

LCA Board Meeting 2007.12.13

Meeting Minutes

LOCATION: "Vortex House" (4709 Windsor Ave.)
7pm walk-thru
7:30 (?) pm Convened

PRESENT:

Jennifer (Tree House),
Naima (Nyumbani House),
Ada (Percolator),
Teresa (4722),
Robert (Ailanthus),
Julie (Vortex)

MINUTES PREPARED AND SUBMITTED BY: Robert Monk, LCA Secretary and
Ailanthus Board Rep.

AGENDA & TABLE OF CONTENTS

I REGULAR AGENDA ITEMS, PART ONE

A) Insurance/Safety Walk-thru Inspection (Vortex House) >> **OK**

II RUSH BUSINESS:

A) **REPORT: Roofing Estimate Presentation by American Home Crafters >>
\$89,000 for two total roof replacements; financing available**

B) **DISCUSSION: Major-maintenance Financing Options/Actions >> See ACTION
ITEMS for this item in Minutes.**

III REGULAR AGENDA ITEMS, PART TWO

A) **REPORT: Community Check-ins >> No time left**

B) **SCHEDULING: Next Board Meeting >> 01/24/08 @ 4722 Assoc.**

C) REPORT: Finance Report ("Appendix A", attached)

IV BUSINESS TABLED FROM PREVIOUSLY

A) ROUND-TABLE DISCUSSION: Restructuring Cost-share for Greater Equity Between Communities?

B) DISCUSSION: Financing and/or House Sale Options >> **Teresa to apply with NASCO (\$100K cash + \$100K credit line?)**

V NEW BUSINESS >> **NO TIME!**

ANNOUNCEMENTS:

Robert: Please respond to roofs mini-survey by email so I can schedule estimates by Kurtz Construction.

TABLED ITEMS

- 1) Collection of updated leases for all tenants, and membership agreements for any new members.
- 2) Criteria for spending from communities' \$4,000 annual maintenance discretionary budgets.
- 3) DISCUSSION: Fancy House options.
- 4) DISCUSSION: How to process Jay Sand / LAVA Space donations of in-kind construction materials, etc.

ACTION ITEMS THROUGH BOARD MEETING 20071213

NEW:

ROOFING ACTION:

- * Teresa to get cost comparison info through Jaysun.
- * Jennifer to brief Misia on issues so she can represent while J is gone for the next month.
- * Robert to get financing info from Terese (AHC's financing representative).
- * Teresa to explore financing with NASCO (see "Financing and/or House Sale", below).

- * Jennifer to arrange for dangerous slate to be secured at Tree House.
- * Maintenance Committee to review existing roofing bids for cost-comparison clues.

OTHER ACTION:

ACTION ITEM: Robert to explore financing options with Terese.

ACTION ITEM: Teresa to research roof pricing with Jaysun's roofer friend.

ACTION ITEM: Jennifer to relay to her community, the Board's concern about overdue overdue receipts.

ACTION ITEM: Board to discuss debt repayment schedule with Nyumbani at its March meeting.

ACTION ITEM: Secretary to inform Bookkeeper, Collector, and Treasurer of forbearance for Nyumbani.

PREVIOUS:

* Tree House correct walk-thru inspection issues.

* Ada to follow up with Julie on leak status.

* Julie to follow up with Trama, in the roof event leak persists.

* Robert to verify Boardmembers' reading of by-laws while they are on the toilet.

MINUTES

I REGULAR AGENDA ITEMS, PART ONE

A) Insurance/Safety Walk-thru Inspection (Tree House) >> **OK**

II RUSH BUSINESS:

A) **REPORT: Roofing Estimate Presentation by American Home Crafters >>
\$89,000 for two total roof replacements; financing available**

American Home Crafters (Steve? and ?) presented on the materials and workmanship proposed in two bids to replace the top, mansard and porch/misc. roofs, and replace (Tree House) or reline (Shofam) gutters at Tree House and at Shofam.

1. Materials

GAF (see GAF website for details). AHC uses GAF 5-step roofing system and is a certified installer so that GAF 30-year materials warranty is valid.

2. Workmanship

Emphasized prudence, from OSHA compliant inspected scaffolds to full-tear-down installation (Tree House roof has "four to seven layers" on the top roof, whereas code prohibits installing more than a third layer rather than tear down to the wood prior to a new roof). AHC will aim for in-and-out quick and convenient, but won't take risks with the weather and the house beneath: they start only what they know they can finish before weather can roll in.

