

Waterville Estates Association Annual Homeowners Meeting Minutes  
January 11, 2015

The meeting opened at 10:08 am.

Introduction of Board members.

Mr. Mahoney thanked retiring Board member Anne Formalarie for her years of service.

Mr. Mahoney gave an overview of WEA accomplishments for 2014 including 45 property transfers, new adult pool, and work with Total Scope Marketing for a new logo, new website and marketing brochure as well as the new signs.

Mr. Mahoney discussed personnel turnover. He discussed Sodeixo food service in the summer and Steve and Val Nelson taking on food service at the ski area for the winter. He said that the transition to new maintenance and infrastructure personnel was handled well.

Mr. Mahoney said that four weddings were booked in 2014, which was short of the 10 weddings that had been projected in the 2014 budget. Mr. Marks said that he has been helping Heather Chamberlin generate new wedding revenues at wedding expos that usually result in a booking per expo. He said that there are three weddings booked for this year and there is potential for four more at this time. Mr. Mahoney thanked Mr. Marks for his work with the wedding business. He said that Total Scope Marketing helped with the design of a new wedding website that will be linked to the WEA website.

Mr. Mahoney said that WEA purchased a used snowcat that was painted black with the Campton Mountain logo and has a tiller that is good with little snow, seven acres of land abutting the Rec Center and a new sound system. He said that the purchases were made with CIF funds.

Mr. Mahoney discussed accomplishments of the Village District Commission including a considerable amount of paving, improvements to the water system, purchase of a new mower with attachment and new pumps and controls for the indoor spa and lap pool. He thanked Mr. Willey for working so hard with the town to get the paving done.

Ms. Ciaston discussed election results. She said that Penny Joyal resigned, Chris Fagas and Mike Hering were re-elected, and John Chase and Ed Culver were elected as new members.

Ms. Ciaston discussed the Treasurer's Report including 45 property transfers, one foreclosure, property purchase with CIF, and outstanding accounts.

Mr. Mahoney discussed where the funding comes from including taxes for infrastructure, water system and maintenance, CIF for improvements to the community, and dues that pay for services. Corey Smith said that tax money in the district for improvements is tied to growth. He discussed the Enterprise Fund.

John HurlihyHerlihy questioned where the funding comes from. Mr. Smith discussed taxes that the community pays as a whole and taxes paid by individuals. He discussed a very small increase in the Village District tax rates versus larger increases in the town portion of the tax rate taxes. He said that a town wide revaluation is mandated by the State every five years. He discussed changes in the towns' revaluation structure.

Duarte Silva asked about district taxes and who sets WEA taxes. Mr. Smith said that full time residents vote on the Village District tax and WEA taxes are voted appropriations at the annual meeting. He said that 13 percent of living unit owners are full time residents. He said that the State considers second home owners affluent. He said that State Law protects the schools, etc. by allowing only full time residents to vote with taxes on appropriations. Mr. Silva questioned if there could be a more balanced system. He asked if WEA should take up this cause. Mr. Smith said that it has been tried but the system is deep rooted in the State and efforts to change the system have been unsuccessful.

Harry Bertino asked about a tax surplus that was discussed at the September Village District meeting. Mr. Smith discussed changes throughout the season including collection of half year taxes.

Mr. Willey discussed the town's new process to value property. He said that residents will receive instructions from the town to speak with the Assessor regarding individual cases. Mr. Smith said that land values have changed more than home values.

Jim Murphy said that a number of years ago votes hinged on college students who were considered to be residents. He expressed concern about the risks involved with their ability to be a determining factor in the budget. Mr. Smith said that has been a concern for ever years. He said that residents do have the option of a special meeting. He said that there may be legislative ways to deal with the issue if it became a problem as well.

Duarte Silva asked that the Board continue to make an effort to change the tax system. Mr. Smith said that would require a constitutional change in the State. He said that he can make a legal opinion on the subject by Bart Mayer, head lawyer at Government Center available to WEA members. He said that WEA members should address this with the Village District Commission.

Mr. Axelrod discussed the benefits of formation of the Village District.

Jim Murphy asked about taxes for lot owners versus homeowners. Mr. Smith said that previously lot owners were using the facilities, paying dues and little in taxes. He said that changes in the system have been successful.

Sue Murphy discussed a comparison of her higher property taxes versus another property in Thornton of similar value but outside of Waterville Estates. Mr. Smith said that assessments can be challenged and abatements may be issued.

Ms. Murphy asked about policies for employees and their guests using the facilities. Mr. Smith said that employees are allowed up to three guests if their use is not interfering with homeowner uses. Ms.

