

Moreland Courts Condominium Association, Inc.

BOARD OF DIRECTORS MEETING

February 25, 2021

REGULAR MEETING

The regular meeting for February 2021 of the Moreland Courts Condominium Association Board of Directors was held remotely via Zoom on Thursday, February 25, 2021. Present were President Scott Fine, Vice President John Beeker, Treasurer Benoy Joseph, Secretary Jessica Schreiber and Directors Jim Collins, Archie Green and Karen Schiavone. Management was represented by General Manager Paul Stroud, Jr. and Operations Manager Sam Morgano

Also in attendance were owners Bob Baker, Lillian Emmons, John Garrity, Faye Gary, Kathleen Hickman, Dorothy Lammers, Chris Malstead, Sue Nigro, Lee Poseidon, Judy Richards, Eric Schreiber, Jonathan Shanes, Gerald Winstanley and Sarah Wotman.

President Fine determined that a quorum was present and called the meeting to order at 7: 04 p.m.

OWNER CONCERNS Owner Lillian Emmons made a suggestion that Moreland Courts collect unused clothing and shoes to donate to organizations such as the Salvation Army for pick-ups during the week. President Fine thought it was a wonderful idea and referred Mrs. Emmons to Paul Stroud and Sam Morgano to discuss implementation.

Eric Schreiber asked for a status report on efforts to get competitive bids on gas meters. President Scott explained to owners observing the meeting that there are two charges on our Moreland Courts gas bill. Most of it is for the connection to service charge. Because we have individual meters, we pay individually, which costs a lot of money. The solution is one meter for the Association so we buy gas from Dominion but don't pay the individual connection fee. This would result in a net savings which would pay back in 2-3 years. John Beeker said the issue would come up at the next Facilities Committee meeting. Paul Stroud added that the initial bid seemed a bit high and they wanted to ensure that it was the right number, so they are seeking competitive bids.

Owner Chris Malstead raised the issue of back-up generators in light of the events in Texas over the past week. (The board previously commissioned a full scale feasibility study that showed such an action would be prohibitively expensive and invasive to daily living conditions due to noise, aesthetics and other considerations.) He asked the board to reconsider back up generations, perhaps by parsing the project for certain functions or dividing buildings and considering different back-up systems. President Fine acknowledged it's an important issue and made reference to a letter he had received from owner Eric Schreiber on the same issue. Fine stated the Board intends to revisit this issue and will monitor opportunities as technology evolves. He referred the matter back to Facilities Committee to continue to identify possible solutions that are feasible for the Association.

President Fine requested an update from the General Manager on valet services at Moreland Courts, noting that the loss of this service has concerned some Moreland Courts residents. Paul Stroud said there are different metrics on how quickly we can bring back valet services: (1) the level of emergency in Cuyahoga County (currently the city and county are at red); (2) the vaccination rate of residents and staff, currently 50 per cent for residents and zero for staff; and the CDC recommendations, which currently discourage the use of valet service. Changes in these three metrics will determine when valet services are reinstated.

APPROVAL OF BOARD MEETING MINUTES The minutes of the board meeting held on January 26, 2021 were previously provided to the Board for review. On motion of Jim Collins, seconded by Benoy Joseph, the motions were approved without additions or corrections.

REAL ESTATE UPDATE Currently there is only one listing and no new unit sales.

GENERAL MANAGER'S REPORT. Paul Stroud made the report. Moreland Courts still has two active liens that are being monitored very closely by our counsel. Our receivables remain relatively small compared to our overall budget.

The annual capital reserve budget was gone over extensively in January. Moreland Courts engaged in its first substantial expenditure for the walk off mats.

Operations Manager Sam Morgano reported he has received mostly positive comments about the installation of the new walk off mats. Residents using canes and walkers feel safer. Negative comments are that the mats look industrial and get very dirty. Sam noted that his department was down several staff members so during the storm he and members of the staff helped out with trash collection, snow removal and that took away somewhat from cleaning. Moreland Courts is now up to full staff. He explained how the cleaning cycle works at Moreland Courts and the challenges of keeping up.

Paul said some large projects are coming up in the spring. The rear entrance to the East Tower is scheduled to begin the first week of May. Management will meet with East Tower residents to open communication because the project will close the back entrance for several months. Management is in the process of collecting bids for the next phase of projects in March, which will be discussed at the next Facilities Committee meeting.

