

**PROPRIETORS STRATA PLAN #50**

**ANNUAL GENERAL MEETING**

**THURSDAY JUNE 7<sup>th</sup>, 2012**

**Venue:** The Regent Palms Messel Ballroom

**Start Time:** 1:00 pm

**Finish time:** 4:47 pm

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**MEETING ATTENDENCE:**

**Board Members:**

Peter Kirby, Chairman (PK)

Catherine Caldwell, Treasurer (CC)

Frank Bigelow (FB)

Doug Mackenzie (DM)

Jim Nappo (JN)

**Owners:**

Stan Hartling (SH)

Tom Ashbarry (TA)

Maureen Ashbarry (MA)

Barrie Romkey (BR)

Lynn Romkey (LR)

Douglas DeMartin (DD)

Joel Bender (JB)

Terry Bender (TB)

Johannes Devries (JD)

Nancy Selander (NS)

Bettie Mackenzie (BMK)

**Owners Via online Stream:**

Philip Knott (PHK)

Nancy Vignola (NV)

Sheron Hoot (SHH)

Betty Murdoch (BM)

Lou Bellotti (LB)

Dean Reaves (DR)

Donald Wolfe (DW)

Anne Downing (AD)

**Regent Representatives:**

Karen Whitt, General Manager (KW)

Alejandro Rios, Project Manager (AR)

Patrick Van Hamme, Financial Controller (PVH)

Yadviga Dzieduszynska, Executive Housekeeper (YD)

Dennis Voves, Chief Engineer (DV)

Kyle Smith, Owner Relations Manager (KS)

**Guest:**

Peter Karam, Partner at Karam & Missick (KM)

*Provided explanation & remarks on proxy voting process. KM departed immediately after presentation and prior to commencement of meeting discussions.*

## **1.0 WELCOME AND GREETINGS BY THE CHAIRMAN**

Welcome greetings were brought by Peter Kirby (PK), and the meeting commenced at 1pm. PK introduced Peter Karam of Karam and Missick (KM) prior to the establishment of the quorum who delivered the unaudited results of the proxy votes and explained the challenges of collection and tallying of results which were delivered to his office.

## **2.0 ESTABLISHMENT OF THE QUORUM**

PK established a quorum of the assembly necessary for conducting the meeting.

## **3.0 APPROVAL OF THE MINUTES OF JUNE 2011 ANNUAL GENERAL MEETING**

The agenda and minutes were approved and minutes were circulated.

## **4.0 REVIEW OF FINANCIAL STATEMENTS**

### **4.1 REVIEW OF FINANCIAL STATEMENT 2011**

PVH summarized the 2011 financial statements seen below:

Net Operating Income/loss YTD		
Actual 2011	Budget 2011	Actual 2010
(\$101,307)	\$14,694	(\$84,843)

*Table 1: 2011 Operating Income/Loss YTD*

In 2010 the Management Co. won a case against the Utilities Company for a claim that goes back to 2005/2006. PVH explained that PPC has different rates for the type of consumers. In the first year of operation, PPC did not qualify the Regent Palms Resort as a large consumer and only applied the corresponding rate once the threshold for large consumer usage was surpassed.

After the extensive legal battles, the Management obtained that the resort was considered a large consumer from day 1 of the opening and therefore received a reimbursement of \$367,585.00. The strata portion of this reimbursement totaled \$87,890.00 and was applied to the statement in December 2010 to cover the shortfall.

### **REVENUES**

- Income from maintenance work orders remained \$30,284.00 under budget. The budget has been based on work orders billed out in the prior year (2010) which included an important number of water heaters installed.
- Income from power is over budget, mainly due to the increased fuel factor in 2011.

- Income from the water is under budget, as important savings have been made to the cooling towers using recycled water, which has decreased the water consumption billed out to the unit owners.
- The property insurance is a wash-out with expenses.

#### **ADMIN & GENERAL**

- Management fees had been budgeted as 17% of the Strata Fees as per contract. Reviewing the calculation, it has been decided to deduct the Strata Lot fees from the calculation basis.
- The property insurance is a wash-out with revenues.

#### **MAINTENANCE**

- **Payroll expenses:** Changes in Chief Engineer have affected the payroll with overlapping expenses, as well as extra casual workers to clean all exteriors of buildings.
- **Other Expenses:** A variety of expenses as detailed each month.
  - **Maintenance Supplies:** Less expense directly related to less billed out work orders. Cooling tower s is a big part of this expense with a total cost for 2011 of \$27,656.
  - **Building maintenance:** Repair works to all garage doors that have been billed back to the unit owners.
  - **Elevators:** \$50,000.00 over budget due to ongoing repairs to the elevators and parts needing to be replaced (push bottoms, door rollers, roller guides, door detectors, etc..)
  - **Additional expenses:** painting of furniture that has been billed back to the unit owners.
  - Sewage plant due to increased electricity cost.

