

Minutes of SLCA Board of Directors Meeting

April 17, 2014

Contents

Contents.....	1
Opening.....	2
Minutes from Previous Meeting.....	2
Financial Report	3
Action Items.....	5
• <i>Mary Jo, Sandy, and Jeanne change names on Lake Sunapee Bank account.</i>	<i>5</i>
• <i>Mary Jo, Sandy, and Jeanne rent safety deposit box at Lake Sunapee Bank on Heater Road in Lebanon.</i>	<i>5</i>
• <i>Mary Jo obtain CD documents from previous SLCA Treasurer (Kevin Albert) and place into safety deposit box.</i>	<i>5</i>
Old business	5
New website	5
Action Items.....	5
• <i>Alan ask Ashley to add Board section to website.</i>	<i>5</i>
• <i>Scott send Board-only content to Ashley for posting.....</i>	<i>5</i>
• <i>Sandy send website content to Ashley for posting.</i>	<i>5</i>
• <i>Alan draft message about new website for all owners and residents, and send to Board members for review.</i>	<i>5</i>
• <i>Ray send message about new website to all owners and residents.</i>	<i>5</i>
Status of repairs	6
Unit 47-1 flue repair	6
Unit 7-2.....	6
Rule Violations	6
Unit 35-2: soot	6
Units 35-3 and 37-3: chimney extensions	6
Repair of gas tank enclosures	6
Unit 29-1: Penzoil can on front deck.....	7
New investment plan.....	7
Reserve study.....	7
Action Items.....	8
• <i>Ray contact Noblin to initiate or schedule the reserve study.</i>	<i>8</i>
Septic holding tank locations	8
Action Items.....	8
• <i>Ray schedule meeting and walk-through.</i>	<i>8</i>
Spring/summer projects	8
Septic system	8
Replacement of lower steps.....	8

Compost bin	8
Lighting	9
New Business	9
Lights: damage due to plowing.....	9
Action Items	9
• Ray obtain price quote from Defiance Electric to repair split light post and fixture between buildings 7 and 11.	9
DeGrasse clean up of lawns	9
Potential dock transfer by-law violation.....	10
Action Items	10
• Scott revise SLCA Rules and Regulations to clarify that dock slips are not “owned” by unit owners to which they have been leased. Send to Board for approval, then post on SLCA website.	10
New repairs reported to Moseley	10
Next meeting date	10
Closing.....	11
Appendix A: Observations by J. Childs Regarding March 12, 2014 “Meeting”	12
Appendix B: Reserve Study Vendor Comparison by J. Childs	13
Appendix C: Observations by J. Childs Regarding SLCA “Sale of Dock” Issue recently brought to Jeanne’s attention.....	15

Opening

Meeting called to order at 7:07 PM.

Present:

- Scott Gilmore (Secretary)
- Alan Nadel
- Sandy Orr
- Jeanne Childs

Absent:

- Mary Jo Mulligan-Kehoe (President and Acting Treasurer); absent due to illness
- Ray Stanford (Property Manager, Moseley Associates); absent due to schedule conflict

Non-Board owners present:

- None

Scott informed the other Board members that he will be selling his unit and moving to North Shaker Village.

Minutes from Previous Meeting

Previous Action Items

- Board members review and approve February minutes by email.
 - Done.
- Alan or Scott post approved February minutes on SLCA website.
 - Done.

The March meeting notes were also posted on the SLCA website.

Jeanne raised a point of order about the March meeting. She passed around a handout (emailed to Alan; see Appendix A) indicating that our by-laws (page 36, #9) require that all Board meetings require a quorum of Board members. Jeanne noted further that, according to Roberts Rules of Order, the meeting should have been adjourned when it was evident that a quorum was not present, and any decisions made at that meeting are null and void.

The Board members present subsequently reviewed the meeting notes from March, and concluded that no official decisions had been made. Jeanne moved that we ratify the notes from March as presented. Sandy seconded. All voted in favor.

