

111 EAST CHESTNUT BOARD OF DIRECTORS' MEETING

June 25, 2020

<https://www.111eastchestnut.org/wp-content/uploads/2020/06/2020-6-25-Board-Meeting.mp3>

SUMMARY

- Again the meeting was via phone conference exclusively, contrary to 111's governing documents that specifically prescribe a "gathering."
- Again, the meeting was in "Lecture Mode" precluding any homeowner participation, to the point of the Board flagrantly violated its fiduciary duty, i.e. ignoring any/all homeowner questions. Note: These questions pertained to 111's involvement in an alleged management company kickback program, delinquency of the yearly financials, security, and use of and spending on an association amenity during COVID-19.
- Again, not one word mentioned regarding adaptation to COVID-19 Guidelines, or the epidemic's financial impact on the association.
- The majority of the meeting was spent on the Rooftop HVAC Replacement Project and renewing the TV/Internet contract. As the Property Manager was not able to supply answers to all the board's concerns, no vote was taken. The board hope to schedule another meeting in two weeks to revisit these proposals.

ATTENDEES

111 EC Board: Jane Santogrossi, Carolann Randall, Valerie Alexander, Anthony Milazzo, Samantha Hoffman, Serap Brush

Sudler Property Management: Bob Graf (EVP), Sara Rudnik (property manager), Kat Mihaila (assistant property manager), Jonathon Mendoza (admin)

Homeowners: Unknown and muted

APPROVAL OF PRIOR MEETING MINUTES

- May 28, 2020 Closed Session APPROVED
- May 28, 2020 Open Session APPROVED

TREASURER'S REPORT — Presented by Carolann Randall, Treasurer [audio at 00:02:01]

"For 2020, we budgeted \$4.3 million of income and \$3.4 million of expense, leaving \$900,000 for reserve spending and overages. Through May, the 5th month of the year, we are tracking at within 1 percent of our revenue budget and 11 percent favorable on our expense budget, most of this due to timing. The May deposit into the reserve fund was delayed until June. To date all five months of budgeted contributions have been made to the reserve fund totaling \$375,000. Payments of \$8,385 have been made from the reserve fund relative to engineering fees for the boiler, rooftop, HVAC and Facade Projects. The reserve account totaled \$1,363,670 on the last day of May, which does not include the May funding as previously stated which was deposited in early June.

Treasurer's Report was NOT APPROVED

MANAGEMENT REPORT — Presented by Sara Rudnik, Property Manager [audio at 00:03:09]

- Next meeting is scheduled for Thursday, July 23.

- Quality Restoration is ramping-up its work on the facade project on 4 sides of the building.
- Amenity areas closed until 4 pm Monday through Friday
- Landscaping has been installed.
- 22.1 Disclosure Statement APPROVED

NEW BUSINESS AND ANY OTHER BUSINESS THAT MAY COME BEFORE THE BOARD

1. Rooftop HVAC Replacement Project [audio at 00:05:39]

- Bid specs by consultant, Constantini
- Received 3 bids: Altoff (\$585,000), F.E. Moran (\$580,665), and Advanced Mechanical (\$709,000)
- We had budgeted \$850,000
- Bids did not include "floor-by-floor" balancing
- Altoff will also need to add an additional \$7,000 for roof patching
- Rudnik endorsed Altoff due to our longstanding relationship with them
- Milazzo asked about the cost of the subsequent "preventive maintenance" contract
- Milazzo asked that baffles and dampers be considered prior to executing the project
- Brush insisted that the floor balancing be planned prior to beginning the project and airflow characteristics have necessarily changed over the years
- Graf said we should get balancing cost from both Moran and Altoff, but we should also get an independent contractor that specializes in balancing
- Rudnik was asked if there was any rush on this. She responded that the lead time for materials is 12 weeks and we want it installed before it gets cold
- Randall asked that we make sure we are comparing apples-to-apples as Altoff has a long list of exclusions and Moran does not
- Brush insisted that Rudnik keep an open mind as Altoff is a more general engineering and we need specific expertise. Also, Brush said, "They really screwed up the heat-exchanger project"

