

Whitley Bay Reserves Analysis 2020

Introduction

The analysis and recommendations included in this Reserves Analysis Committee Report are based on a Full Reserve Study of May 2019. This Study was commissioned by the Whitley Bay Condominium Association (WBCA) Board, and was delivered by the company 'Association Reserves'.

The WBCA Reserves Analysis Committee (the Committee) supplemented, expanded and updated that Study by conducting interviews with vendors in key areas, performing extensive research into the WBCA operating structure, and developing a detailed and long-term infrastructure needs summary.

This report and its underlying data is presented to inform the Board while making decisions in upgrade and replacement of Reserve items (currently 47 in number); it recommends timeframes and estimates costs.

It is the Committee's goal to update this analysis annually. Input from WBCA members is greatly appreciated and encouraged.

Full Reserves Study

After an on-site review and referencing their internal database of equipment life-cycles and costs, Association Reserves delivered a Full Reserves Study (AR Study) to the WBCA Board on May 6, 2019.

Reserves funds are typically accumulated by condominium associations to meet large and irregular maintenance expenses. Professional reserves studies normally perform a 30-year outlook, and calculate system / equipment life-cycle and replacement costs based on data gathered from a variety of sources, including industry norms and their client bases.

The AR Study identified 47 separate cost items organized into 8 major categories: Painting, Roof, Elevators, Electrical/Mechanical, Pool/Spa/Walkway to Marina, Pavement/Brick Pavers, Furniture & Fixtures, and Miscellaneous Components.

The AR Study concluded that then existing WBCA Reserves funding was extremely low. The Study calculated Reserves as being 23.8% funded, which Association Reserves considers high risk for Special Assessment.

Association Reserves proposed a recovery plan:

- Immediately increase 2020 Reserves annual contribution from \$63,924 to \$136,500 (a 113% increase, more than double). This would require an increase in individual owner contributions from \$83.23/month to \$177.73/month.
- Increase reserve contributions in 2021-23 by 20% annually, moving from \$136,500 to \$235,872 in 2023. By then individual owner contributions would need to be \$307.13/month.
- Apply an annual interest rate of 1% on available savings, and an annual inflation rate of 3.0% on equipment and services costs. These combined factors require increased contributions over 30 years, growing to \$576,933 in 2050. By then individual owner contributions would need to be \$751.21/month.

- Even with this aggressive contribution schedule and Association Reserves' estimates of equipment/systems condition and replacement costs, they identified a number of years of inadequate funding. By their reckoning, years 2020-21, 2024, and 2031-32 were evaluated as High Risk for Special Assessment. See chart below, taken from AR Study documentation.

30-Year Reserve Plan Summary										36044-0 Full
Fiscal Year Start: 2020					Interest: 1.00 %		Inflation: 3.00 %			
Reserve Fund Strength Calculations: (All values of Fiscal Year Start Date)					Projected Reserve Balance Changes					
% Increase										
Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded		Special Assmt Risk	In Annual Reserve Contribs.	Reserve Contribs.	Loan or Special Assmts	Interest Income	Reserve Expenses
2020	\$358,122	\$1,505,215	23.8 %	<div></div>	High	113.53 %	\$136,500	\$0	\$4,094	\$37,700
2021	\$461,016	\$1,678,995	27.5 %	<div></div>	High	20.00 %	\$163,800	\$0	\$5,454	\$0
2022	\$630,270	\$1,901,842	33.1 %	<div></div>	Medium	20.00 %	\$196,560	\$0	\$6,588	\$145,449
2023	\$687,969	\$1,986,737	34.6 %	<div></div>	Medium	20.00 %	\$235,872	\$0	\$6,160	\$385,405
2024	\$544,596	\$1,832,354	29.7 %	<div></div>	High	3.50 %	\$244,128	\$0	\$6,664	\$6,697
2025	\$788,691	\$2,068,898	38.1 %	<div></div>	Medium	3.50 %	\$252,672	\$0	\$8,558	\$126,361
2026	\$923,559	\$2,194,938	42.1 %	<div></div>	Medium	3.50 %	\$261,516	\$0	\$10,538	\$10,746
2027	\$1,184,866	\$2,449,667	48.4 %	<div></div>	Medium	3.50 %	\$270,669	\$0	\$9,479	\$753,298
2028	\$711,716	\$1,953,208	36.4 %	<div></div>	Medium	3.50 %	\$280,142	\$0	\$8,143	\$82,340
2029	\$917,661	\$2,139,120	42.9 %	<div></div>	Medium	3.50 %	\$289,947	\$0	\$10,675	\$0
2030	\$1,218,283	\$2,421,783	50.3 %	<div></div>	Medium	3.50 %	\$300,095	\$0	\$6,721	\$1,398,547
2031	\$126,553	\$1,278,978	9.9 %	<div></div>	High	3.50 %	\$310,598	\$0	\$2,581	\$49,832
2032	\$389,900	\$1,497,816	26.0 %	<div></div>	High	3.50 %	\$321,469	\$0	\$5,088	\$88,326
2033	\$628,132	\$1,690,524	37.2 %	<div></div>	Medium	3.50 %	\$332,721	\$0	\$7,734	\$49,343
2034	\$919,243	\$1,936,329	47.5 %	<div></div>	Medium	3.50 %	\$344,366	\$0	\$10,944	\$4,084
2035	\$1,270,469	\$2,243,502	56.6 %	<div></div>	Medium	3.50 %	\$356,419	\$0	\$14,250	\$60,371
2036	\$1,580,767	\$2,509,513	63.0 %	<div></div>	Medium	3.50 %	\$368,893	\$0	\$17,604	\$25,675
2037	\$1,941,589	\$2,827,068	68.7 %	<div></div>	Medium	3.50 %	\$381,805	\$0	\$18,327	\$616,264
2038	\$1,725,457	\$2,553,904	67.6 %	<div></div>	Medium	3.50 %	\$395,168	\$0	\$18,981	\$67,161
2039	\$2,072,445	\$2,846,425	72.8 %	<div></div>	Low	3.50 %	\$408,999	\$0	\$22,557	\$63,126
2040	\$2,440,875	\$3,160,430	77.2 %	<div></div>	Low	3.50 %	\$423,314	\$0	\$26,267	\$75,676
2041	\$2,814,780	\$3,479,737	80.9 %	<div></div>	Low	3.50 %	\$438,130	\$0	\$30,412	\$13,022
2042	\$3,270,300	\$3,882,231	84.2 %	<div></div>	Low	3.50 %	\$453,464	\$0	\$32,458	\$532,198
2043	\$3,224,024	\$3,771,394	85.5 %	<div></div>	Low	3.50 %	\$469,335	\$0	\$31,448	\$656,514
2044	\$3,068,294	\$3,538,812	86.7 %	<div></div>	Low	3.50 %	\$485,762	\$0	\$30,791	\$492,343
2045	\$3,092,505	\$3,478,263	88.9 %	<div></div>	Low	3.50 %	\$502,764	\$0	\$32,604	\$196,815
2046	\$3,431,057	\$3,730,503	92.0 %	<div></div>	Low	3.50 %	\$520,361	\$0	\$36,955	\$25,232
2047	\$3,963,141	\$4,177,560	94.9 %	<div></div>	Low	3.50 %	\$538,573	\$0	\$35,020	\$1,492,928
2048	\$3,043,806	\$3,137,135	97.0 %	<div></div>	Low	3.50 %	\$557,423	\$0	\$32,815	\$111,994
2049	\$3,522,051	\$3,499,018	100.7 %	<div></div>	Low	3.50 %	\$576,933	\$0	\$38,197	\$16,496

30-Year Reserve Plan Summary per Association Reserves, May 2019

After careful review of the AR Study during June-September 2019, the WBCA Board and Reserve Analysis Committee recognized that the study would be a valuable tool in guiding a more detailed analysis. The Committee commenced a process to gather more information and get a better understanding of our Reserves outlook.