Financial Report

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

Operating and Reserve Funds:

Item	Annual Budget	Current Period		Year-to-Date		
		Budget	Actual	Budget	Actual	Variance
Operating Surplus	1,865.17	1,829.24	(382.55)	4,420.81	5,292.29	871.48
Short Term Reserves	(9,999.00)	0.08	24,528.36	0.28	24,528.36	24,528.08
Long Term Reserves	(798.52)	1,183.46	8,449.59	3,550.34	8,449.59	4,899.25

Capital Funds:

Item	Amount
CD's Invested	118,218.00
Long Term Reserves (cash ready for investment)	8,449.59
Total Capital Funds	126,667.59

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

Sandy moved that we approve the financial report as provided by Moseley. Scott seconded. All voted in favor.

The Short Term Reserve surplus balance continues to include approximately \$8000 for the pending insurance claim for unit 47-1.

We seem to be accumulating cash in our Short Term Reserve and Long Term Reserve accounts faster than planned. We should discuss what to do about this at a future meeting.

Previous Action Items

- Mary Jo investigate best way to invest maturing CDs.
 - Done. See below.
- Mary Jo obtain letters from Penny Edwards and Kevin Albert to remove them from accounts at Service Credit Union.
 - Done.
- Mary Jo and Scott sign account ownership documents at Service Credit Union.
 - Done.
- Mary Jo determine whether second Board member is needed to rent safe deposit box at Lake Sunapee Bank.
 - Done. Not necessary, but recommended.
- Mary Jo rent safe deposit box at Lake Sunapee Bank, with Scott if needed.
 - See below.

Prior to the meeting, Mary Jo reported via email the following information from her investigations into CDs and safety deposit boxes:

- Safety deposit box at Lake Sunapee Bank's Heater Road Branch costs \$30/year for a 2" x 5" box. Scott noted that 5" x 5" boxes are also available for a slightly higher cost.
- Service Credit Union CDs:
 - 1.8% on 5 year CD, no higher rate if in larger \$ increments
 - 6 months = 0.3%
 - 12 months = 0.35%
- Lake Sunapee CDs:
 - 5 year = 1.1%
 - 1-9 months = 0.3%, and can withdraw without penalty at any time, but requires a minimum of \$10,000 purchase

Scott reported that he and Mary Jo went to Lake Sunapee Bank on Heater Road in Lebanon, to investigate safety deposit boxes. They were told that it will be easiest to change the names on the association's bank account first, then rent the safety deposit box using the new names.

Despite the higher interest rates, we are concerned about tying up funds for periods as long as 5 years, given the high likelihood that interest rates will rise during that time.

Sandy moved that we reinvest the funds from the CDs that will mature in May and June (approximately \$24,000) into the Lake Sunapee no-penalty CD for a period of 9 months. Jeanne seconded. All voted in favor.

Sandy moved that we rent a 5" x 5" safety deposit box at Lake Sunapee Bank on Heater Road. Scott seconded. All voted in favor.

Scott moved that Sandy (Jordan Orr) and Jeanne (Rita Jean Childs) replace Kevin Albert and Penny Edwards on the association's account at Lake Sunapee bank, and that their names also be used for the safety deposit box rental. Alan seconded. All voted in favor.

Action Items

- ***Mary Jo, Sandy, and Jeanne change names on Lake Sunapee Bank account.***
- ***Mary Jo, Sandy, and Jeanne rent safety deposit box at Lake Sunapee Bank on Heater Road in Lebanon.***
- ***Mary Jo obtain CD documents from previous SLCA Treasurer (Kevin Albert) and place into safety deposit box.***

Old business

New website

Previous Action Items

- Alan ask Ashley to add Board section to website.
 - Pending.
- Scott send Board-only content to Ashley for posting.
 - Waiting for Board-only section on website.

Sandy noted that other residents have had difficulty accessing the website. Alan reminded us that the website password for owners is “ShakerL!”, and noted that it would be too expensive for each owner to have his/her own password.

Sandy commented that some owners have offered to provide content for the new website. Alan said that people can send content to Ashley at amhardin@gmail.com, and she will post it. Sandy offered to provide information about things to do in the area. Alan explained that there is a tab for this, and we can add other tabs as needed.

