

## Minutes 12/28/20 3 Chisolm Street HOA

The meeting was called to order at 5:02pm by president Pam Simons. In attendance by Zoom were Jim Hollingsworth, John Roven, Greg Van Schaack, board members, and Tommy Knisley, building manager.

### **Manager's Report:**

Mr. Knisley began the meeting by reporting that a knocking or "hammering" sound in the gym building was most likely being caused by pressure issues in the water lines. He had had Cullen Water Systems and Symplex Systems check the water lines and the sprinkler systems where no problems were found with systems or valves. He is waiting for a pressure check which should occur 12/29/20. If pressure is the problem, then steps will be taken to ameliorate.

Regarding the pond in the courtyard, Mr. Knisley showed a picture of the main pump and PVC piping clogged with roots of water plants that have since been removed. Mr. Knisley felt that a new pump and a large PVC pipe would help solve the pressure problem. A quote for same is in the making and could be up to \$2,000. No further action needed at this time.

The Board was informed of two bids for heating and air conditioning annual inspections the include two visits per year for each building. Hero bid was \$500 and Terrace was \$298. Mr. Knisley was instructed to approve the Terrace bid.

Mr. Knisley mention that the space heaters in the lobby entrances were not working well and that it could be a wiring issue. The Board took no action at this time.

Mrs. Simons asked about the new sump pumps and was told that they were working fine and that water was now being diverted out the back side of the building rather than in the Tradd Street side parking lot.

The new owners of Unit 202 are moving in and Mr. Knisley reminded the Board that he asked for and received a \$1,000 refundable damage deposit which he does for any new owner. He also clarified that for a renter, we ask for a \$1,000 refundable move-in fee and a \$1,000 damage deposit held until they vacate. During this conversation, it was also made clear that the \$2,200 closing fee paid by the buyer of any unit will now go into our TD money market fund rather than into our operating fund.

Mrs. Simons brought up the building cleanliness issue with regard to construction on Unit 301. She and Mr. Hollingsworth met with a representative of Harper James Finucan Construction Company ("Finucan") to discuss the issue. They were satisfied that Finucan understood the seriousness of the problem and had taken steps to remediate the unclean conditions including cleaning, at Finucan's expense, rugs on the 2<sup>nd</sup> and 3<sup>rd</sup> floor. Finucan also assured them that no construction would occur during the holiday season.

Finally, Mr. Knisley reported that landscaping was proceeding with soil testing scheduled before fertilization and that mulch and pine straw disbursement had been successfully completed on all beds where appropriate. There was a brief discussion of "soft washing" the knee wall on the Chisolm St side of the buildings, but Mrs. Simons did not feel it was necessary.

Finally, Mr. Knisley informed the Board that Sonitrol will be ordering a new panel for the security system so that new owners will be allowed to dial in and use the system.

## Treasurer's Report:

Mr. Van Schaack reported that the regime is financially sound with \$170,000 of cash and a reserve fund of \$173,000. 2020 will most likely be about a break-even year as a number of one-time expenses such as law suit settlement, security system and building maintenance threw our budget out of balance.

Mr. Van Schaack suggested that a reserve of \$250,000 would be a much more sensible level for a regime of our size and buildings of our age. One solution to finding additional revenues could be the imposition of an "exit fee" payable by the seller of any unit in the three buildings. After researching the concept, Mr. Van Schaack recommended a graduated percentage charge that would look like:

Sales Price	% Fee	Fee to HOA
above \$3million	25bps	\$7K+
\$2 – 3 million	20bps	\$4 – 6K
\$1 – 1.9million	15bps	\$1.5 – 2.8K
\$500 – 900K	10bps	\$500 – 900

Assuming an average exit fee of \$3K (hybrid % based on sales price assumptions) and an assumption of 3 sales per year, combined with the \$2200 entry fee, we could see a potential \$15,600 annual payment to our reserve fee. At that rate we could achieve our \$250K reserve fund goal in about 5-6 years if all other assumptions stay the same in our financials.

The Board liked the idea and we discussed next steps. First, John Roven will research what the threshold is for approval by the unit owners at the annual meeting. Second, Mr. Van Schaack will begin to design a "marketing deck" to inform owners of the benefits of such a fee in an effort to get buy in for the entire regime; and finally we will check with HOA attorney to make sure procedurally what is needed to proceed.

### Coast Guard Property Committee

Mr. Roven will put together a small committee to investigate the proposed disposal of the Coast Guard property adjacent to 3 Chisolm. Mrs. Simons suggested Richard Urquhart and Martin Morad as possible committee members. Mr. Van Schaack volunteered to reach out to councilman, Mike Seekings, to inquire as to his knowledge of the situation.

### Annual Meeting Plan

Mr. Hollingsworth has been doing work on the HOA Rules. It was agreed that our welcoming packet for new owners should include the Rules, but that they needed to be shortened,

softened and condensed. Mr. Hollingsworth volunteered to undertake this arduous task and will redline changes in the current rules for the Board's consideration. We also may need some new rules e.g. no construction work over holiday periods. The goal is to have a concise set of rules that is easily understandable ready for approval at the annual meeting in February.