

Council Meeting Minutes

April 20, 2023

5:30 PM

VFTS Office

Call to Order – Mike Samuels, Wayne Golden, Kathy Neary, Joe Joyce, Nimesh Shah

Approval of Minutes

Community Association

- Congratulations to VFTS representative, Nancy Cressman who has been elected President of the Community Association Board

Treasurer's Report - see attached

- The deficit is 90% from increased electric costs
- Wayne will discuss with Galman the “Payroll Cleaning” charge
- Discussed quality of Securitas services in relation to cost

Cantilever Beams/Balconies/Water Infiltration- Nimesh checking on progress.

Manager's Report – see attached

- Kelly will make a recommendation of which company to install package room lockers

Communications Report

- While we have the proposals for cameras in the trash rooms, that will be delayed until later
- Still working on getting a web site
- Newsletter topic discussions

President's Report – see attached

- Fine appeals are being scheduled
- We will contact other firms that manage condominiums to do preliminary research on costs and services
- We will contact the PUC about the electric fees
- We will consult an attorney to see what actions we can take to lower the electric rates

Adjourn 8:30



March 2023 Treasurer's Report

Valley Forge Towers South

Executive Summary:

There is an operational deficit of **(\$68,134)** year to date February 28, 2023. This is mainly due to electric and security coming in over budget.

Revenues were **\$244,916** on a plan budget of **\$246,457**

- Operating revenue after reserves were **\$202,082** on a plan budget of **\$203,603**.
- Total Expenses were **\$240,623** on a plan budget of **\$217,983**
 - Total Operating expenses = **\$197,100** on a plan budget **\$178,821**
 - **Utilizes were \$32,836 over budget (new contract and new vendor)**
 - **Elevator was \$1,330 over budget**
 - **Payroll Cleaning was \$10,543 not in the budget.**
 - **Supplies was \$2,385 over budget**
 - **Trash Removal was \$2,866 over budget**
 - Total Administrative expenses = **\$10,224** on a plan budget of **\$23,131**
 - ..
 - Total Insurance and Taxes = **\$16,747** on a plan budget of **\$17,991**

Reserves (Banking as of 4/19/23)

- March's Appropriated Reserve Funding was **\$42,854**.
- **WSFS** bank account were in balance = **\$100,538.78** as of 4/18/23
- **Charles Schwab** account opened with a deposit of **\$1,216,647.58** as of 4/18/23 (completed all Reserve funds transferring to the new Schwab account)
- **Total Reserves** as of 4/18/23 is **\$1,317,186.36**.
 - Charles Schwab account: Total Account = **\$1,216,647.58**
 - Cash - **\$781,253.82**
 - Mutual Funds (Vanguard) - **\$236,386.36**
 - Fixed Income (First Business Bank CD's) - **\$200,007.40** (3 months at 4.95% retur

Assets

Commercial Units 115 and 116

Council Meeting – April 20, 2023

Manager's Report

Filing on Unit #514 and lien process– started the formal collection process with Clemons Richter & Reiss. We were in contact with the owner and she kept on saying she was going to mail a check from Mexico. After numerous follow ups with her, we still didn't receive any payment. Clemons Richter & Reiss mailed out the collection letter to the owner in Mexico. If there is no response or no payment within 35 days, we will proceed with filing a complaint with the local magistrate. I just spoke with the owner today, and she is flying back to America in May sometime. She plans on giving us a check for the past due money Also, started the process of filing the lien against residents who have not paid fines. Our attorney said there is no recognized method in PA to file a lien for unpaid assessments, fines, or other association charges/fees. She advised filing a complaint and securing a judgement against those individuals. A collection letter needs to be sent before filing the complaint – per the Fair Debt Collections Practices Act. Clemons Richter & Reiss is in the process of sending her a collection letter.

