



Mountain River East Condominium Association

Mountain River East Road Thornton, NH

May 2020 Annual Meeting Report

Per the MRE by-laws (Amendment 1) the annual meeting is normally scheduled to take place on the Saturday of Memorial Day weekend however considering that Governor Sununu has extended the stay at home advisory until May 31st we are unable to hold the meeting in person. Please see the below report. The next meeting is scheduled for September 5th.

Welcome

We would like to welcome the new association members since our last meeting listed below. Please familiarize yourself with our website www.mountainrivereast.com . Here you will find information on the mandatory annual dog registration requirements (due July 1st), the alternate heating guidelines and application and the rules of the association. You will also find the meeting minutes from past meetings.

Robert and Jean Cola – Unit 14

Stephen and Susan Brady - Unit 20

Joan Allen – Unit 11

Francis and Laura Smith – Unit 29

Mike and Ellyssia Whiting – Unit 32

Terry and Lorelei Driscoll – Unit 35

Melissa Blue and Victoria Root – Unit 40

Francois & Donald Mueller - Unit 66

James and Petti Azar – Unit 73

Kurt Weiland – Unit 80

Thank you

First and foremost, we express our gratitude to our past president, Timothy Duggan, for his 10 years of service and commitment to the association. Tim served in the role with tenacity and dedication and MRE underwent many upgrades under his leadership. Tim stepped down in November and per the bylaws the remaining Directors elected a successor, Jeannine Robbins-Murphy – Unit 36, to serve until the next annual meeting of the association (see Election of Directors below).

In addition, thank you to one of our association members, Krista Neal, for offering her services to our residents in need during the Covid19 crisis. Krista is a nurse at Elliot Hospital, and we appreciate her service to our community.

Business

Financials

We were slightly over budget for fiscal year 2020. While we were successful at containing some costs and coming in at or under budget, there were a few items that notably added to overall costs. You can refer to the Budget Vs. Actuals report that was included with the annual meeting materials. Specifically of note was:

1. The increased cost of our Trugreen contract for this year.
2. Trash removal costs with Waste Management are difficult to predict as there is flexibility on their end of the contract to increase costs of pickup.
3. Under the Grounds category, there was increased costs under the materials category due to placement of beetle traps last summer, extensive bee removal and replacement of the pool sign.
4. Under the grounds category, there was increased costs in the labor section due to extensive tree removal, treating trees for deer prevention, and excess snow removal beyond contracted services both in parking lots to prevent flooding and roof raking to prevent ice dams.

One success we did have was to negotiate a significant decrease in insurance premiums by switching to State Farm for our master policy. In doing so, we reduced our annual premiums by over 6,000.00 with the same coverage. An additional bonus to this was lifting of potential requirements to have fireplaces inspected by video which would have cost an additional 10,000.00.

All said, we ended up with a \$2,813.00 deficit.

The 2021 budget reflects a 3% increase in condo fees. As we discussed at last year's annual meeting, it had been 5 years since our last fee increase which resulted in a 10% increase last year. It was our intention to make smaller gradual increases as needed. This allows for covering our estimated expenses and for an increase in 5% to what will be contributed to our reserve funds (MMR).

In terms of the status of our reserves, we are in good shape. The roofing project is completed. We were able to complete the project for 220,000.00. At this point we had already raised close to 170,000.00 to fund the project. To fund the full project, the roof assessment should remain in place through fiscal year 2022 to replace the funds that were paid out of our general reserve to complete the project this year.

To clarify expenditures that were made from reserves for FY20:

1. The damages tiles in the pool and hot tub were replaced in the fall. (\$7,583.00)
2. A rock zone was placed around all buildings to reduce splashing that was causing damage to the siding. (This is the \$7,926.00 expenditure under miscellaneous on the MMR forecast report)
3. The \$29,262.00 expenditure on this report reflects the purchase of the skylights that were replaced in conjunction with the roofs. This cost will be repaid to MMR by the owners who were billed for their new skylight.
4. The painting rotation of buildings was also continued.
5. The roof project will be paid in FY 21.

For the first time in several years, we did not spend more than we contributed to MMR. If this trend can be continued, along with finishing the next 7 quarters of the roof reserve to reimburse the loan from MMR, we should be in good shape financially.

