

Minutes of SLCA Board of Directors Meeting

April 23, 2013

Contents

Contents.....	1
Opening.....	2
Minutes from Previous Meeting.....	2
Financial Report	2
Action Items	4
• <i>Ray put lien on 47-1 for unpaid sewer bill.</i>	4
• <i>Kevin formulate specific investment plan to be discussed and voted upon at next meeting.</i>	4
Old business	4
Lighting grant	4
Action Items	5
Website changes.....	5
Action Items	5
• <i>Board members provide feedback on the list of ideas that Alan emailed during the meeting.</i>	5
• <i>Alan call potential vendors to get price quotes.</i>	5
Rules update and fine assessment plan	5
Action Items	5
• <i>Mary Jo submit proposal to restrict allowable types of air conditioners.</i>	5
Unit 47-1 chimney issues	5
Action Items	6
• <i>Ray inform owner of above motion.</i>	6
Beach sand	6
Spring/summer projects	7
Spring clean up date	7
Action Items	7
• <i>Ray remind Degrasse to rake walkway stones out of grass.</i>	7
Trees/landscaping for units to be painted	7
Edging material for walkways	7
Action Items	7
• <i>Ray will do some Internet searching for flexible edging for curved walkways.</i>	7
Price from Jim Shibles re: gravel drip edge	7
Installing docks	7
New Business	8
Keene Medical and beach access	8
Annual meeting date	8
Summer improvements	8

Action Items.....	8
• Ray inform Fox Tree Service and Jim Shibles to proceed with the \$1675 in tree work, \$1800 in drip edge work, and scheduled building painting.....	8
Issues Reported to Moseley since previous Board meeting.....	8
Next meeting dates.....	8
Closing.....	9

Opening

Meeting called to order at 7:03.

Present:

- Mary Jo Mulligan-Kehoe (President)
- Kevin Albert (Treasurer)
- Scott Gilmore (Secretary)
- Rob Davidson
- Alan Nadel (via telephone)
- Ray Stanford (Property Manager, Moseley Associates)

Absent:

- None

No non-Board owners present.

Minutes from Previous Meeting

Approved a few days after the previous meeting via e-mail, and posted on website shortly thereafter.

Financial Report

Ray walked the Board through the monthly financial report. The main balances at the end of the prior month were as follows:

Item	Annual Budget	Current Period		Year-to-Date		
		Budget	Actual	Budget	Actual	Variance
Operating Surplus	1,239.00	1,990.75	4,047.29	1,022.25	9,645.74	8,623.49
Short Term Reserves	(839.00)	0.00	16,867.86	0.00	16,867.86	16,867.86
Long Term Reserves	(1,220.00)	1,148.33	6,368.79	3,444.99	6,368.79	2,923.80

Item	Amount
CD's Invested	103,121.29

Long Term Reserve	6,368.79
Total Capital Funds	109,490.08

Details can be found in Moseley's full monthly report. Following are highlights and discussion points.

The growing unpaid balance for Unit 35-1 represents amounts accrued after the recent bankruptcy filing. These amounts are collectible by SLCA.

Unit 47-1 is overdue on payment of the sewer repair bill from 2012. A lien should be placed on the property.

We have enough cash in the Long Term Reserve (LTR) fund to purchase another CD, or invest in some other manner. Rob noted that current CD rates are very low, and suggested that we shift some portion of our long-term reserves in higher-yield investments. He pointed out that university trust funds have the same needs to contain risk and preserve principal as we do, yet they invest fairly aggressively. For example, Harvard Business School manages Harvard University's endowment, and they diversify to manage risk. Board members generally agreed with Rob's suggestion. There was an extended discussion about what portion to invest more aggressively, and how to invest that portion. Regarding the portion to invest, the following suggestions were made:

- 50% or less in CDs; the remainder in more-aggressive, higher-yield investments
- \$100,000 in CDs; the remainder in more-aggressive investments
- \$60,000 in CDs
- Not more than 20% or 30% in items riskier than CDs (or other negligible-risk vehicles)

Regarding how to invest that portion:

- Several Board members have had good experiences with Fidelity Freedom Funds, which automatically adjust asset allocations based on target disbursement dates. (The nearer the target date, the lower-risk the investments in the fund. This, along with portfolio diversification, reduces risks compared to owning individual stocks, while delivering much higher returns than CDs.) Fidelity Investments offers Freedom Funds with target dates at 1-year intervals (2020, 2021, etc). Instead of investing the next \$6000 in a CD, invest it in Fidelity Freedom 2020. When we next reach the \$6000 cash mark, invest in Fidelity Freedom 2030, and so on.
- Rob cautioned that Fidelity's trade fees are somewhat high, so we should look at competitors like ScottTrade. This would still allow us to invest in Fidelity's funds, but with lower trade fees.
- Invest in index funds, which have low overhead costs. Choose index funds which complement each other to diversify and reduce risks. For example, some domestic and some international. Vanguard is well known for having good index funds with low overhead costs.

