

500 Market Street HOA Board of Directors Meeting

Monday, May 20, 2024

Present: Jim Brittain, Will Johnson, Linda Shipman, Durrall Gilbert and Kent Allen

Tara LaCara and Michelle Johnson from Millhouse Properties.

The meeting was called to order at about 6:30 PM

Treasurer's Report: Durrall Gilbert stated that we have approximately \$12,800 in cash, comprised of approximately \$6,000 in checking and \$6,800 in reserves.

In addition, we have 3 CD's totaling approximately \$27,200. We did have 4 CD's, but one was used to pay for the first installment for the elevator repair. The 3 remaining CD's will be reinvested as they come due.

The elevator repair was the only unexpected expense.

It was noted that we are overbudget by approximately \$17,700, but this was primarily due to approved maintenance expenses that were not budgeted and due to the timing of certain expenses (like insurance) that were paid all at once vs their budget being spread over twelve months.

The Elevator: We had an extended and fruitful conversation about the elevator.

We have had a maintenance contact with Schindler (the elevator manufacturer) for many years, and in retrospect we recognize that they have failed to live up to the contract. When the elevator broke, their negligence became apparent. Initially we were told that the elevator would be out of commission for weeks, because of parts back ordered. When told that there was not an option, they came and repaired the elevator, replacing the motor. They completed the job and said we were all set. It became clear that the repair was incomplete. On reaching the 3rd floor, there was great shuddering. Two other elevator companies were notified to get their opinion and their analysis indicated what the initial cause of the malfunction was. Insulation had broken down and was getting into the hydraulic fluid, causing the motor to burn out. In replacing the motor, they did nothing to remedy the cause. We also did some price comparison for a different maintenance agreement and found Schindler's to be more than twice the competition. To add fuel to our

frustration, it was confirmed by Schindler that they only came to check on the elevator when we called them. The fact that they never alerted us that the insulation was falling into the fluid was, in the end, costly. Schindler did return, when we registered a complaint. They scraped the insulation. When asked if they had strained the old fluid to remove particles of insulation, they relied, "All new fluid."

Given this chain of events, the Board voted to notify Schindler that we are giving them a 30-day notice that we are terminating the contract with them. In addition we will not pay the additional \$8000 for their repairs until we are provided serial numbers for the new pump and motor. We did this recognizing that we might be held liable for 1/2 of the cost for our remaining time for which we contracted. Michelle agreed to write a draft letter that she will send to the Board for edits and ultimately approval.

Landscaping Vendor: Concern was expressed about the cost of our current contract. It was suggested that we ask the company to supply us with a list of tasks that they presently do.

We talked about other vendors in the area with the possibility of doing research on whether we are paying too high a premium for what we are getting. Durrall suggested that we might look at all our contracts on an annual basis.

Sidewalk repair: There is an unevenness to part of the sidewalk in front of 500 Market. Several mentioned they had tripped on it and Linda described a situation where one person had a serious fall as a result of tripping there and spent several days in the hospital. The Town of Chapel Hill is responsible for repair. Michelle said that she thought that it had been brought to their attention, but encouraged that a picture be taken that could accompany another appeal to the town. Michelle agreed to do so.

Running water along elevator shaft? Linda reported a gushing of water outside her powder room wall when it rains, yet there is no evidence of water in the elevator shaft. A mystery that was left unsolved. Could it be the noise of rain on the metal roof?

Jim was encouraged to obtain estimate for new LED lighting in the hallway. Jim agreed to do so.

No meeting date was set, but it was suggested we meet sometime in late June.

Meeting adjourned at about 7:30.