

Thatchmont Trustees Meeting November 8, 2021

Present: Chris Bolinger, Neil Golden, Alec Holliday, Liz Leeds, Stu Rubinow, Mike Springer; Sheryl Sarkis for Great North

Absent: Sandeep Ghael

Rental unit: This meeting was called to discuss and make some decisions about the rental unit at 15 Thatcher St. After it was vacated in late August and we could get in for a thorough examination, we discovered that the problems were far more extensive than we had suspected. Normally you would budget some small percentage of the rental fees for maintenance and repair. It is clear that for a long time the unit has received the most minimal work, and much of that appears to have been done quite cheaply.

The unit at the moment is not habitable, primarily because of major issues with flooring and wiring that does not meet code. We have received bids from two contractors for renovation that range from \$114,000 to \$123,000; in each case roughly 70% of the amount is for life and safety issues, to meet code requirements, and to repair existing damage. The work would be paid from the reserve fund.

We can take one of three basic approaches:

1) Not renovate the unit and no longer rent it. While this would save us a good bit of money in the short run, it would cost us far more in the long run from lost revenue.

2) Sell the unit “as is” to become the 37th unit in the Association, with repairs the responsibility of the new owner. It is not clear whether the terms of the Master Deed permit Trustees to do this. Even if we can, Chapter 183A of the Mass. Laws seems to require approval from 100% of current owners and 51% of first mortgage holders who notify us that they want to be informed, a very high bar to meet. We will check the Master Deed and talk with our attorney about this.

3) Accept one of the bids, make the repairs/renovations, and rent the unit for a higher fee. We calculated that the return on funds spent is around 27% over a 10 year payback. Since we are essentially borrowing from ourselves, this is by far the best return we could obtain.

The Trustees decided on this third option. A committee (Alec Holliday, Neil Golden, Stu Rubinow) has put together a detailed report to owners, primarily written by Alec Holliday, that presents the current condition of the unit with photographs, discusses current market conditions and rental rates for basement rental units, and gives an analysis of payback period and potential profit from making the repairs.

The Trustees decided that each building rep will distribute this document to owners by email to give them an understanding of what we face, and will offer to answer any questions.

Trustees also decided unanimously to authorize spending \$10,000 for necessary repairs to the flooring in the rental unit; we will wait until the bidding for the project is completed so that we can have one contractor do the entire project.

Other issue – leaks: A few of the top floor units on Egmont St. have experienced leaking around the front windows during recent strong rainstorms. This is very worrisome; it is not clear whether this is an isolated phenomenon in a few units after particularly heavy rains with strong winds, or whether it

is a precursor to a wider problem. We do not have an accurate understanding of the cause of the problem yet, or a clear strategy for resolving it. We will soon get an opinion from Paul Bruno, our mason, and Tom Hager, the engineer who guided us during the pointing project.

[Note, November 16: We have now gotten an opinion from the mason and engineer. We will be testing a proposed repair at one unit to see if it is effective, and at the same time we can observe what is inside of the wall to see if it has clues as to why the leaks are occurring. Unfortunately we will then have to wait for another major rain storm with strong winds to know whether this repair has fixed the problem.]

Stu Rubinow
Recording Secretary