

Killington Gateway II Condominium Association, Inc.

Minutes of 2019 Annual Meeting
Saturday, September 28, 2019
10:00 a.m.

Board members present: Patricia McGee (President), John Lydon (Vice-President), Luanne Bauer (Treasurer), Caroline Germond (Secretary)

Absent: Joe Fritch

Other owners present: Lois and Paul Tupay (#2), Joan Lamarca (#7) and Bob Germond (#10), Scott Lydon (#11), Yefim Grebelsky (#18), Michelle Fisher and Carol Pouliot (#19)

Other owners present by phone: Heather Cappiello (#8)—by phone and in person, Steve Lydon (#12), Joe Baier (#13), Michael Blasi (#21)

Also present: Christine Morrison, accountant, and Jacob McGrath, management

1. Determination of Quorum

Patricia McGee called the meeting to order at 10:08 a.m., with a quorum of 68.506%, including proxies (32.336%) and owners present (36.170%).

2. Approval of 2017 Minutes

Caroline Germond moved to approve the minutes of the October 13, 2018 Annual Meeting; Luanne Bauer seconded; the members voted to approve.

3. Financial Presentation and 2020 Budget

Ms. Morrison reviewed the “Zero-based” 2020 budget that had been distributed to members.

-At year’s end the Capital Reserve would be at \$134,564, but we will draw \$22,000 from that to pay for two spring emergencies, repair to the water line break and cleanup after the sewer backup.

-The Sprinkler Reserve will be at \$49,000 with another \$8,000 added to it in 2020.

-All dues are current except for \$200.

-The following will increase slightly in the proposed 2020 budget:

-Insurance;

-Cable TV;

-Electricity;

-Alpine Pipeline;

-Trash removal;

-Wi-fi.

-The new budget reflects slight reductions for:

-Legal fees;

-Pest control;

-Board meeting expense.

Fireplace/heater cleaning is conducted every other year and was last budgeted in 2018, with the work done in 2019.

Carol Pouliot (#19) asked about tennis court maintenance. While this is in the budget, there is currently no priority to upgrade the courts.

Caroline Germond (#10) recognized the efforts of John Lydon (#6) who last December secured a new and lower-cost insurance policy that has reduced common fees for all owners since January of 2019.

The 2020 budget is attached to the email along with these minutes.

4. Approval of 2020 Budget

Luanne Bauer moved to approve the proposed budget, Caroline Germond seconded the motion, and the budget was approved unanimously by voice vote.

5. Property Manager's Review

Jacob McGrath reviewed the **regular duties** of management: daily water readings; monthly testing of water quality; monitoring swimming pool and mowing in summer; winter plowing and clearing snow from walkways; vacuuming common areas weekly; shampoo carpeting twice yearly; spring cleanup of parking areas, fall inspection of fire alarms.

He reported further—

-Ice damming on the roof has been a continuing problem, requiring ongoing **sheetrock repairs** of leaks.

-A **water line break** last April required trucking water in. This “foreign water” was monitored for safety by Otter Creek Engineering during the eight to ten days that it was entering the tank.

-Excavation to repair the break made a mess of the **upper parking lot**. This will get a provisional asphalt repair before winter, and a more permanent fix next spring.

-The **stumps and weeds** at the back of the building are the result of the intense clearing project in October 2018. This was a removal of trees and brush that were growing down the slope, and approaching the building so that the deep shade was causing problems with dampness and moss. A removal of stumps and bringing in topsoil will be delayed until spring, while for now the underbrush will be cleaned up with a brush hog.

-When the budget permits upgrading the **outdoor lighting**, there will be new conduit and electric lines. There will be options as to the brightness of LED bulbs, and height of lamp posts (4', 6', or 8').*

-**Re-grading** the ground around the perimeter of the building will help to dry out the basement. This excavation project will be coordinated with the patio and front sidewalk replacements.*

-Maintenance and painting of **trim on the decks** will be an in-house project, with management's material and labor.*

-Upgrading the building's **wireless** system will be a project designed between management and interested owners. A monitoring company would be hired separately to replace Single Digits which has been monitoring its equipment since installing it in 2010.*

*Due to budget constraints, these projects have not been scheduled.

Owner concerns—

-Steve Lydon (#12)--

-suggested that the stumps be ground rather than pulled. Jacob agreed that the ground stumps would contribute to the topsoil, but that alternative would take longer.

-wondered about the re-grading. Jacob explained that the ground would pitch away from the building.

-asked about adding insulation in the attic and eaves to address ice damming. Jacob replied that over the years different engineers have had different opinions about this. This is why patching continues, rather than embarking on an expensive solution about which there is not yet professional agreement.

