**MORELAND COURTS CONDOMINIUM ASSOCIATION, INC.**

**Minutes of the Board of Directors Meeting**

**September 26, 2023**

**CALL TO ORDER AND DETERMINATION OF A QUORUM:** The regular meeting of the Moreland Courts Condominium Association Board of Directors was held remotely via Zoom on Tuesday, September 26, 2023. Vice President Gordon Wean explained that President Kathleen Hickman was in attendance, but because of some recent medical issues she is unable to chair this meeting and has asked him to take that role. Directors in attendance were President Kathleen Hickman, Vice President Gordon Wean, Treasurer Benoy Joseph, Secretary Carol Lowenthal and Directors Chris Malstead and Jessica Schreiber. Director Lloyd Owens was out of the country and unable to attend.

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

Observing the meeting were residents Angela Bragg, Jill Clark, Elizabeth Fehsenfeld, Mary Louise Hahn, Sabrina Inkley, Pamela Jacobson, Dorothy Lammers, Bill Lang, Stacey Lang, Joh Miller, Judy Richards, Eric Schreiber, Nancy Shanes, Sarah Wean, Sara Wotman, Shayan Yousefzai and Lee Jacobs.

**OWNERS’ COMMENTS AND CONCERNS:** Owner Judy Richards alerted the Board that the MCCA policy of no tipping of employees is being misunderstood, particularly by some newer residents. It was suggested that a reminder be put into our newsletter or sent to all residents that tipping of employees is not allowed at Moreland Courts. This reminder could instead suggest that all Moreland Courts residents participate in our annual holiday collection which takes place during November and is then shared by all non-management employees. Manager Paul Stroud said that employees should also be reminded not to accept any tips, but if someone insists, they should turn it in to the office and it will be added to the holiday collection. Jan Devereaux offered to draft such a notice. There were no further comments from owners.

Vice President Wean then reminded the observers that any further questions should be entered by using the comment button on Zoom and someone will get back to them later.

**APPROVAL OF THE PREVIOUS MINUTES:** As there were no additions or corrections to the minutes of the previous meeting it was moved by Benoy Joseph and seconded by Jessica Schreiber that the minutes of the June 27, 2023 minutes be approved. The motion passed unanimously.

**REAL ESTATE LISTINGS AND UNIT SALES**: Manager Paul Stroud reported that so far this year there have been 7 units sold and the selling prices continue to rise, largely because many owners have been making major improvements to their properties during the last 7 or 8 years, thereby increasing the sale values. Currently, two units are on the market.

**GENERAL MANAGER’S REPORT:** Manager Paul Stroud noted that liens have recently been placed on two units because of non-payment of condominium fees by those owners. In the Studio Building (13715) a foreclosure motion was filed on September 22. That owner is now incarcerated for a 3-year prison sentence, complicating collection of fees due. A lien has also been placed on another unit, although it is expected that this owner will make up the amount in arrears as has been done in the past. A third unit has had two foreclosure complaints during the last 3 years, and it is unknown whether the owner will make up the amount due.

**Annual Capital and Reserve Projects:** (See attached report) A number of projects have been completed or are underway. Sealcoating in the back line has been deferred because of bad weather and breakdowns of the contractor’s equipment, so that is being postponed until June. Also, there are some outstanding annual capital funding projects still to do, such as the restoration and painting of two laundry rooms in the Tudor Building and Gallery, which the contractors will complete this year.

**The Reserve Study,** under Paul Stroud and resident reserve consultants Scott Fine and Ed Rybka, will be updated in 2024. Cash flow in this fund looks very favorable, so two changes are possible: a modification in the assessment amounts and in the scope of work. The bulk of the Reserve Fund work this year was the West Garage roof. The debt service on the elevator modernization project which was completed in 2019 will fully mature at the end of June 2028. The other debt, the master plan loan, which has been in place since 2008, is expected to be fully amortized in 2027, at which time the MCCA will be totally out of debt.

**The Windows Project:** The windows for a unit in Building 8 have been ordered. Another project needs a strategy to get the unit owners to conform to the windows policy as there is a lien on this unit making compliance appear less likely. The other units where the windows have not yet been upgraded are paying the required fees, but we need to have the windows upgraded instead of owners paying penalty fees that were intended to motivate compliance with the policy.

**Questions from the Board:** Benoy Joseph explained that the **unpaid balances on the master plan loan** which are still being paid off by some of the owners is handled as a pass-through for those owners, although MCCA is still responsible for any unpaid portion.

Gordon Wean asked about **the disability ramp behind the 13715 Building** which has been deferred until next year. Because this ramp will also service the adjacent Tudor Building, the designs are being re-examined at the request of the Landmarks Committee to optimize our design opportunities there.

**Spectrum Project**: Kathleen Hickman asked the status of the completion of this project. Although it was an important part of our original contract with them Spectrum has not installed wi-fi service in MCCA common areas, including the garages where the service is needed for electric cars. We have not been able to get a date for this to be done and have been paying Spectrum a reduced rate because we still do not have this service, but Spectrum is now requesting full payments. It was suggested that we could force their attention to this matter by further our reducing payments. It was decided that it is now time to contact our attorneys for their advice on how to proceed.

**TREASURER’S REPORT:** Benoy Joseph, Treasurer, reported that our financials have been stable and mostly on budget through the summer. The August reports show a positive net profit from operations, but garage services such as car washing are not well utilized by residents. Marketing of the Guest Suit has helped increase its use.

**Delinquency balance in Accounts Receivables** currentlytotals over $82,000 in monthly payments, 75% or which is from the 3 units on which we have placed liens.

