replaced. This was a decidedly more extensive job. The plumbing work, resealing the concrete walls, re-stuccoing, and permits cost a total of \$8,376.

It is apparent that the sewer stacks in the complex are failing at an increasing rate. We can expect several of these failures to occur each year and we need to budget for them accordingly. If there are any further stack collapses or sewer collapses this year, we may have to have a modest special assessment.

**Garden Improvements** – This past quarter we made some major landscaping changes in the rear of the complex. We removed many plants, trees and bushes that had grown much too large for that area or which had become old and spindly. In addition, we removed a lot of large roots from trees on the adjacent property which had grown under the brick wall and into our garden area and lawn. Finally, we dug a straight line to separate the lawn from the garden area and added edging to keep the two areas well defined. We plan to add some additional plants and have the garden mulched this next quarter.

We also trimmed some bushes in the courtyard area and added some palms to the west courtyard in hopes that, over time, we will have a more balanced look with palm trees on both sides of the courtyard. The total cost for these improvements were minimal (edging and a few plants) and was under \$200.

**Insurance** – In February, our Commercial Property Insurance (fire, liability, etc.) came up for renewal. This is our second highest policy (behind wind) at almost ~\$11,000/year. We also renewed 2 smaller policies: Fidelity/Crime which cost us \$322 and the Director's & Officer's Liability policy which cost us \$1,724 (for a 2-year renewal). Now all of our policies for 2012 have been paid in full. A summary of these policies (coverage dates and amounts, deductibles, cost, policy numbers, etc.) can be found on the Association's web site: As a reminder, our largest cost policy (Citizens Wind Insurance at ~\$27,000) comes up for renewal in October.

**Inspections** – In March, we had our annual inspection by the Fire Department. They indicated 2 changes that had to be made: 1) Florida law now requires that buildings with a wood truss system for the roof (such as ours) be labeled. This is why there are two red "R" signs posted on the front of the building. 2) They indicated that we can have no items stored in the electric panel room. That is why the shopping carts and dolly have been moved into the laundry room or under the stairwells. Please do not put any items in the electric meter rooms. Also, the elevator and fire alarms/smoke detection systems were tested this month and passed inspection.

**Banking** – This quarter, the Board decided to consolidate the escrow account into the operating account for convenience sake. We had no checks to withdraw money from the escrow account, plus we were incurring an additional \$25 fee each year for this minimally-used account. While the funds are now in a single checking account, they will still be kept separate “on the books” and will continue to be reported to you separately (as shown below).

## **2012 Budget Report**

Attached is a summary of our spending (vs. full year budget) for 2012. Several things should be noted:

- When comparing the monies spent vs. those budgeted, realize that we are ~25% through the budget year. Our total expenditures to date are at the 39% mark primarily because of the roof repair/resurfacing and the plumbing stack problems (both of which fall under “repair & maintenance”).
- We are under budget on a couple of insurance policies and are doing well in keeping down our utility and legal costs. These savings may balance out some of the excessive repair & maintenance costs.
- You will note that no monies have been spent to date for Wind or Flood insurance. Both of those policies come up for renewal late in the year (Oct. and Dec., respectively). So those monies will be spent later this year.

Please remember that this report, plus all past quarterly reports, minutes of board meeting, budget information, insurance information, condo documents, roof reports, etc. can all be accessed by you at any time on the Association’s website which is at:

[www.colonialmanorwest.yolasite.com](http://www.colonialmanorwest.yolasite.com)

If you have any feedback on what we have discussed, please come to the next board meeting. You can also contact the board by dropping a note into the Association mail box next to the elevator.

Thank you.

Colonial Manor West Board

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### **Bank Balance (as of 4/1/12):**

Operating Funds:	\$53,623.83
Escrow Funds:	\$4,939.67
Checking Account Total:	\$58,563.50

**COLONIAL MANOR WEST CONDO ASSN.**  
**Budget vs. Actuals: FY2012 Budget - FY12 P&L**  
**January - March 2012**

	Total		
	Actual	Budget	% of Budget
<b>Income</b>			
Allowance for Uncollectibles		-\$1,000.00	0%
Laundry Income	\$425.46	\$1,000.00	43%
Maintenance Income	\$32,798.00	\$115,700.00	28%
<b>Total Income</b>	<b>\$33,223.46</b>	<b>\$115,700.00</b>	<b>29%</b>
<b>Gross Profit</b>	<b>\$33,223.46</b>	<b>\$115,700.00</b>	<b>29%</b>
<b>Expenses</b>			
Accounting Fees	\$1,275.00	\$5,500.00	23%
Bank Charges	\$65.00		
Common Area Expenses	\$410.22	\$2,000.00	21%
Electricity	\$477.65	\$3,000.00	16%
Elevator Maintenance	\$471.42	\$2,500.00	19%
Elevator Telephone Expense	\$130.52	\$700.00	19%
Gas Expenses	\$713.15	\$1,500.00	48%
<b>Insurance</b>			
Commercial Property (excl. Wind)	\$10,844.58	\$13,000.00	83%
Directors & Officers Liability	\$1,724.44	\$1,000.00	172%
Fidelity & Crime	\$322.12	\$500.00	64%
Flood		\$5,000.00	0%
Windstorm		\$30,000.00	0%
<b>Total Insurance</b>	<b>\$12,891.14</b>	<b>\$49,500.00</b>	<b>26%</b>
Janitorial Services	\$975.00	\$4,200.00	23%
Landscape Expenses	\$420.00	\$2,000.00	21%
Legal Fees		\$2,000.00	0%
Licenses & Permits	\$401.45	\$1,000.00	40%
Miscellaneous	\$185.50	\$1,000.00	19%
Pest Control	\$210.00	\$2,000.00	11%
Pool Services	\$280.00	\$2,000.00	14%
Repair & Maintenance	\$24,206.00	\$24,000.00	101%
Waste Removal Services	\$1,162.42	\$4,800.00	24%
Water & Sewer Expenses	\$1,315.29	\$8,000.00	16%
<b>Total Expenses</b>	<b>\$45,589.76</b>	<b>\$115,700.00</b>	<b>39%</b>
<b>Net Operating Income</b>	<b>-\$12,366.30</b>	<b>\$0.00</b>	
<b>Net Income</b>	<b>-\$12,366.30</b>	<b>\$0.00</b>	