-would prefer to see higher (than 4') light posts, to cast more light, with collars to direct the light straight down. John Lydon pointed out that when the time comes for this decision there could be as many as 28 opinions regarding light fixtures.

-Yefim Grebelsky (#18) asked whether the new location of the dumpster will be permanent. Pat McGee explained that it's an experiment. The hope is that the new location will facilitate snow plowing, and will discourage non-residents from using this receptacle.

-Michele Fisher (#19)—

- has observed that water pools in the light fixtures on the bridge at the upper entrance. Management will check this.

-wondered whether clearing underbrush now isn't a waste of money. Jacob responded that the budget would allow the \$400 to tidy it up for now.

6. Rebuild of Waste Water System

Jacob reported that Dimmick Septic Services is waiting on one more component of the custom-built system before coming to begin the work in October. At a cost of \$27,500 the rebuild will consist of a new riser and hatch, new control panel and backboard, new rail package for two pumps, and a second V-series pump (a new one was installed in 2017). The electrical work (new conduit and lines; tie-in to fire alarm panel) will come to \$2,500. This \$30,000 job will be shared equally with Killington Gateway I Association as the waste from that building flows down into the same system that serves the KG II building.

Carol Pouliot wondered about the impact on owners and access to their apartments during this project. Jacob assured that while there will be plenty of activity, sewerage will pump into a truck, and the building will remain accessible to all residents.

7. Fire Safety Division/Sprinkler System/Waiver Application

For the benefit of newer owners, Jacob reviewed the background of this agenda item.

-A January **2014** fire starting in bathroom vent fan of #4 damaged about eight units.

-The inspection that followed called for adding balconies to units more than 20 feet off the ground, in order to provide egress from bedrooms, OR to install a building-wide fire suppression system.

-In April **2015** sprinkler engineer Tim Stone presented a design to the Association for a 13R system.

-Accountant Christine Morrison added a "Sprinkler Reserve Fund" to the **2016** budget.

-In **2017** Mr. McGrath began soliciting quotes for the work, and Ms. Morrison approached several banks about commercial loans. The bids were coming in at about \$100,000 more than Mr. Stone, the engineer, had projected.

-In **2018** Ms. McGee and Mr. McGrath met twice with city and state fire officials, first at their Rutland office and about a week later at the KG II property. On the first of these two occasions the consensus of the fire folks was that the property might be upgraded in certain respects that would improve detection. "Better detection saves lives," they asserted. They advised Pat and Jacob to apply for a variance to go this direction instead of toward the suppression goal. At the KG II premises a few days later, a slightly different group of representatives expressed less confidence in the detection option.

-During those two fall **2018** meetings there was suggestion of an option for a 13D (rather than 13R) system, which would be less costly because it would provide fewer minutes of fire suppression.

-In April **2019** the state denied our application for a variance. Currently the plan is to appeal this decision, with advice from the Association's attorney.

Member concerns—

-Steve Lydon wondered why the Gateway buildings are not grandfathered under the original CO. Why are only these two buildings targeted?

-John Lydon suggested appealing to the state senator. He also mentioned joining with other associations to plead hardship.

Jacob responded that the state is cracking down not only on fire codes, but even more strictly on water regulations.

[*Secretary's note:* Please see *Appendix A* to this document for an excerpt of the October 2018 minutes which describes the two 2018 encounters described above.]

8. President's Report

As of this Annual Meeting, Ms. McGee is retiring from many years of service to the Board of Directors. She read a letter to the membership, summarizing recent years of accomplishments and challenges. Please see *Appendix B* for the text of this letter.

9. Election of Directors

Two 3-year Director terms were ending with this meeting, those of Pat McGee and Luanne Bauer, neither of whom was running for re-election. Three owners, Michael Blasi, Steve Lydon, and Lois Tupay were running for these two seats. In addition, Caroline Germond had earlier announced her intention to resign at this meeting, leaving a one-year vacancy of her Director term.

Votes were cast; ballots were collected; and proxies were tallied. The results were the following:

Michael Blasi 47.743 %

Lois Tupay 43.434 %

Steve Lydon 24.426 %

The meeting was adjourned at 11:57 a.m. with a motion by Pat McGee, and a second by Caroline Germond.

The minutes were recorded by Caroline Germond, secretary.

The Board of Directors met briefly following adjournment of the General Meeting, in order to elect Officers of the Association. The result:

-President—Michael Blasi

-Vice-president—Joe Fritch

-Treasurer—TBD*

-Secretary—Lois Tupay

Also, they agreed that Steve Lydon would occupy the one-year vacancy on the Board.

[*Secretary's note:* John Lydon has since informed me that he will serve as the Association's Treasurer.]

