

## Thatchmont Condominium Annual Meeting    November 1, 2016

**1. Introductions:** Owners in attendance introduced themselves, with unit number and time living here. We have owners who have been part of the Association for about 6 months and others who have lived here for thirty years!

**2. Finances:** Mike Springer, with some input from other Trustees, gave a detailed explanation of our capital spending program and the philosophy behind it. For years the Trustees operated to keep condo fees from increasing. A fine goal, but it meant deferring a number of maintenance items that really should have been attended to. Starting in 2009 the Trustees took a different approach: budget for all known capital expenditures, even though this means increasing condo fees significantly. For several years fees did go up annually, but with some real advantages:

- All short- and intermediate-term known expenses are funded by the time they have to be paid for.
- By building up reserves we can choose when to contract for some capital expenses. This saves us money; for example, we got a big break on the cost of masonry repairs by soliciting bids at a time when vendors needed business. (We are now planning masonry repairs on a best-guess 50-year cycle.)
- We eliminate the need for special assessments. This kind of assessment can be seen as unfair to any owners who end up selling within several years after one. Although it may to some limited degree increase the value of their unit, they are saddled with a very large up-front expense from which they will receive no long-term benefit. And the buyer gets a benefit for which s/he has paid much less than other owners have. Instead of assessments, we are operating on a “pay as you consume a resource” plan, which is more equitable to everyone.
- At present we are essentially fully funded for all known expenses. This is most uncommon with condominium associations – we’re the envy of a number of others.

We are now probably about 1-2 years away from the point where what we now collect in fees will be more than what we need to remain fully funded. If things remain as they are currently, we may then be able to lower the fee. The caveat, of course: the unknowns are still unknown.

**3. Heating fuel:** We converted from oil heat to gas about three years ago, at a cost of about \$100K. This turns out to have been a *very* good decision:

- At the time we locked in the gas price for three years. A month or so later gas prices increased dramatically. (We just had to re-contract, and have locked in prices for two more years.)
- The conversion is saving us between \$30K and \$50K a year over oil, and the conversion paid for itself with savings in not much over 18 months.

**4. Budget:** Sheryl walked us through the budget for this year and next. In addition to condo fees, we have income from two rental apartments and reimbursement from the Amory St. condos for snow plowing and trash removal. We are on target with our budget this year. Within the next couple of years we will need to upgrade the fire alarm system, and we also have phase III of the masonry work coming. These are both accounted for in our 5-year financial plan.

Condo fees will remain at the current level next year; this is the fourth year in a row without a fee increase.

### New Business

**1. Election of Trustees:** Trustee terms of service expire on a rotating schedule, three one year and four the next. [For new owners: by tradition we have seven Trustees – one representative from each entry

and one at-large.] This year three seats were up for election. Neil Golden was elected representative for 15 Thatcher, Liz Leeds for 25 Thatcher, and Vince Froncek for 26 Egmont. All three are currently trustees. There are advantages to having continuity on the board, for consistency in approach and policy. There are also advantages – different ones – to changing building representatives, to bring new ideas and “new blood” to the Trustees. It’s worth keeping both these things in mind for next year’s election.

**2. Roof decks:** Trustees presented to owners for vote a new policy document regarding roof decks. The document had been distributed for review prior to the meeting. This document simply codifies what our standard practice has been for years, and plugs a few policy holes. There is an advantage to having it all in writing, to inform new owners – particularly of third-floor units – about how we deal with decks. The owners approved the document unanimously. A couple of owners wanted to recommend small changes in the wording of the document, which they agreed to do at some time after the meeting.

**3. Commercial use of units:** Owners operating businesses out of their residences has not been a problem for us. However, the question of owners engaging in an “Airbnb”-type operation was raised. Trustees will check the master deed, which we believe specifies that a rental from an owner must be for a minimum period of one year; that would preclude any use of a unit as a “B&B.”

Stu Rubinow  
Recording Secretary