

Harbor at Whitten and Dustin Condominium Association
Annual Meeting Minutes
May 11, 2019

I. Count for Quorum

The annual meeting was called to order at 9:08 AM at the Old Salt Restaurant at Lamie's Inn, 490 Lafayette Road, Hampton NH 03842. There were 21 owners present, representing 22 votes and 4 valid proxies received, with one assigned to Glen Gagnon, one to Janet Allard and two to Mark McCabe. The total of 26 votes exceeded the 33 1/3 (16) quorum required to conduct business. Board members present included Wayne Sevigny, Linda Trabucco and Mark McCabe.

During the meeting unit owner 20B had to leave and submitted a proxy to Janet Allard.

II. Reading of the Notice of the Meeting

Pat McIntyre Unit # 20B moved to waive the reading of the Notice of the Meeting, which was seconded by Mark McCabe Unit # 5C. The vote was unanimous and the notice was accepted as written.

III. Reading of 2018 Annual Meeting Minutes

Wayne Sevigny explained that 2018 Annual Meeting Minutes were disseminated by mail to unit owners shortly after the Annual Meeting last May and were also posted at that time to the Association's website, with no subsequent questions or comments received. Mark McCabe Unit # 5C moved to waive the reading of the 2018 Annual Meeting minutes, seconded by Kathleen Beattie Unit # 10C. The vote was unanimous and the minutes were accepted as written.

IV. Review of 2018-2019 Operating Highlights

Wayne presented the following operational highlights from the past year:

- Successfully completed 12th full year of self-management

- Managed expenses within operating budget without increasing monthly condominium fees for the 12th consecutive year
- Refreshed crushed stone in Whitten parking areas
- Inventoried and created a punch list of Spring decking, stair, siding, downspout and other exterior maintenance issues and contracted with Ed Luponi to complete the required maintenance
- Managed annual review and renewal of Property, General Liability, Crime, Officers and Directors, and Flood Insurance policies
- Responded to Worker's Compensation Audit conducted by insurer
- Managed repair of wind-damaged soffit on front roof overhang at 18 Whitten
- Executed renewal of storage lease
- Consolidated bank accounts at Citizens Bank and secured an increased interest rate
- Transferred PO Box to Burlington, MA to enable Treasurer to improve efficiency of mail retrieval and payment processing
- Implemented electronic payment system
- Coordinated response and mitigation of a significant sewer backup at 18 Whitten on the evening of Sunday, August 5
- Escalated fire alarm phone line issue to Consolidated Communications corporate headquarters to resolve a serious, ongoing issue with repeated phone line outages. Service was successfully restored on September 22, and has been uninterrupted since that time
- Procured and coordinated annual tax filing and independent audit of the Association's books and records, conducted by Paul E. Daoust, CPA
- Supported sale of units 5A and 7F Dustin.
- After a reported Fall pipe freeze incident, repaired significant, visible gaps in top of bump-out and mitigated related weatherization issues identified by 8B unit owner at 8 Whitten
- Renegotiated waste management contract, resulting in annual savings of \$1106 per year
- Coordinated unit owner response to a water heater leak at 6 Whitten
- Managed replacement of outdoor faucets in multiple units with frost-free units

- Coordinated response to a burst water main discovered on a Friday night at 6 Whitten, and managed emergency work and full restoration of water service by noon Saturday
- Posted all insurance documents to the Association website immediately upon availability to provide owners and mortgagors with easy access to necessary insurance information
- Managed regularly scheduled maintenance and successful annual inspection and testing of Dustin sprinkler systems
- Managed successful insurance inspection of randomly selected units to facilitate final issuance of Property and Liability policies
- Managed seamless transition of Board responsibilities upon resignation of Association President
- Managed several additional Dustin fire alarm and maintenance responses
- Prepared Annual Report to update unit owners on operational and financial performance

V. Review of 2018-2019 Operational Issues and Budget Status

Wayne presented a recap of the current year budget, expenses to date and a forecast of fiscal year end with the following key highlights:

Revenue: Revenue is higher than budgeted due unit sales and the change of bank on the savings account yielding a higher rate of return. A question was raised regarding if the associations total assets are growing over time. Wayne Sevigny took the action to follow-up with regard to a multi-year fiscal year-end total asset summary. Below is that summary to date with a projected asset balance for this fiscal year by adjusting the 10 month asset balance with the anticipated May and June spend.

					Projected
Account	06/30/16	06/30/17	06/30/18	04/30/19	06/30/19
Savings	\$79,848.05	\$80,087.96	\$80,327.92	\$101,153.89	\$101,153.89
Checking	\$25,094.59	\$66,449.96	\$50,624.27	\$46,068.20	\$46,068.20
Adjustment					(\$30,630.20)
	\$104,942.64	\$146,537.92	\$130,952.19	\$147,222.09	\$116,591.89

Insurance: Insurance is over budget as the Board decided to pay the Property and Liability policies in full this year as opposed to financing, resulting in a savings of interest expense going forward.