The Directors selected the following dates for the 2020 scheduled meetings:

-Board Meeting—**Monday, January 13**, 6:30 p.m.

-Board Meeting—**Monday, April 20**, 6:30 p.m.

-Board Meeting—**Monday, July 13**, 6:30 p.m.

-Board Meeting—**Saturday, October 3**, 8:00 a.m.

-Annual Meeting—**Saturday, October 3**, 10:00 a.m.

Appendix A

Pat McGee, Association president, and Jacob McGrath, manager, met twice with state and city fire officials: on September 25 in Rutland, and on October 2 at the KG II property. When the officials learned during the first encounter that the building is equipped with a full fire-detection system (heat and smoke detectors, strobe lights), they suggested that we might be eligible to apply for a variance from the sprinkler requirement. Since detection saves more lives than does fire suppression, they would prefer this over a sprinkler system. There would still be conditions to fulfill, but these would be less expensive.

During the onsite meeting, the officials noted that in order to pursue the alternative solution, an exterior standpipe would need to be installed, and that the current ski closet doors would need to be replaced so that they would be “one-hour rated and self-closing and latching.” In the course of this visit the First

Line Security alarm was tested to check that the response would be within 90 seconds. In fact First Line responded in 15 seconds.

The meeting concluded with the agreement to send the necessary documents to Mr. McGrath, in order for the Association to apply for the variance.

The officials present on September 25 were GJ Garrow (Rutland City Fire Department), and David Green and Patrick Banks (Vermont's Division of Fire Safety). The participants on October 2 were Jim Larson, Nate Elwart, and Mr. Garrow of Rutland's Fire Department. Representing the state were Bruce Martin and David Green. [from *Minutes of October 13, 2018 Annual Meeting*]

Appendix B

Pat's Final Letter to the Membership

September 28, 2019

After so many years serving on the Board of KG II, I just wanted to offer a final message as President.

I thought it would be appropriate to list some of the accomplishments of the Board and various members who served from 2006 to the present. Some of this may be repetitive but I ask for your indulgence. The Board really became active after Jacob McGrath took over as manager in 2006. Though some members of the Board changed over the years, Mark Hornstein, Liz West who passed away in 2012, Ron Granger, Scott Lydon, Ted Stagg, Maureen Fritch and Ron DeMaio, their accomplishments were truly monumental. The mission of having an adequate reserve fund and spending within our budget remained constant. We did not believe in burdening the membership with periodic assessments, so some projects were delayed until we had the funds.

The outstanding loan is the VEDA loan at 3% for the new water system required by the state, which required an assessment, but this could not be avoided since the cost was over \$150,000. A special thanks to Joe Baier, one of our members who is a water engineer. We really appreciated his input and knowledge in dealing with the contractors, who were hired to complete this project. Thanks Joe.

In 2018, we were able to reduce the common charges, while still allowing a 12% contribution to the Reserve fund and a contribution to the water sprinkler fund.

Briefly, I would like to list some of the projects we completed during our tenure. These include:

1. Refurbishing the outside of the building with new stain
2. Refurbishing decks with new supports, flooring and ceiling
3. Refurbishing hallways with painting and decorating supplied by Abetiello and Carl Holmquist.

Installed new carpeting and refurbished doors to units with new brass numbers.

4. Procured new accountants-O'Brien, Shortle, Reynolds and Sabotka.
5. In 2017, we hired Christine Morrison as our accountant

6. Thanks to Loon Bauer and Ron Granger, old dead trees and other debris was removed from the front of the building and was replaced by a beautiful garden. Loon still provides many of the flowers and tends to the weeding. Thanks to her diligence, we all benefit from the beauty of flowers blooming throughout the summer season.

7. In 2012, with the assistance of attorney, Jon Readnour, our bylaws were rewritten to comply with new Vermont Statutes. We also rewrote rules, which probably need to be updated again. This project took the better part of the year, since each member had to vote, and a majority was required for adoption.

8. In January, 2014, there was a fire in a vent fan in unit 4. This caused significant smoke damage to units 12, 20 and 28. Thanks to Jacob and adjuster Chris Salatino, we were able to get a just settlement for the damage. Refurbishing took the better part of the year. Liberty Mutual dropped us in October and we were placed in a high risk pool for 5 years, with Lloyds of London.

9. Thanks to John Lydon, we were able to contract with COOL Agency for considerably less money. The savings was refunded to the owners. Also thanks to John for his expertise with contractors and business in general. Thanks John.

10. As a result of the fire marshal's inspection stairwell bannisters were brought into compliance with fire codes and new exit signs were installed.