Paul informed the board of personnel issues that necessitated the termination of three employees in the last six weeks due to chronic and severe absenteeism. It created a severe strain on staff and after counseling and coaching efforts failed, they all had to be dismissed. We now have a full complement in those departments. Management will be sending out information to Moreland Courts residents about the new hires with their names and photographs by Monday or Tuesday next week. This information will also appear on the website.

Jessica Schreiber thanked Sam Morgano for the installation of the safety strip on step down in the West Tower basement.

Paul gave an update on fob transfers. The new door fob project is 90 per cent complete and by Monday the new fob system should be in place. Archie Green asked what residents should do with their old fobs. Paul said that would be addressed in the memo coming out next week.

Jim Collins requested an update on Coral Management and the future of Shaker Square. Paul said he is monitoring the situation as part of a group that includes a number of Moreland Courts residents and other stakeholders and partners. He has been in contact with the Receiver who reports they are working very slowly to secure the asset, stabilize it and then try to sell it for the recovery of credit that is due to the plaintiff in this case. They continue to pay our small rental fee for the parking lot.

TREASURER'S REPORT The report was made by Treasurer Benoy Joseph. At the last meeting, the board revisited year end 2020 where preliminary year end results were shared. Since that time there has been very little change.

Highlights of 2020:

- Revenue (Income) exceeded budget by \$55,000.
- Over \$70,000 was unbudgeted income related to reimbursement from the State of Ohio for Worker's Compensation
- This income was offset by shortfalls in garage fees, garage services and in suite repairs, i.e. COVID related shortfalls
- Expenses are favorable to budget by \$30,000
- No bad debts
- Natural gas \$15,000, under budget
- Major negative variances were due to more landscaping and higher housekeeping related to covid, and elevator repair expenses
- \$200,000 in annual capital spending and \$734,000 in reserve projects
- Balance sheet shows approximately \$1,000,000 in cash

Auditors are currently examining our 2020 Financial Record as part of our Annual Audit.

President Fine explained that to the extent we have a surplus, that amount gets added to the reserve fund if authorized by the Board. This year's large amount is mostly due to State of Ohio's Workers Compensation Insurance reimbursement.

January looks like a continuation of trends from last year. Operating income was \$5,000 below budget, again related to shortfalls in fee-based services. Expenses were \$38,000 favorable due to lower than expected spending, bad debts and natural gas expenses. Net income is \$8,000 favorable to budget. Receivables remain at manageable levels. In summary, Moreland Courts is in good shape.

Re January budget report, John Beeker asked why we are underbudget in terms of income for non-maintenance fees? President Fine thought the variance was due to non-owner fees such as car washes and in suite repairs.

COMMITTEE REPORTS

Budget & Finance The Budget & Finance committee and Board of Directors will meet with the auditors sometime in March prior to the next board meeting.

Nominations. Chair Bob Baker made the report. All unit owners received a 2-page report from the Nominations Committee today. The Nominations Committee is made up of Sue Gerson, Lloyd Owens, John Dunn, Paul Stroud and Bob Baker. The committee met several times, including meetings with 3 of the 4 candidates. On February 22, the Nominations Committee unanimously approved a slate of candidates composed of Kathleen Hickman, Chris Malstead and Jessica Schreiber.

The Nominations Committee recommends two recommendations. The first, that the board consider defining the role of the Nominating Committee to include whether current board members who wish to be re-elected for another term should be automatically endorsed or should be considered like other candidates. The second committee recommendation is to revise the requirement that board members attend 75% of board meetings in person to permit virtual attendance at a meeting.

The issues raised by the Nominations Committee were referred to the Rules Committee for resolution. President Fine asked Rules Committee Chair Carol Lowenthal, Rules Committee board liaison Jessica Schreiber and Nominations Committee Chair Bob Baker to meet and make recommendations to the board.

John Beeker commented that based on his years of experience on the board, the practice has been to see prior board service as a positive if the board member has been a contributing participant and wishes to continue.

President Fine thanked Bob Baker for his service.

