

**Sterling Woods II  
Master Board Meeting  
Draft of the Minutes  
November 14<sup>th</sup>, 2007**

Tom DuCharme called the meeting to order at 7:30 PM. Present were Tom DuCharme, President (President of the Birches), Carole Torro (Vice President of the Elms); George Holland, Treasurer (President of the Summit); Director Peter Zane (President of the Oaks); Director Steve Andrewson (President of the Willows) and Joseph Wielock, Secretary (President of the Maples).

Kim Murray attended the meeting in Art Stueck's absence.

It was mentioned that Carole Torro was representing the Elms, on a temporary basis, as Yale Cooke submitted his resignation earlier this week. Carole mentioned that she would be calling a meeting with the rest of the Elms Board to elect a new President of the Elms. Peter Zane will be chairing the Hearing Panel until a new Master Board Vice President is elected.

**Request of owner(s) to speak** – there were none.

**Ratification of the minutes** –

Joe Wielock made a motion to ratify the minutes from the October 17<sup>th</sup>, 2007 Master Board Meeting. Without objection, the meeting minutes were approved.

**Treasurer's Report – George Holland**

Year to date, there is an operating surplus of \$22k. Between October 31 and December 31, we will spend significant amounts of money and will end up with a loss of approximately \$30k for the year. This has been anticipated due to high costs of maintenance. Also, we are going to pay Hoffman Landscaping (the new snow vendor) two installments of \$33k each in November and December and we have two more landscaping installments due this year.

The reserve account, thru October 31<sup>st</sup>, reflects a surplus of \$28k. That will grow to about \$45k by year end. The budget plan was to grow the reserves by \$112k. The reason for the shortfall is we spent substantial amounts of money on concrete replacements (patios and sidewalks), two major drainage issues, and the replacement of garage doors. Our assets are still approximately \$1.4 million.

There were no additional resale certificates issued in the past month. There were two closings in October, both Chestnuts. One was sold for \$372,000 and the other for \$355,000. A year ago, those units were selling for at least \$400,000. There are a fair amount of units on the market at this time.

### 2008 Budget

George thanked a number of people who participated in the process of putting the budget together including the village treasurers (Stan Kishner, Erwin Guberman, Brian Foster, and Betsy Schaefer), the Maintenance Committee, the Landscaping Committee, and Art Stueck and Kim Murray of REI. We collected data from our major vendors (Eastern View, TruGreen, NeJame, Yankee Paint, Hoffman Landscapes, etc...) regarding what it would cost us for their services in 2008. We also collected quotes for different projects planned in 2008. It originally looked like the common charge increase would be in excess of 10%. The Treasurers Committee looked at ways to try to reduce the numbers. We asked the Landscaping Committee and Art to go to Eastern View, Bartlett and Trugreen to see if there were ways to cut down on certain landscaping projects.

We also started sealing driveways this year. We decided to do one village (the Elms) in 2008 instead of two. We are going to cut back on cleaning the clubhouse to once a week and twice in the summer. There are a considerable number of possible painting projects (lattice work in the pool area, gas pipes on the sides of our buildings, and wood guard rails to name a few). If you add up known possibilities, the estimates are in excess of \$20k. For budgeting purposes, we trimmed that to \$10k and asked the Board and Maintenance Committee to be selective in deciding what to paint next year. By trimming the budget through those steps, we reduced it to an increase of 7%. The average common charge payment this year is \$241.00. It would increase to \$258.00 which is a \$17.00 per month increase.

If you ask why the budget is going up 7%, we know we can attribute 4% of that to the cost of snow removal. \$140k was budgeted for 2007. The new snow contract has been signed at a cost of \$180k. The other 3% is related to increased maintenance and inflationary costs. We are an aging community requiring more maintenance and vendors are raising their fees to us.

Tom DuCharme asked why are we not digging deeper into existing reserves? George answered that the policy of the board since 2000 has been that we want to pay as you go. Have all the owners of a Unit contribute toward the eventual replacement of the components of that Unit rather than assessing the Unit Owner living there at the time of replacement.

The budget is lean and there is little that can be taken out. We will owe extra to Hoffman Landscaping if there is over 55 inches of snow this winter.

George reviewed the Reserve Account budget. There are \$90k of expenditures out of the Reserve Fund next year to cover tree restoration, more concrete replacements, more metal

garage doors, resurfacing part of the service road to Nabby Road, and new playground equipment. Thus the reserve fund will grow by \$72k.

George Holland asked the board to approve the budget with the 7% increase in common charges. The plan would then be to mail the budget materials to the community and ask them to vote at the December 12<sup>th</sup> meeting to ratify the budget. Peter Zane made the motion to accept the increase. Joe Wielock seconded the motion.

Tom DuCharme thanked George Holland, and the other members of the Treasurers Committee for the many hours of work they put in to put this budget together. The 7% is not out of the ordinary. Each year, someone is upset that we don't go into the reserves to reduce the common charge increase. Tom is always reminded of those who didn't have reserves. Not many years ago, Sterling I was faced with having to put on new roofs and paint the siding. Every unit owner was assessed \$7,400 to be paid within 30 days. There were a lot of people that were not able to come up with the money. Some unit owners even had to sell their units as a result.

By having an association like ours, with cash available, it shows there is good fiduciary responsibility. It is also viewed by the real estate community and banks as an association you can fiscally trust. If the reserve is not well maintained, assessments will be necessary.

### **Landscaping Committee Report – Carole Torro (Chairwoman of the Landscaping Committee)**

The replacement of plants has been completed. 26 plants were replaced at no cost to the Association thanks to the warranty. There are a few remaining unit owners that have reported dead plants and they will be addressed in the spring of 2008.