Property Management: Expenses are over budget due largely to additional repair and maintenance (building 6 pipe freeze mitigation and pressure washing), increased recurring costs in trash removal (which have been renegotiated but still growing), utilities and fire system maintenance. Also the Board has transferred over \$20K into our savings for capital reserves. Some of these funds were realized over prior years but had not been placed into our savings until this year.

Administration: Administration cost are under budget due mostly to lower legal costs.

During Wayne's recap a number of key discussions occurred as summarized below.

Mark McCabe provided details on our most recent experience with Impact Fire after a Dustin Fire Alarm System false alarm. Besides the anticipated minimum 3 hour charge, they billed the Association for an additional emergency service call. Although there may be no alternative given the age of the system, Mark is going to pursue quotes from other suppliers.

A concern was raised during the discussion of the 6 Whitten plan for pipe freeze remediation. Namely, whether the other Association buildings would also require such extensive remediation efforts. Although there is no guarantee with this remediation effort, various owners and prior board members shared what efforts have been done previously to remediate water pipe freezing.

During the discussion of the plan to pressure wash the siding and decks of all buildings it was asked if a vote was needed to authorize the effort. Ron Sevigny suggested that if the Association votes on the proposed budget that would cover the need for any vote. The membership agreed.

During the discussion of the 8C/8A mini-split dispute a number of unit owners raised concerns about the long term implications of allowing such limited common area improvements to proceed. Such implications included future maintenance of the decks and siding if units are mounted on those surfaces, cost for future removal of these units, Hampton Fire Dept access to the rear of the buildings if units are mounted behind the buildings, that the Dustin buildings have wrap-around decks and property appearance if all units install such devices. Subsequent to this discussion a motion was proffered by Glen Gagnon, seconded by Janet Allard, for a vote to investigate whether to proceed with these units and to stop further installs until then. The vote was unanimous. Units 6D and 6B are the only 2 units approved for such installs. Unit 6D owners were present the meeting. Subsequent to the meeting an email was sent to and acknowledged by the unit 6B owner.

VI. Review and Discussion of 2019-2020 Operational Priorities and Budget

Wayne presented the proposed 2019-2020 operating budget plan with the following key highlights:

Revenue: Revenue is budgeted to be flat to this and prior years.

Insurance: Insurance is budgeted higher than this year to reflect a flood insurance increase that matches the anticipated increase for this year.

Property Management: Property Management is budgeted higher to align to our current year costs. The Dustin Fire Alarm system is budgeted higher to reflect the continued set of inspections and 4 alarm service calls. Repair and Maintenance was budgeted as has been in prior budgets. Trash removal is budgeted higher based on our renegotiated contract. Capital Improvements was reduced to keep the overall budget in line with revenue.

The primary maintenance (or capital improvement) project anticipated for next year is the attic ventilation project. This project has been discussed in prior years as well but never executed. If the project is over \$10K, and that is likely given there are 11 buildings, then the membership would have to vote to approve. There was some discussion to increase the Boards spend authority beyond its

current \$10K limit but no vote was conducted. A motion to get 3 quotes on this project for presentation to the membership in the fall was proffered by Glen Gagnon, seconded Eileen Daboul. The motion passed unanimously.

There are currently 4 quarterly and 2 semi-annual inspections of the Dustin Fire System. It was noted that not all of these inspections may be required but may be prudent. Mark McCabe took the action to discuss what is required with the Hampton Fire Dept for review.

There was a healthy discussion regarding the need for more volunteers to ensure we can continue to self-manage the Association. This discussion covered a lot of topics including:

- That the By-Laws have a lot of requirements that are excessive and could likely be reduced
- Having a ready plan to gain access to unit A to ensure a means of stopping a water leak until the pipes can be repaired
- That we may need to put contractors on retainer such as a plumber to ensure a 24 hour response to a pipe burst
- Developing tasks descriptions to aid in getting more volunteers or contractors
- Perhaps increasing the size of the Board
- The two management firm quotes received this spring, one of which included a separate quote to manage just the Associations finances
- Specific dialog around how to satisfy the position of Treasurer as Linda Trabucco had announced she would not run for another term of office.
 - This prompted questions around what a management firm would cost to provide just financial services.
 - Wayne Sevigny highlighted that Evergreen Harvard had quoted \$384 / month (\$8/month/unit) for financial services.
 - After additional dialog Linda amended her position to her being willing to serve another term as Treasurer as long as her duties could be contained to just the financials.

As proposed in the Annual Report the Association agreed to proceed with the election of Board members later in the meeting and allowing them to meet to ascertain the need for any of the above actions.

VII. Vote on 2019-2020 Proposed Operating Budget

Having presented the budget and associated operational priorities, Wayne Sevigny requested a motion to approve the budget. Glen Gagnon motioned to approve, seconded by Ron Sevigny and by show of hands the budget was unanimously approved.

VIII. Election of Board of Directors

The Association discussed the need for greater Board membership.

There was discussion to amend the By-Laws and increase the number of Board members to 7 but a concern was raised about then having to always have 7 members going forward. Ron Sevigny motioned to raise the number to 7, Kathleen Beattie seconded, the motioned was voted on with 6 members voting yes and the balance no. The motion did not pass.

