

JONATHAN'S LANDING CONDOMINIUM & YACHT CLUB ASSOCIATION
2016 ANNUAL MEETING
AUGUST 27th 2016
MINUTES (FINAL DRAFT)

Attendees:

Board members: Rud Porter, John Ulm, Hunt Bergen, Rex Atwood, Michael Schmidt, Jim Crocker, Art Neufeld.

Guests from Evergreen Management: Deana Rizzo (Property Manager), Steve Dagley (Maintenance Manager), Robin Kingston, Tom Ducharme (owner).

All slides presented are posted at

<http://www.jonathanslandingnh.org/board/viewtopic.php?p=959#959>

1) *President's Call to Order:*

President Rud Porter called the meeting to order at 9:12 AM

2) *Roll Call and Establishment of Quorum:*

Deana Rizzo of Evergreen Management determined that there were 43 unit owners present and represented. However, later in the meeting other owners arrived; the final number of unit owners was 53.

3) *Introductions:*

Rud Porter introduced and welcomed

- Board of Directors
- New owners
- Evergreen Management

4) *Approval of the 2015 Annual Meeting minutes:*

Rex Atwood asked for a motion to have the 2015 minutes approved and a unit owner asked to have the minutes modified. The text of concern to the unit owner was read aloud. The owner was asked if he would comment further, but he declined. Another request was asked for a motion; a motion was made, seconded, voted upon and approved.

5) *President's Message: Rud discussed many topics:*

- A) Our new Maintenance Manager, Steve Dagley, has stepped into the job and has surpassed everyone's expectations.
- B) The owner of Harvard Management has decided to sell the operation to Evergreen Management. Evergreen will be honoring our Harvard contract and will keep our key players in place.
- C) This year, we unfortunately experienced overspending in both the main and marina budgets. The treasurer will explain why. However, we stayed within our capital spending

limit by not taking any new landscaping initiatives while dealing with overdue and unexpected projects.

- D) We said in last year's meeting that we would be addressing the large electric bill for ice eaters with a new control system of timers and temperature thresholds. That, coupled with a mild winter, paid off.
- E) This spring, the upper pool propane heater failed. With advice from Jim DiLorenzo, we switched to a heat pump that offers a longer life and better heating performance. Given how we use the pool, there may be lower operating costs.
- F) The board has set the condominium fees at \$525 per month effective with the July 1 payment. The treasurer will review why and how the new condo fee was set.
- G) The board has spent a great deal of time this year on a litigation issue. It would be inappropriate for us to review that litigation while the case is being considered in court. However, you deserve to understand that you, the association, are being sued. Shortly after the annual meeting last year, a unit owner took it upon himself to trim some branches on the lakeside in front of 9 Starboard Lane. The board met and fined the unit owner for this violation of the bylaws. The unit owner has since sued the association and six of the board members. The case is currently open in NH Superior Court. The lawsuit has taken time from the board members and there have been legal costs associated with each subsequent decision or communication regarding the incident. The board has filed briefs on your behalf in Superior Court. We will not discuss the lawsuit further today in the interest of keeping the complications to the litigation to a minimum.

Comments were made from the unit owners asking for the parties to find a resolution to this legal action.

6) Election of Directors

Deana Rizzo led the meeting to elect four board members. Current members of the board running for re-election were: Rex Atwood, Michael Schmidt, John Ulm. President Rud Porter declined to be re-elected. Two owners (Paul Smith and Ryan Bielagus) asked to be considered, and each made a brief statement of their qualifications. The vote was taken by paper ballot and Rex Atwood, Michael Schmidt, John Ulm and Paul Smith were elected.

Rud stated that unit owners who are not interested in a board position can still contribute. He asked for volunteers for Web Master, Harbor Master and those interested in improving the standards for air conditioning and various landscaping issues.

7) Treasurer's Report/Budget Review:

Michael Schmidt, reviewed the 2016-2017 operating budget and capital plan. Michael began his presentation with this statement:

“The outcomes from the capital plan and budget feedback meeting held on July 23rd were not properly communicated to owners and I take full responsibility for not taking

control of the communication with owners. I hope today's presentation will rectify any confusion."

- a) Main budget:
 - i) Income with condo fees at \$500/month was less than projected expenses by \$8 per month per condo.
 - ii) The consensus recommendation from the capital plan review meeting on July 23 was to increase the fee to a level that will provide a few years of fixed fees rather than establishing a yearly percentage increase. Making an annual assessment was discussed and rejected.
 - iii) We set the condo monthly fee at \$525/mo. effective July 2016 to provide a few years of stable payment amounts.
 - iv) Owners have until the due date of October's condo fee payments to get current. Late fees will be applied after that.
 - v) Michael indicated what the capital investments were and that we spent within forecast.

