

**Thatchmont Condominium Association**  
**Trustee Meeting July 1, 2009**

**In attendance:**

Trustees in attendance: Neil Golden, Arthur Mattuck, Ann Lammers, Sarah Leaf-Herrmann, Lars Liebisch, Rosemary Trainor Trustees Absent: Lifei Guo G&G Management: Sheryl Sarkis

**Financial Report**

Sheryl opened the meeting with a report that the Thatchmont finances remain in good stead. In the reserve account as of June 30, the balance was \$134,173.

We anticipate that we may have a surplus in our operating budget at year end if things continue as they have as a result of the precipitous drop in heating oil prices. We are owed approximately \$4,700 from the two Amory Street associations. This debt is long overdue and the Trustees voted to assess them a \$250 per doorway per month late fee beginning in August to encourage payment from them for trash removal and snowplowing.

**Masonry Project**

Sheryl presented the contract for B&M Restoration from Tom Heger. The contract cost is less than reported at the owners' meeting, due to some further negotiation by Tom and Sheryl. The Trustees approved the contract. Lars abstained from the vote, stating that there should first have been a non-binding vote of all unit owners.

B&M Restoration has been awarded the contract for several reasons: the company specializes in masonry work, has been in business for 25 years, the owner is reputable, and he has worked extensively with both Sheryl and Tom Heger. Sheryl recently completed a 3-year masonry restoration project with B&M in Chestnut Hill, when she was with a different firm and another on Sewall Avenue after she joined G&G.

The second lowest bidder was not selected because he is a general contractor. Because of this, he would have sub-contracted the bulk of the project out to a masonry company and the quality would have been difficult to assess.

The project budget detail is as follows:

\$480,000 masonry repair contract  
\$65,000 penetrating sealer  
\$82,000 15% allowance for contingencies  
\$19,000 3% G&G Management fee  
\$22,000 estimated engineering fees, paid as time and materials  
\$14,000 interest on line of credit during the construction and collection period  
\$682,000 Total Budget

This is slightly more than the one provided to the owners at the recent meeting to account for project interest during repair and until we collect money from unit owners.

We will be meeting with the owner of B&M and the project manager assigned to our project on July 15 to understand how they plan to proceed. The request for proposal specified that all work must be completed by November 20.

Moving forward, the Trustees will need to frequently liase with Tom and Sheryl as the project moves forward to decide on any changes to the contract based on conditions found as the work

proceeds. Sheryl asked the Trustees to submit their vacation schedules to her so she would know who was in town for ongoing project issues that needed resolution.

Regarding the line of credit used to pay for the project initially, the Trustees voted to temporarily fund the first \$100,000 of the project through the reserve fund. This will assist in lowering the interest charged during the interim period while the project is completed. We will replenish the reserve fund once the supplement is paid for by unit owners or if needed from the line of credit if something occurs that requires the need for these funds sooner.

The Trustees authorized G&G to obtain a line of credit for \$750,000. Since there is no extra cost to us to reserve this amount of money (we only pay interest on the money we actually borrow) this will provide insurance in case we find a serious unexpected problem in the course of the work. The loan is being taken from Rockland Trust Company, who we currently use for our checking and reserve fund accounts. The interest rate for the loan is fixed at 5.95% and the portion not covered by owners paying in full now will convert to a 10 year loan for those owners that choose to pay for the supplement by increasing their monthly condo fee.

The Trustees will be issuing a letter to the owners in the next few weeks that describe what options are available for unit owners to pay for this work. Owners are encouraged to plan ahead by researching the options in advance to determine which is best for their personal situation. The default option for owners will be a lump sum payment to the Association.

The Trustees discussed the timeline for payments from owners and estimated that we would most likely not know the final cost for the project until the end of November, at which time we would establish how much must be raised. Unit owners would be given 60 days to pay their share of the supplement or begin paying a supplemental monthly condo fee to cover their portion of the supplement.

### **5 year plan status**

We discussed the state of the reserve fund and the impact of a potential Phase 2 of the masonry work. In our old 5 year plan (it is about 2 years old now) we did include \$200,000 for masonry work, which is not enough but makes a considerable dent in the cost for future masonry work. We discussed the use of a professional to develop a long term capital budget. Sheryl advised that the cost for this was around \$3,000 to \$5,000. It was not clear to the Trustees if this would be money well spent since the big unknown was the cost for masonry repairs in the future. As time permits, we will revise the 5 year plan to determine the best way to proceed.

Next meeting: Thursday, August 6, 7PM at 15 Thatcher St Unit 3.

Respectfully submitted,

Sarah Leaf-Herrmann, Secretary