

## Thatchmont Board Meeting – Nov. 20, 2008

Trustees: Neil Golden, Lifei Guo, Ann Lammers, Lars Liebisch, Arthur Mattuck, Paul Tempest, Rosemary Trainor  
G&G Management: Peter Deforge

This was a brief meeting, subsequent to a great deal of e-mail discussion, devoted to deciding how much of an increase in the monthly condo fee for 2009 to make, and approving the resulting budget. The increase decided upon is substantial, and based on the first two items below.

**Reserve.** Our reserve currently amounts to around 100K.

We have been trying in the budget to allocate a 40K addition to our reserve each year, in an effort to build it up sufficiently to take care of long-range but foreseeable expenses without the need for special assessments.

This year this contribution will fall considerably short, among other things because of 15K termite damage to the 14 Egmont basement rental apartment, and a 10K masonry top-to-bottom winter repointing on a section of the parking-lot wall of 25 Thatcher (even-numbered side), paid for in this year.

At the current level of condo fees, the 2009 budget projects a 29K contribution to the reserves. To raise this to 40K, the trustees voted to increase the condo fee by 5% (each 1% fee increase translates into 2.2K of increased income).

**Masonry.** As discussed in previous minutes and in the minutes of the annual meeting below, a potentially large and expensive masonry project is looming.

To cover expenses of getting several opinions, conducting tests, having bid specifications prepared and studying the bids to assess the potential costs, the trustees voted to make a supplemental increase for 2009 sufficient to produce an income increase of 30K. This should cover these expenses; 30K translates into about a 13.5% supplemental increase in the condo fee.

**Heating Oil.** The price of oil has been falling; as has been the practice for a number of years, Management is not locking in a price for the heating season, since this has consistently saved us money in the past.

The trustees approved the 2009 budget, with the 5% increase in condo fee, and a supplemental increase sufficient to produce a 30K addition to our 2009 income..

## Annual Meeting – Nov. 20, 2008

Present: The above seven trustees, with Peter Deforge of G&G Mgmt; plus owners and proxies representing additional units, giving us a total of 22 out of 37, a majority quorum.

Going around the room, the unit-owners present and their spouses identified themselves.

### Finances and Projects

Peter distributed the sheets describing our experience with the 2008 budget through the end of October, and giving the budget for 2009. He reported that we were in good financial shape, as far as normal expenses went, and gave the rationale for the 5% condo fee increase and the supplemental increase for 2009 described above in the trustee meeting minutes.

Neil then briefly spoke about the year's major projects:

Interior painting of the front hallways and staircases

Discovery and repair of the termite damage to the wood floors and floor sideboards of the basement rental apartment at 14 Egmont. The floors were carpeted, and rewiring was required.

The leak in the master bedroom wall at 25 Thatcher #5 had to be fixed last winter by a complete top-to-bottom repointing of an 30x8 sq.ft. section of the exterior masonry, plus the interior work on the affected wall.

## Election of Trustees

Three vacancies were filled:

15 Thatcher: Neil Golden (re-elected)

19 Thatcher: Arthur Mattuck (re-elected)

Trustee At-Large: Sarah Leaf-Hermann (new: 19 Thatcher)

## Masonry Report

The rest of the meeting was devoted to a Power-Point presentation by Neil and discussion by unit-owners of the condition of our masonry, and what the trustees have learned about it. Since some of this has been reported in this year's minutes, just a brief summary will be given of what has transpired, plus an account of where we are now and of points raised by unit-owners.

**Basic Problems** Our walls are three bricks thick. As the mortar between the bricks ages, it becomes porous and water penetrates into the wall. In winter it expands as it freezes, breaking the brick, and allowing more water to enter, accelerating the process. Leaks appear on interior walls.

The mortar has to be repointed: scraped out to a depth of 3/4 inch and replaced with fresh mortar. A standard cost estimate at today's rates is \$25/sq.ft.

In addition, we have around 600 windows, with a steel lintel (angle-iron shelf) over each to support the weight of the brick above it. Entering water causes these to rust; rusted steel is about 16 times thicker, so the brick gets pushed up or the lintel gets pushed down into a bowed shape. As the process continues, leaks will appear on the interior walls over the windows. (So far this hasn't happened.) Estimates of the number of lintels affected run from less than half to around 60% of them.

The outer brick layers above the lintel must be removed, the lintel replaced, and the bricks reset. Cost runs around 3K/lintel.