Committee Work

The WB Reserve Analysis Committee (the Committee) was formed in June 2019. Its purpose is to fully analyze the AR Study, weigh its assumptions, funding, costs, timeline and conclusions, and provide alternative ideas and plans so as to reasonably and responsibly fund our Reserves, address all major expenses in a timely manner, and avoid special assessments.

- An immediate recommendation by the Committee was to increase annual reserves funding, specifically to give Whitley Bay a better financial footing over the next 12 months while a recovery plan gets worked out and put in place. In developing a proposal, the Committee considered a funding level acceptable to WBCA members (owners).
- In November 2019, WBCA members voted to increase Reserves contributions by \$30/month/unit. With other adjustments in maintenance budgets, and Reserves annual funding increased to \$102,456. WB started 2020 with a Reserves fund balance of \$350,732.
- At the same time, WBCA members voted to move from a “component” accounting methodology to a “pooled” methodology, as allowed by Florida State law. This allows available funds to be applied, without full WBCA membership authorization, to reserve expenses in any category. The pooled method provides more flexibility in paying for immediate reserve expenses, however it also increases the importance of cash-flow analysis in maintaining adequate reserves.

The Committee used the AR Study framework and worksheets, supplemented with additional interim worksheets. The initial focus was forecasting a steady recovery through the first ten years (2020-29) and addressing major expenses (painting, elevators, HVAC, water management, fire alarm, and common area systems). Once that was well understood and documented, the Committee applied what was learned to the whole 30-year outlook 2020-50.

During January-March 2020, the Committee met with primary vendors and suppliers to affirm costs and optimal methods of maintaining, upgrading and/or replacing major systems. In some cases these subject matter experts walked the site and reviewed conditions with us.

- Anchor Painting addressed building exterior and roof coatings, and deck railings / site fencing maintenance and costs. See notes in Appendix A.
- Premier Elevator addressed elevator condition, longevity, upgrade and replacement options and costs. WBCA has a comprehensive 5-year maintenance contract with Premier. See notes in Appendix B.
- Competitive Air addressed equipment condition and replacement costs related to common area HVAC systems, plus common elements of owner HVAC systems including heat exchanger and cooling tower, located on the building roof. See notes in Appendix C.
- ATP Systems addressed Fire Alarm and Suppression systems including enunciator and pull handle replacement costs and longevity. See notes in Appendix D.
- Maath Bennet, the construction manager for this building in 2002-2004, graciously gave us his time and insights into appropriate maintenance of our building and systems. See notes in Appendix E.

As we spent time with these experts the Committee began to see that in many cases, the costs quoted in the AR Study were total replacement costs of complete systems, rather than component costs of elements required to maintain or refresh a system. We identified significant cost savings opportunities.

During March - April 2020, the Committee translated what was heard from these experts.

- Ed Mango captured the details of our vendor interviews into a series of cash-flow worksheets. Here we focused on the near-term 10-year period of 2020 - 2029, adjusting implementation timeframes to promote steady improvement of financial stability, and to avoid potential special assessment.
- This analysis did not address all reserve expenses, or cover the years 2030 - 2050. These cash-flow near-term worksheets were reviewed several times by all Committee members as they were being developed.

During May-June 2020, the Committee carried the earlier 10-year analysis forward over the complete 30-year period 2020 - 2050, and addressed all 47 reserve items.

- Jim O'Leary used a copy of the Excel workbook (36044-0 Whitley Bay.xlsx), provided by Association Reserves, to document updates and recalculate a 30-year outlook.
- In addition the Committee gathered more cost and timing detail from WBCA Board members. Our goal was to confirm estimates using Board experience over the past 10 years, and get additional input from minor vendors.

In the workbook used to calculate the Committee's 30-year outlook there are places where global values are applied:

- Funding level was set at \$102,456 per year, based on current contribution of \$133.41/month by 64 owners.
- With the extreme uncertainty in financial markets due to ongoing Covid-19 pandemic, the Committee decided to eliminate Interest and Inflation rates as factors in our calculations. Interest was reduced to zero from 1.0%; Inflation rate was reduced to zero from 3.0%.

A useful table is included as Appendix F. It was prepared to compare costs and schedules calculated by the Committee vs the original AR Study:

- Section 1 details Committee cost and schedule calculations.
 - Section 2 details AR Study cost and schedule calculations.
 - Section 3 compares the new vs old cost values for each item, and calculates differences. Notes are included as available.
 - Total costs and savings are calculated along the bottoms of each section.
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Conclusions and Recommendations

The impact of the Committee work and workbook updates are as follows:

- Planned annual funding increased in 2020 from \$63,924 to \$102,456 (an increase of \$38,532, or 60%). For current calculations this value is carried through the full 30-year period.
- The total component cost of all 47 items was reduced from \$2,940,200 to \$1,679,453 (a reduction of \$1,260,747, or 42%). These updated estimates reflect a shift in philosophy from complete replacement at item end-of-life (AR Study), to update and upgrade wherever possible (Committee).
- The moderate funding increase and appropriate cost reductions together serve to a. improve Reserves funding outlook, and b. keep Reserves portion of WBCA fees at a reasonable level.
- Because we now use a Pooled Reserve accounting methodology, keeping track of cash-flow takes on more importance. We believe that maintaining a minimum Starting Reserve Balance of \$400,000 assures we will always have adequate funds to cover unexpected out-of-cycle costs in a current year, or in the year following. Two columns in the table below, Cash-Flow Strength, show Starting Reserve Balance against a \$400k minimum savings balance (Floor).
- Interest and Inflation rates have the potential to change the projections below, either positively or negatively. As the Committee continues to reevaluate conditions annually, it will seek counsel on applying rates at appropriate levels.

