

SULGRAVE REGENCY ANNUAL HOMEOWNER'S MEETING- **APRIL 16, 2013**

President John Robinson called the meeting to order at 6:30pm.

Introduction was made of the Sulgrave Regency board members; John Robinson-President, Phil Love-Vice President, Gary Boomer-Treasurer, Ann Darke-Secretary, Andy Muir-Regency Member, and Theresa Alcazar- At Large Member were all in attendance. Otto Fleck-Sulgrave Member was absent.

Signature Property Management was represented by Jerry Miller-President, Joy Peters-Vice President of Operations, Tonya Gilley-Director of Accounting, Beth Rice-Sulgrave Regency General Manager, Joan Rolleg- Sulgrave Regency Resident Services Manager, Stephanie Ferris-Sulgrave Regency Assistant Manager and Dennice Martinez-Sulgrave Regency Housekeeping Supervisor.

Motion was made to waive the reading of the annual minutes from last year and was seconded.

Mr. Robinson confirmed that all the minutes were available on the website or in Beth Rice's office if needed. The certificate of Notice for Annual Meeting was also presented. Homeowner's attendance was recorded according to square footage by Beth Rice. A quorum was confirmed present.

Sulgrave Regency Façade & Balcony Project- Thomas Rewerts: A presentation was given which included an update on the façade and balcony repair project. Bill Thomas and Chad Grimmet from C & M restoration were present. (A series of slides were shown and can be found attached.)

Sulgrave Building-Mr. Rewerts indicated that the weather has been hitting us hard lately which has affected this project. Currently they are about 38% complete. Due to the time lost due to weather in the last 2 months, we are behind schedule on the Sulgrave building, however we should be okay. Much of this work needs to be complete in 40-50 degree weather.

Regency Building – These repairs are moving along quite well even though we have lost 25 days of work due to weather. The Regency contractors have been doing more mortar joint repair, so they are able to work more with the lower temps. The contractor has not started balconies yet and it will be approximately two to three weeks before they begin on these areas. This will be dusty and noisy, so we do sincerely appreciate your patience while this is complete.

Q: Why were these areas not sealed?

A: We do not seal mortar, it was sealed in the past more than 10 years ago and can actually cause more problems trapping the moisture. Due to this reason we will not seal and recommend that it is not sealed.

Q: Approximately how long does it take to finish a drop?

A: For masonry repairs about three to four weeks. Balconies take longer than masonry. Concrete repairs take longer than the masonry due to the different requirements that must be met.

Q: When will we complete the exterior window cleaning?

A: Due to the large expense of the window cleaning and the large amounts of dust created by the façade project, windows will be cleaned once the façade project is complete.

Q: When will the pool be opening?

A: The pool is expected to be open on May 11th.

Q: Balcony cleaning?

A: The contractors for both buildings are washing off some of the debris while they are completing the work but we recommend that residents wait until the project is complete before cleaning their balconies. Do let us know if there is cement paste residue on your balconies as they will detail these areas.

Q: Is there a contract follow up for this project?

A: This is Tom's job, he checks everything. There is no long term currently planned as it is very costly. The Regency building target completion date is August 31, 2013 and the Sulgrave building target completion date is October 31, 2013. At this time there is no additional cost anticipated. There was a \$50,000.00 buffer included in the contract amount and currently about 15% of this has been used and the board has to approve any use of the buffer. The reason the board was comfortable with the \$50,000 buffer was due to the amount of detail included in Tom's RFP and scope of work that each contractor's proposal was based off of. We also put money back into extra buffer if we don't use as much as expected. For example: We do not need as much money as projected on the 17th floor balcony so the savings will go back in as extra buffer.

Q: Are there any issues we can anticipate with summer weather?

A: Yes, we do not place concrete when the weather is above 90 degrees.

Signature Property Management- Jerry Miller:

Signature property management has made an in-house supervisor change. We started transferring Joy into this position 2 years ago. Beth has done an outstanding job, which is the main reason we are able to make this transition. I will continue to remain involved in the big projects and is currently working on the gas hedge, which helps maintain the gas expenses for the property. Lastly we are all going to strive to do better and we thank you for the opportunity to manage the Sulgrave Regency.