2. Cable Television/Internet Contract Proposal [audio at 00:17:59]

- Some confusion/debate between Santogrossi and Randall as to total cost per month to homeowners between RCN and Comcast as it relates to tax and surcharges
- Property Manager Rudnik pressed RCN with Comcast's competitive bid
- Channel programming the same; RCN removing Cinemax and Stars; Comcast HBO and Showtime and not the Movie Channel
- RCN offering 500 Mbps Internet download speed, Comcast 300
- RCN offering 2 wifi extenders per unit, Comcast 3
- RCN package would come to \$39.30/mo. (\$48 w/ taxes and fees), Comcast \$47/mo. (\$55 w/ taxes and fees)
- Both vendors offering a \$104,000 signing bonus (amounts to 2 or 3 months of no charge)
- Discussion as to whether any difference in movie channel offering be left to the owner to subscribe; Serap highly recommended that the final package be comprehensive
- If we change vendors, Comcast would need to rewire and that requires time
- Brush would like a clause that aligns tech with whatever is standard in 2nd or 3rd year of the 5-yr. contract
- Plan is tentatively to give the signing bonus check to residents and not for any building project

NOTE: Tentatively, to schedule a subsequent open session meeting in two weeks to vote on #s 1 and 2.

HOMEOWNER Q&A: The following questions and answers are not a part of the audio tape.

QUESTION: What is the "Sudler Client Advantage Program" (as Bob Graf referenced at the 5/28/20 meeting)? Do Sudler's preferred purveyors pay Sudler for securing Sudler client engagements and projects? Have we utilized the "Sudler Client Advantage Program" in the last 5 years? What did Sudler's preferred purveyors pay Sudler for each engagement and/or project?

ANSWER: **Despite their fiduciary duty, Board Members Jane Santogrossi, Carolann Randall, Valerie Alexander, Anthony Milazzo, Samantha Hoffman, and Serap Brush refused to answer.**

QUESTION: Has Picker & Associates LLC completed the 2019 Financial Audit? When do you expect Picker to complete it?

ANSWER: **Despite their fiduciary duty, Board Members Jane Santogrossi, Carolann Randall, Valerie Alexander, Anthony Milazzo, Samantha Hoffman, and Serap Brush refused to answer.**

QUESTION: When did the board decide to turn off the lobby security channel 196? Who directed that? When did the board make that decision?

ANSWER: **Despite their fiduciary duty, Board Members Jane Santogrossi, Carolann Randall, Valerie Alexander, Anthony Milazzo, Samantha Hoffman, and Serap Brush refused to answer.**

QUESTION: Will the board open the pool this year? As a business decision the expense and maintenance of opening appear to greatly exceed the value to all but a very limited number of owners. Factors to consider: a) There is a significant drop off in the use of the pool as the Claire creates a shadow on around the middle of August (note, less than 50 days); b) The days of possible use will also be compromised by weather; c) The Facade Project continues on the West side of the building precluding safe use; and d) The Phase 4 Guidelines limit deck access (<26 patrons IF 6' social distancing can be maintained and PPE use is followed on the deck).

ANSWER: **Despite their fiduciary duty, Board Members Jane Santogrossi, Carolann Randall, Valerie Alexander, Anthony Milazzo, Samantha Hoffman, and Serap Brush refused to answer.**

QUESTION: When someone is not following the Mayor's Guidelines, other than the limited signage, will management take any affirmative steps to monitor and encourage cooperation? If an owner brings Guidance issues to the attention of management, what is the response protocol, if any?

ANSWER: **Despite their fiduciary duty, Board Members Jane Santogrossi, Carolann Randall, Valerie Alexander, Anthony Milazzo, Samantha Hoffman, and Serap Brush refused to answer.**