Murphy asked about owners being employees. Mr. Smith said it is a policy issue but homeowners can have a minor role.

Harry Bertino asked about the Village District tax rate. Mr. Smith said that there is no way to know what the new revenue or surplus will be to offset taxes to change the rate. He said that the Village District will vote on an appropriation in April.

Mr. Smith discussed the actual 2014 Budget and the projected 2015 Budget. He said that the budgets have not been adjusted for inflation for seven years even though the level of service has been upped. He said that the membership voted down automatic increases for inflation in 2007. He discussed non-discretionary expenses. He said that WEA will be asking the membership for a dues increase this year with plans to discuss Cost of Living Increases (COLA) with the membership next year. He said that this is not really an increase but an inflationary adjustment to pay for services.

Duarte Silva said that inflation is not cumulative. He said that increases going forward are reasonable but the membership should not be penalized for past years. Mr. Smith said that the 2007 vote for annual automatic increases tied to COLA missed passage by three votes by members who were landowners. Mr. Axelrod said that there are a number of national studies that show that small annual increases are better than large periodical increases. Mr. Smith said that the dues increase will be subject to a ballot vote by the membership.

Ralph Wilbur said that he thought that attaching taxes to COLA is not proper. He said that the gas tax in MA was overthrown by the people. Mr. Smith said that the request for the dues increase this year is for a one-time bigger increase, not for an automatic increase.

Jim Murphy asked if the change in the dues tax structure for landowners versus homeowners has resulted in fewer law suits. Mr. Smith said that it has.

John Herlihy said that he approves of the concept of paying for expenses. He said that WEA will have to deal with increases in energy costs. He said that should be promoted to the membership.

Harry Bertino asked where the percentages were derived from. Mr. Smith said that they were derived from inflation figures.

Nicole Daniel said that she would support an increase in the dues. She said that she would also support an increase in services.

Stan Bejalski said that he has been an owner for five years. He said that he has seen improvements to the assets. He said that it was his understanding that the ski area would be self sufficient but that has not happened over the last four years. He questioned whether it has been an efficient benefit. He said that he was told that it would enhance property values. He said that his taxes went up 43 percent in five years. He said that he does use the tennis courts and they have not been improved in five years and are an ignored asset. He said that road improvements should be a priority. He said that the new swimming pool is nonsense and was very expensive. Mr. Smith said that the Board tries to spend funds on

improvements that it thinks the community wants. He said that was how the pool was approved. He said that at the Long Term Planning Committee meeting on January 10, 2015, it discussed appropriating money for the tennis courts due to a resurgence of interest in tennis.

Mr. Bejalski said that the members have part ownership of the facilities. He said that he would prefer to keep the infrastructure up to date rather than expanding facilities. Mr. Smith said that the new land purchase was for seven flat acres that was paid for by the CIF. He said that realtors have said that the ski area is a great addition to the community. He said that feedback on the new pool has been positive. Mr. Bejalski said that homeowners should vote on things like the pool. Mr. Smith said that proposed improvements are discussed at Board meetings. Mr. Bejalski said that it is not convenient for him to make it to the meetings. Mr. Mahoney said that the Board encourages people to get involved. He said that Board minutes and agendas are published. Mr. Bejalski commented on abbreviated meeting minutes.

Mr. Axelrod said that he had been skeptical about reopening the ski area. He said that it has been a great asset and the community has benefited. Mr. Smith said that the ski area is budgeted to bring in \$55,000. He said that it brought in \$100,000 last year. He said that revenues depend on the snow. He said that the feedback from the membership has been positive and realtors call it an asset.

Mr. Hering said that he has been a homeowner since 1978. He said that his family used to go to the ski area but did not use the Rec Center. He said that the ski area draws additional dollars and people outside of the community. He said that young families have rented and come back to buy. He said that the Board tries to look at what the membership is focusing on. Mr. Axelrod said that the deficit from the ski area has been supported by the district because it is considered to be an asset.

Mr. Smith said that the Board is careful with management of expenses. He said that Board members bring expertise that is helping to save money including negotiations for propane costs and purchase of firewood.

Jim Murphy asked about speaking with the Eastman community about the sale of their ski area. Mr. Smith said that the feedback from the realtors is that the ski area has improved property values significantly.

Mr. Smith said that the deficit in the 2014 Budget was primarily due to projected wedding revenues not collected and increased insurance costs.

Mr. Axelrod discussed minor changes to the Recs and the Bylaws including language changes to clear up confusion, increasing the transition period between sales and purchase for paying the CIF, and violations.