3. Scheduling

- a. 7-10 days from approval of the contract.
- b. 1.5 days to erect scaffolding.
- c. Permitting for scaffold -- ??
- d. 5 clear days to tear down old and install flat and mansard roofing.

4. Costs >> **\$89,000**

The proposal for Tree House was \$47K; Shofam was \$42K, totalling \$89,000.

5. Financing

- a. Available through AHC's financial sponsor, American General (div. of AIG).
- b. CONTACT: Terese office: (610) 544-6300 mobile: (215) 239-7279.

ACTION ITEM: Robert to explore financing options with Terese.

6. Documents

Teresa (4722) took the two bid/proposals for consultation with Jaysun's roofer friend on appropriateness of the pricing.

ACTION ITEM: Teresa to research roof pricing with Jaysun's roofer friend.
Robert took the sample board of asphalt roofing shingles.

B) DISCUSSION: Major-maintenance Financing Options/Actions (e.g.: Roofing)

1. General Shock

Pricing expectations for the roofing had been more like \$15,000 each. The 300% difference was attributed to wishful thinking; the tear-down (demolition) costs of 'doing it right', which may not be in the proposals we have already received; and a guess that AHC is likely on the high end of estimates we would see, even for the full range of work that they are specifying.

2. Robert calculated that at 8% APR, the annual service (principal and interest) on a \$90,000 loan for both jobs would be around \$7500, leaving about \$22,000 annually for maintenance grants (down from about \$30,000 annually with no debt burdens). The rest of the Board, especially Julie, were dubious of the LCA's ability to operate at that level. Robert noted that the current \$30,000 budget is a significant increase from as recently as two years ago.

3. Next Steps

ROOFING ACTION:

- * Teresa to get cost comparison info through Jaysun.
- * Jennifer to brief Misia on issues so she can represent while J is gone for the next month.
- * Robert to get financing info from Terese (AHC's financing representative).
- * Teresa to explore financing with NASCO (see "Financing and/or House Sale", below).
- * Jennifer to arrange for dangerous slate to be secured at Tree House.
- * Maintenance Committee to review existing roofing bids for cost-comparison clues.

III REGULAR AGENDA ITEMS, PART TWO

A) Community Check-ins >> No time left

B) SCHEDULING: Next Board Meeting >> 01/24/08 @ 4722 Assoc.

C) REPORT: Finance Report ("Appendix A", attached)

1. Amendments to the report as submitted by Steve included:

- a. Naima reported for Nyumbani that unspent maintenance is actually \$1200 odd, not \$1384.
- b. Naima reported for Nyumbani that she had notified the LCA via emails and with submission of their Q4 financial report, that Nyumbani cost-share payments would be late due to pay scheduling and new costs for Malik's school. December 2007, January, February and March cost-share payments will be late.
- c. Ada brought a check to deliver to Steve, for Percolator December cost-share.
- d. Jennifer brought a check to deliver to Steve, for Tree House December cost-share.

2. There was discussion of the report as follows:

- a. Harmony Debt
Naima remembered an agreement to 'bad debt' the Harmony House debt.
There was no further discussion or confirmation.
- b. Nyumbani Unspent Maintenance / Agenda Item?
Naima felt that Robert's email concerning Nyumbani debt, sent prior to the meeting, was inappropriate.
 - i. Particularly, Naima took issue with the presumption that it is resolved policy that maintenance collection be included in the computation of 'late rent'. Robert thought the policies are clear that it is.
 - ii. Naima also took issue with Nyumbani being singled out for unspent maintenance, when other communities have more than 12 months' unaccounted maintenance collection/spending, so that the LCA cannot know who owes what. Robert agreed that absent financial reports and/or receipts are a major problem. The Board noted Tree House has not met its **October** deadline for even its reduced accounting requirements, as agreed at the October General Membership Meeting, and requested Jennifer to convey Board's concern to Tree House.

ACTION ITEM: Jennifer to relay to her community, the Board's concern about overdue overdue receipts.

- iii. Robert requested that communities needing to adjust their payment deadline make a formal proposal to the LCA to do so. Naima felt that her

emails had been adequate.

iv. PROPOSAL: Approve One-month Forbearance for Nyumbani Cost-share.