- Hire a professional investment manager to manage our LTR investments. Such an expert could advise us on how much to invest more-aggressively and how much to leave in CDs. Major brokerage firms, like Fidelity Investments, provide professional investment advice.
- If we decide to manage the investments ourselves, put some in bonds to hedge against inflation.

In summary: CD rates are very low, and inflation is likely to increase at some point in time. Therefore, CD rates will not keep pace with inflation. We need to be more aggressive with our savings to keep pace with future inflation.

Rob moved that we allocate some percentage of our savings to be invested in higher-yield instruments than CDs. Mary Jo seconded. All 5 voted in favor. The next step is to decide how much and what to invest in.

Action Items

- ***Ray put lien on 47-1 for unpaid sewer bill.***
- ***Kevin formulate specific investment plan to be discussed and voted upon at next meeting.***

Old business

Ray provided status updates on the following projects.

Lighting grant

Ray contacted Keene Medical about the road lighting. The owner had just returned from vacation. The owner needs to look at his deed to understand his obligations in this regard.

Ray talked with Defiance Electric about our need to upgrade the lighting in stages over several years, to spread out the costs. They discussed several options:

- Install the fixtures suggested in the last proposal. Those fixtures are designed for incandescent bulbs, but they can use the LED bulbs that we bought under the discount program from the electric company.
 - Start with the stairways, which have a total of 10 lights. The cost would be \$3600 for all 10.
- Install fixtures designed for LEDs. The 10 stairway lights would cost as much as \$4200, but possibly less because the price quote from Defiance Electric does not cleanly separate costs for stairway lights from costs for road/walkway lights, and the latter include costs for post replacement.
- For the road and walkway lights, we need to replace the posts. Wooden posts can be buried directly into the ground. Metal posts require concrete footings at a cost of \$150-200 per light, bringing the total cost to about \$600/light. In comparison, each wood post + light would cost \$360.
- LED fixtures would be surface-mounted on the posts. They cost \$60 more than the incandescent fixtures, but direct light downward rather than outward (reducing glare). The cost for an LED fixture on a wooden post (no concrete footing) would be \$420.

One option is to do only the stairway lights this year, then the road/walkway lights in subsequent years. Another option is to replace lights as we paint the nearby units, as previously discussed, but start with the units painted 2 years ago. A third option is to do the stairways first, then Landing Road, then Mastro Lane, then the side road down to Building 35.

We agreed to start with the steps, because they have the most safety concerns.

We agreed that the surface-mounted LED fixtures are preferred, because they minimize glare.

Action Items

- Ray investigate other, less-expensive fixture options.
- Ray get precise price quote from Defiance Electric for just stairs with LED lights.

Website changes

Alan did not receive any new suggestions from Board members.

Alan summarized his ideas, and emailed them to Board members during the meeting.

Kevin thinks that we can do all of those things on Facebook. Facebook would also be a good way to promote our community to outsiders.

Alan noted that the monthly website hosting fee would be small; about \$25/month. (We currently pay \$300/year.) They would do all of the design and setup for us.

Action Items

- ***Board members provide feedback on the list of ideas that Alan emailed during the meeting.***
- ***Alan call potential vendors to get price quotes.***

Rules update and fine assessment plan

Deferred to the next meeting.

Action Items

- ***Mary Jo submit proposal to restrict allowable types of air conditioners.***

Unit 47-1 chimney issues

The chimney was inspected by Top Hat in Fall 2011. The tenant would not let them in, so they did the inspection from the top of the chimney. They found no problems, and no need to clean it.

The fire occurred on 3/26/2012.

The owner never reported the fire to us. We had to investigate.

After the fire, the owner called Top Hat to get an estimate for repairs. The owner subsequently contacted SLCA's insurance company in September 2012 and provided 2 estimates, one from Top Hat (\$3646) and one from James Kenney (\$4728). The insurance company averaged the 2

estimates, subtracted the \$2500 deductible, and sent a check to SLCA for \$1687 (the remainder).

As per our previous meeting, Ray notified the owner that: (1) The chimney must be repaired, removed, or made inoperable by May 1st. (2) The owner must immediately notify any tenants that the fireplace cannot be used until further notice, and a copy of the notice shall be sent to the Board with a signed acknowledgement from the tenant.

The owner said that he would address the problem, but did not.

The owner should have the chimney repaired, removed, or disabled. After he sends a copy of the bill to us, we will reimburse him the \$1687 from the insurance claim. If he decides to remove or close-up (disable) the chimney, he should still get the insurance money.

Ray told the owner that he should have filed a claim against his own insurance company, not SLCA's. The \$2500 deductible should have been claimed to his own insurer (loss assessment).

