

INTERLAKEN HOMEOWNERS ASSOCIATION

ANNUAL MEETING

JUNE 20, 2018 10 AM

Present: Lynette Burns, President, Jerry Scarano, Vice President, Charles Capozzoli, Treasurer, Janet Beck, Director, and Paul Renaud, Director. Judy Staubo, Minutes.

The meeting was called to order at 10:10 AM by Lynette Burns

AGENDA:

1. President Lynette Burns made a motion to approve the Committee appointed for the voting procedure for the election of officers and the vote on the dedication of the sewer system to the County. The Nominating Committee members are Jenny Scarano and Dorothy DeCarlo. The Election Committee members are Tracy Battles, Mary Hogan, Trisha Ianniello, Jack Beck, Kate Capozzoli and Lil Robertson. The motion was seconded by Jerry Scarano. The vote was approved unanimously by the Board.
2. **John LaForest**, CPA from the firm of Brown and Fitzgerald gave his report to the community which is attached.
 - a. Mr. LaForest made note of the Revenues and Expenses. He mentioned that Equitas Realty Management Company has hired our crew which resulted in a reduction in costs. Interlaken is no longer directly responsible for, medical insurance, workman's comp., IRA contributions, and similar costs as they are now paid by Equitas. Professional fees were up \$10,000 due to the need for our attorneys to work on legal issues regarding Interlaken.
 - b. Current assets went from \$255,396 in 2017 to \$155,215 in 2018. The Fixed Assets went from \$801,407 in 2017 to \$773,962 for 2018. During the year ended March 31, 2017, the Board hired a qualified engineering firm to conduct an evaluation and reserve study of the Association property upon which Replacement Fund budgets were based. The projected Operating Fund surplus of \$82,711 was transferred to a Replacement fund account. Capital Expenses of \$145,000 comprised of driveways, drywells, storm drain work and a new security system in the clubhouse. If there is another year like this, there will be a serious funding problem. Mr. LaForest said he did not know how Interlaken could continue to address the infrastructure year after year based on the current assessment.

- c. The Board moved \$82,000 from the Operating Fund to the Reserve Fund to cover these expenses. The more operating funds that can be saved and transferred to the Reserve Fund, the better it is for the Association said Mr. LaForest.

Burns – Look at the list of work that should have been done already based on the CT Male report on page 14.

Steven Allen, 11 Sicada – We have a period of 1-3 years with a great deal to do; then it evens out over the next years. What would it look like for us to accomplish the items which are listed in years one through three?

LaForest – There isn't a lull because you are already behind the 8 ball.

Burns – The Board realized that we needed \$2,000,000 and we spaced that amount over ten years and came up with the figure that we needed an additional \$200,000 a year. We attempted to increase the dues based on this figure. It was rejected by the community. This is one reason why we approved a \$500 assessment this year for every household but it is just a drop in the bucket.

Allen – If we don't fix these now, they will run into the expenses further down the road.

LaForest – CT Male indicated that Interlaken should have spent \$1,000,000 by this time when in fact only \$145,000 has been spent.

Allen – I will do the numbers to see what this looks like.

Hugh Flynn, 44 Sicada – I have done those numbers and I will provide you (Mr. Allen) with the template to do this.

Pat Oreson, 12 Sarazen – The work has been done, but we didn't get the necessary approval for the raise in dues because we didn't have enough information and many thought the increase was too much.

Burns – The Board spent nine months on the issue of raising the dues and educating the homeowners. The first step was the professional study by CT Male which was given to every homeowner. All details were in a personal mailing to all homeowners by the Board including everything being outlined in several Clarions sent by email and hard copy. There were emails to the community and Public Forums which included our Accountant, Attorney, and CT Male representatives. We discussed this issue at every homeowner meeting for several months and the Board made personal telephone calls to each homeowner.

Kerry Connolly, 27 Sarazen St. – Homeowners can do the math. What we need is clarity about how the Board will go about doing what is necessary. We need a different process such as a Finance Committee and a series of checks and balances.

Please note: The Board approved the creation of an Advisory Finance Committee, Chaired by Paul Renaud, on November of 2017. It was advertised in the Clarion, mentioned at every

homeowner meeting and a personal email from Paul Renaud went out to every homeowner. Meetings have already been held.

3. Message from the Board:

Burns – We have had at least a 13% turnover in homeowners this year. I would like to review all that has been accomplished this year.

