ATHERTON COMMON UNIT OWNERS ASSOCIATION

ANNUAL MEETING MINUTES **(CORRECTED, Dec 6, 2020)**

DECEMBER 14, 2019

The meeting was called to order by President John Learoyd. Also in attendance was Vice President Dick Stout, Treasurer Kevin Eagan, Secretary Joan Ferguson, At-Large Director Rich Nowak, and Association Manager Norman Desrochers.

Following introduction of the Board members, it was announced the annual meeting (Dec 14, at 10 am in the Amherst Library) had been scheduled with notice given to residents via mailed letters on November 14.

New residents were introduced: Units 6, 8, 28, 30, 32 and 33.

It was confirmed there were 37 representatives in attendance, and with proxies, a quorum was present to approve substantial issues affecting the association.

BY-LAWS. Two issues were discussed as related to the by-laws: mandatory compliance with the New Hampshire Condominium Act and approving specific by-laws appropriate to the association (removing every mortgage listing, notifications of who owns what unit, updating the list of owner/association maintenance responsibilities, etc.)

Kevin Eagan advised that he and Cliff Kinghorn had reviewed the by-laws with a lawyer for clarity, compliance and policy. In particular, was discussion of the reverse mortgage scenario when the bank takes over and protecting against the bank refusing to pay HOA fees. Currently this scenario is not addressed and there was a suggestion that before such a unit is sold, there is a lien on it so that a condition of sale is that the HOA fees are paid prior to sale.

(Corrected Dec 6, 2020 at the annual meeting per motion) Another issue is Article 6 (insurance). Currently there is a $10K, as of October 2020, deductable if a claim is made against the Association. Individual Unit Owners may be responsible for any deductable and should purchase a rider by providing a copy of the Master Insurance policy to their insurance provider.

Cliff Kinghorn (Unit 31) moved to accept the updated by-laws and Art Brault (Unit 18) seconded. The motion was unanimously accepted by voice vote.

2018 ANNUAL MEETING MINUTES. Richard Danzinger (Unit 22) moved to accept the minutes and Larry McCoy (Unit 30) seconded. The motion was unanimously accepted by voice vote.

Cliff Kinghorn moved to accept the recommendation of the accounting firm to move the 2019 operations budget excess to the 2020 operations budget. Motion was seconded by Brault (Unit 18). The motion was unanimously accepted by voice vote.

President Learoyd outlined the 2019 accomplishments:

- ✓ The by-laws were reviewed and updated -- a 3-year effort by Eagan and Kinghorn
- ✓ Several trees were cut down and others identified for removal in 2020. He noted this would be an ongoing project for several years as almost all areas are overgrown.
- ✓ An aerator was installed in August to minimize the algae in the pond but it failed to discourage the algae growth. It was suggested that the aerator be turned on as early as possible after the winter thaw to discourage initial growth. Also, in 2020, the culverts will be cleared to ensure greater water flow and "good" bacteria will be added to the pond to neutralize the fertilizer runoff from adjacent (non-Association) properties.
- ✓ All the street lights were replaced with vinyl poles, new lanterns and wiring was updated. Goal was ensure low maintenance (lanterns easier to clean), durability (vinyl instead of wood), and pro-active planning (replacement glass panels were purchased).
- ✓ Two buildings underwent rot repair and were painted. The coast was approximately $5K per building for rot repairs: plywood, trim and board replacement. Painting included scraping, primer and painting. McCoy (Unit 30) suggested if boards were to be replaced, perhaps the boards could be painted on all six sides before they were installed by the carpenter, saying that painting the boards on all sides slows rot.

BUDGET. Eagan explained the Association has two budgets (Operations and Capital Reserve); both needing owners approval. Highlights of the 2020 budget proposal:

- ✓ Five buildings need to be painted but the budget proposes only three in 2020 -- two painted using capital reserve funds from the monthly assessment and the third with a $500 assessment to be paid June 1.
- ✓ An estimated $201K 2019 budget for the operations budget might have a carry-over of $2K
- ✓ In the 2020 operations budget, there will be no change in the snow removal budget line, septic tank increase (per unit) is $1/month owing to the 25% increase in the pumping fee, and the legal fees line in decreased because the balance of the by-laws update is complete.
- ✓ Other Operations Budget discussion:
    - ✓ Kinghorn commented that the 2019 budget had a $2.5K line for the forest cutback, adding it is important to keep the forest line away from abutting the septic grounds. Learoyd agreed to ensure encroachment receives on-going attention and that if not attended to in 2020, it would be in 2021's budget.
    - ✓ Several owners asked about pest control, noting that there has not been a budget line for this in many years and some unit owners purchase the service. Desrochers estimated the cost per building at $1K as to be effective, the entire building must have the service. Brault (Unit 18) said they pay JP Pest $105/quarter.
    - ✓ McCoy (Unit 30) asked if the Board considered leaving the monthly at $450 and raising the special assessment payments to include putting more funds into the capital reserve. He said a low monthly assessment and a healthy reserve would be attractive to future buyers.

