METROPOLITAN TRANSPORTATION COMMISSION Meeting Transcript



1	BOARD OF DIRECTORS OF 375 BEALE CONDOMINIUM CORPORATION
2	MONDAY, NOVEMBER 6 TH , 2023, 10:00 AM
3	
4	PHILIP FINE: GOOD MORNING, EVERYONE. THIS IS PHILIP FINE. I
5	WOULD LIKE TO CALL TO ORDER THIS MEETING OF 375 BEALE
6	CONDOMINIUM CORPORATION. THIS MEETING IS WEBCAST ON THE MTC
7	WEB SITE. FOR THOSE THAT ARE PARTICIPATING BY ZOOM WISHING TO
8	SPEAK PLEASE USE THE RAISED FEATURE OR RAISE THEIR HAND, AND I
9	WILL CALL ON YOU AT THE APPROPRIATE TIME. TELECONFERENCE
10	ATTENDEES WILL BE CALLED UPON BY THE LAST FOUR DIGITS OF THEIR
11	PHONE NUMBER. PER ARTICLE 7.7 OF 375 BEALE CORPORATION BYLAWS
12	DATED JUNE 29, 2017, ALL MEETINGS SHALL BE CONDUCTED UNDER
13	PROVISIONS OF THE BROWN ACT. OKAY. SO, WITH THAT WE'LL GET
14	STARTED. FIRST ITEM, WILL THE CLERK CALL THE ROLL AND CONFIRM
15	QUORUM
16	
17	CLERK OF THE BOARD: GOOD MORNING. MEMBER BOCKELMAN IS ABSENT.
18	MEMBER FREMIER?
19	
20	ANDREW FREMIER: PRESENT.
21	
22	CLERK OF THE BOARD: FINE?
23	
24	PHILIP FINE: HERE.



1	CLERK OF THE BOARD: MEMBER PAUL?
2	
3	BRAD PAUL: HERE.
4	
5	CLERK OF THE BOARD: QUORUM IS PRESENT.
6	
7	PHILIP FINE: THANK YOU. WE HAVE A QUORUM. ITEM TWO WE HAVE THE
8	CONSENT CALENDAR. DO I HAVE A MOTION AND SECOND TO APPROVE THE
9	CONSENT CALENDAR, INCLUDING THE MINUTES OF THE JUNE 22, 2023
10	MEETING?
11	
12	BRAD PAUL: SO MOVED.
13	
14	ANDREW FREMIER: SECOND.
15	
16	PHILIP FINE: MOTION BY PAUL AND SECOND BY FREMIER. AND THEN,
17	DO WE NEED TO CALL A ROLL?
18	
19	CLERK OF THE BOARD: SINCE WE'RE ALL PRESENT IN-PERSON NO NEED
20	TO CALL THE ROLL. WE'LL JUST ASK
21	
22	PHILIP FINE: ANY OBJECTIONS TO APPROVAL OF ITEM TWO? HEARING
23	NONE. ITEM IS APPROVED. OKAY. WE SHOULD ASK FOR PUBLIC
24	COMMENT.
25	