- a. The Board negotiated with the City of Saratoga Springs regarding the cost of our water and the quality of the water. We contracted with the City to go on City water rather than Interlaken wells. This reduced the cost of our water as we are no longer paying for the bonds associated with the cost of the infrastructure as it is now shared by all of Saratoga.
- b. We filed a Tax Grievance with Saratoga Springs on behalf of Interlaken as we were advised by our attorneys that we were paying taxes on Common Ground. As of January of 2018, we will no longer pay taxes for our Common Ground.
- c. The past donation to the Reserve Fund from our Operating Fund was \$2100 monthly. Due to reducing our expenses, we are now increasing the monthly donation from the Operating Fund to the Reserve Fund to \$6,000.
- d. We have reduced our expenses partly due to our crew now working for Equitas as we switched to a Management Company rather than volunteer homeowners to run Interlaken and many of the costs associated with having employees no longer exists.
- e. Sewer System – The law has changed regarding the County accepting HOA's into their sewer system. We jetted and televised our sewer system and have negotiated to have the County accept our Interlaken system. We must put up a \$48,000 bond for one year and give easements to the County to access the system. The final step is the vote of the Interlaken homeowners to dedicate the system to the County.
- f. We hired the Management Company, Equitas Realty Management, to take over the responsibility of maintenance and the management of the community.
- g. We contracted with CT Male to review our capital needs at a cost of \$15,000. All homeowners were given a copy of this report. New homeowners can request a copy.
- h. We are speaking with the City regarding the garage. The City offered to sell the garage to us for \$1.00 or demolish it. This is still in discussion. The City has agreed to remove the piping infrastructure from the building and will be capping the Interlaken wells. When this is completed we will assess our options on what is the best use of the building and if holding onto it is in our best interests.

- i. We purchased security cameras for insurance reasons. We had many instances of people using the pool and the pavilion after hours creating potential injury, fire, and safety issues and damages. This was an insurance liability.

- j. Capital Projects:
 - 1. ET O'Connor Excavating was hired to perform work on our driveways, drywells, and sinkholes, especially the drainage and sinkhole at the pool. Based on engineering plans, three new drywells and a pipe down to the lake for runoff was required and designed especially for that site.
 - 2. 11 and 13 Sultana – New drywells and driveway
 - 3. 28 and 32 Vallera – New drywell and reconstruct ½ the driveway and repave
 - 4. 6-8-10-12 Sultana – New drywell and repair of existing drywell and driveway reconstruction
 - 5. 2-4-6-8 – Inlander – New drywell and driveway reconstruction
 - 6. 32-43-36-38 Sicada – Two new drywells
 - 7. 46 Sicada – New drywell and partial repaving
 - 8. New Fuse boxes in Clubhouse to bring it up to Code

All of this was done with the \$145,000 allocated for capital expenditures.

The failing infrastructure has not gone away but continues to deteriorate. Because the monthly fee was not increased to meet these issues, the Board had to look at other ways to accomplish our responsibilities. A \$500 assessment gave us \$62,600.

A driveway at 1-3-5 Sultana is being installed. The contractors have determined that there is no need to replace the existing dry well which results in a \$4,000 savings. This money may be used to install a drywell at 46 Sarazen.

Mold Remediation – Three estimates were obtained to remediate mold in the Clubhouse. The all came in at \$15,000 to \$20,000. We are estimating \$20,000 for this project.

That leaves us with \$34,000 for this fiscal year. We have 65 drywells, the deck and pavers at the pool need repair or replacement, some walkways need to be redone or repaired among other needs. We have not yet determined what projects we will attempt. Everyone will be given a priority list so that all homeowners are informed. These expenditures will leave \$70,000 in the Reserve Fund.

Our Covenants and Restrictions tie our hands because of the Board's inability to raise our dues more than a few dollars when more is necessary. We have other issues in Interlaken such as people using their homes as businesses such as Airbnb's. A difficult issue is the question "what is a family?" We have reviewed State and Federal definitions and we believe we have a definition for Interlaken. It will be necessary to fine tune some of the Covenants and Restrictions to properly define ownership and use.

We will then move on to the Rules and Regulations. These documents need to be changed especially in light of the fact that we now have a management company. We would like to start on this in July as this is a huge project. The Board votes on the Rules and Regulations; homeowners will vote on changes to the Covenants and Restrictions. We will need a super majority vote to pass the changes. We will also work to change our ability to raise dues and we will try to change the super majority vote requirement to simple majority. We would like to get all of this done by the end of our fiscal year.

Kerry Connolly – Homeowners need to be involved in the process

Burns – You will be informed and you will be able to give input. There is a Rules and Regs Committee for anyone who would like to join.