Mary Jo said that the owner also has a claim for carpet damage. The repair estimate came from his own company, which seems like a conflict of interest. Ray has not received any communications about carpet damage, so it is not relevant. The owner also claimed that there were stains on his ceiling, but Moseley could not get access to the unit to investigate.

The chimney problem has dragged out many months. It is a serious safety problem. It must be addressed as soon as possible, and definitely before the unit is occupied. The owner has been notified about what to do, and has not complied. Therefore, we should give him a firm deadline and assess a fine if he does not meet it. We have a formula/schedule for such fines.

Rob motioned that we:

- Record an official complaint, as of the date of this meeting (4/23/2013), about the owner's failure to comply to prior instructions.
- Inform the owner that he must rectify his chimney problems, as previous directed, before the next Board meeting (5/22/2013).
- Assess a fine at the next Board meeting if the owner has not rectified the problems or attended that meeting to defend his inactions.

Kevin seconded. All 5 Board members voted in favor of the motion.

Action Items

- ***Ray inform owner of above motion.***

Beach sand

Ray spoke with Dale at the New Hampshire Division of Environmental Services (DES), who approved our previous permit. Dale said that the DES is not in favor of issuing additional permits because beaches should not be eroding if constructed properly. The DES has reduced the allowed amount of sand from 20 to 10 cubic yards, as previously noted. Dale is reviewing our original file. Dale may respond with advice on how to control erosion.

Our previous approval required some erosion prevention, but Ray is not aware of any such work being done. Given that the DES is unlikely to allow us to add more sand, we should do

what we can do to retain the sand that we have. Ray will continue to discuss this with Dale. We cannot recover the sand that has already eroded into the lake. The steep slope of the beach leads to a lot of erosion. One option is to change the slope of the beach, which would mean digging it out and putting a retaining wall above it. Or, dig a drainage ditch around it. We need to divert the water from running down the beach when it rains.

Spring/summer projects

Spring clean up date

Saturday, April 27.

Rain date: Sunday, April 28.

Degrasse will start soon on their own Spring cleanup work.

Action Items

- ***Ray remind Degrasse to rake walkway stones out of grass.***

Trees/landscaping for units to be painted

Trees have been tagged for pruning and removal. Ray has a list. The total cost is approximately \$5000. Our budget has only \$2000 for tree work, but we have leftover snow removal funds.

Edging material for walkways

Rubber and metal edging are problematic because they get pushed up by frost in the Winter.

Ray discussed this with Jim Shibles. Jim can get granite pieces inexpensively. They are scraps from the granite company in Canaan, in random sizes). They can be laid as stepping stones to form walkways. We agreed that this would look nice in our surroundings. Ray has had success at his home with pieces of shale as stepping stones, with grass growing up between them.

Mary Jo suggested that we use gravel between the stones, but then we would still have problems with gravel spreading into surrounding grass.

Action Items

- ***Ray will do some Internet searching for flexible edging for curved walkways.***

Price from Jim Shibles re: gravel drip edge

Jim quoted \$250-300/building for drip edges.

Jim will start painting in June. Six buildings will be done this year.

Installing docks

Ray called Lakes Region Docks after our last meeting. They did not respond, so he called again today. He asked them to install our docks in early May. They agreed to schedule it.

New Business

Keene Medical and beach access

An owner expressed concerns about their employees (55 of them) using our beach.

Ray spoke to the owner of Keene Medical about this. Their beach access is across the brook, not on SLCA property.

Annual meeting date

Saturday, August 17, 9:00 AM.

Summer improvements

We have \$16,867 in Short Term Reserves (STR), about \$6000 above our \$10,000 safety net. Therefore, we have \$6867 to spend, plus \$2000 budgeted for tree maintenance. STR has been accruing money earmarked for painting. We cannot spend all \$6867 right away.

We are over budget on electricity by about \$900.

We should postpone septic tank pumping until the Fall.

The total cost for improvements that we'd like to make is about \$12,000; about \$5000 more than we can afford at this time.

Our top priorities should be the trees around the buildings being painted (7, 11, 13), and hazard/safety issues. The cost for that would be \$1675 total.

Gravel drip edges around the buildings are very important because they preserve the paint and wood. The total cost would be \$1800.

Postpone the lighting improvements until the painting is done (probably August).

The stairs badly need painting.

We decided to do the following work now:

- \$1675 for tree work
- \$1800 for drip edges
- Paint buildings, as scheduled

Action Items

- ***Ray inform Fox Tree Service and Jim Shibles to proceed with the \$1675 in tree work, \$1800 in drip edge work, and scheduled building painting.***

Issues Reported to Moseley since previous Board meeting

Nothing significant to address.

Next meeting dates

Wednesday, May 22, 2013, at 7pm. [\[This is likely to be rescheduled to May 29.\]](#)

Monday, June 17, 2013, at 7pm.

Closing

Motion to adjourn by Kevin. Seconded by Alan. All agreed.

Meeting adjourned at 9:02.