

# Special Meeting Agenda - Remote

## Tolland Non-Profit Housing Corporation

Monday, December 7, 2020 at 7:00 p.m.

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1. Call to Order
2. Other Business
  - 2.1 Sale of 58 Rolling Meadow
  - 2.2 Approve invoices – #2020-1, Bill Martel for \$599.00  
#2020-2, Amy Martel for \$450.00
3. Approval of Annual Meeting Minutes of November 5, 2020
4. Adjournment

To Join Zoom Meeting, either click:

<https://us02web.zoom.us/j/81060631701?pwd=eE5sSkRFVldzT25FdUdqQmx1RIJUUT09>

Or call: 1-646-876-9923 and input:

Meeting ID: 810 6063 1701

Password: 12072020

# **Agenda Item 2.2**

**Bill Martel**

3 Rolling Meadow Dr.  
Tolland, Ct  
Phone 860-870-0056

**INVOICE**

INVOICE #2020-1  
DATE: NOVEMBER 30, 2020

**TO:**

Town of Tolland  
Finance Dept  
21 Tolland Green  
Tolland, Ct 06084  
871-3657

**FOR:**

Town property on corner of Crystal lake road and Rolling  
Meadow Dr.

DESCRIPTION			AMOUNT
Mow grass on corner of Rolling Meadow and Crystal lake road as needed for 2020 season.			\$599.00
		TOTAL	\$599.00

Make all checks payable to Bill Martel  
Total due in 30 days. Overdue accounts subject to a service charge of 1.5% per month.

**Thank you for your business!**

**Amy Martel**

3 Rolling Meadow Dr.  
Tolland, Ct  
Phone 860-870-0056

**INVOICE**

INVOICE #2020-2  
DATE: NOVEMBER 30, 2020

**TO:**  
Town of Tolland  
Finance Dept.  
21 Tolland Green  
Tolland, Ct 06084  
871-3657

**FOR:**  
Town property on corner of Crystal lake road and Rolling  
Meadow Dr.

DESCRIPTION			AMOUNT
Trim mound and rocks as needed. Clear debris and trim overgrowth along edges.			\$450
		TOTAL	\$450.

Make all checks payable to Amy Martel  
Total due in 30 days. Overdue accounts subject to a service charge of 1.5% per month.

**Thank you for your business!**

# **Agenda Item 3.0**

**MINUTES OF THE ANNUAL MEETING OF THE TOLLAND NON-PROFIT  
HOUSING CORPORATION**

The Annual Meeting of the Tolland Non-Profit Housing Corporation Board of Directors was held on Thursday, November 5, 2020 at approximately 7:15 p.m. The meeting occurred remotely via Zoom log-in. Present at the meeting were John Beck, Roland Cardin, Edwin Lugo, and Madhu Renduchintala.

The President called the meeting to order. John Beck volunteered to take the minutes. The first matter under discussion was the election of officers. It was noted that the present officers were John Beck, President, Roland Cardin, Vice President, and Nancy Orris, as Secretary. Madhu Renduchintala advised the Board that he was taking a position as one of the Members of the Board of Education, and that as a result, he was advised that he would be required to resign his position as a Director on the Non-Profit Housing Corporation Board of Directors, and therefore should not be considered for a nomination as an Officer. Roland Cardin then made a motion to elect John Beck as President, Roland Cardin as Vice President, and Nancy Orris as Secretary. The motion was seconded by Edwin Lugo, and was unanimously adopted by the Directors.

The next order of business was to review the year-end financials. Copies of the year-end financials were then reviewed by the Directors. A motion was then made by Edwin Lugo to accept the year-end financials. The motion was seconded by Madhu Renduchintala, and unanimously adopted by the Directors.

The next order of business was to approve of a \$113,357 refinance by Katrina Mojica of 21 Rolling Meadow Drive. The President stated that he had discussed this matter with John Tunila, Esq., the attorney for the Tolland Non-Profit Housing Corporation, and that he had provided a Resolution for the Board to adopt. A motion was made to adopt the following Resolution:

**RESOLVED**, that the Tolland Non-Profit Housing Corporation (“**TNPHC**”) Board of Directors hereby consents to the refinance of the improvements located at 21 Rolling Meadow Drive, Tolland, Connecticut, owned by Katrina Mojica, in the amount of One Hundred Thirteen Thousand Three Hundred Fifty-Seven and No/100ths Dollar (\$113,357.00), and that such mortgage encumbering the improvements shall be recognized as a Permitted Mortgage, as described in Article VII of the Ground Lease between TNPHC and Katrina Mojica, to which the improvements are subject. This approval is subject to the user fee as defined in the Ground Lease being current, and the Lender executing the Permitted Mortgage documentation that has been provided.

