



Capitol West Condo Owners Association

2023 Annual Meeting Minutes

December 5, 2023, 6:00 pm, Via Zoom or Telephone Call-in

Registration

Began at 5:35 pm

Call to Order

Quorum was reached at 5:55 pm. The meeting began at 6:10 pm with 55 in attendance virtually or via proxy.

Proof of Meeting Notice

The Official Notice of the CWCOA Annual Meeting was emailed to members on Oct. 26, 2023 informing them of the Annual Meeting date, time, and that it would be held via Zoom conference or telephone call-in.

The Annual Meeting Packet containing the Agenda, Minutes from the 2022 Annual Meeting, Board of Directors Candidates, 2024 Budget Proposal and forms for Board of Directors Nominations and Proxy was emailed to members on Nov. 22, 2023.

Board Members Present and years serving:

Nancy Kronenfeld, (president) 3+ years

Sue Bruckman, (vice president) 2 years

Diane Langfitt, (secretary) 6 years

Dan Leaver, (treasurer) 2 years

Janie Winston, less than 1 year

Board Member with Excused Absence: David May, 1 year

Founders 3 Present: Mary Volz

President's Report

Accomplishments for 2023

Water Intrusion Project

The West Washington side of the High Rise and one of the Townhouse buildings were repaired this year and have had no water problems since

Fire & Life Safety Resolution

Numerous repairs were undertaken to get this safety system in good working order.

Full Time Property & Maintenance Personnel

When our previous property manager resigned, the board considered hiring a full time property manager. It was decided that this made sense due to the numerous projects that needed attention and the lack of transparency that existed knowing when and where the property manager was working especially due to our previous manager working remotely. We also hired our maintenance technician full time in 2024 as we were informed it would cost us less if he worked 40 hours a week.

Reserve Study

An update to the 2017 Reserve Study took place this year to help guide for us as to what projects we may need to plan and pay for in the coming years.

New Website

Our new website is now up and running. This website has more space for documents than our previous website. We will continue to add information to the site.

Painting 2 Floors in High Rise Hallways

The hallways on floors 3 & 4 were painted.

Fitness Center

A wall in the fitness center was repaired and the entire room was repainted.

Elevators

The elevators needed many repairs this year. We renegotiated a lower cost contract with Otis Elevator for 2024 ongoing maintenance.

High-Rise Hot Water Heater

One of the High-Rise hot water heaters was not working so it was replaced.

Hot Water Issues on 4th & 5th Floor

Hot water was crossing into the cold water lines on the 4th and 5th floor. All check-valves were repaired in a way that in the future we will be able to locate which unit is having the problem and that one valve can be replaced.

High-Rise Carpet Cleaning

High-Rise hallway carpeting was commercially cleaned.

Renegotiating contracts:

We were able to renegotiate lower-cost contracts with Otis Elevators, Waste Management, Founders3 and Culligan. We got a painting quote for HR hallways for about half the cost of the previous painter.

Requests:**Trash Room**

Please follow the rules in the Trash Room. When non-recyclable items are placed in the recycle bins, when boxes are not broken down or when bins are filled above the top of the bin we receive fines. By following the rules we can keep our costs down.

Fitness Center

Please put items back where they belong when finished. Barbells should be placed back on the rack and not against the walls as this causes damage.

Cigarette butts

We've purchased a container for cigarette butts which is located along W. Washington. Please do not throw butts on the ground; use the container.

Dogs

Please have your dogs use the mulched pet relief areas along Henry St. and not allow them in the garden beds.

Expectations for 2024

We will continue to implement the water intrusion project. We hope to get all affected units repaired in 2024.

Balconies

We plan to begin repair/painting of balconies/railings in 2024. This will take place over a few years to complete. We will begin with the ones in most disrepair.

EV Charger

We may put in one Community EV Charger later in 2024.

Painting Floors 5-8

This will occur in the next few weeks but is in the 2024 budget.

Property Manager's Office

We are looking into moving the Manager's Office to the decommissioned Business Center. A window would be put in the wall so Mary can view people coming and going.

Preventive Maintenance

Mary is working with many different companies to get preventative maintenance contracts to keep our systems running smoothly.

Involvement in the Association

We are looking for one more High-Rise owner to serve on the Board. You can volunteer tonight or you can email your interest to the Board.

Treasurer's Report

A slide presentation was given which reviewed a summary of the 2023 Projected Year-End Financial Results and a second one introduced the 2024 Budget Proposal.

2023 Year End Projected Results

Revenues of \$939,042 exceeded our plan by about 1.02%.

On the income side, we had lot of owner turnover which has added \$8,432 to our reserves. We recovered \$5,300 from a commercial unit for electricity used to heat their space. Most significantly, by investing our Reserves in money market funds and CD's, we are anticipating \$33,000 in interest earned income by year end.

On the expense side total Operating Expenses are projected to be \$615,806 versus a budget of \$565,654, an overrun of \$50,152 (8.9%). We had five categories of expense with significant overruns: Fire & Life Safety (Fire Pump) \$28K, Inspections including 2023 Reserve Study \$8.1K, Elevator Repairs & Maintenance \$8.9K, Maintenance Labor \$8.5K, and Management Salaries \$5.7K, all totaling \$59.2K in overruns.

