

**Lanai Homeowners Minutes
Annual Meeting
July 20, 2017.**

Members present: Walter Barr, Pres., Frank Branham, Nick Zoller, Gary Jugert, Katie Moriarty. Chrisann Steurer, Lenny Landis. Also present: Avi Bencomo, Resident Mgr., and David Ariss, Centennial Property Services.

Meeting was called to order at 7:00 pm by Walter. Minutes from June were read and motioned to be approved by Frank and seconded by Nick. Motion passed.

Presidents report:

Walter explained that this would be a long meeting and if residents would keep questions until the end of the meeting, he'd make sure they all would be answered. He explained that Avi is a full time manager but we as residents need to respect his time in the evenings and weekends and not call for problems except for an emergency. His office hours are clearly posted on his door and we need to respect the 9am-6pm hours for issues that come up from day to day. He will be in his office from 5pm-6pm each night for face to face conversations.

Managers report:

Avi let the residents know the new website is up and going with work orders on the front page of our website: www.lanaihoa.com. Please use the work orders if you occur something that needs his attention in your unit or in the building. He will also post hard copies at his office door. This is the best way to help him prioritize his duties and get things accomplished around the building that need attention. The best way to get ahold of him in the day is his cell phone. Please refrain from calling him after hours....as these calls may be ignored. ONLY CALL FOR EMERGENCIES.

Party room reservations are failing to clean up and have Avi check them out so they get their deposits back after their reservation. These need to be taken care of immediately after the event is finished. If the room is found untidy and uncleaned, the deposit will be surrendered.

Drainage pipes are clogging on several spots around the building. Please let Avi know asap if you have a slow draining pipe in your unit and please DON'T use Drano to clean your pipes....our pipes are too old and this ruins our pipes.

Treasurers report:

Our current assets are at \$387,584.30 which is up \$29,891.00 from last year. Budget is holding strong and we are right on track.

Bad news is our HVAC pipes in the building. Gary gave a power point presentation (which will be online on our website) to explain the pipe situation. Our hot and cold pipes are corroded and leaking and our 1956 insulated system is failing. Our study in 2001 stated our pipes were severely degraded and could fail at any time. Welding our pipes is not an option and every unit is believed to have corroded pipes. Therefore, we need to hire a contractor to come and replace the pipes in our building.

Who's responsible?? The owners are responsible for the horizontal pipes that come into their units from the building pipes. The building pipes are the vertical pipes that come up and service each stack. The fan coil units (FCU) are the owners responsibility.

The Board has decided to to replace the vertical (riser) pipes and the horizontal (plenum) pipes and also the FCU's in each unit. The process will look like this:

1. asbestos in drywall and under soffits will be taken out with asbestos mitigation
2. plumbing contractor will come in and replace pipes and FCU
3. there will some lag time in between mitigation and pipes in each stack
4. contractor will repair the wall and the OWNER will be responsible for painting the wall

This should all begin in the spring of 2018 and plans will begin to take shape when the Board has all the financing and contractors lined up.

Costs will run approximately:

\$330,000...asbestos removal

\$1,127,630.....labor

\$50,000....insurance

\$300,000.....boiler

Total= \$1,807,630

Our annual income is about \$400,000 and that's helping us to find a bank to loan us the monies to do this project. We've had 6 bankers talking about loaning the money and spreading it over years. The Board hasn't committed to one certain bank yet or one certain contractor.

The financing approximations for a one Bedroom could be: \$15,564.00 while a two Bedroom could be \$23,355.00. There will be options as to how this can be paid.

Option 1- Paid all up front and there would be no interest with this payment

Option 2-Paid monthly in your dues and this would include interest and loan fees

Option 3-Pay some up front and some over time (this could include refinancing your unit and we have information to help with that if you want this option)

Our normal budget will continue to keep the building running and our HOA dues may rise next year as well.

Next steps: Avi and Gary will continue to look into contractors and financing options.

These will go to the Board when they are finalized to be approved. Next finance meeting for next years budget will be 8/3/17 in the library.

November 1, 2017 is the deadline for the homeowner to figure out their financing options and January 1, 2018 will start the billing for this project.

As of now, Stonebridge is the contractor we're talking to because they have done this work before in buildings around us.

Questions from the residents:

What is the risk assesment and will we start in the winter? **The Board can't gauge the likelihood of another leak, but we cannot begin the project without funding, nor can it be done in winter so the soonest we can begin would be in spring. We're asking all residents to report any water damage immediately to Avi.**

HOA costs? How long will we pay these costs? **If there were no HVAC assessment, HOA dues would need to increase approximately 4% next year to maintain the building in its current condition. The HVAC assessment will be above and beyond this amount.**

If the owner chooses to pay the HVAC monthly, costs will most likely double and the payment time could be from 2-15 years.

Will the building choose how to pay the assesment or the homeowners? Homeowners will choose how to do their financing.

Will the loan go with the building if you decide to sell? Yes.

How long is the asbestos process and how long is the entire project going to last?

Asbestos should be a 1-3 day process for each unit (and they will do more than one unit a day) and the whole project the contractor says will be done in 8 weeks. It's going to be inconvenient and we are sorry you'll have to leave during the asbestos process.

Can we plug holes in our soffits when they are doing the work? Probably, you'll need to ask the contractor.

Is this newer system more efficient? It's supposed to be because the FCU will be ducted in our units.

Will this power point be online? It is online.....yes.

Has anyone checked with their homeowners insurance to see what it covers?

Yes....and everyone needs to find out what their insurance will cover.

We haven't started the work yet....is this number reliable for covering the costs and will we have to give more later? If construction costs go up, owners will pay their share and if the project comes in under budget, owners costs will go down. We are seeking additional bids from other contractors.

How do the other big systems look? All the systems are 60 years old so we don't know how they look

Is any of the reserves we have now going towards this project? No, so others can still buy into our building and get loans and so we have monies for emergencies.

What interest rates are we getting? around 6%

How will the project work for each stack? We'll start with the South end stack (01,02,03,04 units) and then do the North end stack (10,09,08,07 units) and finish up with the middle stacks (06 and 05 units).

Centennial Property report: nothing to report

Group reports: nothing to report from Green Thumbs or Social groups. Facilities group is meeting on Monday mornings at 9 am in the lobby for all remodel discussions.

Old Business:

Gary read the FHA certification aloud and the Board motioned to accept the new certification. Chrisann moved to accept and Lenny seconded, motion accepted. We will NOT be FHA certified this year.

New Business:

The presentation was presented under new business.

Election results:

Walter announced he was stepping down as President after 12 years. The Board thanked him for his service and presented him with a gift.

Ballots were counted and we had a quorum:

Nick Zoller was re-elected
Frank Branham was re-elected
The two vacancies were filled.

Homeowners Forum:

Luella asked about the maintenance painting in the lobby and when we could spruce up the lobby. She was asked to fill out a work order.

Luella also asked what kind of timeline would be appropriate for getting an answer to a work order request or to an email or text? Avi answered within 24 hours if a work order had been turned in. He also reminded folks of his office hours from 5 pm-6 pm.

Melissa III (505) asked about revisiting the NO Smoking vote again. The Board stated that probably not this year but Chrisann suggested that we won't let it just drop and disappear.

Frank motioned that we adjourn and Lenny seconded . Meeting adjourned at 8:10 pm
About 70 people were in attendance for the meeting. Next meeting: Aug 17, 2017 at 7 pm in the Party room.