

Minutes of SLCA Board of Directors Meeting

November 6, 2013

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Opening

Meeting called to order at 7:01 PM.

Present:

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

Absent:

- Jeanne Childs
- Sandy Orr

Non-Board owners present:

- None

Minutes from Previous Meetings

Mary Jo and Jeanne approved the October minutes prior to the meeting, via email. Scott did not post them on the website because he thought that 3 Board members—not including himself—needed to approve them before posting. Mary Jo clarified that Scott’s authoring of the minutes counts as one of the three approvals needed for posting.

We decided that hardcopies of prior meeting minutes are no longer needed for Board meetings, because we review and approve them via email prior to the subsequent meetings.

Action Items

- **Scott post October minutes on SLCA website.**
- **Ray discontinue printing prior meeting minutes for future Board meetings.**

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	(3,428.21)	(2,742.50)	12,821.80	15,564.30
Short Term Reserves	(839.00)	0.00	20,044.24	(839.00)	20,044.24	20,883.24
Long Term Reserves	(1,220.00)	1,148.33	14,582.07	(516.66)	14,582.07	15,098.73

Item	Amount
CD’s Invested	104,338.42
Long Term Reserves (cash ready for investment)	14,582.07
Total Capital Funds	118,920.49

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

We’re running nicely ahead of plan. Insurance claim funds of \$8156 for unit 47-1 are still in the account, waiting to be paid when we receive an itemized bill for repair work from the owner or contractor. The contractor requested initial funding, but did not provide appropriate documentation.

The \$278.22 balance due from Varin has been investigated by Ray. It was the amount remaining due by Varin before the bank became responsible for the property. The bank is not liable for this amount. We will never be able to get this from Varin. Therefore, we have to write this off as a loss.

Our Long Term Reserve cash balance continues to grow, with no significant interest. We put our prior procedure of purchasing \$6000 CDs on hold while we have been considering other investment options. According to attorney Eric Janson, we have a fiduciary responsibility to protect our reserves against inflation; therefore, we need to resume our prior CD investment procedure until a different investment strategy is proposed and approved by owners. We are still in the process of investigating the legality of other investment strategies, and such a decision would not occur until the next annual meeting in August 2014.

Scott motioned that we invest \$12,000 of our Long Term Reserve cash in a CD with a term between 6 and 9 months. Alan seconded the motion. The motion passed with a unanimous vote.

Action Items

- ***Mary Jo invest \$12,000 of Long Term Reserve cash in 6-9 month CD.***

Old business

Update on new website

Previous Action Items

- Alan investigate copyright issues.
 - At the August annual meeting, John Viertel commented that many website services claim copyright ownership of posted content for themselves. For example, will site operators be able to reuse our pictures for other sites?

Alan reported that anything that we put onto a new, iPage-based website would remain our property.

Moseley received a \$500 bill from Fox Den Software to renew the existing website for one more year. We need to either renew it or switch to something new.

The template that we select for iPage should be appropriate for the types of content that we post. Several months ago, Alan requested input on the types of content that we would like to post, but he received no input. Alan has been reluctant to proceed with iPage because we will pay Ashley, his student, \$20/hour to set up the website, and we will have to pay her again if we later decide that we need a different template.

We decided that moving to the new website soon is more important than determining all of our content type needs up-front. We can start with the content that we have now, and then add to it later. Any costs to later change the website template will be small.

Alan's understanding is that we should be able to transfer the content from the old site to the new one. We may need to pay Fox Den Software for help.

Alan will arrange for a meeting with iPage before our next Board meeting. Bill should be sent to Moseley.

Action Items

- **Ray send Moseley's billing address to Alan.**
- **Alan set up meeting with iPage to get started, and provide Moseley's billing address to them.**
- **Alan choose a template based on our current website's content and his best guess of what we'll eventually want to include.**
- **Ray inform Fox Den Software that we will not renew the contract, but we may request assistance in migrating to iPage and will pay a reasonable hourly rate.**

Report from Fox Tree Service

Previous Action Items

- Ray get price to completely remove "two stem red oak," rather than brace it.
- Ray find out where "Split Pin Oak" is located.
- Ray ask for discount from Fox if we do all 3 top items at once.
- Ray send above information to Board by email within the next week.
- Board members vote to approve work, by email.

Ray obtained the above information, but the Board had not voted prior to the meeting.

The cost to do all high-priority items at once would be \$9000 (a discount of \$700 from doing them separately). The highest-priority item would cost \$3400.

We have funds remaining in our tree maintenance budget, but not enough to do all of the work. We have some unused funds in other accounts that we can apply to this, including beach and walkway maintenance. Although there are significant funds remaining in our snow removal and roof raking accounts, we may need them before the year ends. All together, we can spend only about \$4000 on this.