Management Report - Beth Rice:

Beth reviewed the items that were complete in FYE 2013-13

Google Fiber is currently installing fiber to the building. According to the design plan they began at the top floor of the Regency then move down one floor per day. Once the Regency is complete, they will move to the Sulgrave and install the same way.

Q: When will we be able to set up and use the Google Fiber service in our condo?

A: Unfortunately, that is the one date we are currently waiting on from Google Fiber. As soon as Google knows we will be notified. The common areas will have fiber installed during this time and we are trying to get Google Fiber service for the common areas included due to the large amount of business they have received from our building.

Q: Where do they install the fiber in the unit?

A: Entry closet is where they typically are installing but every unit is a little different so they may need to install in a different area. It has only taken about 15 minutes to install in the condo for most cases.

City Ordinance/Gas Grills: Please be aware that the attorneys for the property are currently working with city council and the Fire Marshal to get the ordinance modified so gas grills can be used on the balconies due to the building be made of non-combustible material. Once we have confirmation either way we will make sure all residents are aware. Andy Muir is also working on an electric grill option. He has contacted a firm in Omaha and they are trying to expand in KC and are interest in doing a live demo and they have pricing and perhaps a quantity purchase discount.

Q: I have a gas pipe going to my balcony is that ok?

A: Yes you are still in compliance with the ordinance. If your grill is fixed natural grill you do not need to make any changes. Only Sulgrave building has the gas option fixed.

Hallway upgrades: We are currently working with Gould Evans, Sara Gans Interiors, and Madden-McFarland Interiors. The board and the design committee has been meeting over the past few months as the majority does not like the hallway design in place on the 5th floor Regency and 1st floor Sulgrave. Once a firm is chosen then we will implement the design on the remaining floors over the next two years. If you want to be involved please give Beth your email to be included moving forward.

Q: Whatever is decided can we give consideration to the lighting?

A: Yes, everyone agrees with this and has been discussed with each designer.

Sulgrave elevator modernization schedule: Otis received the contract for the Sulgrave elevator modernization a couple of months ago. Currently parts are being manufactured and installation is expected to begin in July. We will begin with modernization on the #2 as it is currently down then move to the #1 elevator and finally will complete the modernization on the service elevator. The installation is expected to be complete by the end of the year. The end of year date is not a firm date however this is the goal. Based on the contract we have paid a percentage however they will not be fully paid until completion. Currently we have Otis servicing our elevators however we do not have Otis equipment. The current equipment is MCE. Once the modernization is complete, we will have Otis equipment in the Sulgrave building.

Q: What will be new?

A: The cabs or the way the elevators look will remain the same, the equipment and technology is what will be replaced. With this new technology, we will have more control and smarter elevators.

Board Member Candidates: The board terms are two years long. This year John Robinson and Leon Liu are running for the Sulgrave board seat. Andy Muir and Gary Cohn are running for the Regency board seat. Teresa Alcazar is the only At- Large candidate running for election. Each candidate gave a brief speech and their candidate forms delivered to each homeowner are attached.

Treasurer's report. Gary Boomer gave a presentation with slides included. Slides are attached.

Mr. Boomer discussed the results from FYE 3-31-2013, then compared to the 2013-14 proposed operating budget. Items reviewed were the funding of the operating account, funding of the reserve account, and the accounting process for the building.

The board will have an updated Reserve study complete every two years. An audit will continue to be complete every year as it has in the past. Currently the board's focus is fiscal management of the property, maintaining service levels and funding the large capital expenses we are currently working on while maintaining the reserve fund.

Items reviewed during Mr. Boomer's presentation were the history of monthly dues increases, a timeline regarding reserve & budget information, facts presented at the Reserve Meeting 101 held in September 2012, current reserve projections including reserve expenses, and options to fund the reserve account. The board's decision and recommendation are to increase the monthly dues an average of \$0.05 cents/square foot in both the Sulgrave & Regency for FYE 3-31-14 and extend the Sulgrave special assessment for one additional quarter to fund the elevators.