CLERK OF THE BOARD: I HAVE RECEIVED NOTHING WRITING, AND I SEE 1 NO MEMBER OF THE PUBLIC WITH THEIR HAND RAISED. 2 3 PHILIP FINE: OKAY. THANK YOU VERY MUCH. THAT MOVES US TO 4 5 AGENDA ITEM 3A, THE CORPORATION AUDIT RESULTS AND REQUIRED COMMUNICATIONS. WE'LL HAVE A PRESENTATION BY GRACE MARTINEZ 6 7 AND KATHY LAI. 8 GRACE MARTINEZ: THANK YOU MR. CHAIR. GOOD MORNING, EVERYONE. 9 MY NAME IS GRACE MARTINEZ, I'M THE SECTION DIRECTOR OF 10 OPERATIONAL ACCOUNTING. OUR PRESENTATION IS TWO PARTS. FIRST 11 PART WILL BE PRESENTED TO YOU BY KATHY LAI. SHE WILL GIVE THE 12 RESULTS OF THE AUDIT, AND THEN WE'LL GIVE A SHORT PRESENTATION 13 OF THE UNAUDITED FINANCIAL STATEMENT. WITHOUT FURTHER ADO, I 14 15 PRESENT KATHY LAI, THE LEAD AUDITOR FOR THE FINANCIAL AUDIT. 16 THE SLIDE ONE SHOULD BE CROWE? 17 KATHLEEN LAI: I BELIEVE IT IS. THANK YOU GRACE. I'M KATHY LAI, 18 THE LEAD ENGAGEMENT PARTNER FROM CROWE. I HAVE WITH ME COREY 19 LEE OUR ENGAGEMENT MANAGER ON THE AUDIT. IF YOU COULD ADVANCE 20 21 THE SLIDE. WE HAVE A BRIEF AGENDA FOR YOU TODAY. NEXT SLIDE PLEASE. AND THEN IF YOU COULD ADVANCE TO THE NEXT SLIDE? ALL 22 RIGHT. ON OUR AGENDA TODAY WE'LL GO OVER THE AUDIT OBJECTIVES 23 THAT CROWE IS ENGAGED TO PERFORM FOR THE ENTITY. SECOND, AUDIT 24

RESULTS AND WRAP UP WITH REQUIRED COMMUNICATIONS UNDER OUR



- 1 PROFESSIONAL STANDARDS. NEXT SLIDE. NEXT SLIDE, WE ARTICULATE
- 2 OUR AUDIT OBJECTIVES. ADVANCE ONE MORE. CROWE WAS ENGAGED TO
- 3 PERFORM THE FINANCIAL STATEMENT AUDIT FOR 375 BEALE AND TO
- 4 DETERMINE WHETHER OR NOT THE FINANCIAL STATEMENTS ARE FAIRLY
- 5 STATED IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING
- 6 PRINCIPLES OR GAP FOR SHORT. WE CONDUCT AUDIT PROCEDURES IN
- 7 ACCORDANCE WITH GENERALLY ACCEPTED AUDIT STANDARDS OBTAINING
- 8 REASONABLE ASSURANCE FINANCIAL STATEMENTS ARE FAIRLY STATED.
- 9 THOSE ARE AUDITOR RESPONSIBILITIES IT'S ALSO IMPORTANT TO NOTE
- 10 MANAGEMENT RESPONSIBILITIES. MANAGEMENT IS RESPONSIBLE FOR THE
- 11 FAIR PREPARATION OF THE FINANCIAL STATEMENTS IN ACCORDANCE
- 12 WITH GAP AS WELL AS INTERNAL CONTROLS OVER FINANCIAL REPORTING
- 13 RELATED TO FINANCIAL STATEMENTS. IF YOU COULD ADVANCE TO THE
- 14 NEXT SLIDE WE'LL MOVE TO THE AUDIT RESULTS. NEXT SLIDE.
- 15 PLEASED TO REPORT WE HAVE ISSUED AN UNMODIFIED OPINION FOR 375
- 16 BEALE THAT'S THE HIGHEST LEVEL OF ASSURANCE ESSENTIALLY MY
- 17 OPINION STATES THAT THE FINANCIAL STATEMENTS ARE FAIRLY STATED
- 18 AND UNMODIFIED. THAT'S VERY GOOD NEWS. CONCURRENT WITH THAT WE
- 19 DID NOT NOTE ANY SIGNIFICANT DEFICIENCIES OR MATERIAL
- 20 WEAKNESSES THAT WE NEED TO BRING TO YOUR ATTENTION FOR
- 21 INTERNAL CONTROL. WE'LL WRAP UP WITH REQUIRED COMMUNICATIONS
- 22 UNDER PROFESSIONAL STANDARDS ON THE NEXT SLIDE HERE. FIRST AND
- 23 FOREMOST SIGNIFICANT POLICIES FOOTNOTE ONE OF YOUR MEMO
- 24 SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES WE FOUND THEM
- 25 CORRECT NO COMMENTS THERE. NEXT IS MANAGEMENT JUDGMENTS AND