The discussion then shifted to having 5 members in line with the By-Laws and 2 alternates. Glen Gagnon motioned to have 5 members and 2 alternates, Kathleen Beattie seconded, and by show of hands the budget was unanimously approved.

Three seats were up for renewal this year. Volunteers were solicited and owners came forward per below. With only three candidates and two alternates standing for election to three open Board seats and two alternates, a vote was formally cast for each and candidates were elected to two-year terms. Mark McCabe and Wayne Sevigny will stay on to fulfill the second year of their two year terms.

Candidates	Elected
Deb Sevigny	Y

Ron Sevigny	Y
Linda Trabucco	Y
Bob Logan – Alternate	Y
John Briant – Alternate	Y

IX. Vote on Annual Fee Increase

Wayne presented a recap of the prior advance email on the proposal to raise the monthly fees to better fund our capital reserve. Some key items discussed were that up through 2015 we were repaying a \$176K loan for the prior capital improvements at roughly \$29K per year and that was subsequently shifted into both property maintenance and capital improvements. However, our capital improvements budget since has been decreasing; 2016 was \$19K, then \$15K in both 2017 and 2018 and \$11K this year. Also, that we have not been able to fund the reserve at that rate. It was also noted that some financial institutions expect to see associations fund their capital reserves at 10% of fee income on a monthly basis.

Several members raised the question of whether \$11 was enough. There was some discussion to hold a vote on a \$20 increase but it was decided to stick to the Board proposal of \$11.

There was also some discussion on whether the fee increase should be considered a special assessment of \$11 / unit / month or a dues increase apportioned to their respective percent ownership in the common property. The discussion conclude with a dues increase.

Having presented the proposal for an \$11 increase in monthly association fees, apportioned per the unit percent ownership, starting July 1, 2019 and being kept in a separate reserve account with monthly funding, Wayne Sevigny requested a motion to approve. Glen Gagnon motioned, John Briant seconded and by show of hands the motion passed unanimously.

Below are the calculated new fees effective July 1, 2019.

Capital Reserve Fee Increase							
Net Value of \$11 / month / unit for 48 units						\$528.00	
Fee Level	Monthly	# Units	Total Fees	% Share	\$528.00	Per Unit	New Fee
Whitten 1st	\$202.38	18	\$3,642.84	35.29%	\$186.31	\$10.35	\$212.73
Whitten 2nd	\$219.31	18	\$3,947.58	38.24%	\$201.89	\$11.22	\$230.53
Dustin 1st	\$210.85	4	\$843.40	8.17%	\$43.13	\$10.78	\$221.63
Dustin 2nd	\$227.78	4	\$911.12	8.83%	\$46.60	\$11.65	\$239.43
Dustin 3rd	\$244.72	4	\$978.88	9.48%	\$50.06	\$12.52	\$257.24
Validation		48	\$10,323.82	100.00%	Setup automatic monthly Checking transfer into Savings of \$528		

X. Vote on approval of changes to our Declaration of Condominium

The Declaration change was driven by the need to align to new NH laws and in general benefits the association by moving up the association in the order of payees during a unit foreclosure.

Having presented the proposed changes to our Declaration of Condominium, Wayne Sevigny requested a motion to approve. Glen Gagnon motioned to approve, seconded by Deborah Sevigny and by show of hands the motion passed unanimously.

XI. Vote on approval of changes to our By-Laws

There were lots of changes to the By-Laws, again primarily driven by changes to NH law. Glen Gagnon raised some questions about the eliminated paragraph on Page 16, confusing language on Page 17 around how many days’ notice is needed in certain cases (10 or 21) and that the last page needed update to reflect the current year. Wayne Sevigny also highlighted that we should re-visit the By-Laws again to reduce the burden on a self-managed Association such as ours.

Having presented the proposed changes to our By-Laws, Wayne Sevigny requested a motion to approve. Glen Gagnon motioned to approve, seconded by Ron Sevigny, and by a show of hands the motion passed unanimously.

Several other business items were raised by Board members:

- Mark McCabe mentioned there should be no parking in front of the sheds or gates
- Linda Trabucco mentioned that statements were only sent to unit owners with either a credit or balance due, not to those units which are up to date
- Linda Trubucco also raised the issue, originally discussed at the 3/31 meeting, that starting July 1, 2019, late fees will be charged per Association rules (posted on the website) if a unit is late on its monthly dues. Dues are due on the 1st of each month. The PO Box will be visited on the 15th of the month and any units not having paid at that time will be assess a \$25 late fee per the Association Collection Policy.

XII. Proposed Date for 2020 Annual Meeting

Proposal: Saturday May 16, 2020

Location: The Old Salt at Lamie's Inn
490 Lafayette Road
Hampton, NH 03842

Having presented the proposal for next year's annual meeting, Wayne Sevigny requested a motion to approve the proposal. Ron Sevigny motioned to approve, seconded by Kathy Beattie and by show of hands the motion was unanimously approved.

I. Adjournment of Meeting

There being no further business, the meeting was adjourned at 11:51 AM.

Respectfully Submitted,

The Board of Directors