

# **MORELAND COURTS CONDOMINIUM ASSOCIATION, INC.**

## **Minutes of the Board of Directors Meeting**

**May 23, 2023**

**CALL TO ORDER AND DETERMINATION OF A QUORUM:** The regular May meeting of the Moreland Courts Condominium Association Board of Directors was held remotely via Zoom on Tuesday, May 23, 2023. Directors in attendance were President Kathleen Hickman, Vice President Gordon Wean, Treasurer Benoy Joseph, Secretary Carol Lowenthal and Directors Chris Malstead, Lloyd Owens and Jessica Schreiber.

Management was represented by General Manager Paul Stroud, Jr., Controller and Human Resources Manager Mildred Brooks, Operations Manager Tiara Smith, and Facility Manager Larry McHugh.

Observing the meeting were residents Gina Abercrombie-Winstanley, Bob Baker, Marilyn Brown, Jim Collins, Jan Devereaux, Lin Emmons, Elizabeth Fehsinfeld, Virginia Garcia, Faye Gary, John Gearity, Mary Louise Hahn, Nancy Hildebrand, Edith Lauer, Rosalie Litt, Jon Miller, Sue Nigro, Liz Patterson, Judy Richards, Patricia Yeomans-Salvatore, William Schiavone, Eric Schreiber, Jonathan Shanes, Nancy Shanes, Kathleen Voros, Sara Wean, and Sara Wotman.

President Kathleen Hickman determined the presence of a quorum and called the meeting to order at 7:02 p.m. She then read a statement from the Board members in response to the recent chain emails that had circulated among residents regarding a personnel issue. (See attached statement). She reminded everyone that Board members are always open to suggestions and concerns from residents.

**OWNERS' COMMENTS AND CONCERNS:** Resident Judy Richards asked about follow-up from staff or the Board when a concern is brought to their attention and also those suggestions made during the "Listening Sessions" that the Board members held this spring. She had felt that there were good suggestions raised at these sessions, even though they were lightly attended.

It was asked if the agenda of each upcoming Board meeting could be posted on the MCCA website. President Hickman commented that the agenda lists the order of management and committee reports, but not details of specific topics to be raised in these reports. However, the agenda will be posted on our website.

**APPROVAL OF THE BOARD MINUTES:** The misspelling of Virginia Garcia's name in the April minutes was corrected. As there were no further additions or corrections Benoy Joseph moved, and Chris Malstead seconded that the minutes of the 4/25/23 meeting be approved as corrected. The motion passed unanimously.

**ORGANIZATIONAL MEETING:** Following the May 1, 2023, MCCA Annual Meeting, the Board members elected Officers: Kathleen Hickman will continue as President, Gordon Wean as Vice President, Benoy Joseph as Treasurer and Carol Lowenthal as Secretary.

**REAL ESTATE LISTINGS AND UNIT SALES:** General Manager Paul Stroud reported that there are currently two Moreland Courts Units for sale: one in the West Tower for \$516,000 is now under contract, and one in the Courts Building for \$325,000, an average of \$174 per sq. ft. Two more will be going on the market soon, one in Building 11 and one in Building 9. Units here have been selling quickly recently and for record high amounts, the most recent one for \$814,000. There have been three closings so far in 2023.

Mr. Stroud gave a short summary of the history: In August 1978, when the Moreland Courts apartments were converted into condominiums, the average rate paid for a Unit here was \$32 per sq. foot. This decreased to \$21 per sq. foot in 2005 when it was discovered that major repairs and renovations were needed, and large owner assessments were approved in a Master Plan to borrow \$9.2 million for this work. During the next several years Moreland Courts struggled. Units stayed on the market for long periods of time, some Owners just “walked away” from their properties, there were many foreclosures, and many Units were rented out when they couldn’t be sold.

By 2015 the market had improved, and prices began to climb back up. Moreland Courts Rental Policy was changed to discourage speculators from buying and it is now required that a Unit may be rented out for up to two years only after the Owner has been living in the Unit for a minimum of one year. In rare cases, such as loss of income or loss of a spouse, making it difficult to pay the HOA fees, an Owner may apply to the Board for a “hardship rental” exception to rent out for longer than two years. This policy helps preserve Moreland Courts’ status as an “owner”, rather than a “renters” residence.

The average selling price is currently \$167 per sq. ft. and continues to increase. Some of the factors contributing to this recovery include the ability in 2015 to renegotiate and consolidate the two business loans at 5.75% interest into one loan of \$9.2 million at 4.78% interest rate. Also, Unit Owners became allowed to prepay their Unit’s pro-rata portion of the loan, thus saving them the interest fees. The entire loan is now down to about \$900,000, primarily due to these prepayments.

### **MANAGEMENT REPORT:**

**Aging Report:** Mr. Stroud related that there are currently four Units officially in collections, however, one paid off the balance in full today. The other three are now in the pipeline toward liens and eventually foreclosures. All previously delinquent accounts had been paid and it has not been necessary to have a sheriff’s sale here since 2018. Mildred Brooks, Controller, has been staying in contact with the three overdue accounts.