Madhu Renduchintala made the proposed motion which was seconded by Roland Cardin and was unanimously adopted by the Directors.

The next order of business was to approve of the sale of 58 Rolling Meadow Drive by Joshua Corlett and Jill Garb (collectively, the “Sellers”) to Jennifer Wrobel, pursuant to a certain Purchase and Sale Agreement for \$139,000.00. The President stated that he had had a conversation with John Tunila, where he was advised that the Sellers’ original purchase price for the improvements was \$107,000, the appraisal for the property was \$150,000, and that fifty percent (50%) of the appreciation, or \$21,500, would result in a limit on the purchase price of \$128,500, which was less than the \$139,000 purchase price agreed to in the Purchase and Sale Agreement. Attorney Tunila then advised the President that the Sellers had made recent improvements to the property, and that the Sellers’ attorney, David Blackwell, had provided a letter to John Tunila showing that the Sellers had incurred over \$30,000 in improvements as follows:

<u>Year of Improvement</u>	<u>Description of Improvement</u>	<u>Replace Service Cost</u>
2018	Replaced furnace	\$ 8,000.00
2020	Replaced roof	\$ 9,624.66
2020	Renovated two (2) bathrooms and performed interior work	\$ 6,590.00
2020	Renovated downstairs bathroom	\$ 3,000.00
2020	Repaired well; dug trench; dug and repaired pipe in backyard	\$ 3,500.00
<b>Total</b>		<b>\$30,714.66</b>

The Sellers’ attorney also enclosed a bill for \$6,590 from Weston Services, LLC for the renovation of their two (2) bathrooms, and an invoice from Montalvo Restoration and Consulting LLC for roof work, totaling \$9,624.66. A discussion then ensued between the Directors with regard to whether the improvements should be included as an increase to the Sellers’ basis. It was noted that if the improvements were included, then the original purchase price of \$107,000 would be increased by \$30,714.66, and that the original purchase price (\$107,000) plus the improvements (\$30,714.66) would yield an appreciation of \$12,786.44 (appraised value of \$150,000 less \$137,714.66 equals \$12,786.44), which when multiplied by 50% would result in the Sellers’ share of the appreciation being \$6,393.22. The \$137,714.16 along with the Sellers’ share of the appreciation of \$6,393.22 would then yield a supportable purchase price of \$143,607.88, which was in excess of the \$139,000 purchase price set forth in the Purchase and Sale Agreement. Roland Cardin made the point that the nowhere in the Ground Lease was there a provision to give a tenant credit for this type of work, even though the improvements were capital in nature, and that acceptable improvements were for a garage or deck. He also pointed out that the tenants, under the Ground Lease, were required to maintain the property in “good working order and repair”. Edwin Lugo then made the point that without the improvements, it was unlikely that the house would sell for \$139,000, and felt that it was fair to allow the Sellers to recoup part of the costs of those improvements. Madhu Renduchintala made the point that the improvements were capital in nature and should be amortized over their useful life, however, since most of the improvements were made in 2020, there would be little, if any, reduction; potentially, a little bit of reduction on the new furnace which was installed in 2018. The President felt that it was important to incentivize the tenants to maintain their property and to make capital improvements such as roof replacements, and that if the tenants were unable to recover a portion of the costs of making those improvements, then tenants would not find it in their self-interest to maintain their property. The result could be that the Rolling Meadow Drive housing stock would fall in disrepair and decline in value.

Thereafter, the President made a motion to accept the improvements as a cost, provided that with regard to the undocumented costs, the TNPHC would allow those costs to be accepted, provided that the Sellers' provide a combination of: (1) invoice backup; (2) a copy of the appraisal to see if there was any evidence that the other improvements that were claimed as having been done were actually done; or (3) an affidavit where the Sellers attest that they performed the work, incurred the costs, and that the improvements were done in 2020, except for the new furnace which was done in 2018. The motion was seconded by Edwin Lugo. John Beck, Edwin Lugo, and Madhu Renduchintala then voted in favor of the motion. Roland Cardin voted not in favor of the motion. The motion passed 3 to 1. John Beck said that he would communicate with John Tunila the Board's decision on this point.

The next order of business was to approve the 2021 Meeting Schedule. A motion was made by Roland Cardin to approve the 2021 meeting schedule and seconded by Edwin Lugo, and was unanimously adopted.

The next order of business was to approve the Special Minutes of the Corporation's Minutes of November 7, 2019. The minutes were reviewed by the Directors. A motion was made to accept the minutes by Edwin Lugo. The same was seconded by Roland Cardin, and was unanimously passed.

The next order of business was to consider adjourning the meeting. John Beck made a motion to adjourn the meeting which was seconded by Roland Cardin, and unanimously adopted by all of the Directors.

Respectfully submitted

By:  \_\_\_\_\_  
John Beck