

## Thatchmont Trustees Meeting June 26, 2017

**Present:** Vincent Froncek, Sandeep Ghael, Susan Gilman, Neil Golden, Liz Leeds, Stu Rubinow, David Selbovitz, Mike Springer  
Sheryl Sarkis for Great North

Vincent Froncek resigned as the 26 Egmont representative on the Trustees, because he has sold his unit and will be moving. David Selbovitz was unanimously elected to replace him.

### Old Business

**Dry Wells:** The dry well we rebuilt seems to be performing well, and water is no longer backing up outside the rear door. We have received a bid of \$4500 to rebuild all the remaining wells in the same way. The Trustees decided unanimously to approve the work.

**Rodents:** Since traps were put out we have seen no further rodent activity in the strip between our parking lot and the one belonging to the St. Paul condos. A large tree branch came down from that area in a recent storm, partially blocking our driveway. The town may be able to require the St. Paul condos to do better maintenance in that area.

**Insurance:** The Trustees voted unanimously to add earthquake coverage to our master policy, at a cost of \$3500 per year. While the risk of an earthquake is very low, any earthquake would likely cause major damage to the buildings and could exhaust or exceed our reserves. Thanks to Susan Gilman for researching this issue; her findings helped the Trustees in making the decision.

**Communications with Great North:** When messages are sent from a Trustee to Sheryl about an Association issue, the sender or Sheryl should copy all the Trustees. When the issue is resolved, the Trustees should similarly be notified. That will allow all Trustees to stay current on all condo issues or problems. Remember: if you have a condo issue, contact your building rep – there is a trustee in each building.

**Tenants:** Leases for both rental units are up for renewal in August. We have not heard that either tenant is planning to leave; Sheryl will confirm their plans with them.

### New Business

**Financials:** The major piece of business in this meeting was a review of the Association reserves in light of our five-year plan and longer-term anticipated needs. *Major* thanks to Mike Springer for his past and continuing work on our budgeting and planning.

For the benefit of newer owners, a bit of history: For a number of years in the past, the Board operated on a 'pay as you go' basis, fixing things only when and if they failed and needed

repair. This kept condo fees down but at times required special assessments to pay for major items. More recently we have been transitioning to a quite different model of a 'fully funded condo,' building up the reserves to cover anticipated repairs and renovations. (Paradoxically, a large unexpected expense is one of the things we expect and plan for! This could be things like roofs or the heating system unexpectedly failing, sudden need for parking lot repairs or major painting, etc.)

The transition from the old model to the new one has required increasing the reserves substantially, both to plan for future needs and to play 'catch-up' on sometimes costly maintenance items deferred by earlier Boards. (For one example, the large masonry repair project we have been undertaking and that has one more phase sometime in the next 3-4 years.) This new model is more equitable as the unit owners that lived here, and enjoyed an asset, contribute for their proportional share of the replacement cost. Building the reserves required increasing condo fees for several years. But the benefit is that we should never need special assessments to pay for large projects, and we have been able to keep fees flat for the last two years.

Our budget and the size of the reserve fund is based on four major factors:

- the ongoing operating budget
- needs of the five-year financial plan
- anticipated needs in our longer-term plan
- income from rentals and payments from other condos for plowing and trash removal.

Right now we have almost enough in the reserves to fund the five-year plan, with some amount to start preparing for longer-term (that is, way more than five years) needs. The Trustees discussed how our current financial standing will affect the need for income from condo fees. We will continue to study this, and will give a detailed financial report at our annual meeting in the fall.

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Watch for an announcement of the Thatchmont annual picnic, planned for early September!



Stu Rubinow  
Recording Secretary