

The Wentworth Resort Condominium Association
Board Meeting Minutes
Saturday, 22 May 2010
The Wentworth

Present

Board Members: Jack Kwesell, Blake Smith, Dave Treadwell, DD Warren, Mike Dinneen, Rosemary O'Brien, John Sevee

Management: Fritz Koepfel, Irina Ilieva

Guests: Gary Speirs & Shawn Landers of Eastern Green, and John Bruni

Meeting was called to order at 8:30am by President Jack Kwesell

Management Report

Fritz reviewed the Punch List:

- Behind Buildings 10 & 14 Georgia, most of the painting and repairs completed; a few boards still need to be replaced.
- Jack understood from Marcel that Building 17 work on roof and cheek walls was estimated at \$3,200; however, CAPEX has a \$6,061 figure. Fritz will get clarification from Marcel and e-mail the Board.
- Jack asked if the washing of the back of 12C and the removal of blue painters tape is done. Fritz said he would check today.
- Building 3 Fairview Dr. – septic cover still not delivered. Fritz will follow up.
- Building 13 Chipper Lane – Dryer vents need screens to keep pests out.
- Building 13A Hurlin – Balcony support needs repair. This is a safety issue with high priority. Fritz will follow up.
- Jack asked about getting estimates on cleaning catch basins. Fritz said Marcel is working on it.
- Building 82 stairs – Fritz wants to check with both Gary and the Town Building Inspector to assure that both Eastern Green and the Town can live with our plans. We do not know yet whether a Building Permit will be required. Also, the proposal did not include ipay wood, which would add \$3K to cost, and possibly increase costs over \$20K. This raises the question of whether the By-laws would require getting Association approval. Jack will review the By-Law question.

Financial Report

John Sevee presented budget vs. actual, with projections to the end of the fiscal year. John projected we could go over the Operating Budget unless we plan and manage the CAPEX budget and operating costs over the rest of the year.

- Revenues are on track, but may be short by end of year if late payments on Unit

6C remain unresolved (\$2.6K), and lower interests on our accounts realized (\$1K).

- Contracts are on track and are expected to be within budget.
- Although some Building Maintenance work was carried over from last year, projection of current rate should bring us in on budget with some planning, barring unforeseen requirements.
- Although some Grounds Maintenance work was carried over from last Summer, with planning we expect to be close to budget by the end of the fiscal year.
- Utilities costs are expected to be over budget (\$1K) due to necessary septic system repairs.
- Miscellaneous costs should be close to budget.
- Although we will have \$17K - \$20K in costs for the stairs at Building 82, this important safety item should be manageable within the available CAPEX budget with some planning.

Irina passed out a sheet with actual monthly expenses through April, and monthly forecast expenses through September. The forecast numbers were forced fit to the budget. A lengthy discussion concerning adjustments to the monthly forecasts ensued. Some adjustments are made based on current knowledge, as well as based on linear vs. incremental expense patterns. Jack and John emphasized the need for forecasts to reflect our best estimates so we can stay on track and within budget.

The question of increasing capital reserves was discussed; no conclusion reached as yet. John will get together with Marcel or Irena to discuss the long-term cost such as roofing, paving, re-siding, etc for basing capital reserves.

Jack asked how Prepaid Insurance was handled on the Balance Sheet. Fritz said that it was paid, recorded in "Prepaid" and then expensed by month.

Approval of Minutes

A correction to the April draft minutes was discussed, reflecting that a registered letter with receipt requested would be sent to the owner of 6C to request payment of past due Association Fees. The draft minutes mentioned e-mail only. Motion made by John to approve April minutes, with the above correction, seconded by Rosemary; all approved (see Attachment # 1, change in red).

Old Business

Overdue payments of Association Fees were discussed. With the exception of 6C, payments are expected. Although the owner of 6C said he would pay by 15 May, no payment was received. The owner will be notified that Jack will ask our lawyer to start proceedings to put a lien on 6C. Unit 6C is on the market, and Kathleen Head advised Jack that the Association would be first in line to collect fees on closing.