Condensate Lines – had leaks in 206, 419, 711, 1004, and 1104 over this past weekend. We are getting quotes from Zoom Drain & Sewer Service, Rossi Plumbing, and Roter Rooter to jet the lines to prevent condensate leaks in the summer. There are seven lines total that will need to be jetted. When each line is jetted, maintenance will need to clean the trap in each unit in that line.

ESS – need to remove the strobe lights from the roof top into the interior of the kiosks. They are damaged from being outside in the elements.

Locker Package System – quotes pending review of council

Elevator Certification – Received two year certificate from PA Dept. of Labor & Industry. The certificate was issued 3/30/2023 and expires 4/30/2025.

Balconies – I noticed some residents with storage, clothes drying racks, and grills on their balconies. They will be receiving letters from the management office stating those items are not permitted on the balconies – per the condo rules and regulations.

Elmer Replacement – Galman HR posted his job – it's available on 1200 job posting platforms. Once we start receiving resumes we will be reviewing them and scheduling interviews.

Filter Changes – The 15th, 14th, and 13th floors are complete. Maintenance is currently working on the 12th floor.

Elections – We currently have three candidates for VFTS council and one for the Community Association. I am working with our corporate office to mail out the ballots the beginning of May to all commercial and residential owners.

President's Report April 20, 2023

Front Desk

We have now received three bids. All are too expensive. We will review/value engineer the plans/bids and finalize in the next 30 days.

Fine Appeals

We have two fine appeals for which we have to schedule a hearing date.

Budget/Electricity

The most urgent topic of conversation is the electric contract Galman signed in December. I previously sent an excel spreadsheet with an analysis of the electric cost we will incur under various scenarios. A printout of the spreadsheet will be provided at the April 20 meeting.

None of our options are good.

The contract Galman signed with Constellation has an early termination clause that requires payment to them of the full amount that is owed for the remainder of the contract.

Galman realizes that they are at fault, but we would have to prove damages to make a claim....not an easy thing to do.

Our options:

1) Terminate (Default) the contract (to the extent we can):

- Constellation seeks their money from us (and the 2000 building).
- We bring Galman into the suit.
- Galman quits as the manager

2) Go to the PUC in an attempt to have the contract voided

- Assuming a good result, contract is voided in the next several months
- We still incur much of the damage for this year

- We incur the costs of a PUC lawyer (likely)
- Energy rates, which were as low as .065/KWH have been creeping up again and are now at .069...plus the Gross Receipts tax of .00541 or a total of .07441/KWH versus the current contract rate of .10051/KWH

3) Pay the current market rate (less than the contract rate)

- Constellation pursues us for damages
- We bring Galman into the suit.
- Galman quits as the manager or we fire Galman as manager

4) Enter into a Blend and Extend Contract or a pure extension at the following rates:

Indicative Blend & Extend Pricing- Valley Forge Towers West/South

Fixed Price \$/kWh:

21mo (Mar 2023 to Dec 2024): \$.08627 (\$.09168 w/ GRT)

33mo (Mar 2023 to Dec 2025): \$.08257 (\$.08775 w/ GRT)

45mo (Mar 2023 to Dec 2026): \$.08186 (\$.08699 w/ GRT)

Renewal Pricing- Valley Forge Towers West/South

Fixed Price \$/kWh:

12mo (Dec 2023 to Dec 2024): \$.07202 (\$.07654 w/ GRT)

24mo (Dec 2023 to Dec 2025): \$.07296 (\$.07753 w/ GRT)

36mo (Dec 2023 to Dec 2026): \$.07409 (\$.07874 w/ GRT)

We can deal with the increased costs. It won't be easy or pretty. Fortunately our efforts to increase reserves will serve us well in this instance.

MEETING ACTIONS

DATE 4/20/23

Motion : Move to approve the minutes as presented

Maker	Mike	Seconded	Wayne
Votes	Aye- all	No-	

Motion : Move to approve the Treasurer's report as presented

Maker	Kathy	Seconded	Mike
Votes	Aye- all	No-	
