

CHOCORUA SKI & BEACH ASSOCIATION

ANNUAL MEETING

September 17, 2016

Called to order at 9:30 a.m.

OPENING REMARKS:

President, Mike Pazzanese welcomed everyone at 9:30 a.m.

President Pazzanese asked the Board Members to introduce themselves and say which committee they chair. The following is the rollcall:

Phil Sheehan, Playground Committee;
Dave Craig, Architectural Committee;
Bob Drohan, Roads Committee;
Betty Butler; Secretary;
Fred Doane, Vice President and Building Committee;
Mike Pazzanese, President
Del Orndorff; Treasurer and Recreation Committee;
Bob Greenberg, Firewise Committee;
Kim Cullins, Firewise Committee;
Mary Pepin, Beach Committee; and,
Carol Mallette-Tonken, Beach Committee.

President Pazzanese asked the membership to join in the Pledge of Allegiance.

President Pazzanese asked that we have a moment of silence to honor all our military and in honor of the anniversary of all those lost on 9/11, and the two members who passed this year, Dale Smith and Nina Balodimos.

President Pazzanese explained that the voting this year will be the same as last year. The voting process will emulate the way we vote in our government elections. This process will keep the voting transparent. He also mentioned that all the committee reports were on the table at the back of the room for the members to take. He mentioned that the association thrives on volunteerism. We had the largest turnout for the Memorial Day Clean Up ever. Ninety people turned out to help which made the work go quickly. He also reminded the membership that you do not have to be a Board member to work on a committee. Anyone willing to help will be welcomed and appreciated.

President Pazzanese introduced our Administrative Assistant, Gina Morse and asked that everyone make sure that they checked in with her.

President Pazzanese advised the members that we have a new e-mail address; chocoruasb@twc.com. He also advised that we have installed a new land line with an answering machine so that if Gina is not available, a message can be left and she will notify the chairperson of the committee who can best help. Hopefully this will make the system more proactive and your questions should be answered as soon as possible. The new telephone number is 603-323-6150. This information is listed on the website along with Gina Morse's hours which are 10:00 a.m. to 12:00 p.m. on Saturday and 11:00 a.m. to 1:00 p.m. on Monday.

COMMITTEE UPDATES:

President Pazzanese asked the committee chairpersons to say a few words about how the year went.

Beach Committee – Chairperson Carol Mallet-Tonken

Carol explained to the membership about the new vegetation planted on the beach to help with the erosion. We have purchased just a few plants to see how they do over the winter and if successful, we will add more. She said that everyone has been using their boat racks and putting their numbers on this year but explained that if you have a boat and no rack that we do have room in the over-flow area and to see her for a number for your boat. She mentioned that all boats should be removed from the racks by Monday, October 10th. The boats cannot be on the racks for the winter because the weight of the snow will damage the racks. She also mentioned that dogs are not allowed on the beach. Another issue mentioned was that some toddlers are not wearing swimming diapers in the water. She mentioned that all these issues affect our water purity. We have the water tested in June, July and August by the state. This year the August report did not come in until late August and the findings were a little higher but still below the allowed limits. This could be because of the lack of rain this year the water being so low.

Firewise Committee – Chairperson Bob Greenberg

Bob said that Firewise Clean-Up Day was very successful. This year is the 10th year that Ski & Beach has been part of the Firewise program. We received a lovely award from the program for all our good work. He mentioned to the membership that we get credit for any cleanup work they do around their own property so if any work is done, a work sheet can be downloaded from our website to be completed so that we can get credit for the hours put in. He asked that the membership continue volunteering so as to make future cleanups successful.

