



STRATA COMMITTEE MINUTES

1830 Wednesday October 18, 2017. Altair SC Meeting Room.

Attendance: Ralf Harding (Chair), Eric Moses (Secretary), Michael Cluff, Marilyn Di Bella, Kevin Wellington, Gary Zamel.
Mario Caruana (Building Manager)

Guests:

Apologies: Chris Gardener (proxy to Ralf), David Mackinnon (proxy to Eric), David Saul (proxy to Eric).

Minutes of Last Meeting: Agreed.

Matters Arising: See following

Correspondence:

- A) E-mail from the NBN confirming that the estimate tabled at the last SC meeting is correct (See Internet following)
- B) E-mail exchange between the Chair and the Managing Director of Strata Choice regarding accounting (See Strata Choice Accounting following).
- C) E-mail/Letter from Grace Lawyers advising that the action against lot 103 has been settled and paid in full by the defendant (See Legal following).

Finance Report:

The Financial Summary for September shows that we are a bit under budget YTD. The monthly Financial Summary will be posted on the Altair website.

Building Manager's Report:

The monthly Building Managers report will be posted on the Altair website. Key issues include:

Internet

The NBN responded to a formal paid (\$1100) request by Altair concerning the installation of FTTP internet services advising that the installation would cost between \$850k and \$940k plus 10% for a design plan etc. We queried this as it was more than we were expecting. The NBN have written confirming their estimate as being valid. We have attempted to gain information regarding another residential building that reportedly had installed NBN FTTP but NBN have no comment and the building are reluctant to respond – our very informal feedback is that their FTTP installation has not fulfilled expectations.

Noted that the technology in this field is ever advancing; however, unless there is a change in circumstances we do not propose taking any further action on this issue.

Fire Inspection

Annual and biannual fire safety inspections have been completed. As usual there are some works required to maintain our Fire Certificate - approx. \$10k which is budgeted for. We are proceeding with those works.

Podium Garden

A species of plant has died in a part of the podium garden (in the lawn mounds). Some re-planting is taking place in the mounds using existing 'surplus' foliage. We have noted that the maintenance of the garden is short of what we would have expected and the Building Manager is taking steps to rectify the matter in conjunction with Garden Committee member, Michael Cluff.

Strata Choice Accounting

The Building Manager has reported issues with Strata Choice accounting. The Chair and Secretary have reviewed the issues and agree with the Building Manager that the situation is unsatisfactory. As a consequence we have had discussions with our Strata Manager; and then written to the Managing Director of Strata Choice expressing our concerns. The Building Manager reports that there appears to be some improvement.

NB. This is a separate issue from the levies transition situation (see Levies following)

2017 Capital Works Programme

- a) Water and Fire Tanks. Done. These have been serviced and disinfected.
- b) TV Antennae: Done. A new 'array' has been installed.
- c) Concierge Mess: Done. Installation of running water, sink etc. in the room behind the concierge desk.
- d) Car Park Louvres. Done. More scheduled for 2018,19,20.
- e) Window Latches (Child-proofing). Works are in train - starting this week for about three weeks.
- f) Roof Membrane: Works are in train this month.
- g) Car Park Lighting and Pool Boilers – on hold re Energy Sustainability Audit.

Updates

Power Supply – Plan B

We now have confirmation from Ausgrid that Altair has a maximum supply of 800amps per phase available to it from the existing sub-station [situated under the Elan Building]. Allowing for the Ausgrid margin of safety this means that the maximum supply available to Altair will be 780amps per phase.

Ausgrid have advised that the existing (Elan) sub-station/site cannot be further upgraded to deliver any greater amperage.

Theoretical calculations have previously arrived at a figure of 845amps per phase that will be required in order to allow unfettered universal air-conditioning to the building.