We discussed the need to inform owners and tenants about the new website. Alan offered to draft a message to be sent by Moseley to all owners and tenants.

We agreed that tenants should be able to participate in the discussion forum. We need to decide what should be accessible to Board members only, what should be accessible to all residents, and what should be public. For example, the Board-only area should probably contain the following:

- Information about rule violations
- Monthly financial reports
- Payment records for boat slips
- Other sensitive documents, to be determined as we post them

Action Items

- ***Alan ask Ashley to add Board section to website.***
- ***Scott send Board-only content to Ashley for posting.***
- ***Sandy send website content to Ashley for posting.***
- ***Alan draft message about new website for all owners and residents, and send to Board members for review.***
- ***Ray send message about new website to all owners and residents.***

Status of repairs

Unit 47-1 flue repair

Previous Action Items

- Mary Jo refer unit owner's insurance agency to Ray and make sure that unit owner paid association's deductible.
- Ray obtain proof of inspection from Kelleher.
- Mary Jo call unit owner to confirm that work was completed to her satisfaction.
- Ray provide reimbursement check to unit owner after above have been done.

Mary Jo was not available to provide an update.

Prior to this meeting, Ray reported via email:

- Jim Kelleher advised Ray via e-mail will get chimney work done as soon as weather permits. He will get Town to inspect when completed.

Unit 7-2

Mary Jo was not available to provide an update. We will revisit this next month, if needed.

Rule Violations

Unit 35-2: soot

Previous Action Items

- Ray contact owner for status update, and recommend Dale Hammond if Irving Oil is not solving problem.

Prior to this meeting, Ray reported that the problem has been resolved.

Sandy explained that the owner replaced the heater, and will have the outside siding repainted when the weather improves.

Units 35-3 and 37-3: chimney extensions

Previous Action Items

- Ray follow up with owners to make sure work is done.

Prior to this meeting, Ray reported via email that reminders will be sent by Management (Moseley) to the owners.

Repair of gas tank enclosures

Previous Action Items

- Mary Jo walk grounds to identify affected units.
 - Done. Mary Jo sent a report to Board members via email.

Prior to this meeting, Ray reported via email that reminders will be sent by Management (Moseley) to the owners of the units in Mary Jo's report.

Unit 29-1: Penzoil can on front deck

Prior to this meeting, Ray reported via email that this has been resolved. He sent notice of the violation via hand delivery and email. The oil can was subsequently removed.

Sandy noted that the tenants subsequently moved out.

New investment plan

Previous Action Items

- Ray ask Eric Jansen for financial planner recommendations and copy of report on signed, dated, letterhead.
 - Done.

Prior to this meeting, Ray reported via email that Eric Jansen will provide the report via email, and will also send an original on paper.

Reserve study

Jeanne consulted Steve Bupp, one of the reviewers of the book “Reserve Funds: How and Why...” that we recently obtained. He gave advice on how to choose a vendor for a reserve study.

Jeanne used that advice to create a hand-written spreadsheet comparing the 3 vendors that we are considering. See Appendix B.

From her analysis, Jeanne concluded that Noblin’s expertise, experience, and approach are better aligned with our needs and are worth the higher fee (\$3900) than Right Track and DKM (both \$2500). For example:

- Right Track excludes a structural evaluation of the dwelling units.
- Right Track and DKM perform a “Capital Needs Assessment”; whereas, Nobin performs an “Engineering Reserve Study”.
- Noblin provides 30-year projections; whereas, DKM provides only 20-year projections.
- We do not need advice on “operational budget items” that Right Track and DKM include.

Steve Bupp told Jeanne that \$2500 is a low fee for a true reserve study, and \$3900 is a mid-range price.

Alan commented that we may be comparing apples to oranges, i.e., companies that do capital needs assessments versus one that does reserve studies. Alan suggested that we consider other companies that do true reserve studies. Jeanne said that Steve Bupp provided names of other companies that do, but most are far from here. Scott expressed concern that we’ve already spent months on this and need to get moving if we still want to have the report for the August annual owner meeting. Alan warned that we haven’t done a valid competitive comparison.

