

Antigua Condominium Association

Minutes of the Meeting of the Board of Directors

November 4, 2024

The meeting of the Board of Directors of the Antigua Condominium Association was called to order by Randy Ditch, president, on November 4, 2024, at 7:01 p.m. The meeting was held via conference call. All the directors were present: Mary Dischinger, Randy Ditch, Mike Falkner, Kat Ilkhani, Mike Keenan, Robert Mayer, Bonnie Medford, Sheri Miller and Ellen Schweiger. A quorum was present.

The following unit owners were present: Don Brown (103); Cindy Frederick (901); Pat Haskins (306); Bill Reineberg (1107); Randee Baumohl (1102); Jane Preble (107); Mark Ricker (702); Dan Crerand (1006); Linda Garcia (1002); Robert Fitzgerald (806); Robert Rosner (1007); Rosey Whittaker (302); Dennis and Mary Ellen Marsalek (408); Leon Hasnain (1207); Jessica Drake (206); Steve Karlow (1204); Ingrid Miller (1302); Fred Schoenbrodt (207); Chrles Ziegler (202); Barbara Emden (403); Steve Hessenauer (1203); John DeGraw (1306); Paul Kotula (208); Wanda Ditch (706); Peggy Sheer (406); Howard Klohr (1004); Earle Humpfries (1008); Patty Brann (301); and Ronald Scheaffer (902).

Guest: Jennifer Hughes, Alberto and Linda Garcia's real estate agent.

Approval of Minutes

Robert presented the draft minutes of the October 29, 2024 board meeting which was held in executive session. Kat argued that the draft minutes were inaccurate. It was suggested that recording board meetings would resolve accuracy arguments. It was also noted that the board members determine the accuracy of the minutes when they vote on the approval of the minutes. After further discussion, Ellen moved and Mike K. seconded that the draft minutes be approved as submitted. On a voice vote, the motion passed. Kat announced that she had voted against the motion. Mary and Mike F. announced that they had abstained because they had not attended the meeting.

Reconsideration of termination of East Coast Contracting coating contract

Randy addressed the vote of the board at its October 29, 2024, meeting to terminate East Coast Contracting's contract. There were several matters that gave the board members pause. They included the manner in which East Coast handled the parge issue. Kirk had conversations about the parge coat with Seth Merson before the contract was signed and there were ample opportunities for East Coast to ask questions or seek further information before bidding and signing the contract. The contract was signed on July 18, 2024. The first meeting with East Coast which Tom Merson, the president of East Coast, and other members of East

Coast attended was on July 23, 2024. Tom later acknowledged that he knew at that meeting that a parge coat was an issue. However, he did not raise the issue with us until September 4, 2024. September 4, 2024, was when mobilization for the job was expected to begin, with work to begin on October 7, 2024. On September 4, 2024, he sent an email raising the issue and asking for a change order for \$265,000 for a parge coat. That matter was resolved with an agreed increase in the contract price by \$225,000. A change order was prepared and sent to East Coast. Instead of receiving the expected signed change order, Tom Merson sent Randy, Robert and Kirk Parsons an email on October 26, 2024 advising them that his bonding company had declined his bond request. On October 28, 2024 Jim Almand said that East Coast probably could not get bonded because of the judgments he had against it and another case that was pending. The judgments Jim obtained on behalf of his client totaled about \$100,000.

Based on the information the board had, the board voted to terminate the East Coast contract on October 29, 2024. On October 30, 2024, Jim Almand told us that the defendant in his cases was a different company, East Coast Construction. Our contractor is East Coast Contracting. Robert forwarded Jim's email to the rest of the board.

As a result of the new information, Randy called Tom Merson to discuss the contract further and obtain additional information. He asked why it took East Coast's bonding company so long to get back. Tom said he did not know. There had been correspondence between them as the bonding company requested additional information. He had used the company for many years and this was the first issue he had with obtaining a bond from them.

Randy said he asked about the reason for the denial. Tom was not clear about the reason. He alluded that he had reached his upper limit for bonding. The limit includes work underway and work completed for the duration of the warranty period. He did not think that it was worth sharing the company's rejection email since it was short and not really revealing. Randy asked what was being done about the bond. Tom said that he had reached out to several companies but had not heard back from them.