#### **ENERGY**

- All utility meters have been reviewed for verification of source and usage.
- Fuel factor has increased from an average budgeted rate of \$.15 to \$.22

#### **4.2 REVIEW OF APRIL 2012 FINANCIALS**

Presented by PVH.

<b>Net Operating Income/loss YTD</b>		
<b>April Actual</b>	<b>Budget (April 2012)</b>	<b>Actual (April 2012)</b>
(79,552.00)	(\$54,492.00)	(\$21,101.00)

The budget for 2012 used is the original budget presented in the board meeting of December 2011. A new cost sharing agreement is being negotiated for general maintenance expenses as well as payroll expenses. The cost sharing allocation will be modified from 10%-90% to 20%-80% and has been adjusted retro-active for the 1<sup>st</sup> quarter in the month of April 2012. Total adjustment is \$15,000.00. This allowed the month of April to close with positive result of 2,455.00.

This agreement still needs to be formally agreed upon, but has already been reflected in the April statements.

#### **REVENUES:**

- Income from maintenance work orders is \$28,824 over budget, mainly due to repainting of all tables, fridge (bottom), kitchen baseboards, kitchen & patio furniture and overall preventative maintenance in rooms.
- The property insurance is a wash-out with expenses.

#### **ADMIN & GENERAL:**

- The property insurance is a wash-out with revenues.

#### **MAINTENANCE:**

- **Payroll Expenses:** Cost share agreement has been modified from 10/90 to 20/80 retroactive January 1<sup>st</sup>, 2012.
- **Other Expenses:** A variety of expenses as detailed each month.
  - **Maintenance Supplies:** \$19,692.00 over budget but recovery from work orders is \$28,824.00 over budget. Cooling towers is a big part of these expenses with a total cost of \$41,278.00.
  - **Elevators:** \$5,589.00 over budget due to ongoing repairs to the elevations and parts needing to be replaced (push buttons, door rollers, roller guides, door detectors, etc...)
  - **Grounds & landscaping:** \$6,350.00 over budget for different purchases of plants and materials.
  - **Sewage plant:** \$16,889.00 over budget due to increased electricity cost and updated cost sharing allocation.

#### **POOL & BEACH:**

- **Pool Chemicals:** Due to the purchase of pool chemicals in the month of April.
- **Miscellaneous:** Purchase of new uniforms for Pool & Beach staff in April.

#### **ENERGY:**

- **Electricity & Water:** All utility meters have been reviewed for verification of source and usage + low consumption for the pool in April.
- **Gas:** Consumption for heating of the pool not budgeted.

## **5.0 REVIEW OF THE STRATA BUDGET 2012**

This was presented by PVH.

<b>Net Operating Income/loss YTD</b>	
<b>Budget 2012</b>	<b>Actual 2011</b>
(\$75,880.00)	(\$101,307.00)

The Strata Budget which was presented in the Board meeting on 4<sup>th</sup> December 2011 has not been approved and the Board proposed to the management company a new cost share consideration for Engineering, general maintenance and payroll expenses which are pending on formal agreement between Management Company and Strata. This cost sharing allocation will be modified from 10%-90% to 20%-80% and has been adjusted in actual P & L's beginning January 2012.

### **UPDATED ITEMS ON NEWLY PRESENTED BUDGET:**

- The budget for 2012 has been updated with the actual results for the month of January to April 2012.
- Maintenance payroll and general expenses allocation has been updated from 10/90 to 20/80.
- Pool heating has been budgeted for the month of December 2012.
- New electricity rate has been updated for April to December 2012.

### **REVENUES:**

- No increase has been budgeted for the Strata Fees.
- No increase has been budgeted for the Major Reserve Fund (Normally increased each year with 3%)
- Maintenance revenues for the first months of 2012 are 28,241 over budget. As an important part of this related to preventative maintenance, the revenue from maintenance should decrease for the remainder of the year.
- **Income from power:** Increase in electricity rate and fuel factor has been estimated at 21%. Savings from Energy Eye have been estimated at 10% so the net increase in electricity consumption for the unit owners and corresponding mark-up is estimated to be 11%.
- Income from water: Budget based on same consumption as last year from the remaining months of the year.
- **Income from Interest:** In Prior years, interest has been received from Somerset for late payment. This year all accounts are current. Interest is earned on the deposit accounts for reserve funds. 30 day deposit account at 0.06% and 1 year deposit account at 0.2716%.
- The property insurance is a wash-out with expenses.

### **ADMIN & GENERAL**

- **Work Permits:** Cost has increased with 35% for all permits by Government.
- **Strata Lot fees:** 5% Yearly increases as per agreement.

- To be noted that property insurance is a wash-out with revenues.

