ATHERTON COMMON UNIT OWNERS ASSOICATION

ANNUAL MEETING MINUTES

DECEMBER 8, 2023

The meeting was called to order by President Dick Stout at 3:04 pm. Also in attendance was Director Pete Eiche, Secretary Joan Ferguson, Treasurer Howell Mitchell, Capital Reserve Chairman Kevin Eagan, and Association Manager Norman Desrochers. In addition, there were 34 Unit Owners represented by attendance or proxy (76%) sufficient to conduct business. (See Attachment A for list of attendees/proxies.)

Desrochers advised notice of the meeting was mailed on Nov 13 in accordance with the bylaws and confirmed the presence of a quorum to approve the pending 2024 budget.

Stout began by introducing the current Board members present (Eiche, Ferguson, Mitchel) and noted that Vice President Grover Penny has yet to sell his unit but has permanently moved to Florida.

Stout introduced the new owners:

- Regina and Bruce Kinney (Unit 3)
- Jeanne and Roy LaMotte (Unit 13). (They were not present at the meeting.)
- Tracey Tocher and Richard Lack (Unit 17)
- Pamela Campman and Mitch Young (Unit 25). (They were not present at the meeting)

Cliff Kinghorn (Unit 31) made a motion and Linda Madden (Unit 2) seconded approval of the December 2022 Annual Meeting Minutes as corrected. The motion passed by voice vote.

Kinghorn made a motion and Art Brault (Unit 36) seconded approval to roll over any 2023 funds to the 2024 budgets in accordance with IRS rule 70-604. The motion passed by voice vote.

Stout outlined the major accomplishments and issues addressed in 2023:

- A 15-mph speed sign was installed at the entrance to slow vehicle traffic in response to concerns about the high pedestrian traffic along the road.
- The March winter storm damage clean-up was invoiced at $8K. This was not budgeted but covered.
- A wet spring and summer led to the cancellation of painting Units 31-33 and 43-45. The painting was rescheduled for early 2024. Rot repairs were completed where discovered, but the Association can expect to uncover more at these Units when the painting begins.
- A 6-month $100K certificate of deposit was purchased at 4.9% using Capital Reserve Funds in May to generate interest. In August, another 6-month $100K CD was purchased. This creates a three month overlap and ensures minimum penalty should there be an early withdrawal.
- The master insurance policy deduction was increased from $10K to $25K to reduce the premium amount by $2.2K.
- The retaining wall at the pond's exit drains was rebuilt to stabilize the road's edge.
- The Association's largest contract – landscaping and snow removal – was renegotiated for two more years.
- All the fence rails were covered with vinyl sheets to negate the need for future painting as well as improve the appearance of the fences. The cost was $6K for the sheets and installation. Painting is estimated at least $5K every 2-3 years.

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- Expenses are increasingly challenging. Insurance, snow removal and landscaping increases account for $38/month increase in the HOA fee. The lowest quote to date to replace the two septic systems ($50K each) indicates the Association has been underbudgeting by $30K each.
- Riprap was laid along portions of the Atherton Lane road to minimize land erosion and control road degradation along the edge.

Septic Systems. A Unit Owner asked for clarification regarding the septic systems replacements: was there only one quote, does the cost take in clearing of trees or design work to get into the areas, and repair of any landscaping. Larry McCoy (Unit 30) asked about cost related to cutting a shelf by Unit 36 to access. Stout replied that an addition $15K was added to the cost to cover access and repair items, saying these would be Associations costs. Desrochers advised two other companies will be invited after the new year to a walk-around to discuss design. Seven companies had been contacted to date and one bid was received – all above the 2016 original estimates. McCoy added that two systems at that time (2016) were identified as in poor condition (Building 34-36 and Building 43-35) and that the Building 34-36 system had its d-box replaced in 2016. (That d-box has 5-7 pipes for water flow and the replaced d-box will not need to be replaced in 2024.) Stout said the current plan is to replace one system in 2024 and the Board will decide if a second one can be replaced as well. Ingrid Michaelis (Unit 41) asked if the future septic systems will be stone and pipe systems as they have a long life. Desrochers replied that is what the requests for proposal ask for. Holly Hornor (Unit 39) asked if the access location had been decided. Stout replied no, explaining there are two best possible access points, including unit 36's driveway (which requires removal of several large trees and building a landscape ramp because the slope is too steep for the trucks access. The second is next to Unit 33 where there are only small trees (the Association can easily cut down and remove to the transfer station) and the slope is minor. Access consideration will be given to cost and best access as discussed with the contractor.