Randy asked about the proposal to work on the project on one tier without a bond. It would, Tom said, give him a better understanding of the demolition costs. This, Randy felt, was confusing because the contract is for a fixed price. Randy was also concerned that Tom said that usually he bid a contract planning for the worse and hoping for the best, but this contract was tight. He had planned for the best situation, not the worst. He was also concerned by Tom's remark with regard to removing the texture that the last thing I want to do is come back in the middle of the job and say that we do not have enough money. This raised uncertainty for Randy, feeling that East Coast would seek change orders if the work proved more expensive than they had anticipated and bid.

Randy and Tom discussed the late start of the work. If East Coast worked through May and then restarted in the fall of 2025 there would be two mobilizations. Tom said that he had

not bid a second mobilization. This would make its budget even tighter, or there would be an additional request for a change order.

After the conversation, Randy sent an email requesting Tom provide the bonding company's letter declining his bond application. Tom declined, saying in his email, "Hey Randy, after much thought, I don't feel comfortable disclosing our internal correspondences with our bond company. As stated in my previous email, I would feel comfortable putting up capital to complete a mockup drop. If this doesn't work for the board, I completely understand and I hope there would be no hard feelings." Randy also asked for East Coast's financial statements since East Coast was proposing to do one tier without a bond. Tom declined saying, "I don't feel comfortable handing over my financials. I will be investing quite a bit of my capital before seeing a return. Usually it is the contractor that requests proof of funds."

John DeGraw who was a member of the Coating Committee and is a residential contractor recalled that East Coast had agreed that there would be a parge coat and that there was ample time during the pre-bid period to clarify its bid.

The matter was discussed further. Some felt that the bid package was defective because, as Tom Merson said, there was no mention of parging in the contract document. It was questioned whether parging was included in any of the other three bids since it was not mentioned in the bid package. Robert asked Kirk about the reasonableness of East Coast's requested \$265,000 change order to add parging. Kirk spoke with all three of the other bidders and asked how much they had allocated to parging. They all included a parge coat and the amounts they allocated were comparable to East Coast's requested change order.

Questions were asked if the work could be done in the winter given the temperature specifications. Robert had asked Kirk about this. Kirk said that the work can be done in the winter months but weather had to be taken into account. All the bidders anticipated working during the winter. There was sentiment to push the work off to the fall of 2025. That could eliminate the expense of two mobilizations.

The bond was discussed and the sentiment was that no work should be done without a bond in place. Kat suggested that the contract not be terminated and that East Coast be given time to obtain a bond. Randy added that he had asked Tom Merson about the cost of the bond. He thought that if the bonding company felt there was additional risk that it would first raise the premium on the bond. He asked Tom about the rates East Coast had paid. Tom said that, historically, they were not lower than 2% and not higher than 4%. Randy noted that in the letter East Coast submitted with its bid, it quoted a bond rate of 1.5%.

The amounts paid to ETC were discussed and whether the value of its work was lost. ETC has been paid \$33,203.95 to date. East Coast Contracting has not been paid anything. The bid package that ETC prepared required considerable work and can be used to re-bid the project with whatever modifications are appropriate.

Kat complained that the entire board had not negotiated the contract. In response, it was pointed out that ETC prepared the bid package and the AIA contract; that the entire board reviewed it; and that the board approved it before it was sent out to bid. The entire board interviewed the three finalists and made the selection of the contractor. No director spoke with any bidder before the bidder interviews. All the directors attended the bidder interviews.

At the conclusion of the discussion, Mike K. move and Sheri seconded that the board's October 29, 2024 vote to terminate the contract be reconsidered. A yes vote on the motion was to reconsider the prior vote. If the motion passed, an additional vote would follow on whether or not to terminate the contract. A no vote on the motion was to not reconsider the prior vote. In that case, the prior vote would stand and the contract would be terminated.

The motion failed with one director voting in favor and eight voting against it. The director voting in favor was Kat Ilkhani. The directors voting against the motion were Mary Dischinger, Randy Ditch, Mike Falkner, Mike Keenan, Robert Mayer, Bonnie Medford, Sheri Miller and Ellen Schweiger.

