St. Clair Terraces Condominium Association  
Meeting March 20, 2018

Grosse Pointe City Administration Building

Meeting started at 6:35 p.m.

**ATTENDING**

Board: Pat McClary, Betty Smith, Rosie Gerlach, Judy Burton, Kitty Swickard

Management: Tom Sabella

Co-owners: Gary Bigwood, Dale Cox, Judy Materna, Phil Gerlach, Nancy Ziemski

**CO-OWNER REMARKS**

**Gary Bigwood** asks if salting is included in price of Lucia’s snow removal contract. He said the previous contractor, Ferguson, included the salt. (Lucia contract includes salt.)

Tom Sabella said if your snow removal contract is priced per push, you get hit this year and everybody is getting hit. He said he tried to renegotiate the snow removal contract and was not successful. “I don’t know what to do. I tried to get Lucia to backpedal and they won’t do it.”

Pat McClary said that **Ben Galbo** suggested pavement markings on Saint Clair to provide for more efficient use of parking space.

**Dale Cox** learned that Wallside, St. Clair Terrace’s preferred contractor of late, has quit making the windows that fit our building. Wallside’s frames are now too big, he said. He has studied many manufacturers and now is considering a contractor in the neighborhood for their window replacement.

**Judy Materna,** reports that 2 storm doors in small courtyard need to be replaced.

She asked if the condominium is still interested in verification of annual furnace inspections. McClary said that yes, the board will send out a request for that in the fall and that any furnace work during the year is sufficient for that. We did not press the furnace inspection proof this year because we are working on bylaws and are looking at that issue in bylaws.

Bigwood said the requirement is there for old-style boilers that were converted from coal-fired. The early ones did not have a safety switch to shut off the boiler when the water level was not high enough.

**REVIEW AND APPROVAL OF MINUTES, FEBRUARY 2018.**

Smith made a motion for approval. Gerlach seconded. Approved 5-0

**REVIEW AND APPROVAL OF FINANCIALS, FEBRUARY, 2018.**

Smith moved for approval. Gerlach seconded. Approved 5-0.

**CONTRACTS FOR SPRING-FALL SERVICE, PAT MCCLARY**

• Gutter cleaning: DNH Co. will be contracted for gutter cleaning, one more year, adding a third cleaning by mid to late fall to try to outsmart the weather. They will be asked to avoid  use of leaf blowers this time. Tom Sabella will talk to them.

• Sprinkler system. The same contractor will be signed.

• Lawn: Have not signed anyone yet.  Expecting Ron to submit quote to compare with others.

• Basin cleanout in the driveway. Doetsch Environmental Services bid $1,450 to clean out 5 catch basins plus additional to repair one cover. Board requesting Tom Sabella if cost includes repair of cover.

• Insurance. Associations Insurance Agency offers same coverage at $13,252.88, a little less than last year is approved for payment to meet expiration deadline of midnight, March 31, 2018.  Will seek and consider other quotes.

**WINTER TOPICS:**

Replaced stairs in rear courtyard between Gerlachs and Polaseks. Service calls were made to fill gaps in mortar and bricks along St. Clair, center. Polasek reported chimney screen blew off and that repair is on hold for better weather. Materna had a sewage backup in the basement, likely from the catch basins and was reimbursed for hazardous cleanup.

**OLD BUSINESS:**

Bylaws rewrite is continuing.

Meeting adjourned, 7:01 p.m.

Next meeting,  April 17, 2018 at 7 pm

7:10 p.m.

Tom Sabella, Southeastern Property Management, discusses the Reserve Study and answers questions.  (on next 2 pages)

**7:10 P.M. MARCH 20**

**TOM SABELLA on the Reserve Study by Reserve Advisors of Milwaukee**

Copies of two tables in the Reserve Study were handed out: Reserve Funding Plan and Reserve Expenditures. The funding plan is a cash flow analysis of contributions to reserve funds for the next 30 years. The expenditures table is a listing of projects expected to be needed in the next 30 years, when needed and how much they will cost. Those two tables are attached here.

