

## INFORMATION ON THE PROPOSED SPECIAL ASSESSMENT

At the informal meeting, owners asked us to present the proposed special assessment in more detail and separate the sinking fund and fire doors figures from the extra operating and repair costs for this year. They also suggested many owners would prefer to pay monthly which the committee agreed. (The common fee area is 31,535 m2).

<u>Repay the sinking fund.</u>	<u>Fire doors</u>	<u>All other items</u>
3.2 million over 5 years = 640,000 per year.	450,000 one time expense	1.7 million for 2012
<b>85 baht per month</b> for a 50 meter unit (640,000 divided by 31,535 times 50 meters)	<b>60 baht per month</b> for a 50 meter unit	<b>225 baht per month</b> for a 50 meter unit (1.7m divided by 31,535 times 50 meters)

That is a total of 370 baht extra per month for a 50 meter unit, 74% higher than last year (roughly 17 baht per square meter total). It is about 12 baht per day.....

The 1.7 million for all items apart from the sinking fund and fire doors includes:

500,000 for building repairs, preventative maintenance (75,000), renewal of water pipes (200,000), new cable TV system (75,000), emergency repairs (100,000) and interior electrics and misc (50,000).

700,000 as reserve for any unexpected expenses or overruns. Last year we were hit with an unexpected bill for 328,000 elec arrears.

500,000 for extra running costs

Staff (312,000)

Accounting costs (57,000)

Annual building survey (22,000)

Transformer maintenance (9,000)

Inflation (at least 100,000)

328,000 electricity arrears in Sept 2011 (zero)

**(We decided to absorb the 328,000 from the arrears collected last year to reduce the special assessment this year)**

We estimate 500,000 for building repairs. Chief technician Boompeng calculated 200,000 to replace the remaining galvanised main water pipes and valves. He has worked very hard all year and not having to use contractors has saved owners a lot of money.

We itemised the extra running costs. The staff costs have risen from 131,000 per month in April when we took over to 157,000 in December including a professional manager and paying the staff normal salaries. That cost difference alone is 312,000 per year.

The pool does not appear in the accounts. The manager has made a spreadsheet showing the yearly cost of water and electricity, chemicals and repairs for the pool is about 324,000. This is paid by Roar and Ulrika who run the pool. This is a huge saving for owners otherwise we would all pay about 10% more common fee

Some owners have asked whether this proposed special assessment is a one off or will remain at this level. That depends on what the majority of owners want.

How much of the reserve will we use or how much will we spend on unexpected expenses? The fire doors are a one-off expense but it is prudent to repay the sinking fund as quickly as is reasonable in case we suffer a major building problem, for example, with the foundations or underground waste water system.

The only improvement item on the agenda this year is redecorating the lobby for free. If owners want to improve the interior or exterior next year or do any other major improvements, that would have to be costed and voted.

The committee does not have its own full year accounts. AusThai added the pre-committee accounts for January to March to ours so we could have one year cash flow to look at.

Very broadly, the total income was 10.2 million (less estimated 1.3 million collected in arrears which is a one-off bonus for 2011) to give a normal income of 8.9 million

Total outgoings was 12.15 million (less 3.44 million on emergency expenses from the sinking fund) to give normal outgoings of 8.7 million. **There is no spare money and the sinking fund has dropped to less than 30% which is critical.**

At the informal meeting on 15 February, an owner handed around a letter containing inaccurate information - his calculations suggested we would raise 14.8 million.

He stated that the “regular cash inflow was 9,519,922”. He made a basic error of including 1.3 million in arrears collected in 2011. The accounts show that the total common fee income in 2011 was 4,914,688. The maximum possible is 3.78 million (31,535 m sq times 10 baht times 12 months) and a realistic figure with 5% lost to arrears would be 3.6 million. The extra 1.3 million is one-off arrears we collected which obviously cannot be a regular cash inflow.

The error then doubled because he said “5,304,712 in additional baht by doubling the fee plus normal income would = 14,824,634.” He added the arrears twice as regular income. Clearly, a one-time collection of arrears cannot be recurring. He then applied a 100% increase (instead of the committee figure of 74% for the special assessment) leading to a huge error in his income calculations of 3.25 million, almost a full year’s common fee.

Owners need correct information at this important point in the history of the condo from the manager or committee or published info.