Recreation Committee – Chairperson Del Orndorff

Del described all the work done this year. The baseball field, tennis court and playground were cleaned up. He thanked Phil Sheehan and John Lacey for all their help in fixing up the tennis court back board. He also thanked President Pazzanese for fixing the cracks in the tennis court floor. Two of the horses on the playground were in need of

paint and this was done by Michelle Murphy who did a marvelous job. He noted that we need a lot of work done on our tennis court. He has talked with Vermont Tennis Court about what was needed. They came out to see what needed to be done and will put together a bid for three different processes. One is to just repair what is there. The second is to put a surface over what is there, and the third is to pull up and replace the surface, which of course will be the most expensive way, so we probably won't do that. He explained that it would not affect this budget because we have money put aside for tennis court repairs. We also need to replace a few of the swings at the playground to make it safer for the kids. This too has money put aside so it will not affect this budget.

He also explained that if you have a golf cart he put brochures on the back table which explain how insurance works with regard to golf carts. He suggested that everyone look at it as it explains what is and what is not covered by your homeowners' policy. Not all policies are the same and it tells you what to look for on your policy.

Building Committee – Chairperson Fred Doane

Fred explained about new building this year. This year was slow. There is one house that is not finished and the builder is trying to sell it as is. He explained that if you are doing any renovations that you do not need a permit if it doesn't change the footprint of the house. He did state that in the case of all the renovations done, that the members did submit drawings to confirm that they were within their established boundaries. He stressed boundaries because it has been a problem in the past so if you need any information with regard to boundaries or what you need to comply, you can go to chocoruaskiandbeach.org.

He also mentioned that temporary shelters are not allowed in the association. A few years ago there was actually a court case to remove them from the association which was judged in our favor. Any of those cloth or canvas garages are not permitted. It has to be a permanent structure. He stated that if anyone has any questions that they can call him at 603-323-5032 or Dave Craig, who assisted him this year, at 603-286-7184.

Roads Committee – Chairperson Bob Drohan

Bob stated that he sent out his 2016 application for bids in late March and got the final estimate back the end of April or beginning of May. The gentleman didn't start until a couple of weeks later. We try to get the work started as quickly as possible but sometimes it doesn't happen that way. The bid was granted to John Roberts for \$16,900.00 which included gravel, grading, cutting the grade, making the grade and resetting the pitch of the actual crown of the road. His bill for the work already done has just come in for \$12,900.00 and we have a drain going into Jewel Road which will cost about \$2,000.00. By the end of the season he will come in re-grade the roads to get them ready for the winter. Next year he is looking to do a cleaning maintenance for all the drains already in place. There are about 20 to 22 units and the cost will run about \$2,000.00 to \$3,000.00 to have it done. The company will come in and pull off the covers, spray them down with a special vacuum truck, clean them out and get some of the

silt, weeds and leaves and see if the flow will increase in those areas. This is a maintenance project for the future. He wasn't sure it would fit in with the budget this year but if not we will have it done next year.

President Pazzanese reminded the membership that if they were anticipating building any structures that there were Building Architectural Notification forms in the back of the hall.

He also mentioned that he received some literature from K W Realty with some information that he has been trying to get for a couple of years. In 2013, there were three sales in the association which averaged \$128,000.00. In 2014, there were eleven homes sold in the association and the average price was \$149,127. In 2015, there were ten sales and the average price was \$161,445.00. His point being that yes, the market has gone up and things have improved but, that's over a \$35,000.00 increase in the value of our homes in the past three years. He felt that over and above the market changes that our homes have increased in value because of the kind of association we have. We have a viable association that has annual meetings for the membership. He stated that there was a list of local associations on the back wall that don't have meetings. You might have noticed that the Bluffs over in Ossipee has a board, but no meetings. The Bluffs had a problem with their beach this past year and someone decided to dredge the beach. All their members were assessed \$6,000.00 to correct the problem with no input from the members. He stated that the point of all this information is that we try to be as transparent as possible and we would not handle a situation like they had without doing our research and having a special meeting to have the membership decide on the end result.

He addressed the membership with regard to those members who do not pay their full dues and assessments. He showed the membership a form that we receive whenever a house goes on the market. The banks want to know if the member is in good standing. If they are not current on their dues and assessments the bank is notified. So if anyone thinks they can dodge paying, its pay now or pay later. Most of those people have liens on their property anyway so they will have to pay at the closing. A member asked how many do not pay and President Pazzanese stated that he will read those names later.