2024 Budget. (see Attachment B)

- Operations.
  - ✓ Costs for new or annual renewal contracts (insurance, landscaping, and snow removal) have increased due to labor and materials. Stout noted that one cost-saving effort is to negotiate multi-year contracts. For 2024, both the landscaping and snow removal contracts will be 2-year contracts.
  - ✓ To help avoid special assessments and better plan for contingencies, the Board proposes an unanticipated expense line of $10K to cover any unplanned expenses such as storm clean-up, downed trees clean-up, water damage, etc. Note: The 2023 budget included $8K in unanticipated winter storm cleanup costs, leaving a too-slim margin.
  - ✓ Kinghorn noted that $21K was paid in 2023 for painting but no buildings were painted. Desrochers said the Association agreed to defer the 2022 painting invoice to 2023 because Centro not only painted the buildings late in the year but had several fixes to make because of poor workmanship. Ultimately, the expense will be credited to 2022.
  - ✓ The painting is on a seven-year cycle. Thus, the building painting schedule is offset by only one year.
  - ✓ Two Unit Owners asked if gutter cleaning had been completed. Desrochers noted the comments and asked Unit Owners to discuss this with him following the meeting.
  - ✓ The biannual septic systems inspection and pump out will be scheduled in 2024 at an estimated $9.5K.
  - ✓ Michaelis asked if there will be consideration to upgrading/maintaining the tennis courts. She said the current state gives a poor impression of the association

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upkeep. McCoy said the most current quote is $14K-36K to resurface. The Capital Reserve Committee has discussed the issue, but there is no interest in investing in the courts. Mitchell suggested the Board look at not putting up the nets, pulling up the posts and filling in the holes as a temporary solution. Another Unit Owner suggested the courts be torn up and a lawn installed. Desrochers said the latter would cost at least $15K to remove the base (not including the resultant landscaping).

- ✓ A Unit Owner suggested the water irrigation schedule be cut back to save money. Stout replied the schedule is monitored and water cost (including the owners' consumption) is not a significant issue in the budget.
- ✓ Brault made a motion to approve the proposed 2024 Operations budget and Eagan seconded. The budget was approved by voice vote.

- Capital Reserve
  - ✓ For the proposed budget, $162 of the $665 HOA fee goes into Capital Reserve.
  - ✓ Rot repair was decreased by $6K because, of the two buildings scheduled to painted in 2023 (and subsequently not painted), the obvious rot repair was completed. While more rot is anticipated to be discovered, it won't be as much if the repair hadn't started.
  - ✓ Budget reflects replacement of two septic systems at a total of $115K.
  - ✓ Road repair, crack sealing and rip rap will continue at $15K.
  - ✓ The loan payments for the roof replacements will be in their third year at $27K.
  - ✓ Kinghorn, citing a 2007 review, asked if there is a long-term strategy to ensure future costs will be covered --- road replacement, tennis courts, etc. His concern is underfunding the capital reserve. He added said study along with others, had been 'kicked down the road" by both Unit Owners and the Board in the past because of concern about HOA fee levels. He asked if the Board, in the exercise of their fiduciary responsibility, felt that the capital reserve fund would be adequately funded at the end of 2024. This Board responded that it has taken extra attention to be more fiscally aware and has taken long-term steps – such as investment of Capital Reserve funds to put more funds toward Capital Reserve. In other words, the Association can anticipate steady increases in the HOA fee as the aging infrastructure needs attention, he said. A Unit Owner asked if there might be a special assessment to build the Capital Reserve. Howell indicated that would not be a proper use of the special assessment process. Instead, because there are two key long-term concerns – the road and the septic systems – the current Board looked to maintain the road to extend the life of the road and will be looking at long-term replacement of the septic systems on an as-needed basis. Eiche added if the HOA fee can be decreased, it certainly is an option.
  - ✓ Stout recalled a Great North contract requirement that the Association pay them 5% in management fees for any capital improvement over $10K. Stout said the total would be discussed with Great North as the Association has already completed the preliminary work for the septic systems work. That kind of discussion was done when the Association replaced the roofs, and the percentage was reduced.
  - ✓ As the septic systems now require two tanks per system, Kinghorn suggested the replacement/septic system contract proposals evaluate the use of the current tank and add only the second tank. Desrochers said the one contractor who has met with the Board made the same recommendation. Stout added the tanks will be addressed before awarding the contract.
  - ✓ Eagan made a motion to approve the proposed 2024 Capital Reserve budget and Michaelis seconded the motion. The motion was accepted by voice vote.

