

The Commons at New Street

Board Meeting Minutes

September 30th 2024 – 4:00 PM

via ZOOM

I. Call to Order -Attendance

The meeting was called to order at 4:02. In attendance: Karen Oglesby (Chancellor), Juliana Martel, Edsel Tan, Larry Fitzgerald, Jason Muscavage, and Chris Knell.

II. Minutes Approval – May 29th Minutes

The Annual Owners Meeting minutes from the May 29, 2024 meeting were approved.

III. Financial Review

- a) Delinquencies – At this time, only one owner is delinquent. The amount owed is \$20,411. This includes the dues for the remainder of 2024 as well as late fees and attorney fees. A judgment was awarded in the association's favor by the court. The appeal period passed without objection from the owner. The next step is proceeding with the foreclosure process. It was discussed that this particular owner has forced the association to attempt to foreclose at least 3 or 4 times in the past. It is anticipated that to get to the point of a sheriff sale will take at least 6 months, possibly longer.

It was noted by Karen that there is nothing the association can do to put additional pressure on the delinquent owner.

- b) Reserve Fund and Operating Fund – The value of the reserve fund is presently approximately \$74,600. This is down from \$83,000 in May 2024. For the past 6 months, Karen has not had sufficient funds to make any transfers to reserves and has had to make withdraws to cover expenses. It was reported at the May meeting that Karen would be unable to make the planned \$1,364 transfer to the reserve fund and that this would continue until the delinquency is remedied.

The value of the operating fund is about \$6,900. However, accounts payable have grown to approximately \$27,900 (some of which, due to their nature, should be paid from the reserve fund) . This is a concern since without collecting on the delinquency, additional funds will have to be withdrawn from the reserve account to cover the unbudgeted expenses.

The board requested a summary of variances from the budget so that the source of the higher-than-budgeted expenses can be understood in detail. Karen will provide this information. The following unusual expenses were briefly mentioned:

Un-budgeted Operating Expenses

\$1,679	legal for delinquency
\$3,070	snow delta
\$1,500	5 th floor carpet removal
\$1,253	other maintenance
\$2,876	Special Additional Reserve Transfer - for loan principal monthly
<u>\$10,378</u>	<u>Total</u>

Reserve Expenses

\$1,885	O&S (parking lot permit)
\$4,500	O&S (shoring drawings)
\$2,500	wall coating 6A
<u>\$8,885</u>	<u>Total</u>

- c) Funding for Proposed Projects – It was discussed that due to the delinquency and expenses running over-budget, it would not be prudent for the board to approve all of the various projects being contemplated. The only way to do so would be to make a special assessment. The board asked Karen if she could prepare some funding scenarios that would include higher month dues and a possible special assessment.

Concern was raised about the possibility of a special assessment since there have been a number of them over the past 3 years.

It was discussed that it will be necessary to increase dues to cover the income shortfall created by the delinquent owner and that this should be built into future budgets since the owner has such a long history of not paying.

It was discussed that the board and Karen need to come up with a strategy to build the reserve fund back up so that desired projects can be funded.

- d) 2025 Budget – If there is to be an increase in dues for 2025, it is required by law that owners be notified by December 1. Karen will prepare a draft budget by the middle of October that can be reviewed by the board. It was suggested that the 2025 budget be more conservative in the assumed expenses; that is, budget toward the high side, even if this increases dues.

IV. Old Business

- a) Parking Lot Fence - Since the last meeting, based on additional information from O&S and the City of Phila, it was decided that the fence should be replaced with a similar style to avoid a can-of-worms with permitting and variances. The approximate cost of replacing the existing fence with a higher gauge wire fence is \$18K to \$20K.

It was generally agreed that this project should be put on hold for now due to funding constraints.

- b) Basement Shoring – Since the last meeting in May, O&S produced documents that allowed for contractors to bid the job. Based on the quotes received to date, it appears that the cost will be at least \$31,500 plus additional O&S fees. Karen noted that this is much higher than the working number of \$10K that the board had been using.

It was generally agreed that this is the most important project in the near future.

- c) Dryer Vent Cleaning – Karen suggested that the cost of vent

cleaning be billed to individual owners rather than being distributed across all owners. This is necessary because not all owners have vented dryers. It was suggested that Chancellor conduct an inspection to determine which units have vented dryers.

V. New Business

- a) 5th Floor Flooring – No action was suggested.
- b) 1B Basement Wall – After additional investigation by Weber and Chancellor, it was not clear that there is an active leak in this unit. This area of the window well was repaired approximately 3 years ago,

VI. Next Meeting – The next meeting was not scheduled but the board will have to meet to review and discuss the 2025 draft budget – likely sometime in October.

VII. Adjourn – The meeting was adjourned at 4:52.