#### **MAINTENANCE:**

- **Payroll expenses:** Cost Share agreement has been modified from 10/90 to 20/80 as from January 1<sup>st</sup>, 2012.
- **Other Expenses:** Maintenance Supplies: \$20,741.00 over last year at the end of April 2012.
- **Building maintenance:** Exceptional expense in 2011 for repair to all garage doors that has been re-billed to the Unit owners.
- **Elevators:** Continued expenses for repairs and parts to building elevators.
- **Sewage Plant:** Due to increased electricity cost.

#### **POOL & BEACH:**

- **Payroll Expenses:** Less housing expenses as local employees have been hired to replace Philippine staff that returned home.
- **Pool & Beach Supplies:** A large number of beach towels have been purchased in December 2011.
- **Pool & Beach umbrellas:** Included in Capital Reserve Fund.

#### **ENERGY:**

- **Electricity:** Increased electricity rate and fuel factor have been included.
- **Water:** Reduced water consumption for the pool
- **Gas:** Consumption for heating of the pool not budgeted.

## **6.0 UPDATE ON MAINTENANCE/CAPITAL EXPENDITURE WORKS**

AR gave a presentation on a number of projects requiring immediate attention during the upcoming year.

### **6.1 Boardwalk**

Alejandro Rios (AR) brought in samples of the proposed materials for the replacement of the wood decking and substructure.

### **6.2 Keys**

AR brought the door lock samples for review. This was discussed at length including concerns posed by Mr. Stan Hartling (SH) regarding the sizes of the locks for interior and exterior doors. AR proposed that the cost per door would be approximately \$750.00 USD. Jim Nappo (JN) led the group in agreement that at this current time the investment in fitting out all unit doors with new keyless locks was an unnecessary expense to be incurred at this point in time.

### **6.3 Pool**

AR reported that the damage to the pool has been confirmed to be normal wear and tear and not a result of "calcium hungry water". The proposal put forward for the replacement of the current surface to glass tile is \$264,000 USD (plus freight, duties and the removal of the existing surface).

## **6.4 Engineering and Maintenance Report**

Dennis Voves (DV) was welcomed to update the owners on the current performance of the Engineering department, including the improvements by the introduction of the MRT (Make Ready Team) for the ongoing preventative maintenance of all units. DV expressed that the MRT program has substantially reduced the need for on demand calls for unit issues as well as having a more efficient team with a reduced number of staff. DV expressed that MRT will be ongoing and will tackle new areas where he sees a need during each MRT round.

DV's works to date were applauded by all members in attendance.

## **7.0 MAJOR RESERVE STUDY**

This topic was not covered during the AGM 2012.

## **8.0 STRATA BOARD ELECTION RESULTS**

Votes were tallied and the new 2012-13 Executive Committee (Board) was selected.

The results of the Elections were announced by KW and the newly elected members of the Executive Board to begin service from 7<sup>th</sup> June 2012:

Douglas DeMartin

Charles Dickson

Stan Hartling

Philip Knott

Jim Nappo

Pamela Dash-Seidler

Below are the results of the vote tabulation of the election, as provided to us by KM.

Jim Nappo	10,672
Nancy Vignola	10,023
Stan Hartling	9,926
Philip Knott	9,805
Charles Dickson	9,428
Pamela Dash-Seidler	8,218
Douglas DeMartin	8,082
Peter Kirby	4,270
Doug MacKenzie	4,205
Catherine Caldwell	3,515
Frank Bigelow	3,078
Tom Fisher	2,942
Joel Bender	2,559

**Note:** Voting for the Executive Board this year was conducted by way of voter submissions to Karam and Missick.

## **9.0 NEW BUSINESS**

### **9.1 Housekeeping**

YD gave a full report on housekeeping and outlined a number of items she would like to see addressed within the upcoming year. These items were:

- New Mattress set ( Sealy or Serta)
- New Wool Mattress pad -Snug soft Elite. 1-1/2" for beds
- New Wool Mattress pad - for all sofas
- New pillows for sofas 2 each that will be stored in each closet
- Replacement of Shower curtain and liner
- Cutlery – replace the silver plated ones with stainless steel
- bathroom accessories (bins, trays, tissue holders)
- Night stand mirrors or glass covers
- New placemats and napkins - one bedroom unit
- Replacement Radio, Alarm, IPod docking station
- Replacement Lamp shades
- Replacement Patio cushions and pillows
- TV sets Upgrade
- More drawer cabinet space in JR suites

In addition to this YD also mentioned a program to restore marble floors in all units to have them in a like new condition.

A committee was selected to prioritize these items the members are as follows:

Yadviga Dzieduszynska

Pamela Seidler

Nancy Selander

Nancy Vignola

**Meeting was adjourned at 4:47pm**

*Immediately following the AGM there was an informal presentation from Karen Whitt (KW) regarding sales and marketing plans and updates.*