We agreed to do the highest-priority item (remove 4-stem red oak) now. We will address the other items when we have adequate funds.

Action Items

- **Ray instruct Fox Tree Service to remove 4-stem red oak at cost of \$3400.**

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

Mary Jo and Ray have been in communications with Jim Kelleher, the contractor.

An appropriate permit has been obtained. The chimney has been removed.

As noted above, we have not reimbursed the contractor yet because we have not been given itemized receipts for the work. The contractor informed us today that he will complete the work and then submit an itemized bill to us.

Walkways

Ray provided a cost estimate from Blaktop, Inc., prior to the meeting, via email. The total cost for properly-constructed asphalt walkways would be \$97,000. We don't have funds for this. Such a large amount would require a special assessment (of about \$3000/unit) or a loan. We decided to bring this up for discussion at the next annual owner meeting in August 2014. In the meantime, we will need to continue spending money to maintain our current gravel walkways.

Ray is still working to get a cost estimate for concrete walkways.

We must balance this with lighting improvements which were begun last year and have work still to be done.

Further discussion is on-hold until the winter months, due to more-urgent matters.

Boat docks

Previous Action Items

- Mary Jo ask Penny Edwards (former Board Secretary) for information about when dock deposit fees changed.
- Scott post updated boat slip diagram and spreadsheet (without deposit info) on website.

The diagram and spreadsheet were posted on the SLCA website.

Mary Jo discussed past dock deposit changes with Penny Edwards, previous SLCA Board Secretary. Penny knows when the deposit amounts changed, and to what amounts. To complete our restoration of the missing dock deposit records (about half of which are currently unknown), we need only the dates when residents first acquired dock slips.

It was noted that our dock deposit funds should probably be held in an escrow account. They are currently mixed with our other finances.

Action Items

- ***Mary Jo send dock deposit information from Penny to Scott.***
- ***Mary Jo ask Lou Russo how much he paid for his dock deposit (subsequently transferred to Hornig).***
- ***Scott ask Kesslers when they obtained their dock slip.***
- ***Scott ask Rob Davidson what he paid for his dock deposit.***
- ***Scott update spreadsheet with missing dock deposit information.***

Repairs

New roof leaks: Unit 45-1

Jim Shibles has done some exploration. He believes that the problem is the seal for the new skylight. The skylight installation instructions say not to caulk the seal, but Jim believes that water is getting underneath.

33-3 repairs

Jim investigated and sent information. Leaves and silt had been collecting where roof sections come together (where main building meets addition). Jim found a lot of wood rot. Jim will repair the rot and install a cricket.

35-3

Interior painting is underway by John Roderick.

15-2

Interior painting is underway by John Roderick.

7-1

No inside work is needed, except maybe a small amount of touch-up that Jim can do.

Gutter cleaning and preventive repair on roofs

All lower unit gutters were cleaned yesterday. Jim is now working on the upper units.

Jim hasn't had time to do the gravel drip edges. If he can't get it done before this winter, it should be done next spring, before it is warm enough to paint.

Squirrels

State Wildlife Services is taking care of this.

Follow up on septic smell

Ray talked at length with Sterns Septic Service.

Regarding the wet spot at the beach: Sterns said that there are no sewer pipes in that area. The sewer pipes go directly from the buildings to the manholes.

Sterns does not know the cause of the septic smell, but commented that our system was not built the way that it was designed. They know that some of the system is deteriorating because some parts are over 40 years old. They noted that the best time to do repairs is right after they pump.

Ray is arranging a walk-around with Sterns. They have some ideas for investigating the smell. Sandy granted permission for interior access to his unit for testing.

Mulch bin

Previous Action Items

- Ray ask Jim whether he can get this done within the next few weeks. If not, Ray should find someone else to build the mulch bin according to Jim's design.

As noted previously, Jim Shibles quoted \$800 for an 8' x 8' bin with 4 sides and a swinging door, but we decided upon a 3-sided bin with no door (to save money). We are waiting for a new price quote from Jim for the 3-sided design.

Ray's report on reason for Moseley not following up with items reported by owners on quarterly form

Ray only found 2 discrepancies. Jeanne's report came directly to Ray via email, and Ray had noted it in a separate place (other than the spreadsheet). The other discrepancy was due to an innocent error. Both have been corrected.

While reviewing this and investigating Jeanne's report, Ray found that Jeanne's unit has wood rot near the ground. We need to replace some boards, and add ice and water shield.