This means that there are 2 options available to the building in order to allow universal air-conditioning:-

Option 1 - Restricted Access:

Steps:-

1. Upgrade the incoming service mains
2. Upgrade the Main switchboard
3. Upgrade the service risers to both towers

Total approx. cost of the above works - \$300,000

4. Access the 780/800amps per phase available to us from our existing sub-station. [Approx. \$30,000]
5. Develop a workable plan that will allow restricted air-conditioning (but possibly restrict total power usage) to all apartments and that will meet Council regulations, will not affect neighbouring apartments and will not exceed the 780amps per phase load limit for the building.

Option 2 – Construction and installation of a dedicated private sub-station:

Steps:-

1. Upgrade the incoming service mains
2. Upgrade the Main switchboard
3. Upgrade the service risers to both towers

Approx. cost of the above works - \$300,000

4. In addition to the above work [and costs] the construction and installation of a dedicated private sub-station is possible, in principle. This option would probably allow virtually unlimited power access but would have considerable additional cost (probably over \$1m) as well as significant installation issues.

Both options 1 & 2 would also have additional costs from professional advice relating to legal, design and environmental impact work etc. which, although un-costed at this stage, have been 'guesstimated' by our Strata Manager and could possibly exceed \$100k. All costs are currently broad approximations.

This is proving to be an extremely complex issue. We are awaiting clarification on some technical issues but hope to have a sufficiently broad-brush grasp of the issues and likely approximate costs to be able to poll owners on their views re next steps before the end of the year.

Energy Sustainability Audit

The CoSC Energy Sustainability Audit suggested a number of areas of investment to gain long term savings in power usage and expenditure. NB. The power savings are in dollars and watts and have no direct bearing on our amperage issues as covered in Power Supply – Plan B above. A copy of the Audit is on our website but in short the projects were:

<u>Project</u>	<u>Cost</u>	<u>\$ savings p.a.</u>	<u>Payback/years</u>	<u>Power saving</u>
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a) Solar on the Roof	\$39k	\$6.5k	5.9	9%
b) Carpark LEDs)				
c) Stairwell LEDs)	\$79k	\$21k	3.8	84%
d) Pool Heater	\$47k	\$17k	2.8	59%
e) Spa Heater	<u>\$22k</u>	\$4k	5.3	39%
	\$187k			

Changing the pool and spa heaters would involve switching from gas to electricity and is complicated by

- a) The need to re-build the pool room to accommodate the size and ventilation requirements of the recommended electric heaters.
- b) The extra amperage required (approx. 45amps) which would put further pressure on Option 1 covered under Power Supply – Plan B above as this, combined with universal a/c, would mean that Altair would require about 890/900amps with access to only 780amps.

We have not completely discounted this option but would need more complete information than we have now and would prefer to do it at a time when our existing heaters reach the end of their useful life (projected to be anytime soon). NB. The suggested new electric heaters at approx. \$69k are more than we have budgeted for replacing the existing gas boilers - \$30k – and we have not gotten a cost for re-modelling the pool room at this stage which could very significantly increase the total cost. No action recommended at this time pending further research.

Solar on the Roof has a relatively low power saving of 9% and the longest payback period (approx. 6 years). We are advised that installing solar panels on the Altair roof will likely penetrate the water-proofing membrane and create leakage problems. We do not plan to proceed with this option.

Installing LEDs in the car parks and stairwells creates significant savings both in power and expenditure. Kevin Wellington and our Building Manager have met with the consultant who conducted the audit. The cost of replacing carpark and stairwell lighting with LEDs has been reduced to approx. \$60k. We have taken a very conservative view of the savings which are now projected at \$17k p.a. with a payback of 3.5 years. This makes good financial sense but we have to figure out how to pay for it – See Capital Works Plan following.