The Board agreed, after reviewing the By-Laws, that the signs on the steps of 12A are not appropriate. Fritz will talk to the owner.

John Bruni reminded the Board that we were going to notify realtors in the Title agencies of a charge for the Release forms prepared prior to the sale of a unit. It was suggested that a charge of \$25 or \$50 be made to cover the cost of preparing the form. Irena will evaluate work required.

New Business

DD said there are two large trees that pose a threat to Building 3. This will be looked at with Gary and Shawn during the Walk Around after the meeting.

Insurance Policy Coverage on individual units – The Board discussed a letter from a lawyer in response to questions raised by the Board concerning insurance coverage of Common Areas. Jack also reported on input from Wayne Infinger, our insurance advisor. A lengthy discussion of possible courses of action ensued.

- There have been about 20 incidents in the past few years below the \$25K deductible threshold, averaging about \$2K per incident. The current policy is that the Association covers deductible costs.
- We could require individual unit owners to cover deductible costs, relating to a casualty loss to the interior of their unit, through their individual policy. This could result in additional administrative work for our Property Manager, but it would be more than offset by the elimination of repair costs, currently borne by the Association.
- Another option is for the Association to pay for the repairs and then issue a Loss Assessment to all 81 owners. This would allow the owners to then file a claim on their individual policies, assuming they have Loss Assessment coverage, which was previously strongly recommended. The viability and mechanics of this option need further study. DD raised a question whether making 5 to 10 claims under the deductible amount a year might affect our insurance coverage. The consensus was, if pay-outs were not made by our master policy, then it would not affect our coverage. This needs to be verified.
- Although we could require that owners buy casualty loss insurance, the lawyer does not think it necessary; however, the insurance advisor disagrees. Jack will investigate further.
- Individual unit owner policies have deductible amounts also. We could choose to have the Association cover these costs, but it would require a By-Law change. It was noted that both the lawyer and the insurance advisor suggested that we clarify the By-Laws in the insurance area.
- As the roofs age water damage from roofs is a concern but there may be a fairness issue in asking the owners to pay the deductible in case of leak since they have no control over the order in which roofs are repaired.
- Cost data has been only roughly estimated at this point in the discussions, and a clear understanding of the legal and insurance issues is required. Therefore,

no conclusions were reached at this meeting concerning the best course of action. The matter will be discussed further at the next Board meeting. Wayne Infinger offered to meet with the Board at our August meeting prior to renewal of our insurance contract.

Dave said that WMO has done a poor job in repairing the grass where they have put in new tanks and piping at Buildings 7 and 13. Since they will be putting two new tanks in per year, we need to talk with them about it, and ask Eastern Green to keep an eye on it.

The Annual Walk Around, started 24 April 2010, will continue after this meeting.

Next meeting is 26 June 2010. Dave will take the minutes.

Motion to adjourn made by John at 10:15 am, seconded by Mike; all agreed.

1 Attachment:

Attachment 1
24 April 2010 BOD Meeting Minutes

The Wentworth Resort Condominium Association
Board Meeting Minutes
Saturday, April 24, 2010
The Wentworth

The meeting was called to order at 9:30 AM by Jack Kwesell, WRCA BOD President.

Present: Board Members: Jack Kwesell, Mike Dinneen, John Sevee, DD Warren,
Dave Treadwell, and Rosemary O'Brien.

Guests: John Bruni

Management: Irina Ilieva, Marcel Leveille

Management Report:

Knee-wall repairs are complete at 17B and 17C Wentworth Hall.

The lattice beneath the decks of 13A and 13B Chipper Point Road have been removed. Painting the concrete the same color as the building and reinstalling lattice on the concrete was discussed. Some work and painting are left to be done. Some plantings appear appropriate but will evolve once the lattice work is complete. The plants should add to the aesthetics but not interfere with the window views from the basements.

