

Minutes of SLCA Board of Directors Meeting

September 16, 2013

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Opening

Meeting called to order at 7:02.

Present:

- Mary Jo Mulligan-Kehoe (President)
- Scott Gilmore (Secretary)
- Alan Nadel
- Jeanne Childs
- Sandy Orr
- Ray Stanford (Property Manager, Moseley Associates)

Absent:

- None

Non-Board owners present:

- John Schumacher

Comments from Owners

Jeanne Childs and John Schumacher

Jeanne Childs and John Schumacher responded to the notice of violation for their deck awning. They said that they had no intention of causing a problem, and were now seeking the board's approval for their sun shade.

They provided written copies of a document which describes their "awning," which they noted is actually a "sun sail" and has minimal attachment to the building structure. The sun sail is hung from two hooks attached to the exterior of the building, with the opposite corners tied to the existing posts on their deck. The hooks are screwed through the siding and into the underlying structure. The screws could be mounted on posts, but would not be as secure. They

noted that both of the hooks replaced existing hooks from planters which were present before they owned the unit. They noted that several other units have planters, thermometers, and other items attached to their exteriors.

They provided extensive details about the fabric, safety, cooling benefits, health benefits, and other aspects of the sun sail, and noted that the color (a light blue) blends well with the building color. They explained that they have medical needs for a device to provide adequate shade. John commented that this is an attractive, low-cost solution to a shade problem, and the Board should not withhold consent for reasonable requests.

The Board’s decision is discussed below.

Minutes from Previous Meetings

Minutes from the July 23 Board Meeting had only been approved by Mary Jo so far (after 3 corrections). One more approval was needed before they could be posted on the website. Alan approved the minutes as written.

Minutes from the August 17 Annual Meeting were sent to the previous Board on August 25. No approvals had been received. Mary Jo noted that these cannot be officially approved until the next annual meeting, but we agreed that they can be posted on the website marked as “pending approval” as long as we have at least 3 Board member approvals.

Minutes from the August 17 Board Meeting were originally sent to new Board members on August 25. Corrections for the Long Term Reserve numbers (from Moseley) were sent on August 26. No approvals had been received.

Action Items

- *Scott post approved July minutes on SLCA website.*
- *Scott resend Annual Meeting minutes to Mary Jo and Alan, seeking approvals to post on website.*
- *Scott post Annual Meeting minutes on website, marked “Pending Approval at Next Annual Meeting”.*
- *Scott resend August Board meeting minutes to Board members, seeking approvals to post on website.*

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 | (1,642.58) | (4,253.04) | 4,159.32 | 14,613.67 | 10,454.35 |
| Short Term Reserves | (839.00) | 0.00 | 21,836.02 | (839.00) | 21,836.02 | 22,675.02 |
| Long Term Reserves | (1,220.00) | 1,148.33 | 12,068.69 | 3,186.68 | 12,068.69 | 8,882.01 |

| Item | Amount |
|----------------------------|-------------------|
| CD's Invested | 104,338.42 |
| Long Term Reserves | 12,068.69 |
| Total Capital Funds | 116,407.11 |

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

Our snow plowing contract is a fixed-fee contract. We pay the vendor a fixed amount per month through the winter.

"Other snow removal" covers as-needed work for excess snow, cranes, bulldozers, etc., which have occasionally been needed. Roof raking is also budgeted separately.

Approximately \$8000 in STR must remain set aside for the insurance claim for unit 47-1. We will reimburse the owner for his chimney repair as soon as he presents a bill for that work.

Jeanne asked for a copy of our insurance policy. Mary Jo noted that all owners have the right to contact our broker (Goss-Logan) to obtain a copy. Jeanne will follow up with Goss-Logan.

CitiMortgage (current owner of 35-1, following recent foreclosure) is beyond 90 days late in paying condo fees. We have a lien on the property for this amount.

Unit 47-1 still has not paid for the emergency work to unclog its sewage line. Interest is accumulating.

The CD at LSB (Lake Sunapee Bank) is on automatic rollover. We don't know the issue date, rate, term, or maturity date.