Capital Works Plan

Currently our Capital Works Plan (CWP) for 2018 shows

Repaint ground floor walls and ceiling	\$12.5k
Paint lift lobby and doors/bollards	\$3k
Replace (some) carpark louvres	\$8k
Maintenance	\$135K
Security Video System up-grade	\$6k
Pool Boilers	\$15.5k
Weights Gym	\$6k

The Building Manager has reviewed these items and believes that the work for the first three items is necessary and due but notes that

- a) The Security Video System is currently working. It will need an up-grade at some point but we plan to wait for it to fail first. (\$6K)
- b) The pool boiler was scheduled for replacement in 2017 but is still functioning. There is a cumulative \$30.5k in the (unspent) 2017 CPW and projected 2018 CWP allocated to pool boilers (see Energy Sustainability Audit above).
- c) The proposed weights gym up-grade is now costed at approx. \$40k (vs \$6k in the 2018 CWP).
- d) As noted in the previous item (Energy Sustainability Audit) it would be financially prudent to invest \$60k in LEDs but we only have \$30k available from the (unspent) 2017 CWP.
- e) There is some debate regarding the correct maintenance allocation base for CPI extrapolation which is yet to be resolved.

Net, net for 2018 we have currently unfunded or only partially funded options for

Project	Cost	Budget	Unfunded
1) Weights Gym	\$40k	\$6k	\$34k
2) Pool Heaters (Elect)	\$69k	\$30.5k	\$38.5k
3) Pool Heaters (Gas)	\$30k	\$30k	
4) Carpark/Stair LED	\$60k	\$30k	\$30k
5) Poolroom re-model	\$???	\$-	\$???

Until we do our 2018 budget, together with a projected year-end, (December meeting?) we cannot know what elements of these projects should be entertained and or are possible, at least without greater movement than normal or some other form of financial adjustment.

NB. None of these projects will be approved by the Strata Committee. They can only be approved by the Owners at a General Meeting.

Levies

- a) Transition

For historical reasons, the Altair year (December – November) has not lined up with the financial year (January-December). This complicates financial reconciliation at year-end. Accordingly the Owners agreed at the 2017 AGM to a Transition to bring the and financial years into line.

We discussed this issue on numerous occasions with our Strata Manager as we believed that this transition had the potential to create confusion; and agreed a letter to be sent to all owners with the Transition notice.

Unfortunately, the notice that was sent to owners was for an incorrect amount and the letter was sent separately and a day later. This caused considerable confusion. We immediately drew this matter to the attention of Strata Choice.

Strata Choice had difficulty coming to grips with the matter and their system proved to be somewhat inflexible. In the end the correcting notice despatch had to be executed manually. This took a week.

Owners should now have the correct Transition notice which is due for payment on 21 November. Because it is a transition notice of only one month there will soon be a further traditional quarterly notice covering 1 January – 31 March 2018 which will be due for payment on 1 January 2018.

Future notices will revert to three month periods to coincide with our financial (and the calendar) year; e.g. Apr-Jun; Jul-Sept; Oct-Dec.

b) payment by direct debit.

Owners should be aware that the option exists to pay levies by direct debit through a service called STRATAPAY. There are options for weekly, fortnightly, monthly quarterly or half yearly payment. Anyone who is interested in this option should go to the Strata Choice website www.stratachoice.com.au and click on the “pay your” link on the right-hand side of the page and follow the instructions on the page to download the required form.

It would aid cash-flows if owners paid by direct debit – ideally monthly.

Legal.

The defendant, Vicki Goodwin of lot 103, has paid all outstanding amounts owing to the Altair Owners Corporation (approximately \$72k) resulting from court and NCAT actions relating to the unauthorised installation of an air-conditioning unit in contravention of our by-laws. Uncontrolled installation of air-conditioning units represents a serious threat to the Altair power supply.

This matter is now at an end but the action has taken just short of 6 years to bring to a conclusion and cost \$75k net. Your SC regrets this expenditure of owner’s funds, together with significant hours of committee member’s time, but believes that if we are not prepared to defend our by-laws then we should not have them.

Christmas Party

It was agreed to have the annual residents Christmas party on Monday December 4.

Meeting concluded at 1930

Next EC Meeting Wednesday November 15