Overall Expenses (including projects funded through reserves) are projected to exceed overall revenues. We spent \$102K on TH water intrusion mitigation, High Rise PTAC replacements \$7.9K, \$207K for HR water intrusion mitigation, \$21.5 on other repairs, and an additional \$24.8 is pending on other repairs. This amounts to \$342K as compared to our 2023 Reserve Contributions of \$234.7K, so we drew down our reserves during 2023.

End of year Reserves balances are projected to be roughly \$995.5K for High Rise; \$69K for Townhomes; \$41.6K for Parking, for a total of \$1.106 million.

We are healthy financially with approximately \$1,200,000 in assets between all accounts (by year's end), and only \$5,522 in long term liabilities going into 2024.

2024 Proposed Budget

The 2024 Operating Budget proposal is to spend \$598,000 as compared to \$565,654 budgeted in 2023. Of note, Janitorial will decrease by 12.2% and General & Administrative will increase by 15.2% as a result of going to a 100% Building Manager. Overall, the 2024 Budget is a 5.7% increase over 2023.

Janitorial will be reduced by not cleaning the garage in 2024 nor will the carpets be professionally cleaned. General & Administrative will see a \$6000 reduction in Management Fees paid to Founders 3. This will be offset by a \$28K increase in Management Salaries by going to a full-time Building Manager.

A couple of slides illustrated how the costs are allocated between the segments for 2024. Of note, High Rise costs are up about \$29,615, or 7.7%, Townhouse costs are up about \$4,142, or 7.9%, and Parking costs are down about \$1,942, or 1.5% due to no garage cleaning.

The impact on the owners was discussed: HR owners will see “dues” increase \$9.95 to \$37.46 per month depending upon unit size. TH owners will see an increase of \$23.01 per month (average). Parking will see a reduction because the Special Assessment of \$17.87 goes away.

Owners will be asked in 2024 to contribute more to the Reserves. The increases requested will be offset by interest earned. As a result, High Rise owners will see an increase of \$2.11 to \$7.99 per month depending upon unit size. Townhouse owners will see an average increase of \$40 per month. Parking will see an increase of \$7.15 per owner to the Reserve fund.

Reserves spending for 2024 is targeted to include funds for ongoing HR water remediation, HR balcony repairs (concrete, coatings, painting of railings), life safety control panels, TH siding repair & staining, and interim repairs on the plaza membrane and pavers. Our 2024 Budget would allow up to \$304K in spending without depleting reserves.

Thank you to all the Board members who participated in working sessions to arrive at the 2024 Budget proposal.

Committee Reports

Electric Vehicle Charging Committee (Dan)

In 2024, three meetings were held with 7 members attending. Installing one community EV charger at a cost of about \$25,000 is being looked into for later in 2024. Additional community chargers could be added in the future. A survey about EV charging interest found that the community is divided on whether we should or should not move forward with EV charging. Survey results are on our website. A longer term plan for EV infrastructure will be some years off.

Emergency Preparedness Committee (Sue)

This committee has met with MPD and MFD to see what we can do to keep our community safe. Handouts were distributed to all current residents and is given to new residents on what to do in case of an emergency. Getting to know your neighbors is a great safety tip provided by MPD.

Garden Committee (Diane)

Garden Committee members continued to volunteer hundreds of hours in 2023 to keep our lawns and garden beds thriving. Throughout the season, members mowed, weeded, watered, and trimmed saving our association thousands of dollars. Next spring be sure to check out the two new lilac bushes planted along Henry St. Thank you to Garden Committee Chairperson Sue Bruckman and Townhouse Sub-Committee Chairperson David May for their work on behalf of the association.

Social Committee (Diane)

The Social Committee, along with the Emergency Preparedness Committee, sponsored a Happy Hour picnic in the spring. It was attended by many residents and a good time was had by all. We plan to make this a yearly event where we can get to know our neighbors. The Social Committee also hosted two other evening Get-Togethers and many lunch Get-Togethers at various locations in the neighborhood. We encourage all to join us for fun and friendship.

If anyone is interested in joining any of the above committees, please email the Board and it will get routed to the proper chairperson.

Election of Board of Directors

All Board of Directors seats are 2-year terms. Director seats and nominations are as follows:

High-Rise Directors- Vote for 3

Seats A-C are up for election in odd years. Running in 2023:

Seat A - Diane Langfitt

Seat B - Dan Leaver

Seat C - Tracy Stewart

High-Rise Directors- Continuing on

Seats D-E are up for election in even years. Continuing on for their second year:

Seat D - Nancy Kronenfeld

Seat E - Janie Winston

Townhouse Director - Vote for 1

Seat F - The Townhouse seat is up for election in odd years seat. Running in 2023:

Seat F - Bill Ferro

Commercial/High-Rise Director - Vote for 1

Seat G is up for election in even years so there is one year left on this term.

Seat G - vacant

Since no Board seats were contested, no vote was necessary. The volunteers above will serve on the 2024 Board of Directors.

Approval of 2024 Budget

Vote of 2024 Budget

Budget passes unanimously.

Other Business

Thank you to those who served on Committees this past year. The CWCOA Board of Directors would like to thank Sue Bruckman for two years and David May for one year of service on the Board.

Adjourned at

7:40 pm

Diane Langfitt

Secretary

December 6, 2022

Date of approval

capwestboard@gmail.com

<https://www.cwcoamadison.com>