

3 Chisolm Street HOA Annual Meeting

2/1/2021

The meeting was called to order by Mr. John Roven, the Board's Parliamentarian, at 5:05pm. Mr. Roven stated that the Board meets four times per year and all minutes are copied on the 3 Chisolm website, including the minutes of our last Annual Meeting. Those minutes were approved by negative consent.

Mrs. Pam Simons, Board President, began her remarks by stating that, the building has never looked better due to enhancements by the previous Board. A new paint job and, more recently, a new Sonitrol security system have boosted our competitiveness in the Charleston Condominium market. She stated: "we will continue to keep up appearances and have new ideas we are researching to keep us in this high status".

Since our last annual meeting, Mrs. Simons noted that we have six new residents: David and Angie Ford – 103; Bobbie Masiello and Terry Savage – 202; Gary and Kathleen Zuar – 206; David Luce and Karen Quiqley – 301; Natasha and Alex Kassian – 402; Steven Hodson and Kristina Rodnikova – 405. She welcomed them all to our community.

Mrs. Simons thanked the previous Board for painting the building, installing new plantings behind a new knee wall and leaving "no red ink". In 2020, the new Board organized a maintenance schedule for all our machinery and chose "go-to" service firms when things go wrong. The Board completed replacing brittle pvc pipe and water shut off valves in individual units; solved the knocking problem in the gym building; improved our temperamental security system with a sophisticated system by Sonitrol. In addition, the Board oversaw the repair of parts of the foundation, the gym roof, the HVAC system in the

gym building, the water suppression system and the sump pumps. We also settled a construction issue for \$14,000. All these expenses (\$70,000) were covered out of general funds. Mrs. Simons thanked Tommy Knisley for his role in the completion of these various projects.

For 2021, Mrs. Simons noted that we will not need to increase the current monthly regime fee from its \$1,100 level. Known expenditures on the horizon include \$1600 for a new courtyard fountain and pipes, and \$20,000 for a firm to analyze the water intrusion affecting several courtyard-facing units.

Concluding her report, Mrs. Simons turned the meeting over to Mr. Van Schaack, Treasurer.

Mr. Van Schaack reported that the HOA finances were in good condition, having ended the year with a small surplus of \$1,683 which is a very positive result considering the \$70,000 of one-time, unbudgeted expenses in 2020 as previously described by Mrs. Simons. The cash reserves for the regime stands at \$174,000 which also represents total capital. While this is a good number, Mr. Van Schaack stated that the Board would feel much more comfortable with a reserve of at least \$250,000, considering the pending improvements suggested in the 2011 Reserve Study. Mr. Van Schaack suggested there are two ways to improve our reserves; 1) a Transaction Fee that would be charged for the sale of any unit in the buildings; 2) accumulation of cash after the retirement of the debt in 2022 incurred to repair the foundation.

Regarding the Transaction Fee, Mr. Van Schaack described the research that went into a decision to have a graduated percentage fee with more expensive units bearing a higher percentage than less expensive units. The seller would be responsible for paying the fee to the HOA. Using some assumptions, Mr. Van Schaack projects the HOA would collect \$15,000 per year thereby taking 5-6 years to achieve the

\$250,000 reserve fund goal. Discussion of this idea was tabled for later in the meeting.

Mr. Jim Hollingsworth was called on to give an operating report. Mr. Hollingsworth stated that he and Mrs. Simons had meetings with contractors to discuss construction cleanliness and that all parties had agreed that this was an important issue and that they (the contractors) would up their game to make sure all common areas were kept as clean as possible, that noise would be minimized and that all workers would wear masks. Mr. Hollingsworth also related that the city has, for some unknown reason, gone to every other week recycling pick-up which has led to a back up of recycling materials. He is working with the city to try to get us back on a weekly pickup schedule and, in the meantime, has ordered four new recycling bins to capture overflow. Mr. Hollingsworth is also working on the HOA welcome book for new residents that will include Rules of the HOA. In addition, he has been exploring the possibility of incorporating an elevator in the gym building and installing electric charging stations in the garage for all electric cars.

Mr. Roven added that our flood zone has been reclassified to AE 11 from AE 13 which our insurance broker feels should help our rates. This would be a positive development as flood insurance makes up for over one third of our insurance expense every year.

Mr. Roven then nominated Mr. Van Schaack for a two-year term on the Board and Mrs. Simons nominated Mr. Terry Savage for a two-year term on the Board. Both nominations passed without objection.

A far-ranging general conversation ensued covering the Transaction Fee, Board representation, and committees. Most participants were in favor of the Transaction Fee. It was noted that, as a change to the by-laws, such a fee would need legal drafting and ultimately a positive super majority vote to become effective. Mr. Roven will work with our lawyers to draft appropriate wording and send out a ballot at a later date. Dr. Morad suggested that Board service be mandatory and that each floor of each building should have a representative on the Board. A discussion of this suggestion was tabled until the next Board meeting. Mrs. Simons adjourned the meeting At 6:10PM.