Attached for review are the following financial documents:

Financial Report 2019-2020

Budget for 2020-2021

Long Term Capital Planning (Major Maintenance Reserve Schedule)

Roofing Project Summary

The process of selecting a roofing contractor began approximately 5 years ago. We vetted contractors based on their qualifications, prior work, ability to take on such a project, as well as price. Based on these criteria, we selected Energy Shield of the Lakes Region out of Laconia. The product we chose was Owens Corning duration shingles which carry a 40-year manufacturer warranty. They removed and disposed of existing shingles on all 8 main buildings, 4 garages, pool house. They installed six feet of ice and water shield at the edge of the roof

covered in synthetic underlayment. Included was all new drip edge and ventilation boots. They notified us and replaced any rotten plywood on roof. They also agreed to install all the new skylights that we ordered (owners are responsible for paying for skylights) and take away the old ones. There were approximately 44 skylights that needed to be replaced. Their timeline was two weeks to strip existing and install new shingles, as well as install skylights. Note, every other contractor had time frames of over a month, closer to two months to complete the job. Since Energy Shield is a preferred vendor of Owens Corning, the manufacturer is including a **ten-year** labor warranty which is unheard of in this industry. The most the other contractors offered was 3a -year labor warranty. Energy Shield's pricing was \$220,000, which included all of the above. Most importantly, their price came in \$80K-\$100K **less** than any other vendor. Their references also provided good reviews. MRPM oversaw the entire project and pointed out anything that didn't meet expectations including damaged screens. Energy Shield had no problem fixing whatever was damaged including replacing screens. We did research metal roofs as well but found the price too costly. In conclusion, when we first started doing research we estimated \$300K for the project based on some of the early quotes. To have the project come in \$80K less, include skylight install, 10 year labor warranty, and a 40 year shingle warranty is a huge win for the association.

Tree Trimming/Removal

Ten trees were removed, and five trees trimmed in April in accordance with the Tree Project schedule. Trees that were removed will be replaced with new trees.

New State Farm Master Policy

As mentioned above we negotiated a significant decrease in insurance premiums by switching to State Farm for our master policy. In doing so, we reduced our annual premiums by over 6,000.00 with the same coverage including an increase in Director's coverage.

Pool Repairs/Hot Tub Status

The tiles that were damaged and missing on the pool were replaced in the fall. The hot tub leak issue is being addressed with piping and jets being replaced or repaired. We are opening the pool as planned on Memorial Day Weekend however request that association members practice guidelines for Covid19 as published by the state of NH.

Painting/Building Maintenance

Building 7 and 8 are scheduled to be painted this summer.

Election of Directors

At each annual meeting, members of the association elect a Board of Directors (BOD) for the forthcoming year. Due to fact that Tim Duggan stepped down in November as President, we are fortunate to have a highly qualified replacement willing to jump on board. Jeannine Robbins-

Murphy is retired from a successful career in finance at Raytheon Company. She also serves as Treasurer on a non-profit board in Boston. The MRE Board of Directors would like to nominate her for a three-year term to take Tim's place as president.

The only other position up for reelection is the Vice president position, and we would like to nominate Steve Ciras to continue in that role for another three-year term.

Considering the inability to hold the annual meeting we recommend continuing with the above positions through the summer and deferring the elections until the Labor Day meeting.

If you have questions, please reach out to Mad River Property Management (contact info on MRE website) and if required the BOD will be notified. These notes will be posted to the website.

Best Regards,

The Board of Directors

Mt. River East Condominium Association
Budget vs. Actuals: FY2020 - FY20 P&L
 April 2019 - March 2020