Jim Murphy said that appeal rights need to be carefully applied. Mr. Mahoney said that the Board has an appeal process in place. Mr. Axelrod said that the Board takes violations seriously and carefully considers enforcements. Mr. Murphy asked about enforcement for renter violations. Mr. Axelrod said that the Board can only respond to the person on the deed. Harry Bertino asked if the language is

arbitrary or capricious. Mr. Axelrod said that the language is totally flexible and nothing is written in stone. He said that the Recs and Bylaws were put in place by vote, entrusting the Board to act on behalf of the community. He said that if the law is broken, the police are called.

Mr. Mahoney discussed the current situation and the reasons behind the Board's request for a dues increase. He discussed impacts to services. He said that the community has been and will be managed in a fiscally responsible manner.

Mr. Hering discussed Building Committee business including 30 applications of which three were for new homes, resolution and completion of delinquent properties, a home that was damaged by fire, requirement for permits for any exterior changes, site work, tree removal and exceptions. He said that the goal of the tree removal policy is to increase property values by maintaining privacy from home to home and from the street to the home. Mr. Mahoney thanked Mr. Hering for his work on the Building Committee.

Ms. Ciaston discussed Violations Committee business. She said that when she sees a violation, she sends out a letter to put the homeowner on notice. She said that she has been successful in working out solutions with homeowners. Mr. Smith thanked Ms. Ciaston for her work on the Violations Committee.

Mr. Marks discussed wedding business including revenue and its impacts on dues and services, changes in package offerings, and improved website including an interactive portal to increase efficiency.

Mr. Marks discussed bringing other business opportunities to the ski area to increase income and what he is doing to make that happen. Mr. Mahoney thanked Mr. Marks for his work on making the wedding business more successful and his work on generating additional revenue through other businesses.

The Board opened the floor to Questions and Answers

Anne Verow asked about money spent on the gym. She said that she was available to discuss suggestions on what needs to be done.

Harry Bertino asked about revenue and profit from the weddings. Mr. Marks said that it is approximately 10 percent.

Harry Bertino asked about ADA compliance. Mr. Smith said that is a big issue that is a balance of subjectivity and the desire to do what is right. He said that they are dealing what they see as the demands of the community. He said that the facility does meet the letter of the law but it is not ideal. He said that they have to be reasonably accommodating. He said that there has not been much, if any, outcry until recently. He said that the Long Term Planning Committee and the Village District Commission have been discussing a \$152,000 appropriation in the budget to address the issue. He discussed Federal and State requirements and enforcement. Mr. Bertino said that information is available on the ADA.com website.

David Murphy said that he thought that the bulk wood purchase was a great idea but the quality and quantity was poor. He said that his delivery was delayed and a lot of the wood was really damp. He said that the delivery was actually only two-thirds of a cord. Mr. Smith said that, for most part, there has been a good response. He said that he did receive some feedback about delivery and he brought it to the attention of the logger to fix the problem. He said that this is a pilot program and not for profit. Mr. Murphy suggested that the program be initiated earlier in the season so that there is enough time to get the wood ready for winter.

Mr. Murphy asked about the possibility of bulk purchase for K1 fuel. Mr. Smith said that there are not a lot of people who use K1 but he can try for feedback for bulk purchase. Mr. Axelrod said that the propane program started because the WEA facilities use 30,000 to 40,000 gallons a year in addition to what the members use. He said that because we are a big purchaser, we get leverage.

Arnold Goodman asked about homeowners' approval of capital expenditures. Mr. Smith said that the Long Term Planning Committee studies, and makes recommendations on, ~~has jurisdiction over what the taxes village district related are used on~~ capital expenditures. He said that the Board has jurisdiction over CIF expenditures. He said that voters have recourse by changing the Board. Mr. Axelrod said that the Board tries to listen to the community. Mr. Goodman said that he would like for homeowners to have more input before decisions are made on larger expenditures.

Mr. Axelrod conducted a survey of hands for how long people have been homeowners in Waterville Estates. He said that it is impressive that owners have stayed here so long and there must be a good reason for that.

Claire Denton complimented Corey Smith and the Board for the improvements over the past year including the website, signs, and Campton Mountain. She thanked them for their efforts.

Jim Murphy said that three years ago there was a common meeting of all condo owners to discuss common problems. Mr. Smith said that meeting was driven by presidents of condo boards who wanted it to happen. He said that WEA did not organize it.

Tom Clarke asked about the entertainment budget. Mr. Mahoney said that the budgeted \$16,000 for entertainment does not include weddings.

As there was no further business to come before the meeting, Anne Verow moved and Paul Axelrod seconded the motion to adjourn the meeting at 12:36 pm.