The report was made by Reserve Advisors, of Milwaukee, a group of architects, selected by Sabella, hired after a 5-0 vote in favor of a reserve study by the board at the June 2017 meeting.

Tom said he walked the property with the architects on Jan. 4, 2018, and gave them additional information regarding age of roof and repair of chimneys.

The reserve funding plan calls for an additional $21/month per unit in 2018. In most of the next few years, the monthly fee would increase $21/month per unit until a certain level of reserves was saved. The progression is shown in the funding plan table.

Said Sabella: “They’re looking at telling you how much money you need to bring in. For example, they estimate $150,000 for roof in 2024.”

The plan calls for the reserves to be fully funded by 2028. From there to 2048, there would be inflationary increases.

There is discussion about starting the increased reserve contributions in mid 2018 as was previously announced by the board — or starting in 2019. There is board support for starting mid 2018 but a decision has not been made.

Said Sabella. “It is a good thing to have a reserve study done by architects. They will tell you what to look for — and is a rationale. You don’t want to run up against a wall and find you need to do something and not have the money.

“Banks are looking at this stuff. If you do this, it will increase your values, will make your units more saleable and more mortgage-able. Lenders will ask: ‘Do they have a reserve study? Are they staying on goal on their reserves?’ If you don’t have reserves it makes it harder for the buyer to get a mortgage. You aren’t going to be adequately funded without asking people for $10,000 assessments and this doesn’t sit well with new buyers.

“It’s part of condominium living. You have to fund it properly, just like if you own your house. I’m glad you guys did this. This property is an old property and you need to save for it.”

Pat McClary: “It is a guide. There are things we won’t expect. We will have to make adjustments. We have our operational budget and also plan for future. Seriously, there is a lot of exterior work to be done.”

Questions and comments:

Gary Bigwood said that some of the things on the list of expenditures are not association items, such as wood decks. Sabella said that refinements need to be made to the study and the list and to ignore those items we know are not association responsibilities.

Asphalt: Sabella said the back drive needs to be resurfaced soon. “If you wait too long, you have to tear out to the base and it would cost a fortune.” He has a bid of $37,800 for milling off 1-2 inches and resurfacing and could get another bid. The reserve study estimated that $47,000 is needed for asphalt in 2025, but he thinks the work is needed sooner.

Gary Bigwood said that about 12 years ago it was milled down 2 inches and resurfaced.

Expenditures discussion.

Sabella said for 2018 one chimney is crooked, in middle of complex, with estimated repair of $2,000. There is an estimate of $24,000 to take down two garage walls and sheds and repair. He said we can still get another estimate and can modify the description of the work to be done. That dollar figure does not include rolling back the Duralast roof material and reinstalling with certified installers to keep the warranty.

Regarding taking down two garage walls that are bowed and rebricking them. Sabella said one problem is that foundation is compromised. We will take a look at the foundation. One estimator suggested taking down wall, replace with cinder block with brick on outside.

Dale Cox: Suggests whatever the interior block, if that is sound, then use a brick a veneer.

Sabella said concrete steps are expected to cost about $20,000 per year, maybe 10 porches a year can be done — it could be fewer or more.

Sabella noticed the Reserve Study expenditure for basement walls repairs at only $10,302 in 2020.

Sabella is asked about monthly fees for condominiums in the neighborhood. He said all in Grosse Pointe, even the smaller ones, are about the same, about $300 a month. Grosse Pointe Terraces, with the underground garages, is about the same age as ours and is about $350. They are saving for a roof — recently had to do brick and concrete repair for the underground garage.

Sabella said he will call Reserve Advisors with questions including basement repairs. It looks like only two are provided for between now and 2028.

Sabella said he hasn’t decided if it is better to have a separate reserve for each item or one big reserve. The separate reserves provide less flexibility because they would require owner votes to use them for another project. Opinion is leaning toward one reserve.

**DISCUSSION ADJOURNED 8:12 P.M.**