First Installment Refund Requests

The next item on the agenda was what to do with the first installments that have been paid. The matter was discussed and it was felt that without a clear timeframe going forward that the payments should be refunded. Pat Haskins (1107) thought that those who paid late should still pay the late charge. Bonnie moved and Kat seconded that the special assessments that have been paid be refunded. The motion passed unanimously. The directors voting in favor of the motion were Mary Dischinger, Randy Ditch, Mike Falkner, Kat Ilkhani, Mike Keenan, Robert Mayer, Bonnie Medford, Sheri Miller and Ellen Schweiger.

The question of whether the special assessment account should be kept open was discussed. Some of ETC's invoices had been paid from the special assessment account. That will be reimbursed from the Reserve Account. Before the special assessment account was opened, the first ETC invoices were paid from the Reserve Fund.

Kat expressed concern over the condominium's financial situation. Mary reported, without considering the special assessment installments that had been paid, that there was about \$189,000 in the PNC operating account and \$760,000 in Treasury bills. There were enough funds for ordinary operations and in the Reserve Fund.

Atlantic Refrigeration Proposal

Atlantic Refrigeration submitted a proposal to replace the air separation tank in the geothermal system. Mike K. presented the proposal. The tank is rusting, leaks and is collecting sediment. It cannot be repaired. The proposal is to drain the glycol out of the entire system; replace the tank; and refill the system with new glycol. There is a benefit to purging the system and filling it with new glycol. There has been concern that some of the recent problems may be from the glycol mix being out of proper proportion with water and that some of the water

added was town water which has minerals and other impurities that could affect the operation of the system. The new glycol arrives already properly mixed. It will be necessary to close down the geothermal system for several days while the work is being done. The breakers for all units will have to be turned off before the work starts and turned back on after the work is completed. About a week after the work is done, the system will have to be re-inspected. It is expected that there will be air pockets that will have to be released. There will have to be three entries into every unit to complete the work.

It was asked if the geothermal pipes were too brittle for this work and would break. The area where the work is being done has cast iron pipes. In addition, Mike K. noted, A&A Air Services, Inc. was out several months ago. A&A designed and installed the geothermal system in or about 1996. They were asked about the geothermal pipes. They thought that they were adequate and did not need to be replaced.

Kat was concerned that the proposal was sent to the board members on Monday, the day of the meeting. Mike, Randy and Cindy met with Atlantic Refrigeration on the prior Friday and received confirmation on Monday from Atlantic Refrigeration that they had located an air separation tank.

The proposal is expensive, primarily because of the cost of glycol, the cost of disposing of the old glycol and labor. The tank is not the most significant cost. A&A was not solicited for a proposal, in part, because of Atlantic Refrigeration's warranty. The tank is not a warranted part, but their warranty requires that Atlantic service the system in order to maintain the warranty.

Randy moved and Mike K. seconded that the proposal be accepted. The motion passed on a voice vote without opposition. Kat announced that she had abstained because she did not have enough information.

Other Matters

Paul Kotula (208) commended Cindy and Shore Management for the manner in which Cindy handled the sewage line backup. The backup was discovered about 3:00 p.m. and Cindy was onsite by 3:30. Plumbers were hired and worked until midnight to fix the problem. They all did a great job. The last backup was much more damaging and not handled as well.

Chris Vallone (904) asked about the shutters in light of the termination of East Coast Contracting's contract. Robert will speak with East Coast Shutters about the order and deposits.

Rosey Whittaker (302) asked about the pool cover and the closing of the pool. The pool company will be looking at the leak issue when they have closed all the pools they have contracts to close.

Next Meeting

It was agreed that the next regular meeting of the board be held on Monday, November 25, 2024 at 7:00 p.m. rather than the prior Wednesday.

Adjournment

Sheri moved and Robert seconded that the meeting be adjourned. The motion was passed on a voice vote without objection. The meeting was adjourned at 9:50 p.m.

Respectfully submitted,

/s/ Robert Mayer

Robert Mayer
Secretary