RIVER RUN CONDOMINIUM ASSOCIATION PHASE II

ANNUAL MEETING
Saturday, November 12, 2016 @ 1:00 PM – Saco Room, Building 7

MINUTES

Kip Eaton, President of the Board of Directors, called the Annual Meeting to order at 1:00 pm.

The following Units were represented in person or by proxy:
Building 6: H, I/J, O, Q
Building 7: A, B, C, D, H, I/J, K, N, O, Q, R, S
Building 8: A, B, C, D, G, H, J, L, N, O, P, S,
Building 9: A, B, D, E, F, J (proxy), L, M, N, O, Q, R
Building 10: A, B, C, D, G, I/J, L, M, N, O, P, R, S,

REVIEW AND APROVE MINUTES OF NOVEMBER 14, 2015 ANNUAL MEETING.
It was moved and seconded to accept the Minutes of the November 14, 2015 Annual Meeting as distributed. All voted in favor.

REVIEW FISCAL YEAR END FINANCIAL STATEMENTS – APRIL 30, 2016.
Gil led the group through a review of the 2016 Year End Financial Statements.

Statement of Revenue and Expenses:
Dues Assessments for the year ending 4/30/16 were relatively even with the year before and Interest income is from CD's held for capital reserves.

Expenses increased by $12,000 from the prior year. A number of line items were significantly lower than the previous year. This helped to offset the cost of road maintenance resulting from a major crack sealing and paving project. Increases in expense items include:

Road Maintenance- Crack sealing and paving resulted in an increase of $67,000 over the prior year.
Road Maintenance will continue, but not an expense of this magnitude next year.
Bad debt expense- An owner declaring bankruptcy resulted in dues ($4,300) unable to be collected.
HVAC maintenance was $7,000 higher than last year due to repairs required.

A number of expenses were considerably lower than the prior year:

Snow removal was $8500 lower than the previous year since snowfall was light last winter.
Building maintenance was lower by $21,000.
Electricity was lower by $8,000 due to lower winter rates.
Propane was lower by $37,000 due to locking in our contract rate while prices were low.

Statement of Assets, Liabilities & Owner's Equity
Cash was lower at year end by $4300, a 1.6% difference. Accounts receivable decreased $5,000, partly due to the bad debt expense. Capital improvements increased by $50,000 due to projects being completed. With the increase in accumulated depreciation, net capital items increased by $15,000. Total Assets had a net increase of $2,000.

Accounts payable decreased by $7,600. Deferred revenue increased by $12,000. This represents prepaid dues from River Run VO Trust. Association equity was $1,900 lower than the previous year ending 4/30/15.

These numbers show a very healthy balance sheet. With a current ratio of 3.8, liquid assets greatly exceed liabilities. With no long-term debt, the Association is in a good cash flow position.

An Owner inquired whether we would see increases in Cable TV and Wi-Fi Expenses. Gil responded affirmatively explaining this would be worked into the spring 2017 budget process. Frank explained the recent wiring upgrade through Time Warner Cable was done at no cost to the Association.

An Owner inquired as to the tax status of the Association. Gil explained it is considered a "non-profit".

PROPERTY MANAGER'S REPORT – RICK SCIENZO

The resort had a great summer and received many positive comments regarding the new flower gardens around property. All of the fall plantings along with cornstalk and pumpkin displays are out and look terrific.

Time Warner Cable has just recently completed rewiring all buildings so each unit has its own dedicated cable line to each cable box. This work was done at no cost to the Association. Each unit now has the latest technology available, which allows a true high definition signal at each television set.

The resort added another recycling dumpster on property which is located next to the Building 8 dumpster. This should help with the high volume of recycling being done at the resort from our guests. Rick will be closely monitoring this to determine if additional recycling dumpsters are necessary.

The Building 10 standing seam metal roof was completed in June. This is a premium quality roof and should set the standard for future roof improvements in our Association. Gil mentioned Building 9 is the only RRCA II building left with asphalt shingles.