Jeanne moved that we go with Noblin, based on the findings in her analysis. Sandy seconded. Sandy, Jeanne, and Scott voted in favor. Alan abstained because of his concern about the vendor comparison. The motion passed.

Action Items

- **Ray contact Noblin to initiate or schedule the reserve study.**

Septic holding tank locations

We need to schedule the meeting to discuss the septic tank holding locations and walk the relevant areas of the property. The following people should be included:

- Kevin O'Reilly
- Patrick Pallitroni
- Brother Claude of La Salette
- Mel Pierce (who may have original drawings of the septic system)
- Bud Pierce (Mel's son, who did some of the work)
- Someone from Sterns Septic
- A representative of the company that we hire for the Reserve Study (Noblin, as noted above)
- Ray Stanford (Moseley)
- Mary Jo

Sandy and Jeanne said that they would like to join the meeting and walk-through with the above people.

Action Items

- **Ray schedule meeting and walk-through.**

Spring/summer projects

Septic system

Previous Action Items

- Ray check PVC drain pipe on lower lawn.
 - Prior to this meeting, Ray reported via email that he will do this next week.
- Ray find or obtain quote from Sterns Septic to inspect system.
 - Prior to this meeting, Ray reported via email that he is following up with Sterns Septic to get a firm price quote. He noted that Sterns usually works on an hourly basis only.

Replacement of lower steps

Previous Action Items

- Ray ask Jim Shibles for price quote per set of stairs.
 - Prior to this meeting, Ray reported via email that he will do this.

Compost bin

Previous Action Items

- Mary Jo meet with Jim Shibles to determine size of compost bin.

Mary Jo was not available to provide an update. We will revisit this next month, if needed.

Lighting

Previous Action Items

- Mary Jo walk property and note which light posts are badly in need of replacement.
 - As per email from Ray prior to this meeting, Defiance Electric did the walk-through. See below for more information.

We need to have a discussion about extending the new lighting.

We decided to defer further discussion on this to next month, when we have the price quote from Defiance Electric for the split post (see below).

New Business

Lights: damage due to plowing

Prior to this meeting, Ray arranged for Defiance Electric to provide price quotes to repair the damaged lights. Here are the comments and cost estimates from Dan Eaton of Defiance Electric:

- Building #47: No visible problems with any of the wiring. May just be a bad photo eye. Estimated repair cost: \$85.00.
- Building #35: Broken conduit found, which should be repaired, but not believed to be the cause of the problem. No other visible damage to any of the wiring. Could be a bad photo eye. Estimated cost to repair conduit: \$125.00.
- Building #7-11: Only broken light post found on property. It doesn't look like it got hit (by a plow); it looks like it split due to ice. Can provide price quote to replace post and light with LED fixture, if desired.

Ray also noted that the stairway near building 45 needs attention.

Sandy noted that Defiance Electric does good work, but is expensive. He suggested that we consider other providers. We decided to discuss this next month.

We decided that we should obtain a price quote from Defiance Electric for the split post between buildings 7 and 11, then discuss this next month.

Action Items

- ***Ray obtain price quote from Defiance Electric to repair split light post and fixture between buildings 7 and 11.***

DeGrasse clean up of lawns

There is much gravel on the grass, and lawn damage due to incorrect paths being shoveled in the snow. The walkways were not staked out prior to the first snowfall, as stated in our contract.

Prior to this meeting, Ray reported via email that he has spoken to Chris DeGrasse about this. Chris committed to doing this as soon as the grounds dry out.

We decided to defer further discussion until next month.

Potential dock transfer by-law violation

Jeanne passed around a handout (emailed to Alan; see Appendix C) suggesting that our rules allowing transfer of dock slip lease rights are in violation of our by-laws. She noted that the SLCA rules document needs to be modified to reflect that unit owners do not “own” docks and cannot “sell” them.

Jeanne argued that an owner’s dock lease rights cannot be legally transferred to a buyer if others are on the waiting list, because the docks are owned by the association and are common property. Scott noted that this has been SLCA policy for years, and such transfers have occurred several times. Jeanne is concerned that owners without dock leases could take legal action against SLCA for allowing transfer of lease rights.

