

Spruce Hills Condo Association  
**Minutes of Open Session**  
Spruce Hills Clubhouse  
October 16, 2018

Call to Order: The meeting was called to order at 8:00 pm

Board Members Present:	Janet Traphagen	President
	Joe DeVergillo	Vice-President
	William Palaferro	Treasurer
	Tim Todd	
	Robert Hart Jr.	Secretary

Assoc. Members Present:	1	Rae Amato	1003
	2	Fleur Baumgartner	1004
	3	Charlotte Haggerty	706
	4	Martha Sandstrom	1107
	5	C.J. Griffen	303
	6	Sally Hoff	909
	7	Annette Anderson	2002
	8	Grace Beam	2005
	9	Camille Noonan	301
	10	Susan Longo	1812
	11	Mary Hemmer	607
	12	Jessica O'Neil	1416, 1008
	13	Melanie Brunt	1906
	14	Karen Aulisio	603
	15	Karen Cannon	110
	16	Justin Bruce	610
	17	Boni Durante	401
	18	Luba Nunez	515
	19	Jim & Gina Rispoli	109
	20	Meaghan Nugent	1213
	21	Carol Karas	1306
	22	T.J. Scallon	802
	23	Christine Mayercik	1902
	24	Sean Hull	1904
	25	Marilyn Bresler	514
	26	Dan Krzyzkowski	202
	27	Nancy Franklin	1011
	28	Lisa Casner	1015
	29	John Casendino	1704
	30	Elinor Bettis	1709
	31	William Sauder	2004
	32	Philip Picazio	1614
	33	Kerrie Novobilski	1908
	34	Lisa Rodriguez	1907

35	Jennifer Cardone	1104
36	Lydia Williams	708
37	Sean Kennedy	709
38	John Brown	1701,1808
39	Dorothy Nicolai	111
40	David Graule	210
41	Mike Meano	1412
42	Lindsay Licwinko	1409
43	Shannon Smith	1504
44	Alan Snyder	1402
45	Doug Eiel	213
46	Kelly Eiel	203
47	Valerie Schunk	1516
48	Alan Theesfeld	916

Approval of Minutes:

Sept. 4, 2018 - Working Meeting  
 Sept. 18, 2018 - Working Meeting  
 Sept. 18, 2018 - Open Meeting  
 Oct. 2, 2018 - Working Meeting

Motion: Janet Traphagen      Seconded: Joe DeVergillo

All in favor and motion passed

Treasurers Report:

<u>September</u>		<u>October</u>	
Checking Account	\$2,037	Checking Account	\$3,112
Savings Account	\$275,903	Savings Account	\$138,421
Capital Reserve	\$257,920	Capital Reserve	\$358,250

*Motion to accept Treasurers Report*

Motion: Janet Traphagen      Seconded: Robert Hart  
 All in favor and motion passed

*Motion to purchase (2) Certificates of Deposit from Merrill Lynch:*

\$100,000 new  
 \$50,000 renew

Motion: Joe DeVergillo      Seconded: Janet Traphagen  
 All in favor and motion passed

*Motion to approve the Bills List*

Motion: Janet Traphagen      Seconded: Joe DeVergillo  
All in favor and motion passed

*Motion to approve the roof repair on Building 10*

Motion: Janet Traphagen      Seconded: Joe DeVergillo  
All in favor and motion passed

*Motion to approve the replacement of a damaged flooring truss in Building 4*

Motion: Janet Traphagen      Seconded: Joe DeVergillo  
All in favor and motion passed

*Motion to approve the replacement of a damaged header in Unit 1503*

Motion: Janet Traphagen      Seconded: Joe DeVergillo  
All in favor and motion passed

Completed Projects:

- Roofing on Buildings 8 & 19

Projects still in process:

- Roofing on buildings 3, 5 & 10

*Preface:*

*Over the last few months, the Association's Board has been working on a long range plan to complete the replacement of all roofs and siding on those buildings not completed to date. The financial status of the Association and a variety of options were explored to finance the completion of the work over the next few years.*

*The Board determined that a meeting with the Association members to review the financial options, the scope of work to be done and to elicit the member's feedback would be held on this date. While the Board holds "Open" Board meetings every 3<sup>rd</sup> Tuesday of each month, this monthly meeting would focus solely on this issue.*

*A notice was previously sent to all Association members advising them of the scope of this month's meeting.*

*Due to the volume of discussion during the meeting, the questions and responses from the Board are*

*not written verbatim, instead the questions are summarized below relative to the area of concern.*

### Board Presentation:

Joe DeVergillo:

- Reviewed some of the maintenance issues the Association has faced over the last few decades
- Identified some of the completed and uncompleted areas

Janet Traphagen:

- Reviewed some of the Board activities in recent months including;
  - Building layout diagrams
  - Siding and Roofing diagrams (posted on meeting room walls)
  - Data compilation
  - Work and materials options
  - Created and adjusted various plans to complete and finance the work

Robert Hart:

- Discussed some of the siding options considered to complete the project
- Reviewed some of the factors that contributed to the current financial situation including;
  - Maintenance fees data over the years
  - Major expenditures early in Association
  - Estimate of roofing, siding, balcony & deck costs

Bill Palaferro:

- Discussed the financing options explored by the Board
- Discussed proposed financing plan and options

### Open Floor:

1. Questions concerning the monthly Maintenance Fee:

a) Will there be an assessment or an increase in dues?