	Actual	Budget	Total over Budget
Income			
100 Condo Fees	208,279.20	208,278.40	0.80
105 Garage Fees	2,800.00	2,800.00	0.00
117 Roof Assessment	30,000.00	30,000.00	0.00
120 Late Fees/Finance Charges	1,610.82		1,610.82
125 Cable Surcharge	41,171.20	41,172.20	-1.00
5310 Interest Earned	47.29		47.29
Billable Expense Income	310.00		310.00
Total Income	\$ 284,218.51	\$ 282,250.60	\$ 1,967.91
Gross Profit	\$ 284,218.51	\$ 282,250.60	\$ 1,967.91
Expenses			
1000 Buildings			0.00
346 Building Repair	1,845.00	6,560.00	-4,715.00
407 Chimney Inspections	1,454.50	1,640.00	-185.50
Total 1000 Buildings	\$ 3,299.50	\$ 8,200.00	-\$ 4,900.50
2500 Administrative			0.00
300 Insurance	15,110.15	21,977.60	-6,867.45
310 Management Fee	93,349.32	93,349.40	-0.08
332 Printing/Mailing Supplies	286.66	200.00	86.66
333 Postage	344.10	100.00	244.10
345 Web Page Maintenance	639.63		639.63
350 Professional Fees	998.40	1,000.00	-1.60
355 Reserve Contribution	69,119.40	69,119.40	0.00
360 Meeting Expenses	387.83	400.00	-12.17
367 Other	1,014.99	818.00	196.99
Total 2500 Administrative	\$ 181,250.48	\$ 186,964.40	-\$ 5,713.92
320 Pool/Jacuzzi Maintenance			0.00
321 Pool Furniture	237.75		237.75
323 Pool Chemicals/Parts/Labor	5,236.04	4,000.00	1,236.04
324 Pool Propane	894.96	1,500.00	-605.04
325 Pool Electricity	3,009.49	3,300.00	-290.51
411 Pool Maintenance	240.00	1,000.00	-760.00
Total 320 Pool/Jacuzzi Maintenance	\$ 9,618.24	\$ 9,800.00	-\$ 181.76
4000 Utilities			0.00
305 Electricity	5,694.07	6,000.00	-305.93
315 Rubbish Removal	7,551.32	6,000.00	1,551.32
326 Septic System	2,565.00	4,000.00	-1,435.00
370 Cable	41,419.04	41,172.20	246.84
406 Water System/Pump House	1,831.00	3,000.00	-1,169.00
Total 4000 Utilities	\$ 59,060.43	\$ 60,172.20	-\$ 1,111.77

413 Grounds				0.00
403 Lawn Fertilizing/Insect Control	6,375.66	5,214.00		1,161.66
404 Wood Bark Mulch	2,570.00	2,900.00		-330.00
405 Materials	3,633.06	2,000.00		1,633.06
416 Labor	21,224.31	7,000.00		14,224.31
Total 413 Grounds	\$ 33,803.03	\$ 17,114.00	\$	16,689.03
Total Expenses	\$ 287,031.68	\$ 282,250.60	\$	4,781.08
Net Operating Income	-\$ 2,813.17	\$ 0.00	-\$	2,813.17
Net Income	-\$ 2,813.17	\$ 0.00	-\$	2,813.17

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Mt. River East Condominium Association
FY20 Budget/Actuals Proposed FY21 Operating Budget
 April 2020 - March 2021

	<u>Budget FY20</u>	<u>Actual FY20</u>	<u>Proposed FY21</u>
Income			
100 Condo Fees	208,278.40	208,279.20	214,527.00
105 Garage Fees	2,800.00	2,800.00	2,800.00
117 Roof Assessment	30,000.00	30,000.00	30,000.00
120 Late Fees/Finance Charges		1,610.82	0.00
125 Cable Surcharge	41,172.20	41,171.20	42,977.00
5310 Interest Earned		47.29	0.00
Billable Expense Income		310.00	0.00
Total Income	\$ 282,250.60	\$ 284,218.51	\$ 290,304.00
Gross Profit	\$ 282,250.60	\$ 284,218.51	\$ 290,304.00
Expenses			
1000 Buildings			
346 Building Repair	6,560.00	1,845.00	6,560.00
407 Chimney Inspections	1,640.00	1,454.50	1,640.00
Total 1000 Buildings	\$ 8,200.00	\$ 3,299.50	\$ 8,200.00
2500 Administrative			
300 Insurance	21,977.60	15,110.15	16,093.00
310 Management Fee	93,349.40	93,349.32	95,216.00
332 Printing/Mailing Supplies	200.00	286.66	350.00
333 Postage	100.00	344.10	300.00
345 Web Page Maintenance		639.63	0.00
350 Professional Fees	1,000.00	998.40	1,200.00
355 Reserve Contribution	69,119.40	69,119.40	71,094.00
360 Meeting Expenses	400.00	387.83	400.00
367 Other	818.00	1,014.99	1,200.00
Total 2500 Administrative	\$ 186,964.40	\$ 181,250.48	\$ 185,853.00
320 Pool/Jacuzzi Maintenance			
321 Pool Furniture		237.75	0.00
323 Pool Chemicals/Parts/Labor	4,000.00	5,236.04	5,100.00
324 Pool Propane	1,500.00	894.96	1,500.00
325 Pool Electricity	3,300.00	3,009.49	3,300.00
411 Pool Maintenance	1,000.00	240.00	1,000.00
Total 320 Pool/Jacuzzi Maintenance	\$ 9,800.00	\$ 9,618.24	\$ 10,900.00
4000 Utilities			
305 Electricity	6,000.00	5,694.07	6,000.00
315 Rubbish Removal	6,000.00	7,551.32	8,000.00
326 Septic System	4,000.00	2,565.00	4,000.00
370 Cable	41,172.20	41,419.04	42,977.00
406 Water System/Pump House	3,000.00	1,831.00	3,000.00
Total 4000 Utilities	\$ 60,172.20	\$ 59,060.43	\$ 63,977.00