Jeanne also argued that the docks should be insured for property damage, but Richard Logan (of Goss-Logan Insurance) told her that our policy does not cover the docks.

Sandy said that Scott Caunter wants a dock. He has been using Sandra Theodor’s, but she is selling her unit. According to Jeanne, Sandra Theodor has priced her unit based on the assumption that she can sell her dock lease rights and that they are worth \$20,000. Jeanne recommended that we inform Sandra Theodor that she cannot sell her dock lease rights, and Alan offered to draft a notice to that effect.

Before taking further actions, we need to determine whether the current SLCA rules allowing transfer of dock lease rights are in violation of our by-laws. This will need further discussion at the next meeting, and we may need to consult an attorney.

Action Items

- ***Scott revise SLCA Rules and Regulations to clarify that dock slips are not “owned” by unit owners to which they have been leased. Send to Board for approval, then post on SLCA website.***

New repairs reported to Moseley

Ray provided the call/repair log prior to the meeting, via email.

There were several reports of frozen, slippery walkways. Ray contacted DeGrasse to salt and sand.

Unit 7-2: Leaking around kitchen skylight, with blistering paint. Jim Shibles is working on it.

Unit 11-2: Brown drip from skylight over stairs, probably due to condensation from inadequate insulation.

Next meeting date

Thursday, May 22, at 7 PM, in unit 7-2.

Alan noted that he will be in the Upper Valley in mid-June and can attend the June meeting in-person if it is held on the 17th, 18th, or 19th.

Closing

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

Meeting ended at 9:39 PM.

Appendix A: Observations by J. Childs Regarding March 12, 2014 “Meeting”

p.36 By-Laws SLCA

#9 **Board of Director’s Quorum.** At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business, and the acts of the majority of the directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.”

Roberts Rules of Order, Newly Revised, 11th edition, Henry M. Robert III, et al.

p. 347

Proceedings in the Absence of a Quorum.

“In the absence of a quorum, any business transacted (except for the procedural actions noted in the next paragraph) is null and void.”

“Even in the absence of a quorum, the assembly may fix the time to which to adjourn, adjourn, recess, or take measures to obtain a quorum.”

“The prohibition against transacting business in the absence of a quorum cannot be waived even by unanimous consent, and a notice cannot be validly given. If there is important business that should not be delayed until the next regular meeting, the assembly should fix the time for an adjourned meeting and then adjourn. If instead, the members present take action informally in the absence of a quorum, they do so at their own risk. Although the assembly can later ratify their action, it is under no obligation to do so.”

p. 348

“Before the presiding officer calls a meeting to order, it is his duty to determine, although he need not announce, that a quorum is present. If a quorum is not present, the chair waits until there is one, or until, after a reasonable time, there appears to be no prospect that a quorum will assemble. If a quorum cannot be obtained, the chair calls the meeting to order, announces the absence of a quorum, and entertains a motion to adjourn.”

Immediate Action Required by the Board

1. Reflect in minutes for April 17th Board Meeting that these violations have been brought to the Board’s attention.
2. Resolve why the decision to proceed in violation of the By-Laws was made.
3. Resolve who will pay Moseley Bill for Ray at an illegal meeting. (SLCA not obliged as with no quorum, no SLCA business could be transacted.)
4. Seek ratification by board members for any action taken at the illegal meeting. (Such ratification would be reflected in April 14 minutes.)