The floor was opened for questions from the membership to the committee chairpersons.

Cal Carpenter asked Carol Mallette-Tonken if the water testing and how close we came to closing the beach. She stated that the high readings were late August and not serious enough to close the beach. He also asked Del Orndorff about the mowing of the ball field. He stated that it hasn't been kept up. President Pazzanese answered his question by telling him that the field had been mowed once a month each month this summer and that he has been down there weeding himself but that anyone can volunteer to help out with the maintenance and not leave it up to just the members of the Board. Bob Greenberg followed up with a statement regarding volunteerism and again reiterated that you don't have to be on the Board to volunteer. Fred Doane suggested that when you see

something that needs to be done it should be mentioned throughout the year and not brought to the annual meeting when it is too late.

Phil Sheenan spoke as to the beach and how people are not keeping it as clean as it used to be. Fireworks debris is found on the beach and some of sharp objects left from them are dangerous for the kids. He asked that people be more considerate when on the beach.

Dick Lennon thanked the Board for all the betterments done this year but was concerned about the erosion near the boulders on the beach. Carol Mallette-Tonken stated that she planted those plants so see how they will work out and will buy more plants in the spring if they work out. President Pazzanese stated that the engineering companies that we had in last year said the integrity of the rocks were not compromised at that time.

Sherryl Hitte spoke to the statement made earlier about dogs not being allowed on the beach. She was under the impression that dogs are allowed before 8:00 a.m. and after 8:00 p.m. It was agreed that our Beach Rules state that dogs are allowed on the beach before 8:00 a.m. and after 8:00 p.m., Memorial Day through Labor Day. All owners are responsible to remove any pet droppings. These rules are posted in our Owner's Manuals.

Cheryl Gannon asked Carol Mallette-Tonken about the pond purity readings and Carol took some time to explain the ratings and explain that we were never in danger swimming in the pond.

A member asked if the association had any certified plot plans for the lots in the association or was it the members' responsibility to have their property surveyed if they have any questions before building. He was advised that there were no plot plans and it would be the member's responsibility to survey their property.

Dick Lennon asked if the drains in the beach parking lot will be cleaned out when the other drains are done. Bob Drohan said that he was going have those drains in the parking lot evaluated and determines if they need to be cleaned.

Jeff Forsyth was appointed Sergeant At Arms.

BUDGET FINALIZATION

A motion was made to accept the 2016/2017 General Operation Expenses budget. This motion was seconded.

Discussion:

Donald Pepin asked what we actually paid for the police details this year and why we did not budget for anything this year. He was advised that no money was allocated because there was a balance left from last year's budget. After some discussion and explanation

Fred Doane suggested that a fourth column be added to the budget sheet to show what the remaining balance is on each of the budgeted items each year.

Eileen Lennon asked for verification of the budget for the Refreshments Annual/Social Events. It was explained that all the bills for the refreshments for the annual meeting are not in yet.

Cheryl Gannon asked if there was anything in our By-Laws that state what is allowed to be done with the money that is left over from the previous years. She was told that there is nothing in the By-Laws that specifies what left over money from the previous year's budget can be used for.

Pristine Pazzanese advised the membership that the old and new forms of our accounting system are posted on the wall showing what the new system will show next year. It was suggested that everyone take a look at them.

It was asked by a member if the security details worked out well this year. President Pazzanese said that he felt that it was very successful and did not cost what we have been paying for security in the past.

President Pazzanese was asked what we should do as members when there is obnoxious behavior at the beach or if the children are doing things they shouldn't be doing. She was advised that if the obnoxious behavior, i.e. drunkenness, swearing, etc., you are free to call the police.

Fred Doane explained to the membership all the changes made to bring our financial recording program, Quickbooks, up to a more transparent and simpler program and the amount of work done by many people to make this happen. He mentioned the hours that Pristine Pazzanese gave over the last seven months. He encouraged the members to look at the samples posted on the wall to see the difference in the format. He thanked her for all her help. Pristine stood and graciously thanked all who helped her in this effort.

