

The Wentworth Resort Condominium Association  
Annual Meeting Minutes  
Saturday, December 4, 2010  
The Red Fox Restaurant

The meeting was called to order at 9:35 a.m. by Jack Kwesell, WRCA BOD President.

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

Management: Fritz Koeppel, Irina Ilieva, Marcel Leveille

Guests: Wayne Infinger of Cross Insurance

Owners : 31 owners were in attendance and 16 unit owners were represented by proxy declarations equaling a total of 47 owners.

The meeting was opened by Board President, Jack Kwesell, noting that a quorum was present. One third of 80 owners are required for a quorum, a quorum was declared by Jack Kwesell.

**Insurance Policy Resolution**

Jack Kwesell explained that this is a cost reduction project that the Board of Directors (BOD) has been working on since March. The objective is to shift costs related to casualty losses on individual units from the Association to the unit owners' insurance companies. with less cost borne directly by the Association. In the past such repairs under the Association's insurance deductible were paid by the Association. This cost shift should result in the Association (all of the owners) saving money. Jack was assisted in this presentation by Wayne Infinger of Cross Insurance, our local agent for Vermont Mutual.

The Association maintains a casualty loss insurance policy with a high deductible (\$25,000 per incident). The reasons for the high deductible are to minimize premium costs and protect the association from policy cancellation for too many claims. In the past when the Association had a lower (\$5,000) deductible, we lost coverage because too many claims were filed.

Under the insurance resolution guidelines:

- The Association will no longer absorb costs for casualty losses on units. Note that this applies to non-common/non-limited common areas only.
- Unit owners will be responsible for the costs and repairing damage.
- Unit owners are responsible for up to the master policy deductible (\$25,000 per incident).
- It is strongly recommended that all Unit Owners obtain individual insurance coverage and Building Coverage "A" sufficient to cover the master policy deductible (\$25,000).It is very inexpensive for a unit owner to add Building "A" coverage. Wayne also explained that our master policy carrier is Vermont Mutual and if a unit owner does not currently have Vermont Mutual, they should obtain/consider a quote from Vermont Mutual when

they renew their policy. Having the master and individual unit policies with the same carrier simplifies the claim process.

- Most casualty losses have resulted from roof and cheek wall leaks. The BOD has been concentrating on minimizing exposure from damage from roof leaks by replacing roofs, changing flashing at cheek walls, installing ice shields, and an aggressive program of removing the snow from the roofs before ice dams can develop.
- Jack and Wayne explained that this policy is consistent with standard practice. Allowing the Unit Owner's insurance to cover costs, is a financial benefit to the Association, relieves other Association members of the cost burden for an individual claim, and has none or minimal financial impact to individual owner(s).
- It was also noted that for any improvements made to a unit over \$1,000, that the Unit Owner contact the BOD, who will then advise our insurance agent to ensure the Master Policy is adjusted accordingly to make sure that they receive the full value of the improvement(s) should there be a loss.

A unit owner asked if this was a change in the bylaws. It is not a bylaw change but a change in practice that should result in a savings in operating expenses for all. In the past the Association typically paid for claims between \$1,500-\$2,000 each, numbering up to 10 in a peak year.

**2009 Meeting Minutes:** A motion was made and seconded to approve the minutes from the annual meeting of December 5, 2009. The motion was approved by unanimous vote.

### **Overview of 2010 Fiscal Year: October 2009 - September 2010**

Jack Kwesell gave an overview of the 2010 fiscal year.

- Major Building Maintenance
  - The Association replaced roofs on 4 buildings.
  - One more building, 14 Joshua Loop, will be replaced in the spring
  - 14 cheek walls were repaired
- Painting is on an as-needed basis as follows:
  - Painted mountain side (back) of 10 & 14 Georgia Lane
  - 180 Main Street is scheduled to be painted
  - The Association will continue selective painting as needed
- The Association continued focusing on safety related maintenance as follows:
  - All non-electric heating systems are inspected annually
  - Water heaters over ten years old require replacement. It was noted that unit owners are responsible for any damage caused by leaking water heaters whether they are insured or not
  - Association cleans all clothes dryer vents
  - All chimneys are inspected and cleaned annually
  - This year the Association repaired 6 fire boxes
- Major safety projects included:

- Replacement of the stairs at 82 Wentworth Hall Ave.
- Replacement of the deck support beams at 13 Hurlin Lane
- Re-centering of the deck support structure at 84 Wentworth Hall Ave.
- Drainage/Landscaping Issues
  - A drainage system was installed in the fall to address run-off from the hillside at 66 Wentworth Hall Ave.
  - After heavy rains, there is flooding at the Wentworth Hall Ave. & Joshua Loop intersection mainly caused by runoff from Carter Notch Road. This will be addressed by rebuilding the catch basin at this location and making modifications to adjacent grounds.
  - All catch basins will be cleaned.
  - Two trees that posed a danger to 3 Fairview Drive were removed.
- Punch List
  - Required repairs and improvements are documented and tracked on the punch list.
  - Many punch list items are added based on the annual walk-about by the BOD; the walkabout used to be completed in one day but it now requires three days to go through the entire complex.
  - The punch list is also distributed to all Unit Owners for their review and input. Owner contribution is encouraged.
- Trash pick-up during vacation/holiday periods
  - During high occupancy periods the frequency of trash pick up is increased.
  - An additional dumpster is added during Christmas week located at the original dumpster site opposite 77 Wentworth hall Ave. Owners near this location are encouraged to use it.
- The BOD is focused on continued communications with owners as follows:
  - The web-site will continue to be improved. Access to the owners section is: username: “Jackson” password “wentworthowner” (all lowercase)
  - Monthly board meeting minutes are posted as available. They will always be one month behind because of the approval process. The previous month’s minutes are approved at the subsequent monthly meeting and then are posted.
  - In response to a owner’s request at last year’s meeting the Association is relying on more email and less snail mail.
- National Condominium Association
  - The Association joined the National Condominium Association, which is a valuable source of information. The NH chapter of this group successfully lobbied for a change in NH law effective January 2011 allowing NH Condo Associations to be first in line for back dues (at least 6 months plus legal fees) in foreclosure situations.
  - Although as an association we are in good financial shape there is one unit owner in bankruptcy and is behind in dues. Although a lien was placed on the

property, we may not collect because this occurred before the new law went into affect. However the Association will continue to try to collect back dues and other costs such as legal fees.

- Continued fiscal scrutiny
  - The BOD continued to examine ways to reduce costs. The BOD also began a capital reserves review to determine if the Association has sufficient reserves for projects without having to fund them with special assessments.
- Owner questions/Other
  - Roofs: an owner pointed out that the original shakes were replaced with fiberglass in 2000-2001 and asked why they were being replaced so soon. Jack explained that the work in 2000-2001 was not a quality job and may have reflected the cheapest bid rather than a technically acceptable bid. Construction was faulty and it is now being corrected. The present management firm was not involved then.
  - The Association is regularly cleaning snow off the roofs before it accumulates and caused ice dams.
  - An owner asked why only clean the chimneys that are used and bill only those owners who used them. Jack noted that the BOD will take that into consideration. However chimneys are considered limited common area and annual inspections and cleanings are required for safety of all.
  - It was noted that roofs cost \$35-\$40,000 per building. As such the BOD usually only authorizes replacement of the worst side plus any required maintenance that results. It was also noted that for both roofing and painting we are using substantially better qualified contractors than before. Wentworth maintenance staff will also be considered for painting and other maintenance currently done by outside contractors if cost effective.
  - Rotted supports at a Boiler shed at 180 Main Street was repaired
  - Septic Pump at 17 Wentworth Hall Ave. was replaced after failing. Unfortunately there was sewer system backup into the building. High level alarms on all systems have since been checked.

### **Financial Review**

John Sevee provided the financial review of Fiscal 2010.

John explained that 2010 was more of a normal year with respect to expenses after two years of unusually high expenses related to the fire of 2008. Reserves were used to pay for certain fire-related expenses drawing them down slightly.

Our reserves are lower but continue to be sufficient even though they were used again this year to cover building repairs. Building repair and upkeep costs have increased due to 25-year age of complex, e.g., roofs, decks, stairs, chimneys, drainage, and wastewater structures.

The Association has not had a dues increase since 2004. To prevent further reduction in reserves, a modest increase in dues for fiscal year 2011 was necessary, amounting to \$62.50 per quarter. In considering this increase, the BOD tried to balance the need to maintain the value of the property while being sensitive to the overall financial situation.

John explained that our accountant recommends strengthening our reserve of \$130,000 over the long-term.

John presented a budget summary of 2010 actual versus budget and proposed for 2011. For 2010 our revenue was a little less than the prior year due to foreclosure of one unit and associated unpaid dues.