Action Items

- **Ray email Moseley and DeGrasse contracts to Scott.**
- **Scott post Moseley and DeGrasse contracts on SLCA website.**
- **Jeanne contact Goss-Logan for copy of our insurance policy, in an electronic format.**
- **Jeanne forward copy of our insurance policy to Scott.**
- **Scott post our insurance policy on website.**

Old business

Report from Fox Tree Service

Regarding trees at risk of falling on lower units, and potential retainer to prevent that:

Ray spoke with Fox Tree Service about all of the trees on the list of those to be monitored. John said that none of the trees are at imminent risk of falling; we just need to keep our eyes on them. He does not think that the one of most concern could fall this winter. Fox will check them again, just to be sure.

Action Items

- **Ray ensure that Fox Tree Service rechecks trees on banks near lower units.**
- **Ray ask Fox Tree Service how much it would cost to remove tree of most concern.**

Hill erosion

Follow-up discussion of planting pachysandra; a community effort vs. paying DeGrasse to do it:

Jeanne reported on her action item to obtain prices for plants. Home Depot doesn't have any. Longacres has plenty at a cost of \$16.95 for 50 plants, less 10% with their current sale. One bag of compost soil would cost \$6.40.

Jeanne looked at the banks near the lower units and didn't see anywhere needing ground cover. It seems that weeds have moved in.

Mary Jo clarified that the area with the most erosion is the bank behind buildings 35 and 37 (from the winding stairway north). We could start with the area from the winding steps to just past the cluster of 4 trees, where the erosion is worst.

Jeanne asked when the annual fall cleanup day will be. Mary Jo hasn't heard from Gary Best, who leads the committee planning it.

We discussed whether it would be better to do this now, or wait for spring. Mary Jo thinks that we have a few more weeks of possible growth this fall. Jeanne will check.

Action Items

- **Jeanne ask Longacres about best time to plant, and what kind of pattern to use on a 45-degree slope.**

Building permit and approval from Fire Chief re: unit 47-1 flue repair

Ray spoke with the person who enforces the fire code (not the fire chief, who is a volunteer). The owner, or the owner's contractor, must apply for a permit. No one has applied for such a permit for unit 47-1. The owner has chosen a contractor, but we don't know the status of the contract (whether it has been signed).

Action Items

- **Ray send notice to owner informing him that permit is required, and cite relevant fire codes. (Send to Board for approval before sending to owner.)**

Walkways

Mary Jo reported on available stepping stones and prices.

Longacres has many choices. For example:

- Concrete aggregate blocks of roughly uniform size (18"x18" or 12"x12") and 2" thick for \$4/each by the pallet.
- Irregularly-shaped stones at \$450/pallet, approximately 14x9 pieces per pallet, 1.5" thick.
- A blue stone for \$550/pallet, variable size, 1.5" thick.

- Another blue stone for \$450/pallet, 14 rows by 6 pieces, irregular shapes.
- A brown stone.

Mary Jo has a detailed list of these and several other choices.

Mary Jo measured the walkways of the upper units across from the mailboxes. The longest is 29' long. Assuming 6-8" between stones, that walkway would require about 19 stones, or about \$76 worth of stones. Labor would cost extra. The six tons of gravel purchased recently for drip edges cost us \$194. Weed block fabric for underneath the walkways would be very inexpensive. A very rough cost estimate to do the walkways for those units is \$5000.

Concrete aggregate is probably safest in terms of not being slippery in winter.

Mary Jo asked Ray about poured concrete or asphalt. Ray said that concrete or asphalt would cost a lot more and have heaving/cracking problems in winter. What we are considering will rise and fall with frost, and may last longer.

Action Items

- ***Ray ask Jim Shibles for labor cost estimate for walkways, and send to Mary Jo.***
- ***Mary Jo create spreadsheet calculating costs for various stone options, and send to Board members.***
- ***Ray get price quotes for asphalt and concrete walkways.***

Mulch bin other than that described by DeGrasse; cost

The mulch bin construction suggested by DeGrasse seems like overkill and too expensive. We discussed simpler, less expensive alternatives. For example, we could put up a simple, round, green fence behind the dumpsters. This would require removing the small tree behind the dumpsters. The mulch bin would go slightly up the hill currently covered with sumacs.