Cheryl Gannon asked if there was anything in our By-Laws that outline what can be paid out of our Catastrophic Emergency Fund and who has authority to spend the money. She was told that there was nothing in our By-Laws to outline payments out of that account but that any pay-outs from this fund would be presented to the membership.

Donald Pepin stated that payment out of this fund is outlined under Article 8, Section 2 of our By-Laws.

A motion was made to accept the General Operation Expense budget for 2016/2017. The motion was seconded and passed.

A motion was made to accept the 2016/2017 Capital Management Account budget. The motion was seconded and passed.

A motion was made to accept the 2016/2017 Active Accounts budget.

Discussion:

Dick Lennon asked if we have received any money from the Firewise Program since the original grant. He was advised that we have not received any more money and probably won't. He was also advised that any money we receive in arrears payments from members will be deposited into a Roads Savings Account which was opened for these payments and the money will be used for the road betterments.

The motion to accept the 2016/2017 Active Accounts budget was seconded and passed.

The total 2016/2017 budget was passed in the amount of \$67,405 divided by 270 lots making our annual dues for 2016/2017 \$28.00 plus Special Assessments of \$222.00 making our Annual Dues \$250.00.

Pristine Pazzanese advised the membership that on our new system, anyone owning more than one lot will receive a separate bill for each lot. The lot numbers on your bills will be the same as the Map/Parcel number on your town tax bill. The Chocorua Ski and Beach lot will no longer be used. This will keep everything the same when tracking bills.

Election of New Board Members:

President Pazzanese requested that the four people running for election stand and say a few words. The people running are Cindy Carpenter, Dave Craig, Sherryl Hitte, Eileen Lennon and Del Orndorff. Each stood and said a few words.

President Pazanese stated that Jeff Mann and Kim Cullins were not running for office this year. He thanked Kim for her past years of service and said he would miss her extremely thoughtful and meaningful contribution to the Board. Jeff was not present.

LUNCH BREAK 11:50 A.M.

RESUMED 12:40 P.M.

President Pazzanese resumed the meeting at 12:40 p.m. and thanked Sue Doane, Kit Clayton, Donna Forbes and all the ladies that contributed to the luncheon.

Peg Huddleston informed the membership of the three accidents which occurred yesterday. Two were on Route 16 and the other was on Route 41.

VOTING RESULTS:

Budget passed 54 votes to 3 votes with 5 abstaining

ELECTION RESULTS:

The results of the voting was as follows:

Dave Craig 50 votes;
Cindy Carpenter 48 votes;
Eileen Lennon 43 votes;
Sherryl Hitte 42 votes; and
Del Orndorff 40 votes (Dell would be the alternate)

NEW BUSINESS:

The floor was opened for any new business.

Don Pepin made a motion to amend By-Law Article 8, Section 2. He would like the words “association per Article 4 Section 5” removed and replaced with “the Board of Directors”. Motion was seconded.

Discussion:

He explained his reasoning. He stated that if there were to be a catastrophic event in the association such not being able to get out or a major safety problem, we would have to actually wait for the funds to be appropriated after a special meeting of the association and the association members would need a 30 day notice of the special meeting which he felt is too long a period of time to wait for a decision.

After much discussion President Pazzanese explained that he felt the Board has that authorization under Article 5, Section 1 of the By-Laws.

Dave Craig informed the membership that we could not change the By-Law by the stroke of a pen but we can create what we want verbally on paper to be proposed at next year’s meeting. Beyond that we can create enabling legislation giving the Board of Directors interim power for a stated amount of time specifically when the vote is taken but because it implies financial consideration and it must be a two-thirds majority.

There was further discussion with regard to this amendment and it was decided by the membership in attendance at the Annual Meeting that we can amend the wording in Article 8, Section 2 which would include language that gives the Board through a majority vote, the authority to spend money in an emergency catastrophic situation related to Article 8, Section 2. After more discussion, President Pazzanese stated that it was his understanding that we can pass that amendment today and in the spirit of transparency present it to the entire membership next year at the Annual Meeting. He asked what the membership wanted to say in this amendment.

