

## Thatchmont Trustees Meeting      Nov. 18, 2014

**Present:** Neil Golden, Susan Gilman, Jennifer Havlicek, Arthur Mattuck, Stuart Rubinow,  
Mike Springer, Nick Yoder      Sheryl Sarkis, Mgmt.

### Financial, Old and New Business

**1.** A sheet with the projected year-end totals for 2014 and the new budget for 2015 was available. As a new procedure this year, it had been earlier adopted by the trustees after discussion and approval by e-mail, so that it could be sent about a week in advance of the Annual Meeting by e-mail to the unit-owners, enabling them look it over ahead of time and bring their comments and questions to the meeting.

Some of the discussion is summarized below in Sheryl's financial report to the Annual Meeting. The projected figures for the end of 2014 look like we will come out about 10.7K ahead, which can be added to the budgeted amount for 2014 transferred to the reserves.

**2.** Some bids on the two major projects for 2015 discussed at the last meeting – phase 2 of our masonry project and one or two half-roofs for 19 Thatcher – had come in and been discussed by e-mail; questions remain, and no decision was taken, so they will be up to the new Board when it next meets.

At this meeting, Neil floated the possibility of speeding up the masonry project, in order to avoid further lintel rusting, since replacing them is very expensive. Our independent consultant on the project will be asked for his opinion.

**3.** E-mail **correction** to previous Sept. minutes, reporting discussion of whether to include redoing the even-side half-roof of 19 Thatcher with the odd side, for a saving of about 10% on the whole roof.

The minutes said the even side did not have leaks .

The top-floor unit-owner (19-6) reports there were two leaks (winters 2012 and 2013/4), with significant water penetration and requiring roof membrane repair and interior work in the units. The decision will be up to the new Board.

**4.** The fine reported in previous minutes, levied on 26 Egmont #1 for several roof transgressions, has been paid.

**5.** A top-floor unit-owner has raised the question of whether a second 3-story front staircase railing (for the wall side, and self-financed) would be permitted for his building. This may turn out to be impractical; the trustees adopted a wait-and-see position, while the unit-owner investigates further.

## Thatchmont Annual Meeting      Nov. 18, 2014

**Present:** In addition to the seven Trustees and Sheryl(Mgmt.) listed above, there were an additional 14 unit-owners, representing 9 additional units, so that 16 units were represented in person at the meeting.

Additionally, there were nine proxies from non-present units, making a total of 25 units out of 37 that were represented, with about 75% of the beneficial interest, which allowed elections at the end to take place.

## Budget Report (Sheryl)

### 1. Income

- A budgeted increase of 5.4K in income from the two basement rental units and rental parking spots.
- No increase in monthly condo fee for 2015.

### 2. Non-capital Expenses For 2015, the main budgeted **changes** are:

Management fees: +1.6K (first rise since G&G took over around 6 years ago)

Consulting fees: +1K (needed now, not in the 2014 budget)

Federal, State, Local taxes: +2.5K (on rental income; not in 2014 budget)

Insurance: -1K (a decrease, but note: we have a **10K deductible** on our master policy, which unit-owners are expected to cover from their homeowners policy)

Electricity: +2K (a 25% increase; your monthly bill is going up too)

Gas vs. Oil: The actual budget decrease is meaningless, since the conversion took place in 2014.

The point is that a year of gas heat costs right now about 1/2 of a year of oil heat; if that price ratio keeps up over the next two years, it will pay back the cost of the conversion.

### 3. Reserves and Capital Expenditures

Projected reserves at end 2014: 389K

Disbursements for two 2015 Projects: 289K (high-end estimates)

(Masonry, Phase 2; one or two half-roofs at 19 Thatcher)

Projected reserves at end 2015: 282K

## Five-year Plan (Mike Springer)

For the past three years, there has been a planned increase each year in the **monthly condo fee**, to build up the reserves that pay for major capital expenditures. The aim is two-fold.

On the practical side, the hope is to avoid the need for special assessments for these, which mean long-term bank loans for many of the units, and which make real-estate brokers trying to sell the units uncomfortable.

On the ethical side, the capital expenditures are paying for replacement of things that inevitably deteriorate like masonry walls, heating boilers, and roofs. The current unit-owners are using these things up, so to speak, and therefore they should be paying for that use in pay-as-you-go-mode, not leaving future owners to foot the bills for replacement when they come due.

