

## **111 EAST CHESTNUT BOARD OF DIRECTORS' MEETING**

September 10, 2020

<https://www.111eastchestnut.org/wp-content/uploads/2020/09/2020-9-10-Board-Meeting.mp3>

### **SUMMARY**

1. Intro discussion regarding the delay of the renewed RCN contract.
  - The property manager claimed that the new contract is in effect (as of 9/1). RCN claims that there is a rider submitted by the Association that has queered the execution of the contract.
  - The property manager claimed that the new equipment will probably "go in" in November. Rudnik attributed the delay to COVID. However, RCN is projecting December due to the contract situation.
  - The property manager claimed that we'll have some increase in Internet speed depending on existing equipment. RCN insists that NO additional service has been deployed, again due to the contract issue.
  - The property manager claimed that there is a problem with equipment availability. RCN does not report any problem with equipment availability.
2. The audio of the call-to-order begins at 00:05:13
3. The Facade Project is grossly over budget and the board refuses to disclose by how much.
4. Sudler has again pushed their "Client Advantage Program." The board will not answer a homeowner question as to the ethics and implications of the bidding process as it relates to the program, Sudler's business model, and 111's best interest.

### **ATTENDEES**

111 EC Board: Jane Santogrossi, Carolann Randall, Samantha Hoffman, Anthony Milazzo, Serap Brush, Kristin Ellertson

Sudler Property Management: Sara Rudnik, Property Manager

Homeowners: Unknown and muted

### **APPROVAL OF PRIOR MEETING MINUTES**

- June 25, 2020 Closed Session
- June 25, 2020 Open Session
- July 14, 2020 Open Session
- July 23, 2020 Closed Session

Milazzo motioned to approve all 4. APPROVED

### **TREASURER'S REPORT** — Presented by Carolann Randall, Treasurer [audio at 00:07:04]

"For August 2020, we budgeted \$4.3 million of income and \$3.4 million of expense, leaving about \$900,000 for reserve spending and overages. Through August, the 8th month of the year, we are tracking within 1 percent of our revenue budget and 10 percent favorable on our expenses, mostly due to timing. Monthly contributions have been made to the reserve fund totaling \$600,000. Payments of \$428,088 have been made from from the reserve fund in the past 3 months relating to the Concrete Facade Project, new boilers, roof-top HVACs, and engineering fees. The reserve account currently totals \$1,236,765."

The Treasurer's Report was NOT APPROVED.

**MANAGEMENT REPORT** — Presented by Sara Rudnik, Property Manager [audio at 00:08:01]

- Rudnik is in the process of preparing the 20/21 budget. Expects a draft for approval by the next board meeting.
- Next meeting is scheduled for October 8th.
- Facade Project should be wrapping up in the next 5 to 6 weeks.
- Rudnik has been in further communications with the commercial owner regarding the North BBQ deck HVAC. Re-installation is scheduled for about the middle of October.
- Milazzo requested that some monies (1% of budget) be put aside to develop the East deck for 2021-2022.
- 22.1 Disclosure Statement APPROVED

**NEW BUSINESS AND ANY OTHER BUSINESS THAT MAY COME BEFORE THE BOARD** [audio at 00:2201]:

1. The 2019 annual audit was APPROVED to be distributed to owners. An abbreviated copy will be sent out. The full copy will only be available upon request.
2. There are 2 areas where cast iron pipe and fitting is needed to be replaced, i.e. the swimming pool drain line in 8th floor garage, and the bathroom/kitchen drain line above fitness center. We have bids from 2 contractors (we've not used before) Weinberg Plumbing and Berna Construction. Both are part of the *Sudler Client Advantage Program*. The budget of \$10,700 allows for enough residual to switch contractors if Weinberg does not work out. They will start with the pool drain.

Motion to hire Weinberg for \$5,500 for the pool drain APPROVED.

Motion to hire Weinberg or Berna for the Bathroom/Kitchen drain for the residual up to the total budget of \$10,700 was APPROVED.

**HOMEOWNER Q&A:** The following questions and answers are not a part of the audio tape. They were provided to the Board prior to and during the meeting.

QUESTION: What is the status of the warranty for the failure of the boilers?

ANSWER: Rudnik reported that we've gotten confirmation that we were going to get refund for the boilers for the equipment only at roughly \$54,000. Rudnik says that she is continuing to work with attorneys for reimbursement for labor.

Note: from the March 19, 2020 Meeting Minutes, \$180,000 was budgeted to replace the boilers.

QUESTION: How much is the Facade Project over budget? What is the current revised estimated total cost of the Project?

ANSWER: Board members Jane Santogrossi, Carolann Randall, Samantha Hoffman, Anthony Milazzo, Kristin Ellertson, and Serap Brush refused to answer.

QUESTION: What due diligence has the board done regarding the "Sudler Client Advantage Program"? Does the alleged service purveyor payment to Sudler corrupt the bid process for 111?

ANSWER: Board members Jane Santogrossi, Carolann Randall, Samantha Hoffman, Anthony Milazzo, Kristin Ellertson, and Serap Brush refused to answer.

QUESTION: What is the status of Association's receivables in light of the COVID-19 pandemic?

ANSWER: Board members Jane Santogrossi, Carolann Randall, Samantha Hoffman, Anthony Milazzo, Kristin Ellertson, and Serap Brush refused to answer.

QUESTION: Has the area looting impacted the Association's insurance rates?

ANSWER: Board members Jane Santogrossi, Carolann Randall, Samantha Hoffman, Anthony Milazzo, Kristin Ellertson, and Serap Brush refused to answer.