

**Wentworth Resort Condominium Association
Board of Directors Meeting**

August 28, 2015

E.G. Chandler Office

Attending: Dan Coughlin, Rosemary O'Brien, Blake Smith, DD Warren, David Treadwell
Stan Weiss, John Sevee (via phone), and Property Manager, Erik Chandler

Absent:

Guests: John Bruni

The meeting was called to order at 1:00 PM by Dan Coughlin.

Dues / Assessment Review:

Dan Coughlin and John Sevee presented the following resolution for the board to consider:

Resolution

Resolve that the Board of Directors increase the dues and levy an assessment for maintenance and capital costs consistent with the following schedule, dues shall be increased by \$125 per quarter and there will be a special assessment of \$1,187.50 per unit payable in the second quarter for fiscal years 2016 and 2017.

TOTAL	TOTAL CAPITAL	PER UNIT	2016	2017	2018	2019	2020 +
Replenish reserves	\$ 30,000	\$ 312.50					
Building repair list	\$ 160,000	\$ 1,912.50					
Capital budget items	\$ 240,000	\$ 3,066.25					
TOTAL	\$ 428,300	\$ 5,353.75					
Assess reserve amd BRL	\$ 190,000	\$ 2,375.00	\$ 1,187.50	\$ 1,187.50			
Increase dues to cover capital	\$ 240,000	\$ 3,000.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00
dues change per quarter			125	125	125	125	125

Summary

In order to bring the property up to condition, we are instituting a two year assessment to allow us to replenish this year's \$30,000 over run and to make the \$160,000 of BRL repairs in 2016 and 2017. This two year assessment would fund the outstanding repairs and would be billed in the second quarter of the 2016 and 2017 at \$1187.50 per unit per year.

In addition we are increasing our quarterly dues from \$1075 to \$1200 per quarter. This is a significant increase but still leaves us with a 1.44% dues to value ratio, a full 40% lower than competitive properties. Even with years increase approximates 2% per annum.

Background

The following is Dan and John's proposed resolution:

The numbers break down into three buckets (A) the reserves we have used for 2015 (B) the Building Repair List (\$153,000), these are one time, catch up items and (C) the ongoing Capital Costs List of \$250,000 over 5 to 6 years. The repair list is rounded to \$160,000 and the capital items decreased to make the numbers work. Assuming those numbers are reasonably accurate, we need about \$430,000 over the next 5 years that is not in our current budget, without a major change in the way we operate.

We have the usual options 1) borrow the money, 2) establish a reserve by assessing all 80 owners today 3) spread the costs over time as an assessment 4) spread the costs over time by increasing the budget or 5) a combination of the assessment and budget spread over time.

The first two alternatives are ends of the spectrum and both have significant and perhaps obvious flaws. The last three seem to have more merit. The spread assessment (3) masks the fact that some of these costs are one time catch up (BRL) and the others are recurring Capital. The spread budget (4) has the same issue and could result in an overstatement of costs. The last seems to have more merit.

The BRL needs immediate attention and the capital costs can be spread more easily, over time. That leads us to play with some scenarios and to try to keep it simple. Assess the current shortfall and the BRL costs evenly over two years. Using that money we can accomplish those items in a relatively compact time frame. The capital cost could be divided by the 6 years and incorporated as a new line in the budget.

The above concluded Dan and John's proposed resolution.

Treasurer John Sevee stated that he had reviewed the BRL and proposed funding method. John thought that a two year goal to get the work completed was reasonable.

The board agreed that this was a good plan and would approve it pending feedback from owners at the September 26, 2015 board meeting being held at The Red Fox.

Old Business

Property Line Resolution and Other Topics to Review with The Hotel:

The board adjourned into executive session.

White Mt. Oil Contract:

Erik indicated he met with White Mt. Oil and reviewed the contract proposal. He explained to the board that the association's mandated heating system maintenance plan had ceased when the propane service contract expired. This is formally known as the "7 – Point Inspection".

The majority of owners have service contracts with White Mt. Oil on their own. Manager Chandler is concerned about the units that have no service contract and perhaps no antifreeze.

He suggested that he focus on formalizing this aspect of the contract and proceed with that for now as the most important thing is to protect the property of each owner and The Wentworth Resort Condominium Association.

Erik presented a draft of a letter that would be sent to owners that have no service contract with White Mt. Oil. He worked with White Mt. Oil to gain details of what the minimum mandated maintenance program should be. Erik will work with the board to finalize a letter that will be sent to the owners.

Next Meeting

September 26, 2015 9:00 AM Red Fox Pub

Adjourn:

Dan Coughlin made a motion to adjourn. DD Warren seconded the motion. The meeting was adjourned at 2:30 PM.