



Minutes
Annual Meeting of MRE
May 25, 2013
Thornton Central School

Board Members Present:

Timothy Duggan
Steve Ciras
Alan Crowe

Mountain River Management Company: Guy and Melissa Tuchon

Agenda:

- 9:00-9:30 Coffee and Goodies Social
- 9:30 Welcome by the President

Tim Duggan makes motion to approve 2012 Annual Meeting Minutes, Steve Ciras seconds as do many in crowd. Tim also comments on what a great job the Tuchon's are doing and the grounds look great.

Financials:

- Steve filling in for Matt states that MRE has adopted a new accounting system, a more efficient way of doing things. Steve states we are \$5,600 ahead of budget so far. Gerry Perry requests we put actuals for end of year, so it is easier to follow. BOD will take that into consideration. Fran Brough asks if it is less for budget because we are now recycling. Tim states that it is really no difference, perhaps a \$100-\$200 more to recycle.
- Reserves are at \$152k to start fiscal year.
- Next year's budget is slightly less than last years. Lawn Maintenance is increased this year by \$7k to fix problem areas where grass needs to be replanted. Special assessment of \$30k is for pool/spa work.
- Tim warns body that equipment/wiring in pool area is getting old and future updates will be needed.
- Forecasting \$100k in reserve by end of year due to expenses such as painting half of the buildings.
- Motion made by Steve to accept the financial statement, seconded by Tom Faulkner.

Forestry:

- Alan read Norm's narrative: "When we started this timber harvest in November of 2011, our goal was to reach approximately \$20k net. In 2012, our total receipt was \$6,367.33 net: our timber tax to Thornton was \$548.60. In the 2012-2013 fiscal years, our total income was \$26,266.55. Until we pay the Thornton timber tax, which could be as high as 10%, we cannot tell the final total. After paying the town and the IRS, we should end up with around \$27k net for both years. Right now we have received \$32,633.88. During the year, we have filled out another "intent to cut" for the year 2013-2014. This is to wrap up whatever is left to cut. Our contract with the logger ends on July 15, 2013, and we should be finished by then. We also filed an amendment to the May 2006 Forestry Plan. The reason for this amendment is to update a change in the goals of the Association. These changes at this time frequent multiple entries into various stands and are not practical due to access consideration. It also states other reasons, but this was done so that the govt. would not or could not say we did not follow the original plan from 2006. This will protect the association for the next harvest in 20 to 25 years. Copy of the amendment, intent to cut, and the forms that I signed with DEM are all on hand."

Accounting and Insurance:

- Steve said this was looked at for the association's protection. A management company in Waterville Estates ended up taking a lot of funds from association without them knowing it. Active approach to make sure checks and balances are in place. We are using QuickBooks online, which we can see anytime/anywhere. Our books are in cloud, which gives us real time look at transactions.
- Russ asked can people hack into our accounts based on having our information in the cloud. Tim informs him that the books are in cloud, not account numbers and passwords. Firewalls are in place. Tim states that the cloud shows our ledgers. He referred to MaryEllen's firewall, which was keeping books and account numbers at home. Russ is concerned about exposure. A unit owner, who is in banking states that this a safe practice of putting ledgers in cloud, and should not be worried about getting people hacking into our accounts.
- Steve states that we are insured for \$100,000 in coverage for dishonest employees. We have internal controls in place to avoid this. Steve states that our first review of cash cycle (receipts and cash exposure) indicates enough separation of duties. The BOD feels the QuickBooks/cloud based accounting system enhances our controls. The Cloud is something the directors can look at anytime, which is access to reports, and financial documents. Steve said we document these controls. Gerry Perry states job well done.

Pool Repairs:

- Alan states that Pool Plasters of Nashua was the vendor chosen to re-plaster the pool/spa. They were chosen based on price, (least expensive), references (10yrs

of them) and the fact that they did a great job with tile and coping last spring. The spa was fixed by the outside vendor that the Tuchons used to help with pool last spring. The re-plaster job came out very well and it was a challenge to line up the Water Delivery (Zappora Water) when the plaster was finished. The pool had to be filled right away to help with the curing and avoid any cracks. The Tuchons made sure they were all coordinated so that the Water Company worked until 9:00pm to get the pool filled. The Tuchons also met with Pool Plasters for instructions on how to care for pool in the first few weeks after the plaster was put in.

- New tables were ordered and are in around the pool. Alan Mann will do some work on pool house where the bottom is rotting away.
- The components in pool house, as well as the wiring, are getting old and as such are going to need replacing in the near future. Guy has stated that the wiring for the spa is fault and is going to need replacing. Alan states looking at prices for hard cover to extend life of re-plaster. 15-20 years is life expectancy of plaster and longer if hard cover is on it in winter.

