

LCA Monthly Board Meeting 2008-08-18
Meeting Minutes

PRESENT:

Rick (Percolator), Pablo (Tree House), Daquan (Tree House), Serena (Tree House), Accra (Tree House), Theresa (1014 S 47th St.), Robert (Ailanthus), Steven (1014 S 47th St.), April (A-Space), Jennifer (Tree House), Russell (Shofam), Hakim (Shofam).

FACILITATOR:

Russell Shoatz, Board Rep., Shofam

NOTE-TAKER:

Robert Monk, LCA Secretary

PREPARED AND SUBMITTED BY:

Robert Monk, LCA Secretary

SUMMARY / TABLE OF CONTENTS

I Regular Business

- A. Next Meeting = MEMBERSHIP MEETING >> Sunday, September 14th, 3pm @ A-Space (4722 Baltimore Ave.)
- B. Community Check-ins
- C. Financial Report (see "Appendix A" attached)

II Old Business

- A. Tree House Roofing Issues >> critique of process leading to Robert settling w/ Kurtz; new policies discussion tabled for future mtg.; review of upcoming costs for stopping water/mold at TH.

III New Business

- A. REPORT & DISCUSSION: Annual Property Insurance Review w/ Our Agent, Jim Domenick >> Buyers market for insurance; not much changing for our policy; find insurers specializing in small housing coops through NASCO?
- B. DISCUSSION: Allocating \$100,000 Loan for Maintenance + Reserves.

C. PROPOSAL FOR DISCUSSION & ELABORATION: Clean up By-laws. >> LCA by-laws may not be properly registered with state of PA.

D. DISCUSSION: Plan the September 14th Membership Meeting

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IV Tabled & Developing Business

A. PROPOSAL: Change funding system for minor maintenance >> September Membership Meeting.

B. Membership/Education/Outreach Cmty. Rpt.
>> LCA is still needing progress from these committees, since they were re-established at the 2007 Membership Meeting.

C. Fundraising for NASCO Membership Cost
>> Tree House announced fundraiser to take place at TH, from 7pm, September 27th.

D. PROPOSAL: Create paid Maintenance Director position.
>> General approval at June '08 meeting; tabled for more detail; detail subsequently provided via emailed proposal by Maintenance Committee; \$8K - \$10K annual budget floated.

E. PROPOSAL: Process for LCA members acting as legal agents of the LCA (signing papers).

F. DISCUSSION: Sell Vortex House?

-----END SUMMARY/TABLE OF CONTENTS-----

MINUTES

I Regular Business

A. Next Meeting = MEMBERSHIP MEETING

We agreed unanimously to hold the next monthly meeting, as previously announced, as our annual Membership Meeting, on September 14th, 2008, from 3pm at A-space (4722 Baltimore Ave.). Teresa had also reserved time in the evening of the next day, in case more business needs attending after the time allotted for Sunday runs out.

B. Community Check-ins

Robert did not take notes on check-ins.

C. Financial Report (see "Appendix A" attached) Shofam still owes receipts.

II Old Business

A. REPORT & DISCUSSION: Tree House Roofing Issues

1. What's Happening with TH and Kurtz?

Tree House has been in an ongoing dispute with Kurtz Construction Co. regarding their failure to respond to requests for execution of a valid contract for work, and their reluctance to provide solutions for water damage and mold problems that resulted from a major leak they caused while working on site. Most recently, Robert arranged for each party to release claim against the other, and LCA to allow Kurtz to remove its scaffold from Tree House property.

Jennifer was point-person for TH and the LCA in dealing with Kurtz and resolving the dispute, and requested reports on what had happened during her absence at a critical juncture. Jennifer and several other members from Tree House were unhappy with the process and the results of Robert's recent actions.

Robert reported as follows:

- * He became concerned of LCA risk in the event any legal action were to be taken by either party.

- * Tree House had forbidden Kurtz from entering its property to retrieve the scaffolding equipment they had left on site based on a prior assumption they would be resuming work after TH concerns were satisfied. Kurtz had claimed the scaffold to have cost \$8,000 to date, so that holding the scaffold for any time might give Kurtz a substantial claim against the LCA. This situation seemed to be a clear move toward legal against Kurtz, but the LCA seemed to be unequipped to follow through -- no decision by the LCA to do this, no lawyer and no indication the LCA was close to having one.

- * Robert proposed that the LCA settle with Kurtz (LCA's

original deposit covers all Kurtz work or any other claims to date, LCA makes no further claims on Kurtz and allows them to take scaffold) and moved to convene an emergency meeting, to decide whether to continue moving toward legal action, or to do something like the settlement he proposed. Serena responded by indicating she felt a meeting would be unproductive, and that Robert should proceed according to his proposal.

* Robert was concerned that holding the scaffold may have given Kurtz enough of an edge that they could prevail in court, and offered Kurtz their scaffold back in exchange for a written agreement between Kurtz and LCA that neither party would make further claim on the other regarding the roofing work at Tree House.

Several Tree House members reported on the strength of the LCA's claims against Kurtz, including:

- * The absence of an executed contract for any work.
- * Doubts as to Kurtz' claim of the value/cost of their work to date far exceeding LCA's ~\$13,000 credit (deposit) with Kurtz.
- * High costs of mold abatement needed after Kurtz-caused water intrusion.
- * New damages to LCA / neighboring property during removal of the scaffold.

2. Further Legal Action on TH / Kurtz?

Several at the meeting wondered whether the document

Robert signed with Kurtz in fact precludes further legal action, and there was general agreement that further remedy should be sought. Jennifer proposed to general support that she look into whether the document is binding.