A motion was made to amend the language in the original motion to change the wording to “The budget item established and capped during previous annual meetings which is

called Catastrophic Fund shall be available to any natural disaster that materially affects the safety or normal access of the association members and renamed Catastrophic Emergency Fund. This fund shall only be used by a majority vote of the Board of Directors". This motion was seconded and passed.

This amendment will be presented in the paperwork for next year's Annual Meeting for a vote of the entire membership but the change in the wordage is now in effect as voted on by the members in attendance at the Annual Meeting this year,

Cindy Carpenter volunteered to be in charge of assembling an e-mail list so that important information could go out to the membership which would save on postage and get the information out quickly. Any pertinent information and our Newsletters could be sent out by e-mail because not everyone checks our website.

Trish Porcello will look into putting together a Facebook page and this will be discussed further in the future.

Dick Lennon asked if the 270 lots indicated are the full number of lots in the association. He was told that there are actually 276 lots. He wanted to know how many members were not paying their full dues and what members are only paying \$28.00. He was given these names:

Ingmar Realty, Lot on South Chocorua River Drive,
William Cashman and Denise Morin, Home on Indian Trail,
Edward Cianci, Lot on Mason Drive,
Maurice Davis, Home on Stevenson,
Frank Dinsmore, Lot on Nickerson Drive,
Loretta Doucette, Home on Stevenson Drive,
Sandra Hall, Lot on Remick Drive,
Carol Houghton, Home on Indian Trail,
George Koufos, Lot on Trask,
Carolyn Lentini, Lot on Nickerson Drive,
Kenneth Myrer, Home on Indian Trail,
Joseph Nicosia, Home on Tewksbury Drive,
Maroon K. Norman, Home on Stevenson Drive,
Kenneth O'Neill, Lots on Mather, Stevenson and East Chocorua River Drive,
Joan Piotti, Home on Mather Drive,
Gayle Thomas, Home and Lot on Indian Trail,
CJ Iverson Trust, Home and Lot on East Chocorua River Drive,
Edmund Wall, Lots on Mason and Mather Drive,
Karla Young, Lot on Nickerson Drive.

President Pazzanese stated that out of those names, 6 were only paying \$28.00 and the rest were paying nothing.

Memorial Bricks:

Dick Lennon informed the membership that there were blue sheets on the back table for anyone who would like a brick in memory of a deceased family member in the military or a brick for current or deceased family members. The deadline for ordering these bricks is April 1, 2017 in order to have them for the Memorial Day ceremony.

New Computer Program:

President Pazzanese outlined why we went to a new system for keeping association records. Since our old system is outdated, we went to a Quickbooks program which will make reading reports much more transparent. It will show every entry made, even any voids that had to be made to make tracking our finances much easier and clear. All transactions from now on will go through our general account so that there will be a record of where the money came from and who it was paid to. Every report will have the date printed on the bottom of the sheet so that tracking the reports will also be easier. He thanked all who helped in putting this system in place and stated that we saved a lot of money by doing this ourselves rather than bringing in experts.

Audit:

The 2015/2016 Audit will be held at the home of Gina Morse on October 15, 2016. The audit will be conducted by Doug Demers, Doug Connolly and Sandy Lwowski.

Paper Roads in Association:

Phil Sheehan stated that he would like the memberships' opinion on perhaps selling some of the paper roads or changing the set backs for those roads for members that own property next one and want to build a shed or garage. It was agreed that the set backs are part of our deed and there didn't seem to be any interest in selling them.

President Pazzanese welcomed the newly elected Board members and explained the different committees.

The 2017 Annual Meeting will be held on September 16, 2017 at Runnells Hall.

A motion was made to adjourn, seconded and passed.

Adjourned: 2:30 p.m.

Respectfully submitted,

Betty Butler