**MORELAND COURTS CONDOMINIUM ASSOCIATION, INC.**

**Minutes of the Meeting of the MCCA Board of Directors**

**March 26, 2024**

**CALL TO ORDER AND DETERMINATION OF A QUORUM:** The March 2024 regular meeting of the Moreland Courts Condominium Association Board of Directors was held remotely via Zoom on Tuesday, March 26, 2024. Directors in attendance were President Kathleen Hickman, Vice President Gordon Wean, Treasurer Benoy Joseph, Secretary Carol Lowenthal, and Directors Lloyd Owens and Jessica Schreiber. Director Chris Malstead was out of town.

Management was represented by General Manager Paul Stroud, Controller and Human Resources Manager Mildred Brooks, Operations Manager Tiara Smith, and Facility Manager Larry McHugh.

Observing the meeting via Zoom were residents Angela Bragg, Jan Devereaux, Elizabeth Fehsenfeld, Virginia Garcia, Nancy Hildebrandt, Doug Honig, Sue Joseph, Dorothy Lammers, Bill and Stacey Lang, Rosalie Litt, Jon Miller, Lee Poseiden, Judith Richards, Jon Sailes, Eric Schreiber, Katalin Voros, Sarah Wean, and Sara Wotman,

President Kathleen Hickman determined the presence of a quorum and called the meeting to order at 7:02 p.m.

**OWNERS COMMENTS/CONCERNS:** There were no comments from residents.

**APPROVAL OF THE MINUTES:** Treasurer Benoy Joseph corrected an item in his Treasurers report of the previous meeting, deleting a misplaced dollar amount. Jessica Schreiber then moved and Gordon Wean seconded the motion for approval of the minutes. There was no objection.

**REAL ESTATE LISTINGS AND UNIT SALES:** General Manager Paul Stroud reported that there are no Units currently for sale. One Unit has transferred so far this year. During 2023 there were ten sales, and the average selling price was $130 per square foot.

**WEST TOWER FRONT ENTRANCE** is currently undergoing major repair, waterproofing and replacement of broken stonework and handrails. In addition, part of the adjacent driveway was replaced after repairing the drain underneath. To take advantage of a 20% savings in the cost the work is being done early in the season and is expected to be completed soon.

**RESERVE FUND:** The Reserve Study consultant met with Paul and Larry McHugh, Facility Manager, two weeks ago to walk the facility and update what will need repair or replacement over the next 20 years. This fund works as a discipline so that we can be sure that we have budgeted enough money to take care of what will be needed in the future.

**GENERAL MANAGER’S REPORTS:**

**DELINQUENCIES:** There are now three units that are seriously delinquent: one is approaching foreclosure, the second is under lien, but is currently living up to the agreed upon aggressive repayment schedule. A third unit is on the path to foreclosure as there has been no communication with us from that owner. There are also a few smaller delinquencies.

**WINDOWS:** There has been no progress with any new windows installed so far this year. There are now five Units that need to be done. Some of these had been “restored”, rather than replaced, in the past but were not done well and so now need to be restored again. Those owners had been warned when originally done that restored windows would need to have ongoing maintenance.

**STAFFING:** Mildred Brooks, Human Relations Manager and Controller, is completing her third year at Moreland Courts and has been devoting part of her time to human resources, including in-house training in leadership and in financial management and awareness. She is hoping to introduce a 401K program for employees, to encourage their developing a habit of saving toward retirement as well as better financial literacy.

Ms. Brooks has also been involved in teaching OSHA training, safety compliance and record keeping with the staff.

**AUDITOR’S REPORT:** Treasurer Benoy Joseph reported that Brandon Miller, CEO of the auditors H.W. and Company met jointly with the Board and the Finance Committee on 3/12/24 to present the results of their audit for years 2022 and 2023. Their report had identified no issues and gave MCCA a “clean bill”, along with the highest level of approval.

Our budget is over $3 million this year, with the biggest source of income being the homeowners’ fees. Our greatest expenses are in maintaining the machinery, plumbing, and heating.

Gordon Wean moved to accept the auditor’s report as submitted to the Board. The motion was seconded by Lloyd Owens. As there was no further discussion, the motion passed unanimously.

**TREASURER’S REPORT:** Benoy Joseph, Treasurer, presented the financial report for February 2024 and for YTD:

This is early in the year and an overall review suggests that Moreland Courts’ financial management and spending are consistent with our budget. February’s net loss from operations was $7,974, compared to a budgeted negative of $11,160; net loss for year-to-date (January and February 2024) was $17,541 versus a budgeted negative of $24,178 for a positive variance of $6,637.

Notable items:

**Income** from maintenance fees (our primary source) remains on budget. We are under budget for income from garage services and miscellaneous income. Also under budget: guest suite income.

**Expenses:** wages remain slightly under budget for February and for year to date. Hospitalization for February was $4,000 over budget. Natural gas heating was $8,700 over budget year-to-date, as expected. Maintenance and repair and contracted services remain on budget for the two months YTD.

Total operating expenses for February and YTD are under budget.

**Annual Capital** expense is over budget by $10,000 for February and $14,500 YTD. A big portion of Annual Capital expense was due to masonry repairs accounting for $19,500.