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Open Comments.

- Stout announced that because of so many calls about trash in open containers, that Unit Owners must start putting food scraps in plastic bags in covered, secure containers. Many Unit Owners put their trash out 1-2 days prior to pick up and animals are getting into the bags and scattering the garbage. Too often, neighbors have picked up this trash. Secure containers will discourage animals and the frustration of neighbors.
- Al Wheller (Unit 4) said an important element in extending the life of the septic systems is not using the food disposal. Absolutely no vegetable scraps should be put down the drain and no wipes flushed down the toilet. He encouraged Unit Owners to use only biodegradable toilet paper.
- Linda Madden (Unit 2) asked about the location of the exterior curb stop as she needs to install an interior shut-off valve. Desrochers said he would contact Pennichuck Water and advise her as not every building has a curb stop.
- Stout announced the current Board is running for re-election except for Grover Penny who has moved out of state. Art Brault (Unit 36) announced he wanted to join the Board. Eagan made a motion to accept the Board slate of officers and Kinghorn seconded the motion. The motion was accepted by voice vote.
- Eagan asked that more Unit Owners join the Capital Reserve Committee to ensure a broader view of issues and options. Kinghorn added the committee is an excellent step in gaining experience and knowledge toward joining the Board. McCoy noted there should be no Board members on the committee (Brault is currently a member). Eagan said Eische is the current liaison between the committee and the Board but agreed to only observe at the committee meetings and discussions while Brault would be the liaison. (Any Unit Owner may attend any of the Board or Committee meetings.) A Unit Owner asked for a description of a committee member. Eagan said they include recommending the capital reserve budget (and following it as it progresses through the year) and following the implementation of Capital Reserve contracts. Six members are needed to fill the slate.
- Michaelis said that secure trash containers are as cheap as $30 at Job Lot and Home Depot.

The meeting was adjourned at 4:18 pm.

Respectfully submitted,
Joan Ferguson
Volunteer Secretary

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ATTCH A

Control #	First Name	Last Name	Address	Signature	Proxy	Ballot
345	Elliot Moller Trust		38 Atherton Ln	// Avis Moller //		X
346	Ayers Vaccaro LLC		6 Steeple Lane			X
347	Eagan Fam Rev Trust	Kavin & Karen Eagan	43 Atherton Ln			X
348	Joe	Baclawski	24 Atherton Ln			
349	Gerald	Cray Trustee Rev	7 Atherton Ln		✓	
350	Nancy	Danzinger	22 Atherton Ln			
351	Mary	Doolan	26 Atherton Ln		✓	
352	Peter	Eiche, Trustee	32 Atherton Ln	PC Eiche		X
353	Joan	Ferguson	9 Atherton Ln	Joan S. Ferguson		X
354	Loren	Field	19 Atherton Ln			
355	Thomas	Fitzgerald	10 Atherton Ln			X
356	George	Goodloe	12 Atherton Ln	// Dick Stout //	X	
357	Patricia	Gould McManus	29 Atherton Ln	// Cliff King by his proxy //	X	
358	Holly	Hornor	39 Atherton Ln	Holly S. Hornor		X
359	Cliff	Kinghorn	31 Atherton Ln	Cliff & Leonie King		X
360	Bruce A & Regina	Kinney	3 Atherton Ln	Regina & Bruce King		X
361	Jerry	Klein	18 Atherton Ln			
362	Roy C	LaMotte Jr	13 Atherton Ln			
363	John	Learoyd	27 Atherton Ln	// Pete Eiche //	X	

Control #	First Name	Last Name	Address	Signature	Proxy	Ballot
364	James	Leary	21 Atherton Ln		✓	
365	Arthur	Leknes	6 Atherton Ln			X
366	Kathleen	Lochhead, Trustee	16 Atherton Ln			X
367	Melinda	Luther	8 Atherton Ln	JOAN FERGUSON	X	
368	Linda	Madden	2 Atherton Ln			X
369	Gene	Madigan	37 Atherton Ln			✓
370	Lawrence	McCoy	PO Box 721			X
371	Salvatore	Mendola	11 Atherton Ln			
372	~~Martin~~ Ingrid	Michaelis	41 Atherton Ln			X
373	Robert	Miskelly	14 Atherton Ln			
374	Howell	Mitchell	28 Atherton Ln			X
375	Deborah A	Neigel	1 Atherton Ln	A C WEIGER	X	
376	Ferdinand	Pabon	44 Atherton Ln			X
377	Grover	Penny	35 Atherton Ln	John Learoyd	X	
378	Joseph	Perez Trustee	33 Atherton Ln			X
379	Shannon	Quinlan	15 Atherton Ln			
380	Candace	Rapf Trustee	43 Brook Rd			X
381	The Brault Family	Rev Trust 2014	36 Atherton Ln			X
382	Susan B. Stout	Revocable Trust	45 Atherton Ln			X