Action Items

- ***Ray look into fence costs for mulch bin.***

Boat dock availability and potential buyer

Casey Cantlin inquired about a boat slip for a potential buyer of 35-1.

All boat slips are currently assigned. Ray informed Casey of this.

Kevin Albert (former SLCA Board Treasurer) had been maintaining the list of boat slip assignments, but people pay Moseley for the deposits and annual fees. Scott offered to take over responsibility for maintaining the list of boat slip assignments.

Action Items

- ***Ray send current boat slip assignments to Scott.***
- ***Scott post boat slip assignments on website and maintain list going forward.***

Repairs

Painting progress

Jim is working on building 13. Building 11 is done.

Drip edge progress

Jim used some of the stone to fill the erosion holes from the recent rain. Drip edges remain to be done. Scott noted that some buildings, including 11, already have drip edges.

Sandy noted that the road going down to buildings 33 and 35 has erosion that needs to be repaired.

Action Items

- ***Ray contact Nelson Bugbee to have erosion on road to 33 and 35 fixed.***

New roof leaks

Interior leaks in 15-2 were reported recently via email. The problem is likely flashing around the chimney. Jim Shibles estimated \$700 to repair it.

Interior leaks in 7-1 were recently repaired by Jim.

Unit 27-2 has ceiling water damage and is still waiting for repairs. Unit 35-3 is also still waiting for interior repair work. These owners have been waiting for long times, and we're falling behind. We need to bring in someone else to do that work, because Jim has too much on his plate. Moseley can get someone to paint. Sandy recommended John Rodderick (phone: 802-356-9350), who recently did work at homes on Evenchance at a reasonable cost with positive feedback.

Action Items

- ***Ray arrange for someone to paint units with water damage that have been waiting long times.***

25-1 rotting window sills

Ray needs to investigate.

Action Items

- ***Ray investigate report of rotting window sills in 25-1.***

Storm drains

Ray reported that these were recently cleaned by DeGrasse.

New investment plan

We discussed the legality, pros, and cons of investing some portion of Long Term Reserve (LTR) funds in instruments with higher yields than CDs. Jeanne had investigated and provided several documents in advance of the meeting.

Jeanne reported that there is nothing in the NH Condominium Act, or our By-Laws, about how to invest LTR funds.

Mary Jo called our Fidelity Investments representative in Nashua to ask whether they do this for other associations. They do associations, but the person she spoke with hasn't worked with any condo associations. Mary Jo offered to call the national Fidelity Investments office to learn more, including whether they work within any condo associations in NH.

Jeanne called the company that manages the investments for the condo association in Hanover where she and her husband own a unit. She was told that the Board cannot risk association funds; that the Board's fiduciary responsibility requires not risking principal. If we lose principal and are sued, a judge would determine whether our investments were prudent and appropriate, and there is no guarantee that we would not be found liable.

Alan suggested that, rather than invest in mutual funds, we purchase condos for sale in our community and rent them. He estimated that this could produce good returns on our investments, assuming that we would have to put 25% down. Alan suggested that this may not be considered a risky investment by any standard that Jeanne is concerned about.

Ray said that state laws don't address this issue, nor do any condo bylaws cover it. Every condo association that he knows about relies upon its Board, comprised of owners, to make prudent investment decisions. Many of those Boards are investing in mutual funds in ways similar to what we have been considering.

After much discussion, we decided that we need legal advice, and that an attorney will need a specific plan to base such advice on. We will ask our investment committee to write-up a specific investment plan, then we will have it reviewed by an attorney. Eric Jansen is a local attorney used a lot by Moseley for these types of things; he charges about \$200/hour.

Action Items

- ***Mary Jo contact Rob Davidson and ask that investment committee draw up specific investment plan for legal review.***

New Business

Trimming tree branches

Prior to the meeting, Scott noted that several trees are hanging down into parking areas and near roofs. Ray said that DeGrasse will trim the trees.

Action Items

- ***Ray follow up with DeGrasse on trimming of trees in parking areas and near buildings.***

Walkway erosion on lower units

Jim Shibles fixed all but the erosion on the road down to units 33 and 35 (mentioned above). The road repairs require re-grading, and will be done by Bugbee.