White Mountain Oil (WMO) upgraded the gas lines and tanks for 9 and 17 Wentworth Hall. This brings those two buildings up to current code and WMO plans to continue upgrading their gas infrastructure at a rate of two buildings per year. Last year buildings 7 and 13 Hurlin were upgraded. The gas line was covered with loam at 13 Hurlin.

Marcel indicated they replaced a sewage pump at 17 Wentworth Hall. The pump alarm was found not to be working. The pump was rewired and the alarm repaired.

A cost estimate is being obtained by Marcel to clean out eighteen catch basins around the condo complex.

Three quotes have been collected for replacing the two sets of stairs at 82 Wentworth Hall. The low estimate (\$18,600) is from Alex Franke. Board members will review conditions of the stairs during today's annual walk around and review Franke's quote in more detail before making a decision. Irina and Marcel will meet with Franke next week to review his proposal in more detail and confirm that all costs have been accounted for.

Irena and Marcel reported that alarm calls due to power outages continue to occur.

The Board requested that Marcel add a note to the trash building sign about transfer station car stickers are available directly at the recycling center. The existing sign appears to be having a positive effect in that the Wentworth has been receiving calls from unit owners about removing large items. Moving the sign to the outside of the building was discussed.

The heater system antifreeze issues at 12 Cottage Drive have been taken care of by WMO and the Board directed Irina to reimburse the three affected unit owners.

The Board went into executive session at 10 AM to discuss boiler shed heat detectors.

Financial:

There is one unit owner, who is attempting to sell the unit, and is the only owner behind in last quarter's dues. They have been unresponsive to Irina's request for payment. The Board requested that Irina send them **a registered letter, return receipt requested**, to request payment. None of the other six units for sale are behind on their dues.

John Sevee presented the current financials (revenues, expenditures, etc. versus budget). Capital expenditures are below budget because the work is generally performed in the warmer weather. Operating expenditures continue to be about \$5,000 above budget right now due primarily to winter and septic system repairs. However, the year is only half over and this likely overestimates the budget exceedance and should be currently viewed as a conservative estimate but signals continued vigilance of expenditures for the remainder of this year.

A lengthy discussion about replacement costs for such long-term items as paving, roofs, building siding, etc. followed Sevee's report. Some Board members voiced the opinion that the Associations budget for these items should be reviewed and planned for over the life-cycle periods of these capital expenditures. This would result in increased dues but spreading the costs over a longer period and attempting to avoid Special Assessments for these known capex items. Thus, keeping Special Assessments for unforeseen catastrophic expenses. This will be an issue that will require additional discussion and evaluation. However, as a start, Sevee will review the 2007 LM Consultants, Inc report and evaluate the various capital long-term capital expenditures and life-cycles for presentation to the Board at some point in the near future.

March BOD Minutes:

It was moved and seconded to approve March's minutes with amendments. The amended minutes were approved unanimously.

Old Business:

Unit 29B Wentworth Hall has a leaky, damaged hot water tank that needs replacement. Wentworth Management will follow up to get this taken care of either via the owner or thru back-charging via the Association.

There are seven condominium units on the market.

Mike Dinneen provided the Board a draft copy of this year's WMO individual boiler service contract. He indicated the contract cost is expected to stay the same as last year. A service contract is now available for the Rinnai heaters which will be sent to owners that have Rinnai units.

The arbitration associated with the 2008 fire concerning WMO and Vermont Mutual Insurance Co., has been postponed until February of next year.

The issue of insurance coverage for outside leaks that cause inside damage to a condominium unit was discussed at length. How this is best covered is uncertain and the Board decided to see legal consul on this issue.

New Business:

None.

The next BOD meeting is scheduled for May 22, 2010 at 8:30 AM at the Wentworth and will continue the Board's annual walk-around.

Adjournment:

It was moved and seconded to adjourn – Meeting adjourned at 11:59 AM.