CONSENSED: Approve a forbearance of one month for the due-date of Nyumbani's current cost-share payments, normally due the 10th of the month for which the cost-share is being paid; with the forbearance to begin with the payment normally due December 10, and with the forbearance to end and cost-share to be brought current according to the normal schedule, beginning with the payment due April 10. Further, the Board at its March meeting, shall discuss with any communities carrying long-term debts a more rigid schedule for bringing these payments current.

ACTION ITEM: Board to discuss debt repayment schedule with Nyumbani at its March meeting.

ACTION ITEM: Secretary to inform Bookkeeper, Collector, and Treasurer of forbearance for Nyumbani.

4. The Board noted that the LCA's entire balance of General Fund, Emergency Fund, and Tax Set-Aside money totals only \$28,792 -- not even enough to pay for ONE of the two roof replacement proposals by American Home Crafters (see section II - "Rush Business," above).

IV OLD BUSINESS

A) ROUND-TABLE DISCUSSION: Restructuring Cost-share for Greater Equity Between Communities?

Julie: Generally not in favor. If anything, a restructuring should be income-based, rather than by property.

Robert: Ailanthus generally not in favor/doesn't prioritize. Could really tear at community fabric to discuss and implement. Robert personally: if some rents drop, others have to rise. Ailanthus could be a candidate for higher rents. Averaged out, all cost-share has to rise.

Jennifer: Likes community spirit of everyone paying same cost-share. Even with a new structure of variation, the difference wouldn't be much -- might not be worth doing at all. If anything, structure should be to maintain everybody pays same, but institute special provision for a community in a lesser-quality house until it's fixed up...

[round-table broke down and there was general discussion]

B) DISCUSSION: Financing and/or House Sale Options

1. General Discussion

The Board noted that the urgency of deferred major maintenance (see II - "RUSH BUSINESS" above) is finally starting to collide with deferred discussions about major financing and or the sale of a property. It is no longer possible to patch, big money must be found.

2. House Sale

Julie noted Vortex Community is still interested to buy the house where they are tenants. Because of conflict of interest laws, this is about as far as Vortex members can go to advance the discussion of the LCA selling to Vortex Community.

Shofam was mentioned as another candidate for sale, due to its condition and its level of occupancy. The Board also noted that Russel Shoatz has been continually at work to improve the property and pretty clearly wants to stay there.

3. Financing

PROPOSAL: Teresa to pursue financing through NASCO's loan counselor (broker?), thru an actual loan application, if she deems appropriate.

Robert suggested a loan of \$100,000 cash plus approval of an additional \$100,000 line of credit might be appropriate for our present needs.

Robert also expressed a concern that we be judicious in pursuing financing, since each loan application will appear on credit reports and eventually affect the LCA's credit rating.

CONSENCED: Teresa to pursue financing options with NASCO, up to applying for a loan.

APPENDIX A

December 2007 Financial Report:

Who owes what:

Ailanthus -- All Paid up

Nyumbani -- Owe \$252 (Old Cost Share) & Dec. Cost Share, \$1384 unspent maintenance money

Percolator -- Owe Dec Cost Share

Quilumbo Shofam -- \$ 1030 of Dec Cost Share, Final Financial Report and receipts from Q1,2,3

Tree House -- Owe \$469.99 (Oct 05) & Dec Cost Share, Financial Reports FY06-07 Q1&2, Receipts from FY05-06 Q2-4 and FY06-07 Q1-4

Vortex -- All Paid up

4722 -- Paid up thru January

Pentridge Children's Garden -- \$213 this year's property tax

Harmony House -- Owe Jun06, Jul06, Sept, Oct, Dec, Jan, Feb, April-Dec. loan installments (received a payment in 8/06, 11/06 & 3/07)

Harmony House -- \$10976 Debt from FY03-04 & 04-05 & 05-06 (Original Debt was \$7600 in Owed Cost Share + in \$5076 Owed Maintenance, so far they have paid \$1600)

Current Balance:

\$16,792 in our general fund (This can be used for maintenance grants)

\$10,000 in our emergency fund (the goal is to have \$10,000 for emergency maintenance)

\$12,000 set aside for our property taxes which are due in February (I am setting aside \$1200 a month)

Agenda Items:

Notes:

\$800 was sent to Garth Gill for furnace work at Percolator

\$1000 Donation from 3715 Barring Street House was deposited