Appendix B: Reserve Study Vendor Comparison by J. Childs

CREDENTIALS:	RIGHT-TRAK	DKM
LICENSES:	BS Archt. Eng. (Wuebbelt) A S C E (Am. Sec. Civil Eng.)	Assoc. Jci, Mechanical Eng. (Pop)
MESH'S:	CAI, Nat'l ASSE. PROF. ENG., ETC.	PUBLIC HOUSING
FIELD:	PRIVATE CONDOS "Building Envelope Specialists"	CAPITAL NEEDS ASSESSMT.
STUDY TYPE:	ENR. RESERVE STUDY	# 2,500
PROPOSAL COST:	# 3,900	1. Inspect property + 4 units min common areas attic areas common mech. elec. spaces decks beach site in general
SCOPE OF WORK:	1. Review Condo documents PLANS CONTRACTS REPAIR RECORDS 2. VISUAL INSPECTION by P.E. 3. written report: recommendations est. useful lines cost estimates 3 Types of projections / 30yr	2. Camgie Delta CNA - brief narrative - description of property - projected capital expen. 20 YRS "Cash Flow method" only
FOCUS:	ALL COMMON AREAS BUILDING ENVELOPE Roofs Walls Windows Doors Decks Steps Patios FOUNDATIONS Overall structural integrity Grading + drainage pavement Site UTILITIES Beach, swim duck, docks, racks AND MORE.	(Samples Show Lots of Focus on Landscape + site description, operational budget items)

	NOBLIN	RIGHT-TRAK	DKM
PROJECTIONS	all 3		Cash Flow only
Terminology Content	condition survey reserve study life spans		Lay Friendly
Face-to-Face	Before After and walkaround		Before After and inspection/walkaround
Credentials	G.E		A.S. CNA Training USDA Funded Properties
Person Doing the Work	(ETHA) Tim Little RE Team		Brian Roy (Assessor) (No engineer on staff)
"CONDO" RESERVE STUDIES	208		500 CNAs
Time to Complete	8 weeks		

Appendix C: Observations by J. Childs Regarding SLCA “Sale of Dock” Issue recently brought to Jeanne’s attention

- Imogen and Roger Ulrich recently looked at two properties at Shaker Landing. They had questions and were given the names of the board members to consult for answers. Jeanne Childs was one they contacted. Jeanne was shown the property listing sheet for unit 33-1. It stated a dock as included in the sale. The realtor explained that the inclusion of the dock raised the purchase price of the property \$20,000. The Ulrichs were given the August 2013 Rules and Regulations published by the Board of the SLCA. These rules are the basis for the claim that a boat slip is included in the sale of a unit.
 - “ III. Boats and Watercraft #11. SLCA boat slips are transferable upon sale of a unit. New slip owners are subject to an increased deposit fee.”

Both the RE Listing and SLCA Rules Sheet violate our Condominium Documents.

- Further, Imogen asked Mary Jo for clarification and reports that she was told that “meant right of first refusal” which is also not supported in our documents.

Issue confronting the SLCA Board:

When Unit 33-1 is sold, with this representation by the owner and the Board Approved SLCA Rules, the new owner can claim he/she bought the dock and thereby owns it.

Immediate Action Required by the Board

1. Notify owner of 33-1 that she may not “sell” “her” dock. The listing must be changed.
2. Notify all owners that the 7/13 RULES sheet regarding docks is rescinded.
3. Revamp the entire section in the RULES pertaining to docks. It is assumed that the association bought those docks. The whole justification for dock fees and their purpose must be clarified and brought into alignment with the SLCA Documents.
4. Investigate why the docks are not insured as required by our By-Laws.

References:

DECLARATION p. 5

(e) Description of the Common Area and Limited Common Area

(i) Common Area. The Common Area consists of the entire Property other than the Unites and the Limited Common Area and includes, but not by way of limitation (p. 6) the docks and wharves conveyed to the Association

(iii) Use. The use of the Common Area shall be limited to the Owners in residence and to their tenants in residence, and to their guests, invitees, and licensees, or except as otherwise provided herein.

(g) Allocation of Percentage Interests. Each Unit will be allocated an equal undivided percentage interest in the common area.

ARTICLE VI Insurance p. 50-51

1. Insurance Required. Pursuant to section 43 of the Condominium Act, the Board of directors shall obtain (i) a master property (ii) a master liability policy and (iii) such other policies as specified hereinbelow, which insurance shall be governed by the following provisions to the extent obtainable or possible.
 - a. Property damage and fire and other casualty insurance affording standard all risk coverage with the usual exclusions written on an agreed amount basis, including endorsements for vandalism and malicious mischief, and insuring all docks and wharves used by the Owners and other personal property, supplies and building service equipment owned by the Association