4. Committee Reports

Maintenance – Skylar Klender from Equitas Realty Management Group

This is what we accomplished this year;

- *Internal common sprinkler system has been fixed
- *Weekly cleaning schedule for the Clubhouse
- *Tennis courts have been power washed and will be cleared each week with a leaf blower
- *Repainted bulletin board and mail room
- *Next fertilization will be in July
- *Identified dead trees and we will notify homeowners when the trees near them will be removed.
- *We are working on cleaning up trim on pool side of Clubhouse
- *Mowing is done weekly. Usually we mow Wednesday through Friday. We do orange cards on Mondays and Tuesdays. We also have a pruning schedule.
- *Burns – Pruning will be done July and September

Tom Sands, 19 Vallera – Can we have maintenance company employees wear tee shirts and/or hats so we know who is working here.

Burns – They already have tee shirts with the logo

Sands – The logo is too small and can't be seen. Why can't they wear hats? I'll buy the hats.

Burns – I'll take you up on that offer.

Sands – When will we get reports on what maintenance has done.

Burns – Our website has that information and it is in the Clarion which is issued quarterly.

ASC COMMITTEE: Jerry Scarano, Chair

Please remember that it is necessary to file an application before doing any work on the outside of your home or the grounds surrounding your home. We need a certificate of insurance or a "Hold Harmless" form to indemnify us in case of injury to the workman. The ASC meets on the second Tuesday of the month.

A memo from Bob and Barbara Reynolds, 38 Sarazen was read by Jerry Scarano. "Thanks to the ASC for approving our application for redoing the landscaping in the front of our home in such a timely manner."

Mary Hogan – Does the Board know of anyone who will remove pine needles from our roofs?

Burns – we will try to get that information and post it on the website and in the mail room. If you have a responsible vendor, please let us know.

Ardie Russell – 17 Sicada – Has there been any discussion about removing some of the pine trees?

Scarano – That is a hop topic.

Burns – We have a professional who reviews our trees every year and makes the determination about what should go down. If you want a tree to come down and you are willing to pay for the removal, you should submit an application to the ASC and Maintenance Committees.

Steve Allen, 11 Sicada – re: pine needles. Is this in the rules that we have to remove pine needles from our roofs? Why are we being required to do this?

Scarano – Pine needles will eventually rot your roofs

Corrine Schaeffer – People have to pay to have these removed

Dan Northrup – If we remove the pines you will destroy the other trees. These pines protect the others. Without the pines you will have wind tunnels.

SOCIAL COMMITTEE: Mary Hogan

Mary Hogan reported for Social Committee co-chairs Sue Collucci and Carol Kreuter. 2017 was a busy year with ending with a Christmas party. The committee delivered eight "Welcome Baskets" to newcomers in 2017 and four so far this year.

There will be a 4th of July party beginning at 5 p.m. at the Pavilion. The committee will provide hotdogs and veggie burgers. There is a signup sheet in the mail room for homeowners to sign up. Please list what you will be bringing. This and all events are funded by the 50-50 raffle that is held at Social Committee events. Watch for a happy hour at the pool which will be held on a week night. Water aerobics should start next week if the water is warm enough. Mahjong is played every Wednesday in the Clubhouse at 10:30 am. Pickle ball every Wednesday and Saturday at 9 a.m. There are 12 people who are playing. We are hoping to be able to tape the court for Pickle Ball specifications. There is a Book Club which meets monthly. There is information in the mail room. Game nights are held Thursday nights in the Clubhouse at 7 p.m.

CLUB HOUSE AND PAVILION:

Burns – Contact Carol Kreuter to rent these facilities. The fee for renting the Pavilion is \$35 plus a \$100 refundable security deposit. The fee for the Clubhouse is \$75 plus a \$200 refundable security deposit.

NOMINTING COMMITTEE:

Jenny Scarano – The three candidates for the Board: Charles Capozzoli, Paul Renaud, and Brian Ward were all elected.

The vote to transfer our sewer system to Saratoga County passed 99-0.

5. Thanks to Committees:

Jerry Scarano presented flowers to Janet Beck whose term on the Board ends with this meeting. Scarano said that Janet had been a valued member who worked very hard and also asked the difficult questions. Janet thanked the Board and the community and encouraged homeowners to volunteer to participate in the community.

Kate Capozzoli, 4 Sultana – Thanks to the Board fo all the work they did to make this possible.

6. COMMENTS FROM HOMEOWNERS:

Pat Oreson – I think that we have been given enough information. We are running into some serious infrastructure issues and I would be in favor of increasing our costs. I think the last request for an increase was too much. I think funding should be the top priority for the year.

Tricia Fowley 25 Vallera – The telephone book needs to be redone

Burns – The phone book will be redone and we will contact each individual to make sure the information is correct

Renaud – We should have the ability to self-correct on the website so we can make changes if our personal information changes.

The meeting was adjourned at 11:25