Table 5: 30-Year Reserve Plan Summary											36044			
Fiscal Year Start: 01/01/20											Interest: 0.00%		Inflation: 0.00%	
Year		Reserve Fund FFB Strength Calculations (All values as of Fiscal Year Start Date)				Reserve Committee Cash-Flow Strength		Projected Reserve Balance Changes						
Year	Starting Reserve Balance	Fully Funded Balance	FFB Percent Funded	Special Assmt Risk	Start Res Bal Against \$400K Floor	Spl Assmt Risk with \$400k Floor	Reserve Contribs.	Loans or Special Assmts	Interest Income	Reserve Expenses				
2020	\$350,732	\$636,193	55.1%	Medium	87.7%	Medium	\$102,456	\$0	\$0	\$60,650				
2021	\$392,538	\$649,630	60.4%	Medium	98.1%	Medium	\$102,456	\$0	\$0	\$50,500				
2022	\$444,494	\$694,591	64.0%	Medium	111.1%	Low	\$102,456	\$0	\$0	\$67,550				
2023	\$479,400	\$676,003	70.9%	Low	119.9%	Low	\$102,456	\$0	\$0	\$7,500				
2024	\$574,356	\$764,965	75.1%	Low	143.6%	Low	\$102,456	\$0	\$0	\$59,950				
2025	\$616,862	\$795,976	77.5%	Low	154.2%	Low	\$102,456	\$0	\$0	\$94,500				
2026	\$624,818	\$791,438	78.9%	Low	156.2%	Low	\$102,456	\$0	\$0	\$26,600				
2027	\$700,674	\$874,800	80.1%	Low	175.2%	Low	\$102,456	\$0	\$0	\$31,200				
2028	\$771,930	\$940,561	82.1%	Low	193.0%	Low	\$102,456	\$0	\$0	\$364,375				
2029	\$510,011	\$673,148	75.8%	Low	127.5%	Low	\$102,456	\$0	\$0	\$154,000				
2030	\$458,467	\$608,110	75.4%	Low	114.6%	Low	\$102,456	\$0	\$0	\$21,350				
2031	\$539,573	\$675,721	79.9%	Low	134.9%	Low	\$102,456	\$0	\$0	\$0				
2032	\$642,029	\$764,683	84.0%	Low	160.5%	Low	\$102,456	\$0	\$0	\$37,550				
2033	\$706,935	\$816,095	86.6%	Low	176.7%	Low	\$102,456	\$0	\$0	\$44,628				
2034	\$764,763	\$860,428	88.9%	Low	191.2%	Low	\$102,456	\$0	\$0	\$28,200				
2035	\$839,019	\$921,190	91.1%	Low	209.8%	Low	\$102,456	\$0	\$0	\$68,000				
2036	\$873,475	\$942,152	92.7%	Low	218.4%	Low	\$102,456	\$0	\$0	\$50,375				
2037	\$925,556	\$995,738	93.0%	Low	231.4%	Low	\$102,456	\$0	\$0	\$37,000				
2038	\$991,012	\$1,040,700	95.2%	Low	247.8%	Low	\$102,456	\$0	\$0	\$72,450				
2039	\$1,021,018	\$1,051,612	97.1%	Low	255.3%	Low	\$102,456	\$0	\$0	\$26,000				
2040	\$1,097,474	\$1,114,574	98.5%	Low	274.4%	Low	\$102,456	\$0	\$0	\$475,100				
2041	\$724,830	\$768,435	94.3%	Low	181.2%	Low	\$102,456	\$0	\$0	\$13,200				
2042	\$814,086	\$844,197	96.4%	Low	203.5%	Low	\$102,456	\$0	\$0	\$71,250				
2043	\$845,292	\$861,909	98.1%	Low	211.3%	Low	\$102,456	\$0	\$0	\$192,500				
2044	\$755,248	\$758,370	99.6%	Low	188.8%	Low	\$102,456	\$0	\$0	\$163,325				
2045	\$694,379	\$684,007	101.5%	Low	173.6%	Low	\$102,456	\$0	\$0	\$22,000				
2046	\$774,835	\$750,969	103.2%	Low	193.7%	Low	\$102,456	\$0	\$0	\$32,000				
2047	\$845,291	\$807,930	104.6%	Low	211.3%	Low	\$102,456	\$0	\$0	\$10,000				
2048	\$937,747	\$886,892	105.7%	Low	234.4%	Low	\$102,456	\$0	\$0	\$59,150				
2049	\$981,053	\$916,704	107.0%	Low	245.3%	Low	\$102,456	\$0	\$0	\$0				

30-Year Reserve Outlook analyzed by WB Reserve Analysis Committee, August 2020

RECOMMENDATIONS

1. The Whitley Bay Condominium Association Board should use the Committee Analysis costs and schedules to guide upgrades, updates, and replacement of equipment and systems.
2. The Board should document and make available to the Reserve Analysis Committee the details of contracts and agreements pertaining to and affecting all Reserve items. If there are any significant changes to associated Reserve costs and schedules, the Committee should be apprised, and update the Reserve Analysis workbook within 90 days.
3. The Committee should annually review Reserve costs and schedules, and update the Reserve Analysis workbook with actual costs as available. This annual update should be completed in time for the Board to incorporate funding and costs into the following year's budget (usually early August).
4. The Board should let the Committee know anytime there is a significant departure in cost (eg greater than \$100,000) or schedule (eg 3-5 years) from the expected plan.
5. In regard to annual WB Condominium Association membership (owners) approval of Reserves Funding level, the Board should characterize funding as adequate so long as the Percentage of Fully-Funded Balance continues to grow, and at least \$400,000 remains as the Starting Reserve Balance each year.
6. The WBCA Board should engage a professional reserves study service (eg Association Reserves or similar) every 3-5 years, to assure the WBCA Board and Reserve Analysis Committee remain fully apprised of professional external perspectives, which might influence our internal perspective.

Respectfully submitted,
The Whitley Bay Reserves Analysis Committee

Members: Frank Sullivan, Mike Hall, Ed Mango, Mike Mervis, Jim O'Leary

Appendix A - Meeting Notes with Anchor Painting

From: Frank Sullivan frankatwhitley@gmail.com
Subject: Reserve Committee meeting with Anchor Painting
Date: January 12, 2020 at 4:18 PM
To: <WB Reserves Analysis Committee Members>

This is intended as a recap of the meeting we had with Ryan Bonner of Anchor Painting on 9 January. This note contains issues for the Reserve Committee with the takeaways of the meeting, and included are actions needed by the Board to make decisions based on what we learned and issues brought up during the meeting. I suggest the board take up these issues in our next meeting. I also suggest we not wait till our the annual meeting. I think this meeting also needs to include a discussion of the request made by the engineering committee. As you read down, there are areas I think the engineering committee needs to address.

Railings. Although I wasn't expecting to discuss the railings during this meeting, Ryan brought this up. To be honest, I thought the solution was to replace railings at some point in time. Anchor does a lot of work on ocean side condos and it appears most condos paint the railings in order to extend the life. During the meeting Ryan hadn't looked at our railings, but after the meeting inspected several areas including at least one unit. His comment was that there was no evidence of "white rust" which is the first stage of aluminum oxidation. He thinks we could have another 10 years before we would need to paint our railings, although there is no way of being sure of this. He suggests we:

1. Monitor the rails on a regular basis and at least every 5 years.
2. Replace bolts as needed when we find issues during inspections (our Maintenance staff)
3. Add caps to the bolts to slow down oxidation of the bolts. (our Maintenance staff)
4. When the time comes to paint the railings, the process is to hand sand the rails, put a primer coat on and then a top coat. If all rails were done at this point in time the cost would be \$130K. We would need to program inflation for these numbers.
5. Items 1-3 are maintenance activities and are not a concern of the Reserve committee.
6. The Reserve Analysis should program a paint job in 10 years and another one after 20 years. This should be an overly cautious plan and I would expect the actual cost to be lower depending on how our inspections go.

Building painting. There was quite a bit of discussion about painting the building as a whole. The context of this bullet is the painting of the building under the same scope of work that was done 3 years ago. To be clear, the entire building wasn't painted at that time. We won't go into the reasons why, but we should consider the building will need to be repainted in about 10 years with this same scope of painting. Ryan said we had a 10 year warranty and (I believe) Stan commented we have a warranty for 12 years from Sherwin-Williams. We need to get guidance from Stan as to the projection going forward, but it looks like the next painting would be in 2030. I asked Ryan if there were any work we should consider doing to lessen the cost of subsequent paint jobs. He doesn't know of any at this time (an Engineering issue). This is an area to consider well into the future and doesn't need to part of this year's planning. The main takeaway of this area is that if we had to do the same scope of work today the cost would be about \$315K vs. the \$200K we paid last time. Of course inflation would likely add to this and the economic cycles could less the cost.