- b) Successful Projects:
 - i) Replaced the upper tennis court fence and the association side of the upper pool fence.
 - ii) Replaced the upper pool failed propane heater with a heat pump (longer life, better performance vs needs and claimed better payback).
 - iii) Year 3 building painting schedule completed (Hunt).
 - iv) Completed the maintenance building upgrade (late and over budget).
 - v) Updated two units to ductless AC standard.
 - vi) Fixed reported condo drainage issues (completing in Sept 2016).
 - vii) No landscaping projects.

- c) Capital Plan Meeting:
 - i) It was the Consensus from the capital plan meeting that we should keep general capital spending within a range of \$50,000 to \$60,000.
 - ii) The board made the decision to perform annual maintenance on vehicles and equipment. The result of this decision is that we can put off replacing them.
 - iii) In this plan we have reserved \$12,000 for landscaping improvements. Some proposals from unit owners have asked if the Board would consider a one time assessment to bring the grounds to an acceptable level. The Board will consider this option. If potential infrastructure replacements are not required, landscaping improvement funding may increase in April 2017.
 - iv) We will clean the first (of our two) water tanks (new NH law, must clean every 5 yrs.)
 - v) We will be moving forward with the ice boom project and new posts around the marina.
 - vi) We will replace the high pressure sodium bulbs in street lights and around the upper levels with LED bulbs (w/ NHEC rebate).
 - vii) We will be completing the drainage projects this fall.

- d) Cost Drivers:

Michael then discussed the cost drivers of the Jonathan's Landing budget:

- i) Landscaping \$86,650 (RFP will be sent out for the coming year).
- ii) Payroll \$76,000.
- iii) Insurance \$58,720.
- iv) Maintenance & Repair \$50,500.
- v) Management company Fee \$23,573.
- vi) Electricity \$16,658.

e) Condo Budget:

Michael discussed the reasons why expenses exceeded income by \$19,249. There were increases in costs in some accounts which were not covered by reductions in other accounts. For example:

- i) Payroll/OSS was over by \$16,720,
- ii) Water testing over by \$ 2,651
Steve is now certified to test our water monthly which will reduce our costs in this category
- iii) Maintenance and Repair over by \$4,283 due to pump issues,
- iv) Administrative costs over by \$5,338
The reasons for this overage are hiring expenses and periodic audit not budgeted, which cost \$2,895.

f) Marina Budget:

Expenses exceeded income by \$5,770. Reasons: maintenance and repair costs up significantly and not offset by lower electrical usage from temperature and timer settings and a mild winter. The costs incurred were:

- i) Regular \$ 300
- ii) Rewire marina lights \$2,822*
- iii) Restore docks \$7,875
- iv) Ice eater placement \$1,392*
- v) Ice eater rebuild \$6,624*

*Expected one-time expense

g) Garage Budget – no issues

8) Landscape/Grounds Improvement Update.

John Ulm, presented the landscaping committee work and proposals for 2016-2017:

- a) Key property improvements during 2015-2016 year include:
 - i) New fence for upper tennis court and pool;
 - ii) Old propane heater for upper pool replaced with energy efficient heat pump;
 - iii) Drainage issues were addressed at 8 units with the work mostly complete.

- b) Maintenance manager Steve Dagley came up with a solution to the rotting fence posts in the marina that will save us several thousand dollars.
- c) There was vandalism that occurred to the new lower pool fence and John asked everyone to be vigilant.
- d) The landscape committee did not have any funds for new shrubs in the 2015/2016 budget, so focused on developing a new process for unit owners to plant their own shrubs and perennials in the mulched areas in front of their units (limited common area). The form and process are to be found on the JL website.
- e) For the 2016/2017 budget year, the Landscape committee has a budget of \$12,000 for this fall. There may be additional funds in the spring if there are any unused capital funds from other projects.
- f) A comment was made by a unit owner that the lower pool furniture is in poor condition. The Board will review and correct, if necessary, by next spring.

9) *Old/New Business:*

- a) Ice boom. Rex Atwood presented the project to install a log and chain system across the mouth of the marina. The boom will be installed this fall (budgeted for \$2,500.00) and will be removed prior to the opening of the marina in the spring. It is hoped that this installation will reduce the damage to the marina.
- b) A discussion was raised pertaining to the January 1st 2016 change in insurance. The board will send to all owners a letter explaining the reasoning and the implications.
- c) Recreation equipment may not remain up overnight without written authorization from the board. Any volleyball nets, badminton nets, games, toys or similar equipment that are put up on common areas should be taken down within an hour after use and should never be left up over night
- d) A unit owner asked the Board to review a recent bylaw change where it states no new boats in the marina can be longer than 26'. He stated several of the slips were 30' long and these owners bought these slips with the understanding they could put a 30' (max) boat in their slip. The board will review the bylaw change and make any changes, if necessary.

10) *Adjournment at 11:40 AM.*

Minutes prepared by Rex Atwood, September 7, 2016.