*Board: We are considering a special assessment at this time. The Board is also currently seeking advice from the Association's attorney as to the legalities of a special assessment as it relates to the Association's long term ability to collect the funds needed for the capital improvements. Historically, the Association has been unable to collect tens of thousands of dollars in maintenance fees due to foreclosures.*

b) What will the fees be reduced to after the Capital needs are met?

Board: *The monthly maintenance fees are based on the annual budget not capital expenditures therefore any increase in the monthly fees in subsequent years would remain.*

c) When will any assessment be implemented?

Board: *Any assessment would be implemented no sooner than January 2019 or as soon as legally possible thereafter.*

d) Will the special assessment funds go directly into the Capital Reserve Fund?

Board: *All funds collected under a special assessment will go directly into the Capital Reserve Fund.*

e) How will assessment payments be applied?

Board: *Contingent upon advice from counsel, the Board anticipates a minimum monthly payment would be required.*

*A special assessment would be for a fixed amount for a fixed duration.*

f) Will lump sum payments of any assessment be accepted?

Board: *Larger lump sum payments would certainly be acceptable but we do not anticipate payments less than the minimum monthly sum being allowed. The Board would consider applying any late fees or interest that is legally allowed by law.*

## 2. Siding Alternatives

Comments: James Rispoli, Unity 109, representing the Building Committee, commented on his concerns on Hardie Board siding with respect to reviews and problems found on the internet. Jim further expressed his concerns about a few issues he has observed on the buildings that have been resided thus far, including, but not limited to, caulking applications and siding boards showing some bowing out.

The Building Committee, in researching alternative siding products, found a heavy grade vinyl siding product that would be a viable option for use by the association.

Board: *The Board has noted and discussed the items Jim has observed. Also, the Board previously approved the residing of the club house in 2017 and has discussed using the vinyl product as a test in a limited application on it.*

*Note: At previous Open Meetings, when this application test of the vinyl product on the club house was discussed, some members expressed their concerns that the funds would be better spent on re-roofing. Board members noted their concern however, the funds would only cover half of a building's roof at best and they were concerned of the impacts of using an untried product on a building only to be dissatisfied with the results.*

3. Why doesn't Board go after the manufacturer on concerns expressed by Jim Rispoli concerning a possibly faulty product or installation issues of the Hardie Board?

*Board: The contractor performing the work is one of the certified installers listed by the James Hardie Company and the work is warrantied. The Board would pursue any issues covered by the warranty of the Hardie Board but also remains open to alternatives in future residing work.*

*The Board would work to identify any areas of concern and address those concerns with the manufacturer.*

Question: Would the Board have any oversight during the replacement of the roofs or siding?

*Board: The Board has considered project oversight and management as we go forward. Using an Association member for that oversight may not be in the association's best interest but it has not been removed from consideration. The costs for oversight by an outside party would be explored.*

4. Concerns were expressed on degrading home values due to the current building conditions.

*Board: All of the Board members reside on the property. All of us are as concerned as anyone of our property values. This is why we are working to deal with this issue and have invited the membership here to hear the information we have and for the Board to answer your questions and listen to your concerns.*

5. Concerns were expressed about the spot repairs that have been made to siding in limited areas of buildings only to have that side of the building completely resided within a relatively short period of time. This type of action is viewed as a waste of Association funds.

Others questioned the replacement of only parts of roofs rather than an entire building.

*Board: The Board is aware of these concerns and has taken steps to minimize any such similar actions on roofing or siding. Unfortunately there have been instances where leaks have occurred that warranted attention before the funds for a complete replacement of either a roof or siding were available.*

*In addition, if the siding contractor is brought in to reside a limited area of a building or unit, the cost per square foot is far greater due to the necessary set-up costs of the contractor.*

6. Questions were asked about contingency plans to deal with underlying issues on buildings such as sheathing repairs and also whether inflation factors were included in the estimates.

*Board: The Board is aware both factors in the estimates. However, the Board is also concerned how a special assessment of this magnitude would be received. There has never been a special assessment here.*

*The Board began its deliberations with estimates below \$100 but as the issues were explored further, those estimates had to increase. At this time, no final determination of any assessment cost has been made.*

There being no further questions, the meeting was adjourned at 10:05 pm.

The next Board meeting will be Tuesday, November 20, 2018

Signed: Janet K. Laphagen Title: President  
11/20/18