John also presented a detailed summary of expenses. Property management (including both building and grounds) and major building maintenance comprise the largest proportions of expenses followed by insurance/waste removal, utilities, and other expenses.

An owner asked if the Association could save money by recycling. Our waste removal budget is based on number of pickups so it is not likely we could save substantial costs. Recycling within the current building is not practical; however it is recommended that each owner obtain a transfer site sticker (free of charge) and bring recyclables and large items there. Large items left in the dumpster building due cost the Association money because property management personnel must then remove them, transport to the Transfer Site and pay a fee for their disposal. It is recommended that owners contact property management for removal of large items. For items that are still in good condition, consult Marcel because he may be able find someone looking for such items (TVs, furniture).

An owner requested that owners be emailed as to what recycling is available at the Transfer Site. The BOD will address this request and recycling in general at a future meeting.

It was clarified that the increase in dues is to stay within budget and not to build up reserves.

### **Election of Board** (Jack Kwesell)

The following Board positions were up for re-election and the slate presented as follows:

#### SLATE OF NOMINEES

Rosemary O'Brien – 14A Joshua Loop  
John Sevee – 3B Fairview Dr.

There were no additional nominations or volunteers from the floor. The slate was moved and seconded as presented and voted in unanimously. Several owners thanked the Board for all their hard work and participation over the past year.

### **Pictorial Overview**

Marcel Leveille narrated a photo presentation of the year's projects and maintenance activities and provided excellent detail of various projects. In addition to roofs, cheek walls, decks supports and stairs and other items discussed by Jack, he noted that they replaced a septic pump at 17 Wentworth Hall Ave and rebuilt structural supports for a boiler shed at 180 Main Street, which had rotted due to golf course sprinklers. This wayward sprinkler has been remedied by the golf course. Some of these projects involve remediation of past faulty construction.

An owner asked if the installation of ice and water shield required ventilation. Ventilation will still be possible with the repairs made.

It was noted that because of the high level alarm being disabled at 17 Wentworth Hall Ave the septic system backed up into the units when the pump failed. As a result, all level alarms were checked at all other pumping installations.

Marcel provided excellent details of work completed. Jack thanked Marcel for the excellent job he and his staff continue to do.

### **Real Estate** (Kathleen Sullivan Head)

Kathleen presented a summary of the local real estate market. Conditions in Jackson and at Wentworth continue to be soft. This is the first year since 1983 that no unit sold. Other low sales years were 1991 and 1995.

She presented a brief chronology of the complex. In 1983 construction began and the hotel reopened. The first owner moved in 1984 and the complex was complete in 1987.

Since the housing market remains distressed, it was a quiet summer for real estate but has picked up recently. The buyers are savvy and bargain hungry. Lenders are more stringent. The secondary market does not like rentals within condo complexes. All of these items have affected sales somewhat and especially at Wentworth. The average buyer is looking at price and not location or quality. Properties with the lowest price, even if in out of the way location or in poor condition are the ones selling. There is also a substantial shadow inventory, due to foreclosures. In 2010 there were 21 sales in Jackson with a market value of \$5 million as compared to the peak year of 2006 when the value of sales was \$14 million.

There were 3 condo sales in Jackson in 2010; two were in Dana Place. Buyers are willing to go further away from the Village for a bargain and most sales are under \$200,000. For example, one sale this year was for a 5-bedroom unit in need of updating, which sold for under \$200,000; however, the monthly condo fees for this property are in excess of \$800.

An owner inquired if Jackson's assessments reflect the current market. Kathleen explained that Jackson undergoes a valuation every three years. Valuation is at 100% and is not based on individual sales. She also noted that challenging assessments is difficult. Sales at Wentworth will improve with the recovering economy.

**Around Town** (DD Warren)

DD gave a presentation on all the holiday events going on in Jackson and around town. She noted that the new library ribbon cutting ceremony is on Tuesday. John Bruni is selling Kiwanis books.

**Final Items:**

Jack thanked Fritz, Marcel, and Irina for all of their hard work on behalf of the association.

Red Fox was thanked for hosting the annual meeting.

Jack Kwezell closed the meeting by thanking John Bruni for all his help in the a/v production of the meeting and his ongoing help to the Board. He also expressed his heartfelt appreciation to all the owners and to the Board members for their participation and continued support of the Board and the Wentworth as a community.

Everyone was reminded of the annual dinner to be held at 6 pm at the Wentworth Hotel.

A motion to adjourn was accepted, seconded and approved, At 11:05 am the meeting was adjourned.