**Annual Capital and Reserve Projects:** The refinishing of the terrazzo floor in Bldg. 12 has been completed and the painting of the damaged vestibule ceiling will follow. The rug in the Point Bldg. entrance is under repair. Masonry repairs and seal coating continue and the door jam in the West Garage will be done soon. Outdoor up-lighting has been ordered for the 13901 to 13715 Buildings and is not expected to cause a problem for birds. The Facilities Committee will be meeting in June to plan the next phase of capital fund planning. The finishing touches, flashing and final details of the new West Garage roof are being inspected now. Other projects, mostly related to plumbing issues continue. The payments on the elevator loan continue at a high rate.

**Spectrum Project:** There have been several reports of some spotty Wi-Fi outages, mostly on weekends, and Spectrum is working on fixing these. The common areas and garage Wi-Fi are still not completed, and Spectrum is still evaluating what equipment is needed and when installation can be done. Residents experiencing problems should notify the office.

**Windows Project:** There have been two more installations of new windows, one in Bldg.12 and one in Bldg. 7, and windows for another Unit in Bldg. 7 are currently being manufactured. There is still a problem concerning how to install the windows in another Unit and possible solutions are being explored.

**TREASURER'S REPORT:** Treasurer Benoy Joseph thanked the outgoing Treasurer Jim Collins for doing a terrific job over the last two years and for leaving us in very good shape. He reported that there are no surprises in the April budget report.

Operating income from maintenance fees, in-suite repair fees, garage parking fees, and patio fees is on budget. However, discretionary income sources, such as income from the guest suite and garage services, including car washes, are under budget for April as well as year to date. Total income Year to Date (YTD: January through April) is currently \$7,328 under budget.

Operating expenses for April were under budget by \$17,438, and under budget YTD by \$12,489, so expenses are under control.

Wages were over budget for April, but under budget YTD.

Employee benefits are under budget YTD. Hospitalization, which accounts for about 2/3 of employee benefits expenses is also under budget for April and for YTD.

Natural gas heating costs, accounting for about 40% of the budget, is under budget for April. Maintenance and repair, mostly for the boilers, is under budget. Plumbing maintenance and repair are slightly over budget.

Contracted Services: Landscaping costs are high, and accounts for about 23% of contractor services. Elevator maintenance is 27% of the budget, and Cable TV is 33%. These are all on budget YTD.

MCCA total expenses for April and YTD are under budget.

Accounts Receivables: Currently, about \$67,000 is due from delinquent accounts. This is always of concern. Liens are being placed on three of those properties.

Annual Capital Fund: \$200,000 was budgeted for the year, with \$66,000 already designated.

Reserve Fund: \$ 625,000 was budgeted, with \$365,000 of that allocated for the West Garage Roof.

Emeritus Board Treasurer Bob Baker asked about the expected increase next month in the cost of electricity rates from First Energy, MCCA's current electricity supplier. Paul Stroud responded that we have been exploring the possibility of an aggregated,

volunteer price structure. Tiara Smith, Operations Manager, responded that she has not been able to find a discounted group rate because of our small size, as generally these reduced rates go to larger neighborhood groups. Therefore, MCCA Owners will need to choose and sign up individually with one of the many companies who provide electricity in Ohio. She recommended that Owners study the Public Utilities Commission of Ohio website “Apples to Apples” to determine the best rate and contract terms with the individual suppliers.

### **COMMITTEE REPORTS:**

**Budget and Finance Committee:** This committee did not meet this month.

**Facilities Committee:** Gordon Wean, Chair, said that the Facilities Committee did not meet during May, but will be meeting in June to prioritize and allocate the funds for the balance of this year.

**Landmark Committee:** President Hickman reported that this committee did not meet this month.

**Marketing Committee:** There was no report from this committee.

**Rules Committee:** Chair Jan Devereaux told the Board that the committee’s revisions of the Patio Policy are now being finalized by staff and are being approved by our legal counsel. When approved the revised policy will be posted on the MCCA website as well as in our newsletter.

**Newsletter Committee:** There was no committee report.

**PRESIDENT’S REPORT:** President Kathleen Hickman acknowledged the passing of three Moreland Courts residents this past month: Caroline Oberndorf from the West Tower had lived in Moreland Courts for more than 30 years, Gail Garon, formerly from the East Tower, and Marjorie McCullough from Building 10.

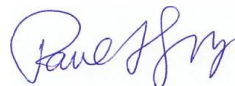
**CORRESPONDENCE:** There was no correspondence to be shared with the Board.

**ADJOURNMENT:** On a motion by Benoy Joseph and seconded by Carol Lowenthal, the meeting was adjourned at 7:55 p.m. There was no Executive Committee meeting.

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Carol A. Lowenthal, Secretary



Paul Stroud, Jr., General Manager

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