A new high efficiency boiler was installed in Building 7 during the spring. This is the third new boiler for RRCA II. Rick stated he hoped to continue phasing out the remaining old boilers in buildings 6 and 9. Rick stated he felt these recent high efficiency boiler upgrades were a contributing factor in our decreasing propane consumption and expense.

New lobby carpeting was installed in Building 9 during the spring. It is the same rubber backed carpeting squares that was recently installed in all RRCA II Annex hallways. By moving to the carpet squares, this allows Rick the ability to repair stains etc. by removing and replacing a single square vs. large sections saving the Association money in the long run.

New vinyl wallcovering is in the process of being installed and door moldings painted in the common areas of Buildings 7, 8, 9 and 10. This project should be completed by December 22nd.

SPORTS CLUB REPORT – RICK SCIENZO

New carpeting was installed in the Fitness Center of building 7. This was a huge improvement over the multi colored rubber matting that had been in place for many years.

The volleyball court was recently refurbished. We edged out the perimeter and added all new sand.

The Sports Club purchased 18 new chaise lounge chairs this year. 12 were placed at the outdoor pool and 6 at the Saddle area pool. The Saddle area pool also received a portable restroom which we will continue each summer.

A new top quality commercial Cybex cross trainer treadmill was installed at the Fitness Center in building 7.

New hardware has been purchased to repair all the windows at the indoor pool. The mechanical mechanisms of the windows have failed making them difficult to open and close. All repairs to the windows will be completed by the end of October.

The board has approved the installation of an additional ice rink for this winter. The rink will be located approximately 20' North of the existing rink. This will allow one rink for individuals who want to enjoy a game of Hockey and a second separate rink for those who enjoy casual skating. An additional fire pit was also added in this area.

New sand was added at the beach area at the pond along the Saco River Trail. Several chaise lounge chairs were also added for people to enjoy this quiet location. The Sports Club Board is also considering ways to improve and promote the beach area along the Saco River. Most guests are unaware of the beach and swimming available at this location. Several signs are being designed to promote this nice resort amenity. The raft for this area was also recently refurbished. Rick also reminded the group of the swimming in the Saco River which can be easily accessed via the Saco Trail entrance on the back side of the Outdoor Pool Pavilion. Although hurricane Irene washed large boulders along the river bank, this is still a beautiful natural swimming location. Rick will be evaluating what can be done to the shoreline to make this more easily accessible for swimming.

OLD BUSINESS

Building Exterior Upgrades

Rick provided details of the recent building improvements that have taken place over the past two years. Most recently RRCA I approved upgrades to the exterior of their buildings, upgrading from the aging rough sawn pine siding to a more timeless combination of vinyl clapboards and vinyl cedar shakes. Buildings 2, 3 and 4 have been completed and Building 1 is currently under construction. Stanton House in AMV VO Trust also underwent renovations by enhancing the entrance tower with vinyl cedar shakes. The Board is exploring similar options to enhance and update RRCA II Buildings using the Stanton House concept.

Future Planned Capital Improvements

Rick explained the Association has been taking advantage of substantial energy savings rebates made available through New Hampshire Electric Cooperative over the past several years. The boilers in Buildings 7, 8 and 10 have been replaced leaving Buildings 6 and 9 to be done. The Association is allowed one rebate per year through NHEC and Rick will be determining the availability of funds early in 2017 to continue this project. Building 6 has the oldest boiler in the Association and will be next in line to be considered for replacement.

Building 9 is the last building in the Association with asphalt shingles. Rick will be quoting replacement of this roof with a standing seam metal roof using Building 10 as an example at some point in the future. This roof is not in need of immediate replacement. Kip stated this would be a major expense and the Association would not be looking to do this in the next couple of years. The Board met earlier in the day and this topic will be on their spring budget meeting agenda. Owners present expressed the desire for the Building 9 roof to be completed before considering any siding upgrade project. Gil explained there may be Dormers being constructed in Building 9 in the future. When Dormers are constructed, the Owner pays for the roof in that section.