### **Correct 2011 income, expenses and projected 2012 income**

Total income	10,196,059	Total expenses	12,153,523
Less arrears collected	-1,319,698	One-off emerg expen sink fund	-3,435,086
<b>Normal income</b>	8,876,361	<b>Normal expenses</b>	8,718,437
Add special assess	2,790,000		
Total for 2012	11,666,361		

We recognise many owners are not comfortable reading accounts. So we took time to modify and colour-code a copy of the accounts to highlight significant figures and added notes to make it easy for owners to find the correct information in the accounts.

There are no “projects” to bid on this year. Almost all the scheduled repairs will be done by our technicians. The proposed lobby redecoration is free and the fire doors are an urgent legal necessity for which we have accepted the lowest quote.

## INFORMAL MEETING REPORT FROM 15 FEBRUARY

We asked for feedback from everyone and asked what their priorities were for this year. Most owners expressed support for the performance of the committee.

We discussed many issues including questions related to the ownership of the Pattaya Tai walkway, the shops along our boundary on Pattaya Tai and also M floor (see below.).

The manager Khun Noi presented copies of documents and title deeds from the land office. She clarified the figures in the sinking fund (the original owners paid in 3.15 million. When the committee took over, the figure with interest had increased to 4.5 million). She also answered procedural questions. After the meeting, owners expressed confidence in her professionalism and knowledge.

We noted several constructive criticisms which we will follow through. 1) fix the loose wiring around the building. 2) post a notice asking owners if they have technical knowledge to share with the committee 3) present the information on the request for the special assessment better 4) cover the exposed meters on M floor

Other major issues discussed were TV reception, painting the swimming pool wall and getting the car park walls on the temple side painted, allowing monthly payments for the common fee and special assessment, the condition of the roof, the lobby redecoration, finances, accounts, and the pool. Owners said they were happy with the pool and the facilities compared to the derelict state it used to be but they noted that there were several repairs that needed to be done. The committee raised the issue of the pool lease.

We spoke about City Hall's requirement for fire doors and about the fire in a Jomtien condo in 1997 where 91 people died.

For the lobby, we proposed that owners vote to redecorate the lobby from voluntary contributions. We planned to have sketches and costings ready for the meeting but the guy didn't keep his appointment. If the vote is yes, we will get owners feedback on ideas and colours etc before proceeding

## COMMITTEE MEETING 18 FEBRUARY

The committee met to discuss issues from the informal owners meeting

M Floor The committee reviewed the floor plan and information on the title deeds for M floor. As a first step, the fire safety needs to be addressed because of the dead-end corridor.

Pool The committee will talk to the operator of the pool. The majority of residents are happy with the pool arrangement but responsibility for repairs and other matters need to be clarified.

Budget The 2012 budget was reviewed.

A new bank account will be opened for residents' utilities deposits to simplify the accounts.

Bonus All staff will receive a small bonus for completing the ramp and many other jobs without using outside contractors which has **saved us a lot of money.**

Safety The exposed meters on M floor will be covered and the breaker doors on all floors will be locked for safety

Parking All non-resident vehicles will be given a temporary sticker to control the parking better and the current parking system will be reviewed

## OWNERS FEEDBACK AND SUGGESTIONS

We are working our way through all the requests from owners.

Recently, this includes providing a bike rack, wheelchair ramp and including owners' names in English on utility bills so they can be used as proof of address for immigration.

Most owners recognise that this has been a year of huge change and the committee and manager have been busy dealing with the legal, safety, accounting, management and major building issues.

After the AGM, we will have more time to deal with your requests if time and budget allow. We will continue to provide monthly updates and there is a huge amount of information on our website

<http://centercondopattaya.com>

There is further information available to owners in the manager's office including quotations, contracts, electricity consumption graphs, pool running cost spreadsheets etc etc  
The manager is currently looking into the contracts for the Wi-Fi and internet server. She is looking for savings and extra income.

### HELPING THE COMMITTEE

We welcome suggestions from owners and residents. Last year we received advice on the fire and safety systems and the lightening conductor and other items.

If you have suggestions on the following, especially if you have specialist knowledge, please contact the committee

- Repairing the cable, satellite and TV systems
- Replacing the steel water pipes
- Electrical system
- Redecoration of the lobby
- Lift equipment. Before the committee existed, 320,000 was paid to a contractor. We still have 3 lift button panels and 32 floor push button panels, all unused. Does anyone have any suggestions how we could sell or auction these for the best price?

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**DO YOU HAVE IDEAS FOR GENERATING INCOME OR REDUCING COSTS. LET US KNOW !**

<http://centercondopattaya.com/CC Contactform.html>

**OR USE THE SUGGESTIONS BOX**

Thanks to Naruemon for giving her time to compile these reports through the year