- 1 ACCOUNTING STATEMENTS FINANCIAL STATEMENTS HAVE OPPORTUNITY TO
- 2 INCLUDE ESTIMATES SOMETIMES RELATED TO YEAR END. NO MATTERS TO
- 3 REPORT HERE TO THE BOARD. NEXT SLIDE. EVERY YEAR THE
- 4 GOVERNMENTAL ACCOUNTING STANDARDS BOARD, A VARIETY OF
- 5 DIFFERENT ACCOUNTING PRO ANNOUNCEMENTS THAT MANAGEMENT NEEDS
- 6 TO REVIEW FOR INCLUSION IN FINANCIAL STATEMENTS. THERE WAS A
- 7 LOT TO BE REQUIRED NONE SIGNIFICANT RELATED TO YOUR ENTITY.
- 8 NEXT SLIDE. ALSO PLEASED TO REPORT THERE WERE NO CORRECTED OR
- 9 UNCORRECTED MISSTATEMENTS THAT WERE MATERIAL TO THE ENTITY.
- 10 AND ON THE FOLLOWING SLIDE, I THINK THIS IS OUR LAST ONE HERE.
- 11 NEXT SLIDE. LAST BUT NOT LEAST WE DID NOT NOTE ANY OF THESE
- 12 ITEMS LISTED ON THIS SLIDE IN FACT OUITE THE OPPOSITE. IT'S
- 13 ALWAYS A PLEASURE TO WORK WITH MANAGEMENT AND THEY WERE
- 14 COOPERATIVE AND PROVIDED US ALL INFORMATION NEEDED RELATED TO
- 15 THE AUDIT. WITH THAT I'M HAPPY TO ANSWER ANY QUESTIONS RELATED
- 16 TO THE AUDIT RESULTS.
- 18 PHILIP FINE: ANY OUESTIONS FROM BOARD MEMBERS? SEEING NONE.
- 19 ANY ITEMS RECEIVED UNDER PUBLIC COMMENT FOR THIS ITEM?
- 21 CLERK OF THE BOARD: THERE ARE NO WRITTEN COMMENTS RECEIVED FOR
- 22 THIS ITEM, AND NO MEMBERS IN THE BOARDROOM WITH PUBLIC COMMENT
- 23 AND IN THE ATTENDEE SPACE, NO MEMBERS WITH RAISED HANDS FOR
- 24 PUBLIC COMMENT AT THIS TIME.

25

17



PHILIP FINE: OKAY. THIS IS AN APPROVAL ITEM. DO I HAVE A 1 2 MOTION? 3 SPEAKER: WE DO HAVE. 4 5 CLERK OF THE BOARD: OH YES. 6 7 8 SPEAKER: THANK YOU MR. CHAIR IF WE COULD GO TO THE NEXT --YEAH. WE DO HAVE A PRESENTATION FROM STAFF. AND INCLUDED IN 9 YOUR PACKET IS A COPY OF THE FINANCIAL STATEMENT AND EXCERPTS 10 WILL BE INCLUDED IN THE FOLLOWING SLIDES. FIRST SLIDE, PLEASE. 11 HERE WE GO. PLEASE ADVANCE TO THE NEXT SLIDE. THIS SLIDE GIVES 12 A SUMMARY OF FINANCIAL STATEMENTS FOR THE YEAR. FIRST OFF, THE 13 TOTAL ASSESSMENTS FOR THE YEAR WAS 7.4 MILLION, UP BY 15% 14 15 COMPARED TO THE PREVIOUS YEAR, AND THAT IS BEFORE THE REFUND 16 TO THE OWNERS. TOTAL REFUND FOR THE OWNERS IS 1.4 MILLION, UP BY 27% COMPARED TO THE PREVIOUS YEAR, AND OPERATING EXPENSES 17 INCREASED 14% FOR THE YEAR AND AS OF JUNE 30TH NET POSITION IS 18 ZERO CONSISTENT WITH THE FINANCIAL MODEL THAT BEALE OPERATES 19 TO BREAK EVEN WHERE IF THERE IS SURPLUS IT'S RETURNED TO 20 21 OWNERS IF THERE IS DEFICIT THE OWNERS ARE CHARGED FOR IT. NEXT SLIDE PLEASE. THIS IS A STATEMENT OF NET POSITION FOR -- AND 22 SHOWS ASSETS AND LIABILITIES FOR THE YEAR, AS OF JUNE 30TH THE 23 CASH BALANCE INCREASED MAINLY DUE TO HIGHER ASSESSMENT FEES. 24 ACCOUNTS RECEIVABLE DECREASED BECAUSE THERE WERE NO ADDITIONAL 25



