

COMMITTEE AND MANAGER UPDATE DECEMBER

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PLEASE REFER TO THE APRIL TO OCTOBER ACCOUNTS ON THE BLUE BOARD

OBJECTIVES

The 9 committee members set out 3 main objectives when elected

1. Make the building safe and secure
2. Have good management and transparent accounts
3. Make Center Condo a pleasant place to live

There is excellent cooperation and agreement among the members on all issues. The feedback from most owners is that there have been many changes and the committee is doing exactly what they elected it to do.

For more information, owners are welcome to talk to Khun Mayoree in the office, read committee reports and published accounts (all posted on our large website) and talk directly to the committee members.

COMMON FEE

The committee met on 10 December (see separate notice). We recommended raising the common fee from 10 baht to 18 or 20 baht per square meter next year (see details in the September newsletter for an exact breakdown of the figures.) The year after will probably be less.

We also asked the management team to compile a list of condos so we could compare how much other condos paid compared to our 10 baht. The attached list shows most other condos have much higher common fees.

Our common fee has not changed in 20 years and it is impossible to maintain the building properly.

INFORMAL OWNERS MEETING

We propose a meeting in January where everyone can ask questions and express their opinion and suggest an agenda leading up to the AGM.

NEW MANAGEMENT TEAM / STAFF

PLM management company did not give us the support and expertise we expected to justify their monthly fee of 65,000 baht and we ended the contract in September.

The committee is very happy with the new management team whom we now directly employ. Manager Khun Mayoree who speaks fluent English

and German is very efficient and is liked and respected by the staff. The new assistant manager Khun Su also speaks fluent English, is a qualified accountant and has excellent admin and computer skills.

The manager and committee would like to thank Khun Boompeng and Khun Kanong and all their staff. Everyone has worked hard during the year to solve many problems in the building. The interior and exterior are much nicer and the tech staff have repaired a lot of equipment and systems. The office staff have implemented the new computerised accounts system.

LIFTS

The committee complained to Otis several times about the lift renewal. They forgot about the door sensors and also replacing the seals and bearings in the main motors until we pointed out that was part of the contract.

Because of delays which were partly due to the floods, Otis agreed to upgrade the interiors with mirrors, kicker plates, new ceiling and handrails. We face another bill for 126,000 for extra work. Otis said the vertical vibration that people have complained about requires the main pulleys to be re-welded and ground so they are perfectly round. This is being done now.

The lifts are due to be handed over 15 December with a load test, inspection of the works and speed and level tests. We are concerned that several recent breakdowns were due to the lift door motors. These were not part of the contract.

FIRE EQUIPMENT

All the new fire and safety equipment has been installed for some time. We are installing a replacement check valve so the diesel pump which pumps mains water can be used. This will double the fire fighting capacity.

Pattaya Fire Dept did a live demo and staff training. They made some recommendations for vehicle access. They confirmed their modern 24 storey ladder equipment is easily capable of a roof evacuation

SURVEY

The company did the second part of the annual survey and confirmed the most urgent item is to install the fire doors as required by law Kor Tor 47. We have to send the report to City Hall showing we still have a building defect. They advised that we should give City Hall a specification and a start date soon otherwise we will have problems if they do an inspection.

FINANCES

The committee has been in place for 8 months. The previous Juristic Person manager Doctor Kamphol handed over the building in very good financial order with about 2 million in the common fee and utilities accounts plus 4.5 million in the sinking fund. This allowed us to repair the lifts and restore all the safety systems (3.2 million from the sinking fund so far.)

However, the building is getting old, was poorly maintained and we had many one-off or unexpected expenses in this financial year.

For example, 320,000 (in February before the committee was in place) to try and repair the lifts, 328,000 charge from the electricity company, transformer maintenance, big water bills for 3 months, survey fees and many other costs to upgrade the infrastructure.

You can see from the accounts posted on the board and website, the condo lost about 200,000 in October and will run at a loss in November and December (because most common fees were collected earlier in the year.) Fortunately we recovered a very large sum in arrears so the common fee account balance is about the same as in April despite all the extra expenses.

ARREARS

The committee and manager put a huge effort into recovering arrears to cover many of the extra expenses incurred this year. The accounts show that up to November, we collected 100% of the common fee plus 1.2 million in long-term arrears so far. A further 1.09 million remains in arrears (accumulated over many years).

In 2 cases, owners have died. The manager has cut off the water to other non-paying units. Some debt may be irrecoverable until the unit is sold. (Under Thai law, the land office cannot allow the transfer of a room unless the condo issues a certificate to show it is debt-free)

We have asked the condo lawyer if there is any provision in Thai law for the manager to go to court to rent out an empty room to recover the arrears on that room if the arrears have existed for many years.

Of the 1.2m recovered, 400,000 is held in reserve in the sinking fund in case of additional lift work and about 500,000 was spent on expenses before the committee was in place. The remainder was allocated to infrastructure and other expenses over the year.

Owners can view copies in Mayoree's office of the pre-committee accounts (we have only December to March 2011), plus committee accounts April to October. There is a list of the arrears figures but with no personal details.

ACCOUNTS

We bought the accounting software 2 months ago to save money and give us full control of the accounting system. Some of the account entries combined several items or the descriptions were not clear. We had it modified to make everything clear and easy to read.

We took a contract with Aus Thai company to do the accounts from October onwards for 3,000 baht per month and to check and publish monthly accounts (as required by law). Khun Uthid will visit the condo twice a month and do a mini audit and check expenses. He will also prepare the annual balance sheet and financial report for the AGM for 15,000 baht.

SAVINGS

Under PLM management company, we paid 65,000 per month for 1 full time manager and an accounts service. Now we directly employ 2 management staff and have an accounts service for only 33,000 per month and we now fully control our own management and accounts.

Not using a management company means a lot more work for the manager and committee but a significant saving for owners The savings on management plus the reduced water bill is over 1 million per year.

WATER

The manager, committee and staff spent a lot of time investigating why we were paying so much for water. We drained and cleaned the main roof tanks, cleaned all the meter filters, fixed leaks, checked the main meter valve and the manager negotiated a rate reduction with the water company. You can see from the accounts that when we took over in April, the bill was 133,000. From August onward, it dropped by about half to 68,000. We aim to reduce the water rate on your bills from 30 to 25 baht per unit.

BUILDING ODOR / PEST CONTROL

The management team had the septic tank system emptied and took advice from the environmental department at City Hall. We may have a rat problem. We looked at the termite problem which has existed in the building for years. It is above floor 10 on the Pattaya Tai side.

The lowest quote for pest control was 28,000 for a 1 year contract including a monthly visit spraying inside owners' rooms.