Building Repairs:

- Tim states that four and half buildings were done last year. Siding and rot repairs, as well as trim repairs. The Sliders have all been replaced that needed it. Last three and half will also be done by Alan Mann and will be finished this summer.
- All trim that needs replacing will be done with PVC. Painting of those 4 buildings will take place this summer. Windows and doors are next on the replacement lists. Alan Mann does a very good job with the work. Gerry asked about pricing for skylights. Tim will follow up with Mann for price and states that windows replaced will be replaced completely.
- Question asked by owner about responsibility for deck flooring. Tim states past practice is owner replace them or turn them over. Joists that come out of building is being treated with water proofing by Tuchons. This is done to maintain them, as we can foresee having problems with them in the future. Fran asked. "Are we overfunding the painting account?" Yes, to a certain extent, but the extra monies can be used in other areas.

Painting:

- Huge expense. Ongoing painting every year after to make it an operational item. Norm did leg work for getting painting quotes. He spoke with other condos in area and came out with vendor based on recommendations. Painting was last done about 6 years ago. The BOD is recommending NOT French cutting to save \$\$ and also you cannot really tell. We are going to amend budget to show we are not French cutting. Motion made by Tim to amend, all in favor. Motion made to approve, all in favor.
- After painting for 4 this year and 4 next year, looking at painting 2 every year. Question was posed is vinyl siding a better alternative. Follow up since by Tuchons, it is far too pricey.

Lawns and Grounds:

- We had grubs as well as bushes were being eaten. Tru-Green came in and treated the grounds and bushes/trees. We need to reseed the lawn. Tuchons will do this based on quote they gave us to put loam down and seed.
- The MRE Sign: Norm did a great Job! It took him many hours working on this. It took 10 coats of primer, paint and poly. One tree by building 8 taken down. Number of stumps in complex, the BOD is looking into getting price to get rid of them. We need to replace trees in the future. Gaps in pool fencing. Tuchons will look into it, to make sure the fence goes all the way into ground.

Water System:

- Tuchons indicated that an inspection by the state last year revealed a number of problems that needed to be addressed. Source meters were added. One well not producing. Well pump and motor had failed. It needed to be replaced as well as the wiring and tubing. Tuchons are in process now of flushing this out now and should be online soon. The well is 575' deep for info purposes.
- Recycling Will send out note to association as to what goes in recycling dumpster. Other items such as grills, carpet, construction materials the dump takes them, not our dumpsters. Also there is a sign on Dumpster as to what can be recycled. Many members applaud the BOD for taking this step of recycling.

Water Heater Replacements:

- Insurance company is pushing back to get them replaced. Ron asked why? If water heater busts then it affects the buildings. Tim talked about ice damage, you would first file claim with own insurance, then association insurance. Question was asked if owner could replace water heater with a waterless one. Yes! We are looking at ones that are over 10 years old. Looking into getting competitive pricing for association. Marathon water heaters never need replacing. Fran asked how well they do, varying opinions on when to replace them and how the current water heaters work. There are 37 units currently that have water heaters that are over 10 years old according to Tuchons. There are 3 different price levels for the heaters. Going forward for heaters, we will base it on warranty period.
- Dryer Vent Repairs: Looking at it last 2 years. The way the dryers are vented is a fire hazard. The BOD is looking at repairs to it and has ideas from Alan Mann. Mann has done a couple of the vents and the BOD is looking to firm up a price and time that Mann can do this. Just the interior units need to be vented, not the exterior units. Mann is pricing them out to box them to vent it out. Tim states that we could disable vent for people not venting out. Fran/Gerry asked is this a fire hazard if disable vent? Tim didn't think so. Russ asked if we have building plans for units. Tuchons will contact Ingram to see if he has them.

Chimney Cleaning/ Fireplace repairs:

- The BOD assumed the Bourques were doing the cleaning of chimneys on an every other year basis. Tuchons did a 100% inspection of all chimneys with contractor. Tuchons found 1 chimney not even hooked up. Cracks in fireplaces need to be fixed. Individual expense. Unit owners are responsible. Cleaning will be determined by chimney inspector and billed to owners. Cracks are also unit owner's responsibility.

Northern Pass:

- Tim states we are up to date on situation. Project is not doing anything at this moment. Coos County is where they are still trying to acquire land and it is no doubt in time the owners will sell out. Bill #648 states that they cannot take land by eminent domain. Forest Society has blocked them by not letting them acquire state owned property. Power Company used a tax map which was their mistake and they did not get the conservation land they needed. They need 1 acre. Power company is supposed to announce route in July, if not their investors will have very little faith in them. Tim advises us to write to governor's office to conserve head waters. Power Company also needs to go thru White Mountain Forest. Paula asks everyone to consider purchasing membership to forest society. Paula advises us that they are having movie night to raise \$\$\$. Tim states we should have them in our backyard already but because there has been so much resistance in NH they are not close. Across country, they do not care and are up. Unit owner asked why doesn't Power Company go underground and run it that way. Answer, it would cost them 10x as much, also afraid of setting precedent and their pride of getting it done as well.

Elections of Directors:

- Two spots open; Tim Duggan and Alan Crowe. Gerry Perry motioned to have both members stay on for another term, all in favor.

Open Forum:

- New owners, Unit #76 Ken and Nancy Ferold? Both spoke on how they received glowing recommendations on MRE and that is why they chose to buy here.

Motion made by Alan to adjourn, seconded by Tim and rest of members.

Meeting Adjourned 11:30