- 1 ASSESSMENT FEES TO THE OWNERS AND THEN DUE FROM BAHA WILL ALSO
- 2 INCREASE BECAUSE OF HIGHER OPERATING COST. ON THE OPERABILITY
- 3 SIDE DUE TO CONDOMINIUM OWNER THERE IS SURPLUS BEING RETURNED
- 4 TO THE OWNERS. NEXT SLIDE THIS IS THE STATEMENT OF REVENUES
- 5 AND EXPENSES. I MENTIONED EARLIER THAT TOTAL OPERATING
- 6 REVENUES FOR THE YEAR WAS 5.9 MILLION, AND THIS IS NET OF THE
- 7 SURPLUS. AND, AGAIN, THE ASSESSMENT FEES ARE TYPICALLY
- 8 PREDETERMINED, ANNUALLY, THROUGH A BOARD APPROVED BUDGET AND
- 9 ALLOCATED BASED ON THE PERCENTAGE OWNERSHIP INTEREST AS SET
- 10 FORTH IN THE DECLARATION OF COVENANTS, CONDITIONS AND
- 11 RESTRICTIONS. THOSE ARE SHOWN ALONG ON THE SLIDE ALONG WITH
- 12 THE ASSOCIATED DOLLAR AMOUNT FOR EACH OF THE OWNERS. NEXT
- 13 SLIDE PLEASE. THIS IS A CONTINUATION OF THE STATEMENT OF
- 14 REVENUES AND EXPENSES I MENTIONED EARLIER THAT TOTAL OPERATING
- 15 EXPENSES INCREASED FOR THE YEAR AND THE SLIDE DETAILS THE
- 16 CATEGORIES OF EXPENSES THAT INCREASED DURING THE YEAR. FOR THE
- 17 COMMON AREA, THERE WAS AN INCREASE OF ABOUT 200,000 -- 277,
- 18 AND THEN FOR THE SHARED SERVICES A LITTLE OVER 400,000. WHAT
- 19 WE WANTED TO UNDERSCORE IN THIS SLIDE IS THAT ALTHOUGH THE
- 20 OPERATING EXPENSES INCREASED DURING THE YEAR RELATIVE TO THE
- 21 PREVIOUS YEAR, THE INCREASE IN OPERATING REVENUES EXCEEDED
- 22 THAT AMOUNT, HENCE WE HAVE A SURPLUS FOR THE YEAR OF 1.4
- 23 MILLION. SO, THAT ENDS OUR PRESENTATION. THANK YOU FOR YOUR
- 24 ATTENTION IF YOU HAVE ANY QUESTIONS OR COMMENTS WE'RE
- 25 AVAILABLE TO ANSWER THEM. THANK YOU.