### Consultations and Quotes

When G&G took over our Management, its President Norman Gopin at the first trustees meeting expressed his opinion that the masonry was in poor condition, and thought it could cost as much as 800K to repair.

A quote was obtained from O.J. Misdea, who had done our two previous spot repointings. He thought 100% repointing was required, at a cost of 624K. (No mention was made of lintels.)

When Peter replaced Michael as our property manager after the first year, he was immediately concerned about the masonry, and recommended for a masonry study RMX-Northeast, the company that reported on the condition of our roofs. The trustees authorized it to do a report. The report said that 100% repointing was required and about 60% of the lintels needed replacing, along with the failed sills, plus lesser things, all at a cost estimated to be between 1.5M and 2M.

The trustees wanted a third opinion unconnected with G&G, and obtained one from Bill Haddad of Thompson and Lichtner, described in previous minutes, saying that relatively little work was required; he subsequently reversed himself and more or less agreed with RMX about what would be required; estimating that about 40% should be done within 1-2 years, and 60% within 8-10 years. (He has since left T&L for a move to Wash. D.C.)

Four days after the Annual Meeting, the walls were inspected by Mike, Bill's supervisor at T&L, a civil engineer with more experience with masonry, who is preparing a report which will be circulated to unit-owners.

The Power-Point presentation included a group of photographs showing clearly some bowed lintels and lifted masonry, cracked bricks and chipped out mortar, vertical cracks running for several feet. A few photos of nearby 56 Browne Street were included with similar problems.

**Conclusions** Neil emphasized that despite the consultations, the trustees still did not feel they had firm enough answers to base a decision on. Still, doing nothing is also a decision, one that might prove far more expensive than doing something now. He summarized what we need to understand better:

The consequences of delaying the work

The cost implications of doing the work all at once, vs. doing it in stages

The financing issues for the Association and the Unit-Owners if we went ahead on some plan: for example, a bank loan for 10-12 years, repaid by special assessments spread out; or special assessments individually financed.

The next steps would be:

Obtain another independent opinion (Mike is a step in that direction)

Develop specific alternative plans

Get engineering specifications (these are expensive to prepare, and can involve test borings to assess water penetration)

Obtain quotes on the specifications, and develop budgets;

Develop financing alternatives

Determine the best course of action.

**Comments by unit-owners** Some responses are given in parentheses.

1. A unit-owner said he had tested cracks in the brick and rubbed the mortar, and found the cracks and porosity only 1/4 inch deep and therefore not worrisome. (Test borings might be needed.)

2. A unit-owner commented that the future course of our masonry might be too weather-dependent for any realistic assessment.

3. It was remarked that some back basement walls on the Thatcher side (which are 2 feet thick) are wet and peeling. (The peeling at least might be from earlier leaks which were treated by spot repointing.)

4. A unit-owner wanted to know exactly what we would be getting for the 30K supplemental increase in income for 2009. (The answer given was that described in the trustee minutes above.)

5. Unit-owners commented on the bad timing of the masonry problem, occurring just when people are dealing with a recession. (It could conceivably lower prices for the work.)

6. A unit-owner felt it was not fair to ask current owners to pay for masonry wear-out that had accumulated over the last 90 years. (As of now, the best one could try for is some way of spreading it out over a number of future years.)

7. On the other hand, if the official average life of masonry is 40 years, and ours has been going for 90, why not another 90?

8. Several unit-owners commented that they had gotten information about the possible costs as rumors from other unit-owners and felt they should have been informed directly as soon as anything was known.

(The question is whether to report every bump in the road, or wait till we have enough information to reach some sort of consensus, or at least reach a point where the alternatives are clear enough to be presented to the unit-owners. The trustees are somewhat divided on this, and some feel we still are not sure that anything is known for certain – e.g., if bowed lintels are so bad, how come we haven't had interior leaks above our windows?)

The meeting convened at 7:00 PM and lasted two hours. The date and place of the next meeting has not been determined yet.

Arthur Mattuck  
Recording Secretary

**Car break-ins.** There was a rash of them last week in the neighborhood, including our parking lot, apparently late at night. Windows got smashed. Keep the car locked, don't leave visible valuables (GPS devices, desirable electronics, etc.), or tell-tale signs like suction-cup marks on the windows to indicate that they are likely to be hidden somewhere inside.