**Operating Expenses** were slightly over budget for the month, but under budget year-to-date. Wages, employee benefits, and utilities are all under budget. There are a few unfilled employee positions which cause payroll costs to be lower. Natural gas for heating is over budget year-do-date by $13,800. Utilities account for 16% of our total operating expenses. He commented that we always negotiate for long-term utility prices. Paul Stroud said that we are waiting to find out how much the thermostatic control upgrade for the eastern steam plant will save us in indoor heating costs and in resident comfort now that it is complete and fully operational. This system is based on indoor temperature, not on being either on or off. If this works as well as we expect it to, we will look at using it across the rest of the property. Because of the nice weather in September, the boilers have not had to be fired up yet this year, but they are ready to go as soon as needed.

**Maintenance and Repairs:** This category includes electrical, plumbing, supplies, cleaning, and those owner suite repairs that are the responsibility of the MCCA. These were over budget for August but are under budget YTD.

**Contracted Services** include big ticket items such as landscaping, security, fire safety, waste removal, recycling, cable TV, and elevator maintenance. Items that are over budget and warrant attention are landscaping, security, fire safety and waste removal. These are important areas and are noticed if they are not performed well. Cable TV expenses are under budget YTD, but some of the services expected are not yet being provided.

**Administrative expenses:** computer services, telephone, and insurance are over budget YTD with a negative variance of $6,424. Total operating expenses YTD are about $8,000 under budget. Net operating profit YTD should be $71,628 vs a budgeted positive of $57,450 for a positive variance of $24,177.

**Annual Capital Fund:** This fund includes a long list of needed projects that the Facilities Committee oversees to make our facilities function well.

**Reserve Fund:** The annual budget of $635,000 incudes the monthly expense of the elevator rehab and the principal payment to the elevator loan itself.

Mr. Joseph commented that our finances are in good shape and are a credit to our management staff and financial controller.

**COMMITTEE REPORTS:**

**Budget and Finance Committee:** Treasurer Benoy Joseph reported that the committee has been meeting during the last month for the budgeting process, looking at the various expenses projected for the coming year, including cost of labor, health care, heating, electricity, and maintenance, etc. These projections determine what our income will need to be and where monthly fees should be set. The committee also considers other ways to increase the association’s income, such as garage fees and rentals of the guest suite, before increasing the owners’ monthly assessments.

Manager Stroud commented that historically, increases in owners’ fees are usually small and have stayed below the inflation rate. He also reminded everyone that there are some variables we need to keep watching, such as inflation, insurance prices and energy costs.

**Facilities Committee:** Following the recent interruptions of electrical service to the property from our power station on Larchmere, the Facilities Committee is considering possible options for back-up power. Fortunately, our elevators and boilers are powered from a different circuit which does not lose power as often; however, that circuit cannot handle adding additional load required by the rest of our complex. Management has been looking at options such as a generator in the West Garage boiler room. There is concern for residents who rely on power for medical needs, as well as losing food from refrigerators and other inconveniences. Paul Stroud described several small solar chargeable battery systems that have evolved that could power charging of laptops, phones, and keep medical devices operating for many hours in the event of a loss of power.

The committee, with the help of residents David Beach and Eric Schreiber, is also looking at the feasibility of installing solar panels on the West Garage roof as a means of lowering electricity costs, although they would not be able to provide backup electricity during power outages. There may be ways to have solar panels installed at little to no cost to us.

**Landmark Committee:** Chair Chris Malstead reported that the Landmark Committee is restructuring and scaling back the scope for the time being and is instead focusing on cleaning and restoring the furniture throughout the complex. Lloyd Owens will be working with him on this project.

**Marketing Committee:**  The Marketing Committee did not meet this month and is disbanding for the present time as our units are selling well.

**Rules Committee:** There is no report from this committee this month.

**Newsletter Committee**: Editor Eric Schreiber reported that a newsletter came out in early September, and they are now working on the October issue to come out soon.

**PRESIDENT’S REPORT:**  Vice President Wean reported on a “learning” work session that the Board and Manager Stroud held on September 14 regarding the development of Shaker Square. Because of the importance to Moreland Courts of having a healthy environment at Shaker Square the board feels that we should be more involved in this development, that we need a better understanding of the process, of the individuals involved, and in what way we can contribute our voices and our ideas to play a helpful role in this planning. MCCA is the owner the parking lot behind CVS, and we lease it to Shaker Square on a 100-year lease, so we have a financial stake in this as well.

Three MCCA owners were asked to join this work session: Art Falco, Ed Rybka and Jeff Wolk, all of whom have observed the process and have been involved in it in different ways. The board thinks there are ways to develop the Square to be very successful and our goal is to have some input and be a voice at the table.

**CORRESPONDENCE:**  The only correspondence was notification from our counsel that the foreclosure complaint has been filed on the delinquent property at 13715.

**NEW BUSINESS:** Director Jessica Schreiber presented a proposal from President Kathleen Hickman to form a new committee called the “Resident Experience Committee” in order to enhance the quality of life at Moreland Courts. This would include restarting the new resident orientation each spring, which was not done during the Covid quarantine, continuing the Monday morning “Coffee and Conversation” gatherings, being involved in cultural enrichment, including the music series, guest speakers, art openings, providing assistance to the staff for the holiday party and summer picnic, and organizing collections of goods for local charities. Owner Bill Lang has been approached as a potential chair for this committee. Although a vote is not required to form a new committee it was decided to think about it and approve it at the next board meeting.

**ADJOURNMENT:** The meeting was adjourned at 8:08 p.m. so that the Board could meet in Executive Session.

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Carol A. Lowenthal, Secretary Paul Stroud, Jr., General Manager