- ✓ A realtor in the audience noted the monthly fee amount generally doesn't affect a buyer's decision because Atherton Common is very attractive due to location and the services offered.
- ✓ Eagan explained that the 2020 monthly assessment has $375 going into operations and $100 in capital reserve. The increase into the reserve is a strategic decision because the current reserve is low for the age of the association and the services the association pays for that newer associations do not pay for (such as roads, grounds, roof, water, exterior and garbage).
- ✓ A motion was made and then withdrawn by Kinghorn to pay a $450/month assessment and an increase to the special assessment to $800.
- ✓ There will be one $500 special assessment in 2020 due to the association by June 1.

✓ As for the Capital Reserve budget, without an increase in the monthly assessment only $204K will be available for an anticipated budget of $247K. The proposed monthly assessment increase ($100 towards the Reserve) gives the association an additional $54K into the Reserve. Unanticipated Income includes unit owners' option to purchase garage doors (of the buildings targeted for painting); paying half the cost; and any fees acquired from buy-ins (new owner). Proposed 2020 expenses are $15K for rot repair; purchase of 2 privacy fences at $1.5K; other unit owners opting to purchase garage doors (owners outside of the painting cycle); septic field replacement; road repairs; and roof replacements. Motion was made by Kinghorn (Unit 31) to accept the 2020 Capital Reserve budget. Motion was seconded and approved by a show of hands.

✓ Other Capital Reserve discussion:

✓ Roof replacement. Learoyd explained all the buildings' roofs are approaching replacement and that a $1.5K special assessment for several years is a likely scenario with an estimated $600K cost for re-roofing, adding that the Board will address the issue in 2020. He noted that the Capital Reserve has been underfunded for many years, likely to avoid an increase in the monthly assessment. Currently the Board is studying a proposal of a 5-year roofing cycle paid with both an increase in the monthly assessment and a special assessment.

✓ Vinyl Siding. The fiscal feasibility assumed that the painting and rot repair costs will increase at 3%/year over 30 years with a total accumulated cost of nearly $3M and vinyl siding total costs (install and maintenance) would run less than half that amount. Six banks were contacted about a $1M loan with payments over 30 years. The objective is to keep the paint/rot repair costs flat and apply those monies to the loan. However, all six banks could only offer 15-25-year loans. The Board will continue to look for options.

OTHER.

- ✓ Weed killer. Due to the ongoing concern of carcinogens found in some week killers, Acorn will use Finale this coming spring, summer and fall seasons. The week killer doesn't not kill the roots, but the Association will try it to determine satisfactory performance.

- ✓ Amherst Conversation Commission announced it plans to revive the local walking trails including the feeder trail through Atherton Commons. This trail is on land eased to the town many years ago. Volunteers are needed to do the clearing and Ingrid Michaels (Unit 41) volunteers to be the contact. Learoyd agreed to send out a notice to the owners regarding the concept and the easement.
- ✓ Snow Removal. The late November snow storm removal was poorly accomplished and further complicated by a follow-up storm that created icing on the driveways and sidewalks. The contractor also admitted to problems with broken equipment that has since been fixed and the challenge of hiring manpower. Concern was expressed about clearing away snow from the front of the garages and clearing a path to the oil nozzle Learoyd said that the Board is in constant contact with the contractor and owners should make a Board member aware of an issue so it can be addressed. One owner asked what will happen if the contractor walks away from the contract; Learoyd responded it was unlikely, but the Board will address the issue if it happens.
- ✓ Water. One owner said her water continues to have residue in it despite a filter. Desrochers was asked to investigate.
- ✓ Roof Raking. When asked who was responsible, it was noted that unit owners are responsible. Desrochers has a list of insured roof raking companies. Other option is to install electrical taping, but the Board must approve before installation as it impacts the roof.

The next annual meeting was set for Saturday, December 12, 2020. Quarterly meeting dates have yet to be set.

A motion was made to close the meeting and seconded. The meeting was closed 12:10 pm by voice vote.

Respectfully submitted,
Joan Ferguson
Secretary