Painting of walls and floors of individual homes. Stan said the policy has been that homeowners have been provided the paint to paint their own areas. The board issue this presents is that we have no way of knowing which areas have been painted. The concern is that these areas will degrade and the cost of renewal of stucco or much worse tension cables/ rebarb. This is a board area and requires decisions from the board on the following points:

1. Is it our policy (and is it documented) that the homeowner is responsible for maintaining this area?
2. Do we as the Association want to require an interval for painting of these areas? If so, we have alternatives to get this done and we can ask a painter to paint these areas at the homeowners expense. This requires the board to research this and advise the Reserve Committee (and homeowners) if we are going to make this a policy. Failure to act MAY (we really don't know) cause a degradation of the building.(Another engineering issue).
3. Depending on the board's research and decision we need to program at least the cost of the paint to our reserve planning.

Painting of stairways. The board has already agreed to fund painting of the stairways this calendar year. This needs to be added to the reserve analysis. We have two quotes and Stan or Bob can provide a budgetary number. The Reserve committee needs to decide at what interval this needs to be done, but based on the fact we have gone 15 years since this was last done, I would assume we can use this as the life. We should also expect these areas to be maintained by our maintenance department and spot repairs be made as needed. Painting of the walkways walls and ceilings. The last time these areas were painted was when we had a 2 person maintenance team. A very cursory inspection showed areas where the paint wasn't evenly applied,

Appendix A - Meeting Notes with Anchor Painting

leaving me to conclude it wasn't done completely. So the question remains what to do about these areas. The meeting attendees seemed in favor of taking care to these areas well in advance of the next whole building paint job. We didn't get a quote for this, but Ryan offered to provide one. If these areas are painted at the same time as the remainder of the building the cost would be lower. (This was not in scope as the board planned on this being done internally- that is no longer a viable option). My opinion is to do this now and get a quote and build this into the scope of work for subsequent paint jobs. This needs to be a Board decision so that the Reserve Committee can plan.

Painting of steel doors. This project has taken the last year and Scott still hasn't completed the details. I'm at wits end, but that is another topic. For the most part we have restarted the clock. My suggestion is that we make this a job for an internal maintenance man and on a schedule of every 5-7 years. Our current staff can't handle this. A door can be done in less than a day. If we keep up with them the cost could be only the paint. If we have them professionally painted, figure around \$175 per door (times 130 doors). I would suggest the Reserve Committee consider this work will be done professionally with the understanding there is a very viable option to save about \$22.7K

Painting of the walkways on each floor, garage areas and outside in the parking area. This is an area that is entirely a board issue and I believe it is an important one. During our meeting it was highlighted that we have had a number of falls in the building. My wife broke her knee cap in a garage fall, Bob's wife has had two falls in the outside area and Sheila fell on the 12th floor walkway and witnessed another fall in the garage. It is only a matter of time before this come a legal issue, and we have now been told by Ryan that we have a problem. Stan has written separately about this It is correctable physical issue we are responsible to correct. I don't think this is a question of how we program these expenses, but I think we need the board meeting that I suggested above to authorize test patches of special paints and get quote for this safety work. We must address this ASAP.

The good news is we got a lot of good information about our painting situation. The Reserve committee can do a lot with this information. So far we have actionable information on the roof and painting. Next week we meet with Competitive Air and Premier Elevator. The Reserve committee needs to determine how we revise the spreadsheets, and document why we are making the changes we are. Ideally, we want a number of quotes for work. I see this as unnecessary for this long range planning. We also need to input new data points by segmenting the painting into the categories listed above. Still lots of work ahead of us, but I think we are a long way forward to our goal of getting as much pricing as we can by the end of January. We need a list of questions and topics for Math (still don't know the spelling) Bennett. I originally thought he would address the rails, but I think his input will be valuable on a number of the issues addressed in our meetings with suppliers. I would appreciate if someone will take ownership of the discussion with Math- volunteers?

Frank

Appendix B - Meeting Notes with Premier Elevator

From: Frank Sullivan frankatwhitley@gmail.com
Subject: Reserve Committee meeting with Premier Elevator
Date: January 19, 2020 at 6:33 PM
To: <WB Reserves Analysis Committee Members>
Cc: <WB COA Board>

On 14 Jan we met with John Gill our account manager with Premier Elevator. John started by making the point that the equipment we have is the highest quality available when our elevators were installed, and remains in excellent condition. A key takeaway was also that there is a source for components we may need. The Reserve Analysis projection was for a 25 year life of which we now have 7 years left. The projected expense is for \$400K for the elevator modernization and \$24K for cab remodel.

What was clear is that there is no crystal ball for the remaining elevator life. Our current contract is for a 5 year duration and any mechanical expenses that happen during that time not caused by an external factor are paid for by the supplier. So if the controllers had a catastrophic failure during the next 5 years they would be replaced at no cost to us. At the beginning of the contract, the supplier did an assessment and determined that our governor ropes are in need of replacement and that would have to be done before the July re-certification. So we will have a total 2020 Reserves expense of about \$12k to change the ropes in both elevators. This needs to be added to our spreadsheet. This will take one elevator out of service for one day for each. To be clear, this is the cost to change the ropes in both elevators not the cost for each one. These are not the hoist ropes, which have a life of at least 5 more years. There are 350' total of ropes when these are replaced. I think the cost of that is \$28K, but we can't program this expense. It looks like we will get an analysis at the beginning of each renewal and only then will we be told what we need to replace prior the renewal of the contract (if I correctly understood the contract renewal process).

So beyond this year's reserve impact, what we learned is that John recommended two suppliers if we have to make repairs outside of the terms of the contract. The suppliers are Motion Control and MCE. The worst case scenario would be a complete replacement of motors, cables, and controllers. John lead me to believe this was a repair that almost would never be needed. If it was, the cost would be \$175K per elevator or \$350K. A more likely repair would be a modernization of both elevators which would include all controllers to be replaced. Again, if the controllers fail during our contract we would have no cost. That cost would be \$100K per elevator or \$200K. This is 50% of what the reserve analysis projects. I would think we should use this number as our worst case scenario for the duration of the analysis. It is really impossible to put a date on this event, but to put a number in the spreadsheet, I would suggest we consider this as a 2030 expense. There is no science on my behalf for this number, but the committee needs to have a projection of some kind. Any alternative interpretations are more than welcome. Also, any attendees who have a different impression of John's comments please suggest changes to me and I'll revise as needed.

In addition to using these number for "modernization", we discussed the cab renewal. The cost for the cab renewal is \$13k per cab. This is broken down as \$10K for a new interior and about \$3K for repairing all of the stainless steel dents and scratches with an installation of new steel plates that would be bonded to the existing doors and frame. None of this is a need, these are aesthetics only. I would say we need to use the \$26K and program that for 7 years from now to keep with the time frame in the reserve analysis.

Thanks to all for your assistance in this process. We still have a way to go, but I'm confident this process will give us more realistic numbers for our analysis.