Action Items

- ***Ray arrange for wood rot repairs for Jeanne's unit.***

Bugbee completed work

Bugbee spent about 2.5 hours longer than planned to repair the erosion on the road down to the lower units. They also graded the parking area near the top of that road; there are no longer any low spots where puddles were forming. Water now drains into a swale in the middle of the parking area.

Bugbee expressed concerns about ice sheets forming on the parking area, especially if we get rain after months of snow. Spreading the water reduces erosion but increases the chances of ice sheeting. Forcing the water down storm drains would be better. We may eventually need to install more storm drains, and connect them to those that already exist near the lower units. We cannot add completely new storm drain lines because they require permits and we are too close to the lake.

The Byrnes' have a problem with water running down toward their unit and pooling in front of their front door. They suggested planting some pine trees in the area where the hill is eroding, which Ray thinks would help.

Rule Violations

Mary Jo explained that three notices need to be sent.

1. Unit 35-2 has a power vent for a stove or furnace. The vent is very hot and is leaving a swath of soot on the exterior siding above the vent. This may be due to a poorly tuned oil furnace. There are serious concerns about a fire hazard, and permanent damage to the siding. The owner needs to have it inspected and tuned, and damage to the siding needs to be repaired. Because of the safety concerns, the furnace/stove can't be used until it has been inspected, repaired, and declared safe by a certified HVAC technician.
2. Unit 29-2 has a canoe under its deck. Canoes and kayaks must be stored on the racks near the lake, or inside units.
3. Unit 13-2 has a wood pile right up against the building. Wood piles needs to be farther away from the structure, to prevent termite infestation.

Action Items

- ***Mary Jo send rule violation notices.***

Car rule changes

Further discussion is on-hold until the winter months, due to more-urgent matters.

New investment plan

Previous Action Items

- Ray have proposed investment plan reviewed by attorney Eric Janson.

Ray distributed a book titled *Reserve Funds: How & Why Community Associations Invest Assets* to all Board members. This book should provide helpful information in guiding our investment decisions and answering our questions about the legality of investing association funds in equity- and bond-based mutual funds.

Ray provided additional information from attorney Eric Janson prior to the meeting, via email. Eric is an expert in these types of matters. Eric gave some preliminary advice, but needs to study it further at a cost of approximately \$500 if done in 2013; \$550 if done in 2014.

The Board previously voted to authorize spending up to \$400 for an attorney to advise us on our proposed investment strategy. Mary Jo moved that we increase the amount to \$500. Alan seconded. All voted in favor.

Action Items

- ***Board members read Reserve Funds: How & Why Community Associations Invest Assets.***
- ***Ray hire Eric Janson to provide legal advice regarding SLCA Investment Committee's proposed investment plan, at a cost not to exceed \$500.***

Treasurer

Previous Action Items

- Mary Jo ask Gary Best to be Treasurer.

Gary declined because he feels that the Treasurer should be a Board member.

Mary Jo will act as the interim Treasurer. Moseley does the accounting, and we have an Investment Committee. Presently, the remaining work is to purchase a \$6000 CD whenever our Long Term Reserve cash balance exceeds that amount.

Reserve study

Ray indicated that we will probably need to have a Reserve study done as part of our investigation into other investment options.

Further discussion is on-hold until the winter months, due to more-urgent matters.

Contract amendments

Previous Action Items

- Jeanne provide sample language to Ray for Moseley contract amendment.

- Ray create 60-day contract and amend 3-year contract to 2-year term, using amendment language provided by Jeanne.

Ray brought the amended contracts to the meeting. Mary Jo signed them.

New Business

2014 budget

Based on this year's expenses, we need to budget \$8500 for Repairs/Maint.

We can budget \$1000 less for Degrasse (Mowing Contract) because they agreed to drop walkway maintenance (spraying for weeds). We will directly hire a different contractor for walkways.

We decided to move \$250 from Other Snow Removal and Roof Raking each, both this year and next year. The resulting \$1000 savings will be moved to Repairs/Maint. Ray will make minor adjustments in a few other line items, eliminating small increases over projected expenses for this year.

We will keep roof raking and extra plowing at \$3750.

Ray may have found an error in the year end projection of insurance claim income. If confirmed, that \$1200 correction will be moved to Repairs/Maint.

Next year's budget needs to be mailed to owners by December 15th.

Action Items

- ***Ray check projected cost of walkway maintenance next year, now that we won't be having Degrasse doing it.***
- ***Ray make adjustments that we discussed and send to Board as soon as possible.***

Next meeting date

Wednesday, December 11, at 7 PM, in unit 7-2.

Closing

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

Meeting adjourned at 9:06 PM.