ATHERTON COMMON UNIT OWNERS ASSOICATION

BOARD MEETING MINUTES

NOVEMBER 7, 2023

The meeting was called to order by President Dick Stout at 3:30 pm. Also in attendance was Director Pete Eiche, Secretary Joan Ferguson, Treasurer Howell Mitchell, and Association Manager Norman Desrochers. In addition, Unit Owners Linda Madden, Rick Lack, Al Weller, Art Brault, Laurie Kinghorn, and Larry McCoy were present.

Painting. Building painting (Units 28-30 and 31-33) was not completed this year because of the almost continuous wet spring and summer as well as the inability of the contracted painter to begin the work (due to the weather and scheduling). The Board agreed the painting schedule will be restarted in 2024. All the visible rot repairs were made on the two buildings, although it is expected other issues will be uncovered during painting preparation.

Finances. The complete financials are posted in the Great North Portal.

- ✓ Mitchell said the Operations budget issues continue and we are likely to be over budget by End of Year particularly on landscaping, snow removal, tree work and irrigation, attributed to weather (particularly this year's winter storm damage clean-up) and work needing to be done (fall clean-up, the pond's retaining wall repair and road repair). Desrochers noted the cash flow has been tight since 2021. However, even with anticipated invoices paid, and the $12K owned to Capital Reserve, he expects a slim margin left at the end of 2023. He added a surplus of $10K-$15K is recommended as a general practice to ensure unanticipated invoices can be paid.
- ✓ Brault asked that even with the buildings painting schedule postponed to 2024, would the $35K paint budget be largely intact? Desrochers explained the 2022 $20.8K Centro painting invoice in January and 2023 miscellaneous painting projects consumed most of the $35K budget. See previous minutes for details on the 2022 painting issues and the payment schedule.
- ✓ McCoy asked for details on the winter clean-up costs. Desrochers said the costs were more than $9K.
- ✓ Another Unit Owner asked if the Operations budget is in better shape than last year. Mitchell said yes because the 2023 budget remains on schedule despite the unanticipated invoices. He noted, however, the slim margin cannot be sustained due to increasing costs of services and materials.

Septic Systems. Five contractors were contacted for bids, and one was received on Nov 6. The proposal for two systems (Units 34-36 and 43-45) replacement is $96K. Stout said the bidder's price is based on the difficult accessibility of the two sites, the work needed to upgrade the 30-year-old systems, and removal of the old systems materials. It does not include the landscaping repairs and tree removal needed to build an access road to the site.

- ✓ Background. See the September minutes discussion.
- ✓ Stout agreed the Board will look at McCoy and Brault's options to build the access road separate from the septic systems work. McCoy added the access road will give access to three systems and might be more cost effective in the long run.

- ✓ Secretary's note. Board members met with the bidder on Nov 10. Pending responses to several questions and approval of the 2024 budget, the Board will make a decision on award of the contract for spring 2024.

Maintenance. Road repairs to the eroding road edges (tennis courts and up the hill, past the pond) and placing of the rip rap will be completed before the end of November – a Capital Reserve funding. Madden recommended Unit Owners (and their visitors) be aware of the road work and not park vehicles on the woods site of the road. Also, a Capital Reserve item for the pond wall repair will be completed by the end of November. The catch basins and the drains have been cleaned out – an Operations funding.

2024 Proposed Budgets. (Note: A final proposed budget will be provided to Unit Owners along with the notice of the Annual meeting.)

- ✓ Operations. Insurance, landscaping, and snow removal costs have increased. Those three lines account for a $38/month HOA increase. There was discussion whether the sidewalks could be taken out of the snow removal contract. Desrochers confirmed the Association and the snow removal company would be held liable whether or not the sidewalks were shoveled because they are limited common area. In addition, there are Unit Owners who cannot shovel snow.
- ✓ McCoy suggested an unanticipated line item to address anticipated events, perhaps at an additional $15/month HOA to ensure a reserve in Operations. Brault added that whether those funds are in the HOA fee or a special assessment, an Operations reserve should be secured.
- ✓ The Board agreed the septic systems replacement line in Capital Reserve will be increased to $115K to cover the anticipated work, landscaping, and tree removal.
- ✓ The Board agreed the 2024 HOA fee will be explained in detail (Operations portion and the Capital Reserve portion). See the September minutes for discussion of the HOA fee as related to Association stability and retail sales.

Work Orders Review.

- ✓ Tree limbs overhanging the Unit 25 roof should be removed before the end of the year.
- ✓ Flashing and sealing work completed to the exterior of Unit 15's building after a work order reported staining on the kitchen ceiling. As there are no further reports of a leak, the Unit Owner was advised repair/paint the ceiling may proceed.
- ✓ Unit 10's deck will be repaired or replaced as needed in the future.
- ✓ Unit 38's deck will be repaired or replaced in the spring as it is too late to make repairs and paint it.

The meeting was adjourned at 6:05 pm. As previously advised, the annual meeting will be December 8, beginning at 2 pm in the library.

Respectfully submitted,
Joan Ferguson
Volunteer Secretary