Frank

Appendix C - Meeting Notes with Competitive Air

From: Frank Sullivan frankatwhitley@gmail.com
Subject: Reserve Committee meeting with Competitive Air
Date: January 19, 2020 at 10:06 PM
To: <WB Reserves Analysis Committee Members>
Cc: <WB COA Board>

On 17 January 2020 we met with Brian Rodriguez, owner of Competitive Air. Brian has been servicing our building for many years, and was the one who replaced our cooling towers several years ago. We covered many different components and again we learned there is no crystal ball to give us precise numbers. We did get his best guess and I believe that is good enough for us to populate the spreadsheet.

Recreation Room A/C's

There are 2 A/C units in the recreation center and the Reserve Analysis has a useful life of 10 years with no years remaining. Their replacement cost was \$15.5K. Brian said the cost of replacement would be \$7.5K for each unit and that we would not need to replace both units at the same time. Normally these units fail due to leaks in the coils. He hasn't had to recharge the units and feels there is no need to replace them until there is a problem in this area. So these 10Ton units have 17 years of a 10-12 year life (Brian's projected life). I would suggest we program an average of 2-5 years of remaining life based on the lack of repairs at this time. This is another guess. We could program the expense for this year in an abundance of caution, but I think a future projection is very safe. Not much different from the analysis costs, but the life is longer.

Elevator room A/C

There is one small unit in the elevator control room on the roof. This was replaced last year with a unit that was left during construction. So this was done at no cost for the unit. The life would be expected to be 10-12 years and the cost of replacement would be slightly less than the lobby A/C's at \$6K. Program this replacement for 12 years (last one lasted 16 years).

A/C's in lobbies and Fitness Center (3 units)

The Reserve Analysis states life at 10 years. We are at year 17 with no repair indications for these units. Again, Brian states a 10-12 year average life. He also states that newer production units seem to have less life. Anyway, I would say we will need to replace only when needed and I guess we need to project a life. Since there are no repair indicators I would say we plan all three will be replaced in the next 5 years and program one in 2 years, one in 4 years and one more the year later. The cost would be in the range of \$6K for each.

Heat exchanger for building water to air A/C's

This is a component that Brian thinks we should never need to replace unless we let our water treatment get out of spec. We have a contract to maintain this water treatment which if successful should mean we won't have need to replace. In my experience with smaller heat exchangers, there is also another time when the exchanger is damaged if it is downstream of a source of contamination. So if our water system is maintained and there is no extraneous contamination, we should not need to replace this component. The Reserve Analysis has a life of 20 years and cost of \$40K. This component doesn't wear and has no moving parts. I suggest we list no costs for this item in our planning.

Cooling Towers

Our towers were replaced 10 years ago. There is a projected life of 20 years in the analysis at cost of \$168.5K. A visual inspection of the towers show no signs of corrosion for this Stainless Steel structure. Brian doesn't think we would ever need to replace these two structures. He does think we need to step up our maintenance of the valves on the towers which need to be protected. I think this is a very important suggestion. There are also fan motors that are part of the towers. These will need to be replaced at some point. The cost is about \$10K. Let's say in 5 years. We should not cycle the valves as part of our maintenance. Periodically valves in this system will wear and when we find they aren't working replace them. There doesn't seem to be a maintenance or replacement schedule for valves (or motors). We are fortunate that all of our systems are redundant, so we can afford to run to failure and replace as needed.

I'll include the pumps as part of this system. They are original and run 50% of the time. They will at some point need replacement. Brian suggested to plan on replacing at least one motor in the next 5 years at a cost of \$8K. I would suggest we put three motor replacements in the spreadsheet as we have 4 pumps in this system (and another 2 in the domestic water system). Perhaps spread these out over the next 10 years.

A discussion tool place about insurance for this component. Michelle has already followed up on this with our agent, and there may not be a policy for this component.

Appendix C - Meeting Notes with Competitive Air

Pool and Spa Heaters

Brian has recently replaced both of these heaters. We bought a high quality heater and are expecting a similar life as the original at 17 years, so one more replacement in the next 30 years. I know this is optimistic, but we did get that life once. Of course our 30 year projection will need to be updated on a periodic basis. The pool replacement was \$12.5K and the spa was about \$7K. The reserve analysis projected an 8 year life and a replacement cost of \$7K for each.

Hot water boilers and holding tanks

This had the most discussion of all items. Our boilers are living on borrowed time as the controllers are not available. We replaced one controller already and we may be able to repair a circuit board (and maybe not), but we can't buy a new panel. The exchanger in the boiler is not repairable and is the one thing that determines the useful life. The concern is that the boilers are too large to replace without removing walls and hiring cranes. One possible solution is an "on demand" system that is smaller and could possibly replace the units without need to structural mods and a crane. We really don't know what this would cost and Brian agreed to have a manufacturer rep come do an analysis for us as to what a new system looks like. Brian thinks we can run one of our existing boilers in series with a new boiler. We'd have to look at the economics of this. It may be more cost effective to replace both at the same time. We may also want to get as much life as we can from what we have. We can't project any costs or life until this review is complete. I would expect this to take place in the next month. Much more data needed on this topic. Goes without saying how critical these boilers are. One question was as to the feasibility of installing an on demand system in each home. This is not an option due to the need to have hot water for the heater function of the A/C systems in our homes (as well as the cost of installing these components).

Part of the system is the two 500 gallon storage tanks. They would also need walls to be removed and a crane to replace. The manufacture rep will hopefully advise us of the alternatives to these tanks. (Can a tank be built on site or smaller tanks?) We know we need to replace an anode in both tanks as a maintenance item to protect deterioration. We hoped to have most of our projections in place by the end of January. I would guess this area will not be understood until after this artificial deadline. Our analysis will be used in next year's budget planning so there is sufficient time to address this. The Reserve analysis lists a life of 20 years for the tanks (3 remaining) and a cost of \$32.5K. Cost would be much more if we need to remove walls and hire a crane to get to the roof.

Further meetings

We have one more planned meeting with the builder. I am again asking for each of the committee members to forward questions for this meeting. We can refine data from the meetings we've had to date where this is a question. We're getting close to our planned due date so please take time to list your questions and send them to me. I would like this to be our last meeting with suppliers.

One area we don't have data on is the Fire Alarm system. I asked Whitley Bay West for their costs, but in their response it appears this isn't readily available. I suggest we ask our supplier for the costs for our building. I think this needs to be added either as a meeting or simply a request for a new system. I favor a meeting as we always seem to come up with more questions that leads to a better understanding of our needs. We can ask them about the building entry system as we have no data at this time. There are a number of enhancements we could consider for this 17 year old system.

I also think we need a working meeting for the committee to review the component list and decide if we need more data from suppliers. There are many areas I see, but I think our Rec Room, Kitchen, Bathrooms, Lobby budget numbers need some review. I think this may not happen before the end of the month. So let's get a work plan agreed to. Ed, can you use our software to get a meeting put together?

Frank

Appendix D - Meeting Notes with ATP Systems

From: Frank Sullivan frankatwhitley@gmail.com
Subject: Reserve Committee meeting with ATP management (Fire Alarm/Suppression systems)
Date: February 12, 2020 at 4:33 PM
To: <WB Reserves Analysis Committee Members>
Cc: <WB COA Board>

On 11 Feb 20 we met with management from ATP. Ed Lewis advised us on the fire suppression system status and Moices Rivas reviewed the fire alarm system.