Cooling Towers – Buildings 6, 7 and 8

Kip reminded Owners of the aging cooling towers which service Buildings 6, 7 and 8. This technology is old, making parts extremely difficult to come by and when they can be found, very expensive. With advancements in technology over the past 30 plus years, cooling towers are no longer the most efficient means of controlling temperature. When the tower servicing Buildings 9 and 10 failed, the Board made the decision not to continue to invest in the very costly repairs. These Owners have installed through the wall AC units. Kip reminded Owners that while the cooling tower for Building 6, 7 and 8 is not showing immediate signs of failure, it is in fact, an old system. When it does fail, the Board will follow the same policy it set for Buildings 9 and 10. This cooling tower will not be replaced and Owners will be responsible for their own individual AC units. The River Run VO Trust has converted their units to through the wall AC, hoping to lessen the demand on these aging towers. An Owner inquired as to the approximate cost for through the wall air conditioning. Rick explained this varies from unit to unit depending upon its size. Several Owners inquired as to whether they could convert before the towers fail. Rick and the Board strongly encouraged them to do so. Rick will provide quotes to anyone interested in the cost to install.

NEW BUSINESS

Election of Directors

Directors with terms expiring are Joe Berry and Gil Harris both of which agreed to accept another term on the Board. Nominations were requested from the floor. There being none, a motion was made and seconded to elect Joe and Gil to another term. All voted in favor.

Other New Business

An Owner mentioned a disturbing incident which occurred in Building 8 during the July 4th weekend. Several rooms were rented to individuals who proceeded to overfill each unit with upwards of 10 people or more. Partying commenced and the police were called twice. These Guests installed a zip line between two trees which he felt subjected the Association to unnecessary liability exposure. He felt they should have been requested to leave the property when this behavior began on Friday night. He stated the Front Desk clerk was afraid to confront the individuals who, in his opinion, were out of control. Frank stated he had been made aware of this group after the fact and they will not be allowed to return to the resort. Frank stated standing Resort Policy in instances such as this are that if the quality of a Guest or Owner's stay is impacted by the unacceptable behavior of another individual, they will be requested to conform their behavior. If the unacceptable behavior continues, they will be requested to leave the Resort immediately and their money will not be refunded. Frank stated Resort Policies will be consistently enforced moving forward.

Kip inquired as to the protocol for reporting damage within the unit. His experience is that one in every five renters cause some sort of damage to the unit. The general group feeling was that Housekeepers/Inspectors were not reporting damages so that the appropriate guest could be charged. Frank explained his efforts to improve upon this since assuming the General Manager's position in June. His ultimate goal is to insure the quality of the Owner/Guest experience. AMSCO is here to represent the Owner when they are not present on property and to protect their investment. Housekeeping Inspectors are now scrutinizing not only the cleanliness of the room, but the quality of the room from a maintenance perspective. Several Owners offered comments from arriving at the Resort to find their unit windows open to being billed for items missing from the unit. They felt these incidents should be reported timely and charged to the Guest. Frank encouraged Owners to contact him personally with their concerns.

An Owner inquired as to whether the Association had ever considered an energy audit of unit interiors. He mentioned his unit was extremely drafty. Rick encouraged him to immediately contact Dave Hamilton in the Unit Maintenance Department. In the meantime, Rick will contact New Hampshire Electric Cooperative inquiring about any free programs to audit units. Gil suggested this information be shared with all Owners.
ACTION STEP: Rick to contact NHEC regarding availability of free energy audits for unit interiors. If available, he will make this information available to the Board and subsequently all Owners.

An Owner inquired about his inability to use his Onity key. Frank explained it had just recently come to his attention that the Owner codes for Onity were not working. He is addressing this with Onity and this should be resolved in the next one to two weeks. Frank encouraged all Owners experiencing difficulty to contact him.

With no other business to come before it, the meeting was adjourned at 2:16 pm.

Respectfully Submitted,

Lynda L.M. Tibbetts, Secretary