New repairs reported to Moseley

DeGrasse is paying \$1000-\$1200/year to Chippers for walkway spraying, to contain weeds. We could deduct that from our DeGrasse contract and pay someone else to do it. Ray recommended Lawnmaster of Vermont. DeGrasse is willing to amend the contract now, even though the contract is good for 2 more years.

Action Items

- ***Ray work with DeGrasse to amend contract to remove walkway spraying.***

13-2 Mastro Lane and wood pile

Mary Jo noticed that their wood pile is too close to the building and extends a long way. It may be touching the deck above. This is a violation because the wood pile needs to be at least 1' from the building, to prevent termite damage.

Action Items

- ***Alan draft template for violation notices and send to Board for review.***
- ***Board review and approve Alan's violation notice template.***
- ***Ray use Alan's template to send notice of wood pile violation to 13-2 owner.***

Dumpsters

The recent addition of 2 new dumpsters, along with the Town of Enfield's recent implementation of zero-sort recycling, has resulted in confusion among residents. We do not have zero-sort recycling. The old dumpsters are being replaced because rust has created holes in them. Casella will remove the old dumpsters soon. The new dumpsters are for garbage. Recycling is available at the Town of Enfield transfer station on Lockhaven Road.

Ray noted that our solid waste bill is extraordinarily low. Inquiring about zero-sort recycling could cause Casella to revisit our rates and raise them to current standards, which would cost us much more. We decided to leave the situation as-is to prevent increases in our garbage hauling fees.

Action Items

- ***Ray send email to all residents explaining that new dumpsters are for garbage, old ones will be removed, and recyclables can be taken to Enfield Transfer Station.***

Treasurer

We did not elect a Treasurer at the previous Board meeting. Mary Jo asked Sandy, but he declined because he felt that he lacks proper experience.

Sandy noted that the Treasurer does not have to be a Board member. Jeanne cited page 38, Article IV-1 of the SLCA Bylaws, which state that, "With the exception of the President, no officer need be a member of the Board." The Treasurer need not even be an owner, e.g., an outside accountant could be hired to do it and provide reports for monthly Board meetings.

Action Items

- **Mary Jo appoint or find a Treasurer.**

Next meeting date

Thursday, October 10, at 7 PM, in unit 7-2.

Board discussion of Childs and Schumacher awning rebuttal

Sandy noted that our bylaws were written in 1985, when things like the sun sail were not available. He feels that their sun sail blends in with the color of the building, and he doesn't have a problem with it. Sandy talked with several neighbors, and none expressed concerns.

Alan also doesn't have a problem with it. He noted that it is clearly not an awning, so the real question is whether or not to allow residents to screw hooks into the outsides of buildings. If we disallow hooks, then everyone needs to remove them, which seems like going overboard.

Mary Jo feels that we need to enforce the rules. Her concern is that, every time someone puts something through the siding, they risk damage to the building. Plants on hooks, outdoor thermometers, and other exterior items attached by residents should come down. Buildings should all look the same from the outside. Where do we draw the line? People who see their sun sail might consider it a precedent to do something more elaborate. It is a slippery slope.

Scott noted that we already allow many exterior variations among units, such as landscaping, and that any damage resulting from the hooks is the responsibility of the owners.

Alan pointed out that Board approval is required for all exterior modifications, giving the Board the opportunity to prevent inappropriate alterations in the future.

Sandy moved that we approve the sun sail, with the caveat that any damage—external or internal—caused by the sail is owners' responsibility. Alan seconded the motion. Jeanne abstained due to conflict of interest. All others voted to approve the sun sail.

Action Items

- **Alan draft letter reminding owners that they are responsible (financially liable) for any damages to buildings caused by them from exterior modifications and/or air conditioners, and that Board approval is required for any exterior modifications.**

Stop Sign

Sandy asked about payment for the stop sign to be added at the entrance to Landing Road. Ray explained that Keene Medical pays 20% of everything related to road maintenance, including this.

Closing

Motion to adjourn by Sandy. Seconded by Jeanne. All agreed.

Meeting adjourned at 9:55 PM.