1 SPEAKER: PHILIP FINE? IS THERE PUBLIC COMMENT? 2 3 CLERK OF THE BOARD: THERE ARE NO WRITTEN COMMENTS RECEIVED FOR 4 5 THIS ITEM, AND NO MEMBERS IN THE BOARDROOM WITH PUBLIC COMMENT AND IN THE ATTENDEE SPACE, NO MEMBERS WITH RAISED HANDS FOR 6 7 PUBLIC COMMENT AT THIS TIME. 8 PHILIP FINE: IS THERE A SECOND? ANYBODY? 9 10 SPEAKER: SECOND. 11 12 PHILIP FINE: OKAY. ANY OBJECTIONS? THE ITEM IS APPROVED. WE'LL 13 MOVE ON TO ITEM 4A, THIS IS AN INFORMATIONAL ITEM. BUILDING 14 15 OPERATIONS AND PROJECTS REPORT. 16 SPEAKER: GOOD MORNING. I'M DENISE ROD RIG US FACILITIES AND 17 CONTRACT SERVICE WITH METROPOLITAN TRANSPORTATION COMMISSION. 18 THE MEMO FOR THIS ITEM IN YOUR PACKET PROVIDES A BROAD 19 OVERVIEW OF ALL ACTIVITIES SINCE THE BLAST BOARD MEETING BUT 20 21 THIS MORNING EBB TEE HORACE PROPERTY MANAGER FROM CUSHMAN & WAKEFIELD ARE GOING TO GIVE AN UPDATE ON KEY THINGS. FIRST IS 22 WE HAVE TO DO ANNUAL SHUT DOWN EVERY YEAR AND WE PERFORMED 23 THAT LAST OCTOBER, LAST MONTH, THAT WENT REALLY SMOOTHLY. WE 24 HAVE NOTHING TO REPORT THERE. NO ISSUES ENCOUNTERED. SO THAT 25



WENT VERY SMOOTHLY. ON THE SECURITY SIDE, THERE HAVE BEEN NO 1 EVENTS AND WE CONTINUE OUR WORK TO MAKE SURE EVERYONE IS AS 2 3 SAFE AS POSSIBLE IN THE BUILDING. WE DID SOME DRILLS AND THINGS LAST MONTH. EVERYTHING WENT SMOOTHLY WE ALSO HAVE AN 4 5 EARLY EARTHOUAKE WARNING DETECTION SYSTEM AND THAT WENT OFF LAST MONTH WHEN THERE WAS AN EVENT IN THE BUILDING. I WANTED 6 TO NOTE THAT. ANOTHER CRITICAL MEASURE IS THE ADOPTION OF THE 7 8 BAY AREA HEADOUARTERS AUTHORITY NO WEAPON'S POLICY. THAT HAS BEEN IMPLEMENTED EBONY AND HER TEAM HAVE MET WITH MANAGEMENT 9 POSTINGS AND SIGNAGE ARE POSTED WHICH INHIBITS ANYONE FROM 10 BRINGING WEAPONS AS DEFINED UNDER STATE LOCAL AND FEDERAL LAW, 11 ON TO THE PREMISES THAT IS THERE NOW FOR ALL OF US. ON THE 12 PROJECT SIDE I WANT TO NOTE FIRST FLOOR RECONFIGURATION AND 13 AUDIO VISUAL PROJECT UPDATE IN THIS ROOM AND THE ADJOINING 14 15 OHLONE ROOM, TEMESCAL AND THE HYBRID PROJECT THE WORK IS 16 UNDERGOING AS WELL AS UPDATE TO THE PARKING EQUIPMENT THAT THE BEALE GARAGE. ALL THOSE THINGS ARE MOVING ALONG. FIRST TWO WE 17 HAVE A COUPLE OF DELAYS REGARDING PERMITS NEGOTIATE TO NOTE 18 THERE AS FAR AS TIME IT TAKES HOPING TO KICKOFF IN JANUARY OR 19 FEBRUARY 2024. PARKING UPDATE FOR EOUIPMENT WILL BE DONE BY 20 21 THE END OF THE YEAR. I'M GOING TO TURN IT OVER TO EBONY HORACE 22 PROPERTY MANAGER TO GIVE A COUPLE OF OTHER UPDATES. 23 EBONY HORACE: THANK YOU DENISE. EBONY HORACE, SENIOR PROPERTY 24