**Accounts Receivable Aging Summary** shows that $84,000 (71%) of the total for delinquent accounts are from two units that are in foreclosure. Five units, including the two in foreclosure, are delinquent 90 or more days.

**Net Income** for all funds, including the guest suite, Annual Capital, and Reserve was a positive $10,873 for February and a positive $23,530 YTD.

**COMMITTEE REPORTS:**

**Facilities Committee:** Chairman Gordon Wean referred the Board to papers showing both the Annual Capital projects and the Reserve Fund projects that were approved by the committee this week and are seeking approval by the Board.

**Annual Capital projects:** The West Tower entrance project and an upholstery project on sofas in the Gallery have been previously approved for $55,000. Many of these projects are for masonry repair, such as for stonework and door thresholds. Several entries to buildings, both front and back, need repair, A missing original finial has been located and will be reinstalled on the top of the West Tower. The backline needs sealcoating which will probably take place in late summer.

Mr. Wean then introduced a motion of the committee to approve the balance of the Annual Capital Fund projects for $58,040. Jessica Schreiber moved that the Board approve those items recommended by the Facilities Committee that have not already been approved, and Lloyd Owens seconded the motion. it was passed without opposition.

**Reserve Fund projects:** Mr. Wean then listed the projects that will come out of this fund this year, including tuckpointing about 50 feet of the backline wall**.** Because this work costs about $10,000 to complete 50 feet of mortar repair, we are doing about 50 feet of it each year. It is too expensive, he explained, to do at a faster pace.

**Windows:** The Studio Building (13715) has 4 two-story windows covering the front of the building as well as some leaded glass windows in the back of that building that are part of our historic preservation status and are the responsibility of the MCCA, rather than the individual Unit owners. Each of these windows is all one system and must be done right. Because they are quite complex and are very expensive to care for, they are too important to leave to the owners to maintain on their own. They have been scheduled in the Reserve Fund to be done this year.

**Mechanical Systems:** These are allowances in the budget because we don’t know in advance what we will need. For example, every year we have had to replace at least one hot water heater, while that cost has gone up from about $6,000 to $14,000 each, and they last only about 5 to 6 years. Freight elevator repairs, heating system repairs, plumbing, and consulting needs are also allowances. We will also be doing a lot of painting and seal coating work in the garages in the next few years.

In response to a question, a project to add handicapped access in the Studio Building will probably be a 2025 project.

As there were no other questions, Jessica Schreiber moved and Benoy Joseph seconded the motion that we approve the funding for the Reserve Study projects. The motion passed without objection.

**COMMITTEE REPORTS:**

**Resident Experience Committee**: This is a new committee this year, chaired by Bill Lang, to bring back an orientation for new residents, giving them information they need, and to provide other experiences that enhance a sense of community at Moreland Courts. Other committee members are Lin Emmons, Greg Nettle, Judy Richards, John Saile, Linda Sempliner and Margie Simon.

Board liaison Jessica Schreiber reported on several recent activities, including an orientation for new residents at which 13 attended, Bill Lang distributed a “Welcome to Moreland Courts” booklet he had compiled that contains some of MCCA’s rules and other useful information for new residents. The first activity of the committee had been a private tour of the Chinese Southern Paradise exhibit at the Cleveland Museum of Art. This tour was led by Moreland Courts resident Clarissa Von Spee who was the curator of the exhibit. The next activity planned will be a BYOB “Happy Hour” in the Gallery, accompanied by a jazz pianist, for all residents on Friday, April 26th from 5 to 7 p.m.

**Newsletter:** Chairman Eric Schreiber reported that an “election issue” in which the voting procedures to elect the new members of the MCCA Board were explained, was recently issued. Patricia Murphy is a new member of this committee and Rosalie Litt was thanked for her editing and photography for this issue. He reminded everyone that they are always in need of more committee members. The committee was thanked for all the work that went into putting together this informative issue.

**Rules Committee:** There was no official report this month, but the committee has been working on the issue of cigarette smoke escaping from the units of several smokers, causing annoyance, and jeopardizing the health of neighbors while creating an unwelcome odor in the entrance lobbies. Different air filtration systems are currently being tested in those areas and new policies regarding smoking in our buildings are being considered.

**PRESIDENT’S REPORT:** President Kathleen Hickman explained that the ballots and information about the four candidates running for the three open Board positions will be distributed to owners soon, along with information about the Annual Meeting, in accordance with MCCA Bylaws, Kathleen Hickman moved and Benoy Joseph seconded a motion appointing John Beeker, Jeanne Summers, and Mildred Brooks as an Election Committee who will count the votes to be announced at the MCCA Annual Meeting on Monday, May 6, 2024. The motion passed without opposition.

Benoy Joseph led the Board in expressing appreciation to Judy Richards, Chair, and the entire Nominating Committee, for their work in recruiting and screening applicants for the election of new members of the MCCA Board.

**OTHER BUSINESS:**  There was no new business to discuss.

**ADJOURNMENT:** Jessica Schreiber moved and Benoy Joseph seconded the motion to adjourn the meeting at 8:08 p.m.

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Carol A. Lowenthal, Secretary Paul Stroud Jr., General Manager