

**Lanai Homeowners Association Minutes
November 15, 2018**

Members present: Gary Jugert, President, Lenny Landis, Nick Zoller, Katie Moriarty, Frank Branham, MacKenzie Clark. Chrisann Steurer was absent. Also present, David Ariss, Centennial Property Services.

Meeting was called to order at 7pm by Gary. Minutes from August were presented and Nick motioned to approve, Lenny seconded. Motion passed.

Treasurer's Report: Total Assets: \$338,453.18.

President & Vice President's Reports:

New building manager- Please say hi to Amber. She is our new office manager, not maintenance manager. If you have construction related questions, and she is not able to answer, ask Lenny or Gary.

Report on Manager/Maintenance Search- We are looking at several companies and looking for the best fit. We have plenty of companies willing to do the type of work we need.

Report on Energy Efficiency Audit- We got our energy performance score card. The city gives a rating to all commercial buildings and we have a rating of 82 which is very good. Median in Denver is 71 for buildings like ours.

Report on Electrical Panels- Lenny showed a slide show: circuit breaker research. These circuit breakers are original to the building and need to be replaced. Lenny does not think the box needs to be replaced, just the breakers. If you want to replace just the breakers you can purchase new ones on Amazon for around \$112 (for 2 bedrooms), \$81 (for 1 bedrooms). Installation: Lenny has agreed to replace circuit breakers at a cost ranging from \$40 to \$60 per panel, depending on condition of panel. Please email Lenny if you are interested in having him replace your breakers. Existing panel must be inspected in advance of ordering breakers. For maintenance and circuit breaker replacement, you do not need to have a licensed electrician.

75-80% of the boxes appear to be fine on the outside, but if we open them up and they have a lot of corrosion, they may need to be replaced. To replace the whole panel is \$500+ and must be completed by a licensed electrician. If you want to add more breakers to your condo, you will need to replace the whole box and have the new circuit wired to your condo by a licensed electrician.

New thermostats- Owners can stop by the office to get the information on how to order a more advanced thermostat from Amazon. They're about \$84 for those homeowners who want to change them out. You do need to order a specific type in order to be compatible with our system.

Unit 101-Appliances are installed. We are going to use this unit as a rental. It is coming along great.

Landscaping- Sprinklers have been installed on 8th Avenue. We have a one-year warranty on the plants and sod (to make it through this winter).

Update on HVAC Project- We have heat! There have only been 2 tiny pinhole leaks. Air coming out of the vents are not at full capacity yet as the boiler is currently only running at 50% capacity. They are

slowly bringing up the boiler temperature. When the project is complete, there will be 3 boilers-1 will be in use, 1 for when the system needs extra power and 1 for a backup. We have a temporary hot water boiler for hot water-separate from the HVAC system. Fire caulking, insulating pipes and between units, dry walling, and installing access panels are up next.

Update on the Natural Gas Project- We have tested all of the valves in the basement. All of the systems working now will continue to work (laundry, water). We have not been able to fix the behind the stove problem without going behind the stoves. We will need to go behind the stacks now. The cost is based on the time it takes. The faster that the workers can get in and out of your units, the cheaper this will be. Most units have come back without asbestos. Units without asbestos will get a hole cut behind their stove. Those with asbestos will need asbestos mitigation. Once all valves are fixed behind the stoves, if we still do not pass the valve test, we will have to go searching for leaks. We have spent \$75,000 so far. This could double and possibly triple.

Budget Final Draft- The full budget presentation is available online. Gary presented a slide show. If we take out the natural gas and sewer line break, we are right on budget. We are going to do a new reserve study next year. We have a lot of recommended maintenance that we are planning for. The elevator is the most expensive item that is next on the list to be replaced. We need to seriously consider raising HOA dues to pay for the elevator, to get our reserves up to speed, and to replenish funds that we spent on the natural gas and sewer break. Gary recommends we look at 10% increases per year for the next 4 years. This should generate the funds we need by 2022 and give owners more time to make long-term decisions.

Old Business for Approval- Frank motioned to approve 13.7% raise in dues. 13.7% is the recommended 10% increase plus 3.7% increase for inflation. Mackenzie 2nd. All were in favor. Motion passed.

New Business Items for Discussion

Renaming the "Party Room" to the "Aloha Room" or "Ohana Room" has been suggested- discussion.

Rewrite of 2019 Rule Book with new management program- We no longer have a resident manager, Gary will be re-writing the rules to match the new management.

Katie motioned to adjourn. Mackenzie 2nd. Meeting adjourned at 8:23pm to Executive Session.

This note was given to the Board by an owner and we wanted to have it referenced on file with these minutes.

WE SHOULD CURB UNNECESSARY COSTS AND NOT RUSH INTO SPENDING MORE THAN 500K

We are spending 2.5 million dollars (and counting) on a set of projects not yet complete. Tonight we have a long list of proposed projects that add another \$544,650 (over \$5000 per unit). This is too much to spend without a defined and disciplined analytical process; with details provided to owners so they can see where the proposed project ideas come from and data that justifies the need for them. There should be a review process that involves a committee of 3 or more owners that justifies and prioritizes which are most necessary. The information in the power point provided does not describe any data to support the need for any of these projects. Similarly, it claimed that our HOA's are significantly below the Denver market without any evidence or examples to support this claim. I have found similar condos with similar square footage that have lower HOA's. I have also calculated projected HOA increases over the next 3 years and find them unacceptably high after this year's increase. How can those of us who can afford an HOA increase be so insensitive to our neighbors (some have lived here a long time) who will be forced out and lose their homes?

Suggestions: 1) Decisions to proceed with any project should involve disinterested parties, 2) The decision to proceed with any project should be prioritized based on need with curbing any potential for run-away costs in mind (It is understandable that you want to maintain property values but this is not a luxury place! I believe the 12th floor remodel should be postponed until more critical projects are addressed), 3) unless it is an emergency, no project should start unless previous projects are finished. 4) Perhaps a knowledgeable consultant should be consulted for certain projects.....

Below, the amount circled represents the amount for 12 months.

<u>CURRENT</u>	<u>YEAR 1</u>	<u>YEAR 2</u>	<u>YEAR 3</u>
273.15	310.57	353.12	401.56
303.81	345.43	392.75	446.56
311.88	354.60	403.18	458.42
450.97	512.75	583.00	662.87