A few years ago Neil started a rolling plan to foresee the next five years of capital expenditures. Mike took it over and expanded it when he became Treasurer.

Repaving the parking lot required a special assessment. Then it turned out we needed a large masonry project to take care of wall leaks and rusting lintels.

This led to Mike's current five-year plan involving estimation of the expenditures, regular build-up of the reserves to pay for them, and calculations of the condo fee (which represents over 4/5 of our true income) needed to pay for it all on a pay-as-you-go basis.

For 2015 there will be no increase in the monthly condo fee — about half of the money needed for the reserves is coming from the past increases, and the other half from the savings in converting to gas heat.

Mike has also started a fifty-year plan, based on longer term estimation of replacement — roof-life, for instance, has a 20-year lifetime. The aim is to determine a steady-state condition, where our capital expenditure costs, reserve holdings, and condo-fee income remain in balance, and need only annual adjustments for inflation.

The optimistic hope is that in three more years we will be in synch with this plan. Before that, paying off the expenses of gas conversion and uncertainty about phase 2 of the masonry project will keep our focus on the more immediate future covered by the five-year plan.

## Elections

Normally, trustees serve for a two year term, and the seven terms are staggered so that each year three or four trustees are elected. Since a quorum was lacking at the 2013 Annual Meeting, the usual elections could not be held, so all seven positions had to be voted on at this meeting.

The results were as follows: (\* indicates new trustees; the others were re-elected)

Egmont: Susan Gilman (14-6); Mike Springer (20-2); Vincent Froncek (26-6)\*

Thatcher: Neil Golden (15-3); Arthur Mattuck (19-1); Elizabeth Leeds (25-4)\*

At Large: Nick Yoder (20-6).

The thanks of all unit-owners should go to the two retiring trustees: Jennifer Havlicek (25-6) and Stuart Rubinow (19-5), for their service on the Board.

It was Jennifer who suggested to the Board the new wood mailboxes that have reduced the clutter of oversized and second-class mail in our inside front lobbies.

In addition to his significant contributions to the meetings and e-mail discussions during his four years on the Board, Stu Rubinow organized the renewal (after a long hiatus) of our annual Fall Picnic, now in its third season. And as trustee, he has taken on the Stuartship role of Trustee for 26 Egmont, since until now there has been no available unit-owner in 26 as a candidate.

## Discussion by Unit-Owners

1. A unit-owner inquired about getting motion-detectors to turn basement lights on and off, saving on the Thatchmont electricity bill.

The low-watt compact fluorescent lights we use now only have a long life if burned continuously. Low watt LED lights cost about the same, and do not require continuous burning for long life, but installing and maintaining motion detectors would need a cost-benefit analysis.

2. A unit-owner asked how firm the promise was of no more increases in the monthly condo fee.

Certainly for this year; the “promise” depends on the accuracy of what we can foresee now. Our current fees are in line with or lower than other condominiums, but there is always inflation to reckon with, in addition to the things which don’t fall into the death or taxes category..

3. An inquiry about pest extermination.

The budget calls for 4.2K. The external gray plastic “rocks” on the street-side and parking lot landscaping are for mice bait, and visited once/month. There are also roach sticky traps in the basement.

**Notify Sheryl** (ssarkis@gandgrealty.com) if you find a pest in your unit.

4. Can the front lobby rugs be replaced? Can the lobby be repainted?

They were replaced a few years ago, and the 3-floor stairwell and lobby repainted; five entries removed the wallpaper in the outer lobby. The rugs were cleaned last year. The trustees will take this up at their next meeting, however.

5. What about noise from roof decks after 10 or 11 PM, or from center-parked cars at 2 AM?

For noise disturbance or non-emergency fire, call the numbers below; keep them handy.

**Brookline police non-emergency number: 617-730-2222 (non-emergency fire: 617-730-2272)**

6. What about unit-owners who don’t break down their shipping cartons for the recycling bins?

They can hope that unit-owners like the Rubinows will do it for them.

Suggestion: Remove the shipping label if it has your name and unit-number on it, or the empty carton may boomerang back to your front lobby.

Arthur Mattuck,  
Rec. Sec’y

Welcome to our new Owners:  
**Vincent and Caitlin Froncek (26-6) Sandeep Ghael and Mithila Vallaganti (14-5)**  
**George and Loretta Slover (19-2)**