

QUAIL RUN CONDOMINIUM TRUST
BOARD OF TRUSTEES MEETING
November 2, 2011, 5:00PM VBW GARAGE
Quailruncondo.org

Meeting called to order at 5:00pm.

Present at the meeting were D. Roberts, W. Howe, D. Serieka, Trustees, S. Marx, F. Stoddard representing The Dartmouth Group ("TDG"), R. Waehler, Finance Committee and H. Tillman, Communications Committee. R. Clarke attended by telephone.

October Minutes: Approved.

Procedural Note: *In these minutes, action items are bold and italicized.*

Interim Approvals Since the October meeting:

The Trustees have approved \$3,800 for fall gutter cleaning, \$2,000 for work on the 1-4DG electric distribution box, \$1,300 for repaving remediation if not done by NE Sealcoating and the gas conversion for 11KM.

Management Report:

Engagement Letter CPA Patricia Cobb (FOR APPROVAL)

Management is in receipt of an engagement letter from CPA Patricia Cobb to perform the 2011 financial review for Quail Run Condominium at cost of \$2,400. Management is seeking an authorized signature on the annual engagement letter.

2011 Annual Meeting (11/21/11) Preparation (FOR INFORMATION ONLY AND APPROVAL)

The mailing on October 14, 2011 announcing the November 21, 2011 annual meeting along with a solicitation for Trustee nominations for the two open seats, yielded two candidates (incumbents Dick Clarke and Walter Howe).

Management will prepare a second mailing to include a formal meeting announcement with an agenda, a proxy and the 2012 budget. Management updated the 2012 budget with 2011 actuals through September with projected amounts for the last three months of 2011 showing an estimated \$20,000 surplus for this year.

2012 Quail Run Condominium Reserve Study (FOR INFORMATION ONLY)

Engineer Peter Cziepel of Noblin & Associates completed the capital reserve study for 2011 and issued a report that was distributed to the Board of Trustees on October 25, 2011. Management has arranged for Peter to

attend the November 2, 2011 Board of Trustee meeting to present the report and answer any questions.

Delinquency Report

Attached for review is an up to date delinquency report for Quail Run Condominium. The only issue is one 30 day past due monthly payment. A late charge has been posted accordingly and if necessary, a 45 day letter will be mailed out on November 15, 2011.

Gutter Cleaning (FOR INFORMATION ONLY)

At the approval of the Board of Trustees, management has scheduled John Sliwa to clean the gutters during the last week in November at a cost of \$3,800.

Electrical Junction Boxes (FOR INFORMATION ONLY)

At the approval of the Board of Trustees, management is working with electrician Mike Sawyer to repair/replace the electrical junction boxes at 1 through 4 Michaels Green.

New England Sealcoating (FOR INFORMATION ONLY)

A letter was sent to Craig Swain of New England Sealcoating placing his company on formal notice due to a failure in resolving two outstanding issues from work done this past spring. An e-mail response was received back that both were remediated and management has confirmed this. There is no further action necessary on this matter. However, based on the service and lack of follow up, management does not recommend the use of New England Sealcoating for any future Quail Run Condominium projects.

Monthly Financials

As of September 30th, the Quail Run operating account has a year to date surplus of \$25,655 and nine month reserve expenditures total \$45,000.

Maintenance Report:

Management and Maintenance Report Meeting Updates:

The Cobb letter has been approved with the caveat that the audit is due no later than 4/30/12.

It appears that our year end estimated operating surplus of \$20,000 is still realistic in spite of heavy storm damage as there are still over \$7,000 in unexpended special landscaping funds.

Preliminary reports back from our electrician indicate more funds may be needed to repair/replace the 1-4 DG electrical box. We have asked for a specific cost estimate. Another electrician, Rumley, has already offered to replace the box for \$2,500. In any event, the work should be done soon as power to the whole 1-4 DG building will be off for several hours during the project. The Trustees approved an increase of this expenditure to a limit of \$2,500.

The Maintenance Supervisor has now power washed over half of our units with the rest to be done next spring.

Landscaping Report:

D. Binding and his crew will work a full day this Friday removing storm damaged trees, limbs and debris. F. Stoddard will coordinate the visit and advise the Landscaping Committee if further visits are needed. Reports confirm that Vanaria did a great job removing small storm debris as required under their contract.

Noblin Report:

Peter Cziepel of Noblin & Associates joined the meeting to answer any questions regarding the latest reserve analysis. Peter believes we are under reserved but that there is adequate time to make up the shortfall without Draconian measures. The report includes a cash flow matrix with a required of 2012 reserve increase of approximately \$26,000 followed by additional total catch up payments of \$35,000 over 8 years. Further annual increases of 2% (of the annual budget) for 4 years plus 1% every fourth year thereafter will then satisfy remaining projected needs for the next 30 years. R. Clarke reported that a transfer of \$30,000 can be made after year end assuming we maintain the expected 2011 surplus and reduce excess operating cash balances by \$10,000. Therefore, a 2% increase next year plus the transferred funds should meet immediate needs and put us back on track with the Noblin schedule. Any future operating surpluses will reduce the need for annual reserve increases and conversely, any operating shortfalls will add to the annual charge increase.

Our expected 2011 capital expenditures are right in line with the estimated 1/1/12 starting reserve balance of \$447,500 provided to Noblin by the Trustees at the start of their work.

The Trustees voted to make the above transfer as soon as we receive year end financials and to set the 2012 monthly fee increase at 2% reflecting the above recommendations. This means that for the third year in a row, there will be no operating increase with the 2% allocated to increasing our reserves.

R. Clarke and R. Waehler will confer to determine how we set and communicate future increases to the residents consistent with the Noblin results.

Annual Meeting Preparations:

The PowerPoint presentation is nearly completed and will be recirculated by H. Tillman for final review. R. Clarke will ask a resident of each of our areas to make telephone calls to their neighbors reminding them of our needs to achieve quorum by either attendance or proxy. TDG will also send out a weekly broadcast e-mail as a further reminder. Walter Howe will act as meeting master of ceremonies with other Trustees presenting various presentation topics.

Old Business:

The Trustees authorized the settlement of our claims with gutter cleaner Loughlin with any proceeds going to the law firm which represented us at no cost to the Trust.

The new front entrance signs are not satisfactory. ***S. Marx will contact the vendor either for replacement or bill adjustment.***

The Trustees reviewed our holiday lighting guidelines which can be seen in the Handbook. ***TDG will remind the owner of 14 SMB to follow Handbook guidelines for holiday decorations.***

Executive Session:

No discussions

Next Trustees' Meeting: December 7, 2011, 5:00pm at the garage office.

Adjournment: The meeting was adjourned at 6:25pm.