Alarm System

Just as a level set, the Reserve analysis listed the fire alarm system as having 2 years of remaining life and had an upgrade cost of \$54.2K. It also lists the replacement of exit fixtures at \$3.55K with the same remaining life. Also, I asked Whitley Bay West what they paid for an upgrade and it was about \$20K. WBW has fewer units (40 vs 64) and less equipment. I don't know how extensive of an upgrade this was. We likely need more research on the topic, but this meeting did give us an idea of where we are. Moices' message was the current system could last indefinitely, or fail tomorrow. If it was to fail we could be months without being protected. If that was to happen we would be placed on "fire watch" by the Cocoa Fire Department. That means 24x7 manual coverage. Unless we tried to do this in-house, (which I would not favor) it would cost about \$10K a month to contract for someone to be here and checking the building. The clear message is don't want to wait till the system fails.

There are two vendors who could replace the system (perhaps more?): Gamewell (our current system) and Silent Knight. A complete replacement by either supplier would be in the range of \$75K. Silent Knight offers a non-proprietary system, which may lower our future costs. Gamewell replacement would not require replacement of the pull stations, Silent Knight would (again the total price would be similar). The new pull stations are plastic and sealed making them an improvement over our current metal pull stations. We have had failures of pull stations. The current control panels and circuit boards are not available. We had a panel failure (not the main panel) and ATP sourced a used component to keep us running (I believe this came from WBW). So it appears we are on borrowed time. There are a couple of different panels in our system. Main control panel which is about \$20K, and voice annunciator panel at about \$30K. One possible repair scenario is if the main control panel failed, it could be replaced with a Gamewell updated panel, which (with some additional engineering) could work with the voice system. That would take about a week to deliver and then additional time for install. Fire watch would likely be needed in a failure situation.

So in summary, we know we are on borrowed time for this system. We also have NO idea when a failure will occur. If it fails before we proactively replace the system we will have possibly months of downtime during which we would have to have a fire watch. Not a good position to be in!

Fire Suppression Pump and system

The Reserve study lists the pump and control system as having a 40 year life of which we have 23 years remaining. They list a cost of \$102.65K for replacement. There is one main pump and a "jockey pump" to maintain pressure. We have had a number of leaks on the main pump and despite seal replacements we haven't found the root cause. Another repair is scheduled. The pump and motor replacement is about \$25K. The pump and motor can be replaced independently, but due to sensitive alignment issues they are normally replaced as a package. The controller for the system is about \$25K. The complete package would run \$50-60K. There is also a long lead time on replacement of these components and the fire watch requirement would be in place if we lost the controller/pump.

We also learned that there is a five year inspection of the system (which should be coming soon, no I don't know when) and a 20 year inspection of sprinkler heads. If any of the sample of sprinkler heads are defective all heads need to be replaced. We didn't ask for a quote on this low probability expense, but it is a possibility. We discussed the possibility of poor water affecting our pipes. A worst case scenario would require all pipes to be replaced. Another very low probability, but an enormous cost. Not sure if this type of expense would be covered by insurance (Michelle?). Stan has already asked about water testing, but we have not pursued this. MIK is a bacteria that could cause catastrophic damage.

So the pump situation isn't as pressing as the alarm system. The pump gives us an indication of problems, but the controller can last forever or till tomorrow. It would seem prudent to budget for replacements according to the time-frame in the Reserve study and if we don't make it that far, we will have to deal with it.

We briefly discussed the front door entry system. It has replaceable parts and any repair would be done as a maintenance project (not a reserve issue). As such, I don't see a need to include this system in our reserve analysis. We will need to replace a display soon on this system.

Appendix D - Meeting Notes with ATP Systems

We have one more meeting for the Reserve committee to summarize where we are and to see if there are other data points we need. Ed Mango will schedule this meeting. After that meeting, we are planning on meeting with Maath Bennett and review what we have learned and ask him about things we should be aware of. Again, I'm asking each of the committee members to send me a list of questions/ issues to review. Mike will schedule the meeting once we have your questions and we have had our level-set meeting. We have researched a lot of issues so far and are certainly in better shape in understanding our needs for Reserve funding. We have a way to go and we need to keep in mind that once done, we will need to review our findings periodically to keep up to date.

Frank

Appendix E - Meeting Notes with Maath Bennet

Reserves Committee Meeting with Maath Bennet March 16, 2020, 4:00pm, WB Recreation Room

Attendees:

Guest - Maath Bennet, General Contractor

Committee Members – Mike Hall, Ed Mango, Mike Mervis, Jim O’Leary, Frank Sullivan Other Attendees – Sheila Bonvallat, Stan Bowers, Don Verner

Maath Bennet managed construction of Whitley Bay Condominiums in 2003-04, and continues to build new condos.

Our meeting with him was to hear his thoughts and insights on managing replacement costs covered by reserves funding. We specifically were not criticizing the building’s construction.

When asked what Maath thinks **replacement cost of WB** might be, he estimated roughly a \$100 psf for basic construction (“sticks & bricks”), and realistically \$200 psf overall. This would not include demo costs to remove current structure.

Building was designed and built using “pile and ra` construction”, the most solid method for this location, height, and use - great construction. The various cracks, leaks, wear-and-tear we see now at 16 years in are normal.

Maath advises we should not waste time hiring engineering firm(s) to identify and diagnose problems. Find problems ourselves and get SME (subject matter expert) contractors to provide specific solutions.

At this point in time WB has identified an **unfixable water leak** in one of our 500-gallon hot water holding tanks located on the roof. We have two tanks interconnected in a recirculating setup. Maath stated two tanks may be overkill since we are on a continuous flow heating system. He added that the piping throughout the building holds a considerable amount of hot water.

Maath suggested we consider replacing the leaking tank with a 250-gallon tank or a series of even smaller tanks. This approach could allow moving replacement tank(s) up to the roof via elevator and through doorways, instead of considering a crane and rebuild of the boiler room.

Regarding **balconies**, Maath said we should not be concerned about balconies falling apart. He recalled that rebar used on balconies was dipped in epoxy to seal against corrosion and should last a long time.

Concerning **design of our HVAC system**, considering building height, our water-based system with cooling tower is best for this height building. When copper pipe coolant systems are used there is greater risk of failed piping, and less risk to have to cut into walls and floors to fix a leak. Maath said ours is the right system for WB design. In comparison, Xanadu, which is 16 stories, doesn’t have a water-based system and they have issues.

Regarding **garage doors and motors**, basic design is same but current construction uses a quieter motor. Doors themselves should be fine. Maath will put us in contact with his garage door specialist for better solutions.

Regarding **rec rooms**, function and use are still basically the same for condominium builds. WB rec space (including the outdoor deck area) is by far the biggest Maath has ever done.

Maath said most new condo design and décor are contemporary. He said we can move from our Mediterranean design towards contemporary with furniture, paint and flooring. He advised we get rid of the yellow overtones throughout the building. Maath’s company now uses carpet tile and vinyl planking as flooring solutions.

Appendix E - Meeting Notes with Maath Bennet

For **fitness centers**, WB is well-designed, although they do not build saunas anymore. Regarding **elevators**, OTIS is a good elevator, it was the best elevator in 2003, however OTIS has terrible service.

We asked if **electric vehicle chargers** were being designed / installed in new condo construction. He said they were considering chargers but had not included anything more than enhanced wiring so apartment operators could offer that option. These are 110v setups in personal garages. 220v setups run \$50K; for overnight charging don't need 220v. If we retrofit for EV charging, we'd probably have to add individual panels and make sure our FPL transformers can handle the added load. WB's garage outlets and lights are on common circuits. It is possible to use secondary meters per garage.