Caution to the homeowners- Requirements beyond FYE 3-31-13 look like 10 cents/square foot in both buildings will be required. (Additional 5 cents)

Q: What do we use the reserves for and are they working for us?

A: The Reserve fund is where capital expenditures for the property are paid from. We do earn a little bit of interest on these accounts, but it is minimal.

The Reserve fund is another term for the capital improvement fund or for future/anticipated replacements and/or repairs. Every few years we have a reserve study done to help predict the expectancy of major capital repairs and the expenses for these capital repairs come out of the reserve fund. We fund reserves with a portion of the monthly dues and specials assessments. We are going to spend most of the reserve fund on replacements and repairs, but in addition we also need to maintain the reserve balance. This will likely be made a Missouri condominium law as some states already have this law in place.

Q: Are we taking a sophisticated approach to our reserves?

A: We are going to need this money in a short period of time to hassle with this. We are looking into how to pay the dues/assessment up front. We have had more flack from those who do not want an increase versus paying up front.

Q: Do we absolutely need to upgrade the hallways?

A: The board goes through the expenses every year. We do way out how bad is the items that are budgeted. We have already taken a step in that direction. We have presented this budget. Operating is not increasing. The capital improvement fund is increasing. Operating has remained constant. It depends on what can be deferred.

Joy Peters, Signature Property Management- Beth and I work on your budget. We had to come up with over \$100,000 increase in the operating fund to prevent an increase in this area. We found what items could be cut so we did not have an increase in operation cost.

Q: Wasn't Otis yelling for years that they could not keep up with the repairs?

A: Not necessarily, it was our intent and Otis' intent to fix and repair. Unfortunately it could not be repaired.

Q: Did we bid out the property insurance?

A: Yes, the budgeted amount was the lowest bid received. Insurance is put out for bid every year.

Q: I do not want my dues to be increased; I want to pay what we owe to make the necessary repairs needed for the building. Is this an option?

A: The board is looking into homeowners being able to pay the lump sum up front but we need to find out if we can do this legally. Some owners want to spread it out and some owners want to pay up front.

Q: Have we looked at the operating budget each year to see if we can cut there?

A: Yes, this is where the budget process begins. We cut over \$100,000 in operating expenses to avoid an increase in for operations in addition to capital expenses. If the homeowners would like to cut different services, then homeowners need to agree on which areas or services to give up.

Q: Why are we not financing these projects?

A: There are homeowners that do not want to borrow money. We have a community and we have to try to come to a consensus. Do we really want to have a debt attached to our association. A year ago we did not know what the bill was going to be for the elevator. If we pay up front we will have better cash flow

now and in the future. Some owners would like to do a reserve payment up front. Some want it spread out.

Q: Are we in a position to afford the services we are accustomed to?

A: When compared, the dues are much cheaper than when I lived in a single family home. As a community we need to make a decision on what services we want to give up. Currently, the issue is the capital improvements. We need to be more aggressive on savings on the capital improvements. We are asking for 1 more quarter to pay for the elevator. 3 Sulgrave elevators are being upgraded.

Resident - There is no perfect process for this. Regarding the Assessment, I appeal that we go for the additional increase. I would like to possibly try to prevent the 5 cent increase for next year.

We must move on to complete the voting. The option is a \$0.05 increase and the one additional assessment installment payment for Sulgrave. Homeowners were asked to fill out their ballots then turn in to be tallied. Dr. David Emmott and Joseph Anson volunteered to monitor the tally of votes.

Results:

The 2013-14 Operating budget and 2013-14 Reserve budget have been ratified.

John Robinson, Andy Muir and Theresa Alcazar were re-elected to the board by majority vote of the homeowners.

Motion to adjourn meeting, Motion was seconded- Meeting adjourned at 9:49pm.

Respectfully submitted

Andy Muir, Secretary