HCOA Emergency Board Meeting Minutes
Meeting Date February 28, 2024, 7:00 PM

Board Members in attendance Via Zoom: Kathy Degan-President, Ed Chamberland-Vice President, Michael Abbott-Secretary, Tom Tremblay-Treasurer, Michele Butler. Board member Vinny Zaccardi is a Cottage 6 Owner and recused himself from the meeting.

The purpose of the meeting was to discuss how to fund several recent discoveries in the rebuild of Cottage 6

<u>Roof $70,000</u>
Morrison Construction started a remodeling project in the second floor Reitz Unit this past week. During the demolition of the interior ceiling and walls they discovered the ceiling was compromised and sagging in some areas. Further investigation identified the existing roof sections are separating from each other and are failing due to improper structural supports. Poor construction methods were used in the past resulting in this roof failure. The roof and supporting exterior walls will need to be replaced.

<u>Deck $24,000</u>
The second floor Reitz unit deck is the original deck from the 1980 conversion and was rotted out holding water underneath between the roof and the deck. A complete replacement is necessary.

<u>Cabinets $24,000</u>
Due to inflation, one of the unit's cabinet costs has increased over and above what was estimated back in April of 2023. The total cost of the cabinets is $24,000 above what the insurance company is willing to cover. We are still working with the insurance company, but currently they do not agree to cover this additional amount.

There are also several smaller charges, creating a total expected overage of $140,000.

The board held a lengthy discussion to determine the best way to handle this potential overage. The final decision was to sign for the loan in the amount of $100,000 to cover the costs for the next few months. The board has approved the loan with Bangor Savings Bank as the approved lender in the amount of $100,000. The board also approved Kathy Degan as President to sign on behalf of the association.

The board will be paying strict attention to the budget for the next four months, and only completing projects that are necessary. At the end of the fiscal year, 6/30/2024, we will know exactly what the overage or underage is. If there is still a shortage of funds, depending on the amount, we may have to assess the owners for the difference and use those funds to pay off the loan, and start the fiscal year fresh.

Our options were either a third assessment this year, or to use the loan we have already put in place to cover any excess for Cottage 6 rebuild. Our concern with another assessment is that we could possibly have another discovery between now and the end of our fiscal year (06/30/2024), which would lead to a fourth assessment. We could also have excess in the budget from several of the other projects that are in the works which could be applied to this $140,000. It is very difficult to project which way our finances may go when we still have four months left in our fiscal year. We do know the current budget was not adequate to cover all the needs we have been faced with this fiscal year.

Respectfully submitted,
Michael Abbott
Michael Abbott
Secretary