The vast majority of our lawn area was aerated and seeded. Winter fertilization was also applied. This fertilization sits on the surface and is then absorbed into the ground. When the plants grow and germinate in the spring, this fertilization is already in place. This completes the TruGreen contract for the year.

Eastern View is still mowing as needed. They will address the leaf removal each week as needed. Bartlett will do their general tree pruning in November/December. We will be billed for this work next year.

Tom DuCharme asked if flagging a shrub to prevent trimming by Eastern View should be allowed in the villages other than the Birches. The board needs to think about this. This will be tabled for now and brought up again in the spring time. REI will add this to the tickler.

A moving van caused damage on November 14<sup>th</sup> at the entrance way. Boulders were moved and bushes were crushed. The President of SWI informed Tom DuCharme. REI

contacted Eastern View to make the repairs. Eastern View will provide REI with a bill. REI has made contact with the responsible party and they will be billed for all repair costs.

It was asked, when will the island across from the entrance be fixed? Tom DuCharme explained that you can call 311 to discuss this. He was told it would be completed by year end. REI will follow up on this.

### **Maintenance Committee Report – Stan Kishner (Chairman of the Maintenance Committee)**

There was no report at this time. Tom DuCharme mentioned that the members of the committee were going up and down the streets taking down notes and observations.

Ed Kowalczyk reported that a sealer that they tested on steps worked great. The water stains disappeared and the steps look brand new.

### **Management Report –**

Tom DuCharme had a suggestion for future historical purposes. In the October minutes, under Maintenance Committee Report, it states major patio and walkway repairs have been completed. Tom feels it would be helpful if it listed where the work was done. Stan informed Tom it is a long list. Tom would like it included.

### **Feedback from Proposals**

Proposals included in the package were reviewed. Most do not need to be acted upon now. They are spring projects.

The gas company is not responsible to paint the gas pipes. Tom feels the proposal to paint the gas pipes seems high (\$8,800). Additional bids will be obtained should we proceed on this project.

The quote to paint the individual vents on the Chestnut Units on Bradford is \$60.00 per unit. Additional bids will be obtained should we proceed on this project.

REI will provide a list of which Birches units need their front entrance posts repaired. A unit owner applied a Minwax product for rotted wood and said it worked well.

Art Stueck will explain the proposal (from Mulvaney Mechanical) to fix the water hammering problem in two units.

It has been decided it is too late this year to consider putting in gutter guards on some units as an experiment. It would have to be decided which buildings are affected the most and the best product to use. REI will put this on the tickler. REI will also ask the gutter cleaning vendor, as he is cleaning the gutters in the next couple of weeks, to let us know which buildings he recommends adding gutter guards to.

REI will keep a list of all “no soliciting” letters that are sent out. Kim informed the board that she spoke to the police department and they cannot do anything to a solicitor unless they are on the property when the police arrive. It was suggested to let the post office know if a solicitor leaves anything in the mailboxes.

REI will follow up to see if the unit owner of 24 Britannia Drive took her “moving sale” flyers off the mailboxes, including the thumbtacks.

The Fall Dumpster Day was a success. It went very smoothly.

The clubhouse carpets and windows have been cleaned.

Tom DuCharme thanked Art, Kim, Dave Renna, Ashan Yatkin and Paula Andrewson for the wonderful Halloween get together. It went very well and approximately 200 visitors stopped in for treats.

We have a new snow contractor, Hoffman Landscapes. They have already staged some materials down on the access road. The question was asked, is there a way to get out of the contract for poor performance? The contract does call for cancellation for non-performance and there is a penalty for late servicing.

There will be an individual crew for each village. Each crew will have their own supervisor. It is a three-year contract with a 5% increase in 2009 and a 5% increase in 2010. Other companies could not deliver the amount of people to perform the work up to our standards. We expect Hoffman to deliver. Hoffman will also be taking care of clearing the main entrance. SWI is responsible for paying 20% of this. REI will have the village crew listing added to the contract and have Hoffman sign.

### **New Business –**

Tom DuCharme pointed out that our Master governing documents are made up of three primary sections – Master Declarations, Master Bylaws and the Rules & Regulations. The Master Declarations always prevail.

Tom pointed out the differences in the definition of a unit. In the Birches, a unit is defined by its lot lines whereas in the other five villages by the unit’s inner walls.

According to the Master Declaration, a unit owner in the five villages cannot change the exterior appearance around their unit without Master Board approval. However, due to

the wording of the Master Declaration, a unit owner in the Birches might potentially under certain circumstances change the exterior appearance of their unit.

Hypothetically, a Birches unit owner could paint their unit an unusual color or erect a 10 foot statue in the front yard either of which could have a detrimental effect on the property values of their neighbors. To close this loophole in the Master Declaration, our attorney has recommended a series of changes to that document.

In order to make the necessary change to the Master Declaration, since it restricts the usage of the units in the Birches, 80% of all SW-2 owners will have to approve. Our lawyer recommended first to see if 80% of the unit owners in the Birches are willing to accept the restriction. Tom DuCharme indicated that he would be willing to pursue this change with all Birches owners. If 80% of the Birches owners are in favor, then all SW-2 owners will be asked to approve the change.

Joe Wielock made a motion to go forward with this proposal and to talk further with our attorney. George Holland seconded the motion. All present voted in favor of the motion.

Peter Zane made a motion to adjourn the meeting at 8:45 PM. Joe Wielock seconded the motion. All present voted in favor of the motion.