

Barclay Towers Condo Association
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Board Meeting Minutes
October 17, 2012

Board Members in Attendance: Gary Polikoff, President; Dennis Halterman, Treasurer; Traci Burton, Secretary; Board Members: Joan Slagle, Margaret Rehman, Laura Humphreys, Matt Johnson

Absent: James Dugan, Vice President

Management: John Ross

Legal Representative: Gary J. Zangerle, Esquire

Dennis Halterman called the meeting to order at 7:34 pm.

September Meeting Minutes: We moved directly to the Building Report. Approval of the September 19, 2012 is still necessary.

Legal Update: No report.

Manager's Report: *Financial Pressure:* John outlined several of our recent expenses: new fire pump and valve = \$18,000; replaced generator = \$5,000; replacement of the storage tank = \$4,500; fixing the roof = \$15,000; unnecessary legal fees related to the roof = \$5-6,000; inspections = \$4-5,000; legal fees for collections = \$10-15,000; and we owe PSE&G \$51,000 by December 1 or the power will be shut off. The heat will be on tomorrow but they need payment. Maureen and Nikko have been let go leaving John and Danny as the only employees. We have nothing left to cut so a special assessment of one month's condo association fee from everyone is needed to pay our bills. The assessment will be due in November and Matt will work with John on the letter explaining the reasoning for the assessment.

Questions from Owners: Due to the announcement of the special assessment, much discussion ensued, with many of the topics below being revisited at least once.

#607 asked about the possibility of short sales and Gary Z. explained why they will not happen.

#1004 asked who pays the taxes on these units. Gary Z. responded that the mortgage companies pay on some and some have tax certificates.

#1004 asked how much we receive once there is a foreclosure. We get six months worth.

#1004 asked about collecting rents directly. Gary Z. explained 'rent retention' and stated that we have levies in place.

The owner of #310, 410, 610 and 809A asked about interviewing tenants, an application fee and having a CO and an approved lease in place before the tenant moves in. Gary Z. stated that

because we are a condo, we cannot do that. Individual owners can rent their units, but we cannot tell the owners how to conduct their rental business.

#607 asked if the sex offender is gone from the building and John confirmed the affirmative.

The owner of #310, 410, 610 and 809A suggested sending word to the owners that we may be charged a special assessment every six months or so. He feels this will get the owners to attend meetings, we can have quorum for votes and make changes. Gary Z. said that *owners* are obligated to pay the assessments, not the renters. As it is, there is only a handful of owners not paying, but one of them owns eleven units.

The owner of #310, 410, 610 and 809A asked if the board considered getting outside monies to finance the building and if there is a tax lien. Gary Z. answered that nobody will buy position and that tax liens are already happening, but foreclosures are not. Dennis iterated that he is a CPA and other condo associations are having the same discussion.

The owner of #305, 705 and 1006 asked how much we owe and expressed his feelings about the financials should be released to the owners. John stated that all any owner needs to do is ask. He then reiterated how much we owe PSE&G and that financial journey. PSE&G are “not playing anymore,” and want their money.

#607 asked what benefit will we enjoy should everybody pay the assessment. We will be able to pay PSE&G, as well as some other creditors. Some pay their fees monthly, and others pay, but sporadically.

At this point, Gary P. pointed out that these meetings happen on the third Wednesday of every month, owners in good standing are more than welcome to attend, these topics have been discussed for the past three years and tonight is the largest turnout. (approximately 11 owners)

The owner of #305, 705 1006 asked if a simple spreadsheet could be drawn up illustrating what happens when condo fees are paid and why not continue with other assessments. John responded that an assessment of one month's fee is going to be difficult and if the amount is increased people will not pay at all. Dennis said he could do a spreadsheet, then wondered who would read it.

Gary P. stated that the power bill needs to be current by December 1 or the power will be shut off. If the power is shut off all the residents must leave. Paying the PSE&G bill is our immediate need. This building has never had a reserve fund.

The owner of #305, 705, 1006 asked why there will not be any late fees on the special assessment. John stated that we cannot get money from people who won't pay. Gary P. said that based on history we will get about \$65,000 which will be enough. There may be a need for more, but that is a discussion for another time.

Dennis reminded us that the last raise in condo fees was in 2009, and stated that we may need to raise them by 10% for extra monthly income.

The owner of #305, 705 and 1006 asked if we are current on insurance premiums. Yes, we are.

#607 stated that the board and management works for the owners and the owners are entitled to “hear and see.”

The owner of #305, 705 and 1006 expressed that it is critical how we communicate the special assessment, explaining the issues and reasoning behind it. He then stated that this may spur more

involvement in meetings. The owner of #310, 410, 610 and 809A shared concern about disclosure having an affect in the ability to attract renters.

Board members discussed the terms of the assessment: it can be paid in three equal payments, with an added \$25 to each of the three payments; or pay in one lump sum. The assessment will be due November 15, 2012 and will be hard mailed to owners. Those living in the building will find it slid under the door.

Proposal: Equal to each person's one (1) month association fee, an assessment is to be paid in one lump sum or in three (3) equal payments with \$25 assessed to each payment.

Proposed by Dennis Halterman and seconded by Joan Slagle. The motion was unanimously passed.

Conclusion: At 8:43 pm the meeting was adjourned. The minutes were recorded and finalized by Traci Burton. The next meeting will be Wednesday November 14, 2012 at 7:30p.