3. How Do We Evolve the Process (or lack of) in Future?

Those meeting agreed that some future steps could provide a better process in similar situations, and prevent many of the initial problems in advance. These were noted for future discussion, and included:

- * Have a lawyer on retainer or readily available for consultation.

- * No LCA member can sign on behalf of LCA without an LCA consensus decision process. >> Specifically scheduled for consideration at September 14 Membership Meeting.

- * Improve in-house communication regarding all things (especially maintenance): Tree House reported its recent success establishing a bindered house journal where all house-related information is available to all house members.

- * Have an LCA 'General Contractor' who has experience and time to pre-emptively monitor work and to handle difficult maintenance situations. >> Specifically scheduled for consideration at September 14 Membership Meeting.

4. How Can Tree House Fix the Physical Roof / Mold?

Jennifer reported on ongoing costs for Tree House to stop water leaks and then deal with mold. These will likely include:

- * ~\$13,000 original deposit to Kurtz.
- * ~\$13,000 to D&A Construction to complete the Kurtz job.
- * ~\$15,000 for mold removal and associated repairs.
- * Unknown costs for repairs in and around window frames/casings.

The LCA Board had already recently approved a slightly stream-lined process for funding completion of the original roofing job, and for dealing with mold. However, Jennifer reported that newly-identified problems around windows will likely push the cost to stop water intrusion (and new mold) beyond the original ~\$40,000 approved.

The meeting agreed unanimously, to extend a streamlined process for approval of grants for the original plus new water/mold-related work at Tree House. The process is for the usual three estimates to be reported via email, and for the Maintenance Committee minus Robert to consult and approve an estimate for funding by LCA grant.

Russell noted with emphasis that the Shofam roof leaks remain a major problem.

III New Business

- A. REPORT & DISCUSSION: Annual Property Insurance Review w/ Our Insurance Broker, Jim Domenick
Jim Domenick of Domenick & Associates, 325 Chestnut

St., Ste. 916, Philadelphia, PA 19106, the LCA's insurance broker, came to conduct what he hopes will be an annual consultation on the LCA's insurance. He reported that there is a buyer's market for insurance, which means our rates are unlikely to rise.

However, he noted that we are a kind of niche customer for the insurance industry and there is little competition to serve us, so rates won't likely drop. Jim originally sought quotes from ten or twelve insurers and received only one. The meeting agreed we would connect Jim with NASCO, in case they have recommendations for insurers familiar with our type of customer.

Jim indicated the LCA is now covered for miscellaneous building failures, including roofing problems. Filing a claim or even a few will not necessarily cause the rates to increase. He made clear that it never hurts to call him (broker) for advice on whether to file an insurance claim.

B. DISCUSSION: Issues from New \$100,000

1. Allocating \$100,000 Loan for Maintenance + Reserves.

Robert distributed a recent update of the Maintenance Replacement Schedule, and those meeting encouraged each house to provide feedback and come to the September 14th Membership Meeting, with clear ideas about needs and desires for Fiscal Year 2008-2009 maintenance spending.

Robert agreed to seek further advice from NASCO consultant Jim Jones, on how to manage reserves in light of the new loan obligation.

2. New Requirement to Use Accountant for Tax Filings

Misia agreed to make calls to find the LCA an accountant.

C. PROPOSAL FOR DISCUSSION & ELABORATION: Clean up By-laws.

Robert reported that in preparing documentation for the recent loan

from Commerce Bank, he had been unable to identify a definitively authoritative source of the LCA's current by-laws. He proposed that the LCA review and approve the consolidation of various sources he submitted with the loan documents. He agreed to email these to the LCA listserve.

D. DISCUSSION: Plan the September 14th Membership Meeting

Teresa reported she had reserved A-Space (4722 Baltimore Ave.) from 3pm Sunday, but that an even immediately following our time-slot could mean we cut our business short. She had also reserved Monday the next evening, in case more business needs attending.

Russell agreed to contact Clarissa to see if she could facilitate the meeting. Robert emphasized that the facilitator needs to be familiar with all agenda items prior to the meeting.

Jennifer and Misia agreed to tag-team coordinating the agenda and on outreach to membership leading up to the meeting date.

APPROVED AND CERTIFIED:

Robert Monk, LCA Secretary

date: _____

Jill Teresa Giardina, LCA President

date: _____

Seal: _____

August 2008 Financial Report:

Who owes what:

Ailanthus -- All Paid up

Percolator -- Q1-3 financial report

Quilumbo Shofam -- Owe \$90 May Cost Share, Receipts from 2006-7

Tree House -- Owe \$469.99 (Oct 05), Aug Cost Share, Q3 Receipts

Vortex -- All Paid Up

1014 Association -- All Paid up

4722 -- Owe Q3 financial report

Nyumbani -- Owe \$595.64

Pentridge Children's Garden -- \$459 (\$246 this year, \$213 last year's property tax)

Harmony House -- Owe (Jun& Jul '06), (Sept, Oct, Dec-Feb, April-Dec '07), (Jan - June '08). 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:

\$95,878 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)

\$7200 set aside for our property taxes which are due in February (I am setting aside \$1200 a month)

\$3000 set aside for insurance down payment which is due in September (I am setting aside \$1000 a month)

Agenda Items:

Notes:

Wrote three checks: \$4500 & \$4000 to D&A Remodeling and \$500 to Oscar Clark as part of the roofing maintenance grant for Tree House.