Regarding building **water filtration**, Maath is not currently installing anything in his new buildings. "But," he reflected, "not a bad idea." Maath did ask whether we had taken any water samples for analysis. We described our sediment problem.

Concerning **hot water for showers** etc. and any adjustments to improve ready availability, Maath said we should have Dave Sawyer look into it. Dave is the smartest plumber he knows.

These days, Maath is using **led lighting** solutions wherever possible. Maath commented he typically paints a buildings every 5-7 years. If we get more time between paintings that's good.

In terms of design, construction, and beauty, Whitley Bay was/is one of their best, maybe equal to the Meridian Condominium Complex in Cape Canaveral. Maath wouldn't really change a thing; we have a great use of space on the lot.

/s/ Jim O'

Appendix F - Committee Analysis vs AR Study - Costs and Schedules

Section 1										Section 2										Section 3									
WB Reserve Committee Final Cost Detail										AR Study Final Cost Detail										WB Res Comm vs AR Study									
#	Component Title	Description	Useful Life	Remaining Useful Life	Current Cost	Best	Worst	Est -	Cost	#	Component Title	Description	Useful Life	Remaining Useful Life	Current Cost	Best	Worst	Est -	Cost	v	Item / Category	Savings	Notes						
2341	Painting	Approx 149,000 GSF	12	8	310,000	320,000	\$315,000	\$0		2341	Building Exterior - Restoration	Lump Sum Allowance	7	3	44,800	57,600	\$51,200			Painting	\$263,800	(\$167,000)							
2343	Stairwells - Seal/Paint	Lump Sum Allowance	24	9	16,500	17,500	\$17,000			2343	Building Exterior - Seal/Paint	Lump Sum Allowance	7	3	17,000	19,800	\$18,000			Roof		(\$131,000)	Roof Coating is maintenance item, cost of materials \$600K, covered by maintenance budget.						
2375	Roof Coatings - Recoat	Approx 16,400 GSF	30	0	0	0	\$0			2375	Roof Coatings - Recoat	Approx 16,400 GSF	10	7	11,800	14,400	\$131,000					(\$131,000)	Roof Coating is maintenance item, cost of materials \$600K, covered by maintenance budget.						
2384	Roofing (Metal) - Replace	Approx 13,500 GSF	50	47	417,000	509,000	\$463,000			2384	Roofing (Metal) - Replace	Approx 13,500 GSF	30	27	417,000	509,000	\$463,000			Elevators	\$0	(\$589,000)							
2513	Elevators - Modernize	(2) Elevators	15	0	15,000	15,000	\$15,000			2513	Elevators - Modernize	(2) Elevators	25	7	360,000	440,000	\$400,000					(\$385,000)	Significant						
2517	Elevator Cabs - Remodel	(2) Cabs	19	4	40,000	40,000	\$40,000			2517	Elevator Cabs - Remodel	(2) Cabs	25	7	21,600	26,400	\$24,000			Mechanical/Electrical	\$16,000	(\$205,400)	June 2020 - Entry Intercom system maintenance Budget - no Reserves impact.						
2501	Intercom/Entry System - Replace	(1) Intercom	15	0	0	0	\$0			2501	Intercom/Entry System - Replace	(1) Intercom	15	0	2,500	3,000	\$2,750					(\$2,750)							
2522	HVAC (Elevator Room) - Replace	(1) System	10	0	3,300	4,000	\$3,650			2522	HVAC (Elevator Room) - Replace	(1) System	10	0	3,300	4,000	\$3,650					\$0							
2522	HVAC (G1 Lobby) - Replace	(1) System	12	2	5,800	6,200	\$6,000			2522	HVAC (G1 Lobby) - Replace	(1) System	10	0	3,300	4,000	\$3,650					\$2,350							
2522	HVAC (G2 Lobby & Rec Rm) - Replace	(1) System	12	4	11,600	12,400	\$12,000			2522	HVAC (G2 Lobby & Rec Rm) - Replace	(1) System	10	0	4,600	5,600	\$5,100					\$6,900							
2522	HVAC (Recreation Room) - Replace	(2) 10 Ton Units	12	1	14,500	15,500	\$15,000			2522	HVAC (Recreation Room) - Replace	(1) System	10	0	14,000	17,100	\$15,550					(\$550)							
2536	Heat Exchanger - Replace	(1) Heat Exchanger	36	20	35,000	45,000	\$40,000			2536	Heat Exchanger - Replace	(1) Heat Exchanger	20	2	35,000	45,000	\$40,000					\$0							
2537	Cooling Tower - Replace Fans	(1) Tower	15	5	9,000	11,000	\$10,000			2537	Cooling Tower - Replace	(1) Tower	20	10	15,200	18,500	\$168,500					(\$168,500)	Steel Coating Towers replaced 2010 with Stainless Steel Towers. Therefore no complete replacement within next 30 years. However CT replacement would be replaced every 15 years.						
2538	Chilled Water Pumps - Replace	(4) Pumps	16	2	44,000	52,000	\$48,000			2538	Chilled Water Pumps - Replace	(2) Pumps	10	2	15,700	19,300	\$17,500					\$30,500	Water Pumps - 6 total @ \$43,000 ea 4 for Cooling Tower, 2 for Domestic Supply Initially replaced by staining 2022.						
2543	Surveillance System-Upgrade/Replace	(24) Cameras	10	8	5,500	6,500	\$6,000			2543	Surveillance System-Upgrade/Replace	(24) Cameras	10	8	5,500	6,500	\$6,000					\$0							
2549	Generator - Replace	(1) Generator	40	23	9,000	10,500	\$97,500			2549	Generator - Replace	(1) Generator	40	23	9,000	10,500	\$97,500					\$0							
2557	Fire Alarm System - Modernize	(1) System	20	2	47,000	53,000	\$50,000			2557	Fire Alarm System - Modernize	(1) System	20	2	48,700	59,700	\$54,200					(\$4,200)	Pull-station upgrade with new non-metallic stations.						
2558	Exit/Emergency Fixtures - Replace	Approx (40) Fixtures	20	2	3,200	3,900	\$3,650			2558	Exit/Emergency Fixtures - Replace	Approx (40) Fixtures	20	2	3,200	3,900	\$3,650					\$0							
2560	Fire Sprinkler Pump/Controls - Repl	(1) Pump	40	23	50,000	60,000	\$55,000			2560	Fire Sprinkler Pump/Controls - Repl	(1) Pump	40	23	92,300	113,000	\$102,650					(\$47,650)							
2571	On-demand WH System A	(1) System	15	0	24,500	25,500	\$25,000			2571	Boilers - Replace	(2) Boilers	20	3	44,100	53,900	\$49,000					(\$24,000)	WHS Towers - Replaced (2) Boilers Updated to On-demand WH System A representing initial installation of on-demand equipment. Signaling existing boilers and associated piping to be replaced.						
2573	On-demand WH System B	(1) System	15	5	24,500	25,500	\$25,000			2573	Water Storage Tanks - Replace	(2) Tanks	20	3	30,000	35,000	\$32,500					(\$7,500)							