Control #	First Name	Last Name	Address	Signature	Proxy	Ballot
383	Anne	Riehl	5 Atherton Ln	Avis Moller	X	
384	Oxana	Sheppard	23 Atherton Ln			
385	Tracey	Tocher	17 Atherton Ln			X
386	Lyn	Washington	20 Atherton Ln			
387	~~Frank~~ Nora	Weber	42 Atherton Ln	Nora Weber		X
388	Allston	Weller	4 Atherton Ln	Al & Toni Weller		X
389	Mitchell	Young	25 Atherton Ln			

OPERATING REVENUE/EXPENSE **Attachment B**

	2022 Actual	2023 Budget	2023 Actual	2024 Budget
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Income				
$430*12*45 in 2023 $503*12*45 in 2024	256,500	232,200	232,200	271,620
Misc Income	245	0	0	0
Prior Year surplus/deficit	0	0	0	0
Total Operating Revenue	256,745	232,200	232,200	271,620
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OPERATING REVENUE/EXPENSE				
General & Administration				
Accounting	1,000	4,000	4,300	4,000
Legal	0	800	0	800
Management Fees	16,020	16,767	16,568	17,605
Insurance	20,160	20,442	20,908	23,235
Administrative	1,044	1,000	750	1,000
Total G&A	38,224	43,009	42,526	46,640
Maintenance & Grounds				
Landscaping Contract Fee	62,630	56,480	57,530	59,304
Tree Work	13,045	1,000	8,950	3,000
Landscape Inprovement	7,109	2,000	4,760	2,000
Irrigation Repairs	7,772	2,500	3,837	3,000
Snow Removal	41,670	36,685	36,685	51,360
Unanticipated Expenses	0	0	0	10,000
Total Grounds	132,226	98,665	111,702	128,664
Facilities Maintenance				
Painting	13,600	35,000	20,800	35,000
Gutter/Roof Cleaning	0	1,526	1,500	1,500
Pest Control	0	1,000	0	1,000
Maintenance	5,911	10,000	8,617	10,000
Roof Repairs	0	0	0	0
Tennis Courts	0	1,000	0	0
Septic Maintenance & Plan Update	7,939	1,000	1,200	9,500
Total Facilities	27,450	49,526	32,117	57,000
Utilities				
Electricity	778	1,000	981	1,100
Trash Removal	9,563	10,000	9,563	10,000
Water Usage	31,496	30,000	30,000	28,000
Total Utilities	41,837	41,000	40,544	39,100
TOTAL OPERATING EXPENSE	239,737	232,200	226,889	271,404

CAPITAL RESERVE REVENUE/EXPENSES				
	2022 Actual	**2023 Budget**	**2023 ACTUAL**	**2024 Budget**
Reserve Balance at end of Last Year	248,752	229,139	269,530	315,254
Revenue				
	55,900	87,480	87,480	87,480
Buy-In-Fee	3,350	2,850	5,920	3,900
Interest Income	780	1,000	2,923	4,800
Total Cap Res Yearly Revenue	60,030	91,330	96,323	96,180
Total Available Cap Res Funds	308,782	320,469	365,853	411,434
Expenses				
Rot Repair	19,968	15,000	11,899	6,000
Rail Fence Improvement	0	6,000	5,775	0
Garage Doors	0	100	0	0
Septic Field Replacement	0	60,000	0	115,000
Road Repair	29,246	15,000	5,925	15,000
Driveway Drainage Projects		20,000	0	0
Loan Payment P&I	27,000	27,000	27,000	27,000
Total Cap Res Expenses	76,213	143,100	50,599	163,000
Cap Res Funds At End Of Year	232,569	177,369	315,254	248,434
Annual Net Increase/Decrease In Cap Res	-16,183	-73,326	66,502	-66,820