

## COMMITTEE AND MANAGEMENT UPDATE

### 27 SEPTEMBER 2011

There will be a full committee meeting in October to decide on the important issues below.

#### MANAGEMENT COMPANY

The committee will end the contract with PLM management company this month. We did not receive the support we expected especially in terms of financial planning. This will also save us about 30,000 baht per month after paying the salaries of the manager, assistant and accountant

#### MANAGER

Khun May will be offered a permanent job working 3 days a week at a salary of 15,000 per month (for personal reasons, she does not want to work full-time). The committee feels that Khun May is an excellent manager and has done a great job dealing with all the problems of taking over an old and under-financed condominium

We propose to employ an office assistant full-time on a salary of 10 to 15,000 per month

#### ACCOUNTS

The committee proposes to buy the accounts software we currently use from the company at a cost of 36,000. We will continue to use their remote server and back up. We will have our own independent computerised accounts. Residents will see no change and the system will be exactly the same as before.

The accounts for April to July are posted on the board. We propose to contract an accountant to check and publish monthly accounts as required by law and present the annual accounts for the Annual General Meeting. Cost about 4,000 per month.

## STAFF

The staff were poorly paid. The committee increased the staff salaries by about 5% on a sliding scale so the lowest paid received proportionally more. They were given new uniforms and statutory days off in line with other employees.

The committee and manager would like to thank all the staff for helping improve the building. There is a photo summary on the green board showing some of the extra work going on in the background.

## BUILDING SURVEY

The main point in the survey was that we need to install a fire door partition with special doors on both small staircases on all floors plus emergency escape lights to comply with building regulations. We had quotes starting at 700,000.

## COMMON FEE

Now the survey is complete and we approach the end of the financial year, the committee is now in a position to discuss finances and expenditure for next year.

1. To restore the sinking fund, we need to repay 600,000 every year for the next 5 years. This is about 1,100 baht per 50m room per year (the equivalent of a 19% increase in the common fee).
2. We also have to install fire doors which may cost 700,000. This is about another 22%
3. Inflation 4%.
4. We also had to pay the electricity company 328,000 in arrears for our un-metered supply. (About 10%)
5. This year we had surveys, inspections and other one-off expenses in taking over an old building (About 2%)

These 5 things alone will add 57% to the common fee next year before we do any other repairs or improvements.

To repair essential items and have a reserve for more unexpected costs plus continue the 5 year building improvements program including the interior, TV, bad wiring etc, we need to allocate about another 730,000 or 23%. This means an 80% increase in the common fee next year. This could fall in 2013 because the fire doors and essential repairs are a one-off expense.

We are waiting for the details from the lawyer but the way other condominiums do this is to keep the common fee the same at 10 baht per square metre per month but add a special charge each year according to the expenses that year.

For example, a 50 meter unit currently pays 6,000 baht per year common fee. The special charge in 2012 would be an additional 4,800 baht (assuming we raise an extra 80%) which would be paid in the same way as the common fee and is subject to the same penalties for non-payers. From 2013, it may be reduced.

Most owners understand that this is an old building that has been mismanaged and under-funded for years and did not comply with legal and building regulations. The common fee was 10 baht for nearly 20 years and the result was the lifts were unsafe and the building in disrepair.

The problem with trying to set the common fee in a building like this is the unexpected expenses. The fire doors and electricity repayment alone are a million baht or 30% of the total common fee income. Setting the common fee 80% higher for next year is necessary to manage this building correctly.

## SINKING FUND

When the previous manager Khun Kampol left, there was 4.5 million in the sinking fund. We have used about 3 million from the sinking fund. (2.7 million for the lifts plus 300,000 replacing the fire and safety equipment.) We propose to repay this over 5 years.

## ARREARS

The manger and committee have done a lot of work to recover long-term arrears and this has been used for emergency repairs and exterior improvements

You can see from the accounts that 1 million was received in the month of June alone.

## LIFTS

Work continues on the middle lift. Otis say they expect to finish all 3 lifts on schedule in November. New interiors will be installed last.

## TRANSFORMERS

We now have a maintenance contract for the transformers. During the inspection, the electricity company found that one main cable was not being metered from the time the building was constructed. From now on, our electricity bills for the common areas will be much higher. We hope to offset this cost with the 30,000 saving by not using a management company

## WATER

The committee, manager and staff spent a lot of time dealing with the issue of paying much more for water than we receive. The meters were all cleaned and the main meter tested for leaks. The condo was paying 27.5 baht per unit but receiving only 25 baht from owners. We raised it to 30 to cover some of the losses.

After checking with other condos, we asked the manager to negotiate a reclassification of our water rate from industrial to domestic which she did successfully (see notice on the board) As a result water bills will drop from 30 baht per unit to 23 This saving will be passed on to owners as soon as the water company changes the rate.

The July accounts on the board and website show water receipts as 93,000 against expenditure of 95,000. The month before it was 112,000 against 128,000 so the situation appears to be normal.

PLM added all the arrears to April, so that month looked unusually bad. As the long-term arrears are collected, the figures for July look too good to be true and clearly we didn't spend less than 1,500 baht on all the common areas that month. So we have to look at the pattern in the figures until all the arrears are paid off.

We are looking at whether we can recycle roof rainwater.

## EXTERIOR

The improvements program continues. The rusted white supports in the car park have been painted and also the kerbs. We will fill the beds with white stones to make it attractive and low maintenance. We plan to improve the security box area soon.

## TV AND CABLE

We know many residents want better TV quality. We had an estimate for 70,000 to replace the main cables to improve TV and cable reception. We will try to do it this year depending on the finances.

## WEBSITE

There is a lot of information on our bilingual website  
<http://centercondopattaya.com/index.html>

## ANNUAL GENERAL MEETING

We propose the middle of January because that is the time the majority of owners are here.

# 5 YEAR PLAN

2011

The objectives this year were to

- 1) provide good management and accounts
- 2) renovate the lifts
- 3) restore the fire and safety systems (lightening, hoses, diesel pump, extinguishers, panel, sensors)
- 4) start the 5 year building improvements program
- 5) carry out a building survey and inspection and comply with the law

2012 to 2015

Continue the building improvement program

Improve the lobby area.

New flooring on all floors

Repaint and repair the exterior of the building

Upgrade the electrical and wiring systems including all new TV and cable installation

Replace the old galvanised water pipes

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We would like to thank all owners who have made suggestions. The committee reads all of them and we have incorporated many proposals received in the suggestion box.