MANAGER FOR CUSHMAN AND WAKEFIELD. I WANT TO PROVIDE A FEW



UPDATES ON THE AMENITIES TO THE BUILDING. AS YOU CAN SEE IN 1 THE LOBBY, OFF TO THE SIDE, WE HAVE ADDED A CONCIERGE'S BOOTH 2 3 WITH COFFEE, TEA, AND FRUIT AND LIGHT GRANOLA FOR THE MORNING VISITORS WE HOPE YOU ENJOY THAT. IT'S BEEN GREAT VISITS COMING 4 5 IN AND OUT OF THE BUILDING BUT OUR MOST EXCITING AMENITY ADDED TO THE BUILDING IS OUR NEW GYM LOCATED ON THE SECOND FLOOR IN 6 THE COVE. WE ARE PREPARED TO DO A SOFT LAUNCH BY THE END OF 7 8 THIS MONTH SO ANYONE THAT SUPPORTING TO WORK OUT, WE WILL ACTIVATE YOUR BADGE AND YOU WOULD BE REQUIRED TO COMPLETE A 9 WAIVER. WE HAVE COMPLETED THAT PROCESS THROUGH OUR INSURANCE 10 AND LEGAL TEAM SO WE'RE READY TO GO. AND WE WILL BE OFFERING A 11 VARIETY OF CLASSES TO KICK THINGS OFF TO ALL OCCUPANTS WITHIN 12 THE BUILDING WE'RE EXCITED TO PARTNER WITH LUX FIT. CUSHMAN & 13 WAKEFIELD HAS SOME STAFFING CHANGES IT BRINGS ME SADDENED NEWS 14 TO ANNOUNCE THAT AMY TY FROM MY TEAM SENIOR ASSISTANT PROPERTY 15 16 MANAGER HAS BEEN PROMOTED TO PROPERTY MANAGER AND HAS ACCEPTED A POSITION OTHERWISE WITHIN CUSHMAN & WAKEFIELD. I WOULD LIKE 17 TO WISH HER WELL. IT BRINGS ME GREAT VALUE ADD TO NOTE I HAVE 18 ON-BOARDED MARIE, OUR NEW SENIOR PROPERTY ASSISTANT MANAGER. 19 AND I WOULD LIKE TO YOU WELCOME HER AS WELL. THANK YOU FOR 20 21 YOUR TIME. 22 DENISE RODRIGUES: I WOULD ECHO THOSE WORDS AND WELCOME ANNIE 23 TO OUR TEAM. THAT CONCLUDES MY REPORT I'M AVAILABLE FOR ANY 24

25

QUESTIONS YOU MIGHT HAVE.



1	
2	SPEAKER: ANY QUESTIONS? WHAT ARE THE HOURS OF THE GYM GOING TO
3	BE?
4	
5	EBONY HORACE: FROM 6:00 A.M. TO 7 P.M., MONDAY THROUGH FRIDAY.
6	
7	SPEAKER: GREAT. MY WORKOUT HOURS.
8	
9	DENISE RODRIGUES: WE WERE HOPING 6:00 A.M. WOULD BE EARLY
10	ENOUGH TO ACCOMMODATE PEOPLE.
11	
12	PHILIP FINE: ALL RIGHT. THIS WAS INFORMATIONAL. WE SHOULD SEE
13	IF THERE IS ANY PUBLIC COMMENT?
14	
15	CLERK OF THE BOARD: THANK YOU. I HAVE RECEIVED NOTHING IN
16	WRITING AND I SEE NO MEMBER OF THE PUBLIC WITH THEIR HAND
17	RAISED.
18	
19	PHILIP FINE: OKAY. THANK YOU. WE'LL MOVE ON TO ITEM 5, PUBLIC
20	COMMENT AND OTHER BUSINESS. ANY PUBLIC COMMENTS ASSOCIATED
21	WITH THIS ITEM?
22	
23	CLERK OF THE BOARD: I HAVE RECEIVED NOTHING IN WRITING AND I
24	SEE NO MEMBER OF THE PUBLIC WITH THEIR HAND RAISED.



- 1 PHILIP FINE: ANY OTHER BUSINESS FROM BOARD MEMBERS? SEEING
- 2 NONE. SO, WE CAN ADJOURN. THE NEXT MEETING OF THE BOARD OF
- 3 DIRECTORS OF 375 BEALE CONDOMINIUM CORPORATION WILL BE HELD ON
- 4 A DATE AND TIME TO BE DULY NOTICED IN THE FUTURE. THANK YOU,
- 5 EVERYONE. [ADJOURNED]





Broadcasting Government