413 Grounds				
403 Lawn Fertilizing/Insect Control	5,214.00	6,375.66	5,474.00	
404 Wood Bark Mulch	2,900.00	2,570.00	2,900.00	
405 Materials	2,000.00	3,633.06	4,000.00	
416 Labor	7,000.00	21,224.31	9,000.00	
Total 413 Grounds	\$ 17,114.00	\$ 33,803.03	\$ 21,374.00	
Total Expenses	\$ 282,250.60	\$ 287,031.68	\$ 290,304.00	
Net Operating Income	\$ 0.00	-\$ 2,813.17	\$ 0.00	
Net Income	\$ 0.00	-\$ 2,813.17	\$ 0.00	

Mountain River East Condominium Association
Major Maintenance Reserve Schedule
Cash flow Summary
Long-Range Forecast

	FY'13	FY'18	FY'19	FY'20	FY'21	FY'22	FY'23	FY'24	FY'25	FY'26	FY'27	FY28
Roof - Reshingle					220,000	0	0					
Lawn care			3,963									
Siding & Trim Repair	34,300		2,544					2,500		2,500		2,5
Grade Garages				0								
Tree work		0	6,312[1]		7,000[2]			2,500		2,500		2,5
Trail reclamation				0								
Asphalt/Crack Sealing	4,900	7,500				8,000				1,500		
Tennis Court			10,000									
Pool/Jacuzzi	16,200		0[3]	7,583	5,000			15,000				
Misc Expense*			1,982[4]	7,926								
Contingency		1,350	2,223	29,362	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,0
Water System	3,000	0							14,000			
Well/pump house		10,357	0[5]							30,000		10,0
Painting & Maint		17,800	17,800	18,400	21,000	3,250	3,250	21,000	21,000	22,000	22,000	25,0
Total Expenditure	58,400	37,007	44,824	63,271	258,000	16,250	8,250	46,000	40,000	63,500	27,000	45,0
Beginning Balance	152,200	199,804	225,582	243,870	249,719	62,813	118,890	161,737	160,642	166,894	151,034	173,1
Annual Contribution	30,000	32,785	33,113	39,119	41,094	42,327	43,597	44,905	46,252	47,640	49,069	50,5
Misc. Income*	26,300							125				
Assessment		30,000	30,000	30,000	30,000	30,000	7,500					
Less Expenditure	(58,400)	(37,007)	(44,824)	(63,271)	(258,000)	(16,250)	(8,250)	(46,000)	(40,000)	(63,500)	(27,000)	(45,0)
Ending Balance	150,100	225,582	243,870	249,719	62,813	118,890	161,737	160,642	166,894	151,034	173,103	178,6

*FY 14 misc income and expense includes forestry, slider repayments, small transfers between accounts, bank charges. FY15 misc income is one-time \$15K transfer from Operating to MMR and Plymouth Fire Dept. income.

*FY 17 misc income from Unit 9 foreclosure.

1. Fiscal year begins 4/1/ and ends 3/31/. NOTE: Expenditures hard coded and annual contribution escalated at 3.0%/year.
2. Roof surface 58,150 SF @ \$125.00 per square (\$36.00 PS install labor + \$37.50 PS materials +\$51.50 strip/remove). Note one square = 100 square feet of roof surface
3. Asphalt roadway 2,740 linear feet (20 feet wide) = 54,800 square feet (probable cost \$95,000)
4. Asphalt parking lots adjacent to buildings = 45,689 square feet (probable cost \$50,000)
5. 11/2" binder over "structurally sound surface" costs approximately \$1.10 per square foot with some miscellaneous repairs.
6. Crack fill is approximately \$1.25-\$1.75 per lineal foot
7. Please note prices for roof and asphalt are based on discussions with contractors and meeting with Pike Industries.
 However, both products are oil based and subject to fluctuations in the price of oil over time.

[1]