Facilities Chair John Beeker reported on a conversation he had with committee member Eric Schreiber about the issue of back-up generator solutions and acknowledged that it is an ongoing problem that the Facilities Committee will continue to look at in consultation with management. The Committee will meet again in a couple of weeks to set priorities for the annual capital budget and will report back to the board in March. One of the items that has come to the fore is the Exercise Facility, which is ready to go except for a floor and equipment. Before it opens, Moreland Courts need to address several issues. One is, what is our strategy for opening given the challenge of COVID? The second issue is the unique situation where we are offering a service that comes out of the Association's overall budget but may be utilized by only some members of the Association. The consensus was that even though not every resident will use the Exercise Facility, it will convey an economic benefit to the entire association given that it makes Moreland Courts more attractive to potential owners and guests of owners. From a financial standpoint, President Fine pointed out that the funding has already been allocated and the capital costs are minimal, e.g. purchase equipment budgeted at \$7,000, warranty, maintenance and cleaning. Archie Green stated his opinion that all equipment should be commercial grade. Paul said two vendors have already given us bids on commercial grade equipment and both come with a two-year warranty. Jessica raised two issues: (1) the need for residents using the Exercise Facility to sign a waiver protecting the Association from liability; and, (2) whether utilization should be restricted to residents who have been vaccinated. Chair Beeker asked Rules Committee Chair Carol Lowenthal, Rules Committee board liaison Jessica Schreiber and Landmark Committee board liaison Karen Schiavone to help Paul work through these management issues. At the next meeting of the Facilities Committee, gas meter proposals will be an item for discussion and hopefully there will be additional proposals to make that happen and report on to the board at our next meeting.

Landmark Karen Schiavone reported things are moving slowly due to covid. The committee has determined what our projects are for the year.

Rules. Jessica Schreiber reported that thankfully no issues have arisen between neighbors requiring Rules Committee intervention. The Rules Committee will begin working with management on policies regarding the new Exercise Facility and Nominations process.

Marketing. Chris Malmstead made the report for the marketing committee which also looks at the resident experience. The committee's mission is to maintain and increase the value of our apartments. The good news is our statistics are strong with square footage going up. Looking forward, though, we can expect more competition in the market at our price point with two new condominiums in development and a luxury rental near completion. Our response can be to build out and focus on our amenities, for example by improving our Board Room and emphasizing our personal services, such as the seasonal check in on apartments every week. The Marketing Committee would like to add a log with Moreland Courts on the cover where the staff person performing the apartment check signs and dates the check in and leave a comment. At the next meeting on March 17, the committee will introduce a draft of a tri-fold brochure with the same information on the website, listing the services that the building offers, as another medium for marketing. The goal is to promote and differentiate what Moreland Courts offers. The Marketing Committee is working closely with Operations Manager Sam Morgano on this. The other area in terms of resident experience is our focus on Moreland Courts' 100th Anniversary in 2022. It will be the topic of the next meeting. The Committee is collaborating with Lin Emmons and Pat Brownell, who are

working on a history project. The Committee wants to promote this highly differentiating piece of work. The Committee is also considering a permanent amenity to commemorate the 100th anniversary of Moreland Courts, such as a sculpture or copse of trees, and to repurpose the holiday party and summer barbecue as part of our celebration of our centennial. Mebbie Brown and Denise Kramer are working on this project.

PRESIDENT'S REPORT President Fine commented on the importance of keeping our website and marketing current while the Front Office is currently short staffed. Unofficially, President Fine mentioned he had reason to be in the Guard Station and noticed how many things in the room are out of repair, dirty and unsightly. Given that this is where our employees spend a lot of their time and that it would not cost a lot of money to fix it up, he made a plea on behalf of the board that management make it a priority to clean up the Guard Station. He then noted he has only two more meetings left in his board service. There will probably not be an annual meeting, it will need to be held remotely. President Fine commended the board and management team that despite the pandemic, things at Moreland Courts have been pretty seamless with no major health or fiscal problems. It underscores how strong the Moreland Courts community is for which he expressed his gratitude.

Jim Collins ask the board to consider holding the Annual Meeting at Plymouth Church or the Atlas. President Fine said he would look at Plymouth Church as many Moreland Courts residents are members.

Jessica Schreiber noted that a positive effect of meeting remotely has been a significant increase in the number of residents who attend board meetings and offer comments and expressed the hope that this continues when we resume meeting in person.

CORRESPONDENCE None

OTHER BUSINESS None

ADJOURNMENT President Fine adjourned the meeting 8:11 p.m.

EXECUTIVE SESSION

The board met in Executive Session to discuss a personnel matter. The meeting adjourned at 8:47 p.m.

Respectfully submitted by:



Jessica Schreiber
Secretary



Paul J. Stroud, Jr.
General Manager