2575	Domestic Water System - Replace	(2) Pumps (2nd Floor Booster)	20	8	19,800	24,200	\$22,000			2575	Domestic Water System - Replace	(1) System	20	8	19,800	24,200	\$22,000					\$0							
2576	Pool/Spa/Walkway to Marina	Approx (33) Pieces	8	4	5300	6600	\$5,950			2576	Pool Deck Furniture - Replace	Approx (33) Pieces	8	4	5300	6600	\$5,950			Pool/Spa/Walkway to Marina		(\$19,697)							
2767	Pool Deck (Coated) - Seal/Repair	Approx 3,800 GSF	8	8	1275	1475	\$1,375			2767	Pool Deck (Coated) - Seal/Repair	Approx 3,800 GSF	5	2	6000	7300	\$6,650							7/14/2020 per M. Hsu, Patrick (maintenance) had two estimates for labor only. One was for \$1,200 and the other was for \$1,000. We spent roughly \$275,000 for supplies (seal, primer, paint, etc.) so the total cost was \$276,200. The estimate was for labor only, so maybe \$1,375 as a placeholder down the road (average of both estimates). We may have to do it again in roughly 5-8 years.					
2768	Pool Deck (Coated) - Resurface	Approx 3,800 GSF	30	13	13590	15666	\$14,628			2768	Pool Deck (Coated) - Resurface	Approx 3,800 GSF	30	13	23900	29300	\$26,600					(\$11,972)	Significant	7/9/20 - Deck R U's quoted price for resurfacing is \$2250/sq ft. total \$8662.50. Roundup = \$8700. If area actually 3,800 sq ft, total would be \$14,600					
2775	Swimming Pool - Replace Vinyl Liner	(1) Pool	20	17	17,500	18,500	\$18,000			2775	Swimming Pool - Resurface	(1) Pool	15	12	23700	27200	\$25,450					(\$7,450)							
2775	Spa/Jacuzzi - Resurface	(1) Spa	12	10	2400	3000	\$2,700			2775	Spa/Jacuzzi - Resurface	(1) Spa	12	2	2400	3000	\$2,700					\$0							
2781	Pool Heater - Replace	(1) Heater	8	8	11,500	12,500	\$12,000			2781	Pool Heater - Replace	(1) Heater	8	0	6000	8000	\$7,000					\$5,000							
2781	Spa Heater - Replace	(1) Heater	8	9	6000	8000	\$7,000			2781	Spa Heater - Replace	(1) Heater	8	5	6000	8000	\$7,000					\$0							
2105	Driveway Concrete - Repair	Approx 18,000 GSF	30	14	8100	9900	\$9,000			2105	Driveway Concrete - Repair	Approx 18,000 GSF	10	6	8100	9900	\$9,000					\$0	Changed lifespan from 10 to 30 years, based on current condition.						
2120	Pavers (Walk/Patios) - Replace	Approx 2,500 GSF	40	24	12900	15300	\$14,350			2120	Pavers (Walk/Patios) - Replace	Approx 2,500 GSF	40	22	12900	15800	\$14,350			Furniture & Fixtures		\$0							
2303	Ex. Lights (Decorative) - Replace	Approx (269) Lights	20	18	16600	20300	\$18,450			2303	Ex. Lights (Decorative) - Replace	Approx (269) Lights	20	18	16600	20300	\$18,450			Misc Components		(\$632,450)	This item covered under 2326 Deck Railings.						
2137	Site Fencing (Metal) - Replace	Approx 135 LF	25	7	0	0	\$0			2137	Site Fencing (Metal) - Replace	Approx 135 LF	25	7	4400	5300	\$4,850					(\$7,000)							
2169	Sign/Monument - Refurbish/Replace (?)	(1) Sign	20	0	2500	3500	\$3,000			2169	Sign/Monument - Refurbish/Replace	(1) Sign	20	5	7500	12500	\$10,000					\$0							
2315	Walkway Decks - Replace	Approx (4) Lights	20	7	9000	11000	\$10,000			2315	Site Pole Lights - Replace	Approx (4) Lights	20	7	9000	11000	\$10,000					\$0							
2315	Walkway Decks - Maint Repair/Re-coat	Approx 18,000 GSF	6	6	5500	5700	\$5,600			2315	Walkway Decks - Repair/Re-coat	Approx 18,000 GSF	25	3	32400	39600	\$36,000					(\$30,400)	Significant						
2316	Walkway Decks - Resurface	Approx 18,000 GSF	16	1	18,500	19,500	\$19,000			2316	Walkway Decks - Resurface	Approx 18,000 GSF	4	10	114000	139000	\$126,500					(\$107,500)	Significant						
2326	Deck Railings - Repair/Seal/Repaint	Approx 5,200 LF	15	9	12,000	14,000	\$13,000			2326	Deck Railings - Replace	Approx 5,200 LF	25	10	434000	\$31000	\$482,500					(\$352,500)	Significant						
2367	Windows & Doors (Common) - Paint/Repair/Replace	Lump Sum Allowance	7	5	25,500	26,500	\$26,000			2367	Windows & Doors (Common) - Replace	Lump Sum Allowance	40	22	116000	142000	\$129,000					(\$103,000)	Cost of controller replacement in 2020 - \$1000. Cost of door replacement in 2020 - \$3100. Assumption, Hurricane rated - 140mph because they are heavier, wear out faster.) Fitness Room remodel likely would occur with Rec Room redo, using same paint & floor covering.						
2373	Garage Doors - Replace Door and/or Control	(6) Doors	7	7	12800	13600	\$13,200			2373	Garage Doors - Replace	(4) Doors	30	12	5800	7000	\$6,400					\$6,800							
2725	Fitness Room - Remodel	Lump Sum Allowance	15	5	2000	3000	\$2,500			2725	Fitness Room - Remodel	Lump Sum Allowance	15	5	6000	10000	\$8,000					(\$5,500)							
2727	Fitness Eqpt (Cardio) - Replace	(6) Pieces (Light Comm Grade)	12	10	12,000	18,000	\$15,000			2727	Fitness Eqpt (Cardio) - Replace	(6) Pieces	10	8	12000	18000	\$15,000					\$0							
2728	Fitness Eqpt (Strength) - Replace	(4) Pieces	20	13	12,000	16,000	\$15,000			2728	Fitness Eqpt (Strength) - Replace	(6) Pieces	15	8	12000	16000	\$15,000					\$0							
2746	Rec Rm Kitchen - Remodel	(1) Kitchen	15	1	9500	10,500	\$10,000			2746	Kitchen - Remodel	(1) Kitchen	20	2	10,000	15,000	\$12,500					(\$2,500)	Kitchen Remo. appliance update 2019. This is for cabinet/counter/floor update.						
2749	Rec Rm Bathrooms - Remodel	(6) Bathrooms	15	5	25,000	35,000	\$30,000			2749	Bathrooms - Remodel	(6) Bathrooms	20	5	25,000	35,000	\$30,000					\$30,000							
2750	Lobby - Remodel	Lump Sum Allowance	15	0	12,000	16,000	\$14,000			2750	Lobby - Remodel	Lump Sum Allowance	20	5	12,000	16,000	\$14,000					\$0							
2753	Recreation Room - Remodel	Lump Sum Allowance	15	0	12,000	16,000	\$14,000			2753	Recreation Room - Remodel	Lump Sum Allowance	20	5	35,000	45,000	\$40,000					(\$26,000)	Total Cost Difference (\$1,260,747) Significant						
																				Total Cost Difference (\$1,260,747) Significant									