11. The vent fan in Unit 4 was the cause of the fire. Unfortunately, there are still some vent fans that are 40 years old that need to be replaced. The Board has offered to replace the flexible pipe which is not up to code, so the owners responsibility would amount to replacing the fan itself, which management could do at minimal cost to the owner. We have been unable to have this project completed. I would ask that the new Board continue to press for this project to be completed, so the cause of the 2014 fire can be dealt with,

12. As was already mentioned we replaced our aging water system with a new concrete water storage tank and state of the art controls in the basement to bring us into compliance with State requirements. Thank you Jacob for procuring the contractor and overseeing the project.

13. After this project was completed, we foam insulated the basement to alleviate seepage in this area.

14. In 2016, due to faulty chimney caps, leaks were discovered in the chimneys of units 6,14, and 27. For approximately \$75,000 we were able to replace chimney caps and refurbish the fire places in these units without an assessment.

15. In 2017, the sewer pump was clogged with wipes and other debris, causing a major backup in game room hallway and laundry room. The carpeting and flooring had to be replaced and a cost of \$27,000. It was also decided to refinish the countertops in the game room and sauna rooms and replace toilet, and sink in lower bathroom.

16. In 2019, the stairwell bannisters were restained and hallway was repainted for \$13,000.

17. We have also had to deal with debt and owners falling behind in their dues during economic crisis of 2007-2008. We had several foreclosures; These involved attempting to reach bank of holder of the mortgage in order to attempt to be reimbursed for common charges. Special thanks to Christine Morrison and Erin Gallivan and Greg Ullstrom for outstanding diligence in this regard. We even established an emergency fund for delinquencies, so that we would not have to assess owners for those delinquencies.

18. I would also wish to offer a special note of thanks to our secretary, Caroline Germond. Since joining the Board, Caroline has made it her mission to communicate with and keep owners informed of the developments in the complex. Through her newsletter, she was able to highlight projects and newsworthy happenings around KGII. Not only did she attend every meeting after joining the Board, she took copious notes verifying these for accuracy. She worked with me on creating the numerous agendas required by our by-laws to take place four times a year making sure that these were distributed to the ownership eighteen days before each meeting. Quite a record. Thank you Caroline for working me all these years. You will be sorely missed.

19. Also a special thank you to Luanne Bauer, our Treasurer. Throughout the years she worked closely with Christine Morrison our accountant, to make sure that we did not overspend the budget. Also, Luanne only missed a few meetings in all those years, sometimes at great sacrifice and pay. Thank you Luanne.

20. Special thanks to Joe Fritch who lent his expertise as a building contractor to the many projects we began. His knowledge and balanced views helped us to make intelligent decisions. Thank you Joe.

It is time now to review some of the projects that the new Board will probably have to undertake in the near future. These include:

1. Refurbishing the sewer system. Jacob assures us that this project will commence at the end of September, thereby helping to alleviate the backups that have plagued us for the past two years. Project includes installation of new controls and a new warning system that will let management know if there is a backup. Building 1 will share the cost of approximately \$27,000. As a result of the first backup, we were required to replace the flooring in the lounge, hallway and laundry room at a cost of \$27,000. In 2019, there was another backup. This one was not as severe and we were able to drain and disinfect the area. The cost of replacing this pump will be shared with Building 1. However, their well collapsed in July. This project has been very costly. It is unclear whether they are in a position to support the sewer system at this time

2. Sprinkler system- There has been much debate concerning this project. In October 2018, Jacob and I met with various fire marshals including David Green-Rutland fire marshal; Nate Elwart-Lieutenant Rutland Fire Dept.; DJ Garrow, State Fire Marshal; Bruce Martin-Fire Marshal inspector and Patrick Banks-Plan Reviewer. At that meeting we discussed the possibility of extending the compliance time which was emphatically denied. We also discussed alternatives including an upgrade of alarm system. This was also denied several months later in a letter to Jacob. Balconies are not an alternative because a cherry picker cannot access the rear of the building. Patrick Banks informed us that he would support upgrading the alarm system but he was outvoted by the rest of the team.

We learned that there is another alternative to 13R- the system that was recommended by the previous Marshal. 13 R requires a 7,000 extra tank to be dug in the yard thereby insuring water for 40 minutes. However, 13D does not require a water tank, will use the water from the existing water system which will run for 10 minutes, at a savings of approximately \$100,000. It is unclear whether this alternative will be acceptable. The cost of installing this system (13R) has increased considerably since the first estimate, of \$250,000 and counting. Use of the swimming pool for water was rejected by the Marshals.

We have already paid \$6500 for an architect to draw up plans for 13R. If we get approved for 13D, new plans would have to be generated.

This group visited KG II a few weeks later and took note of the alarm system, which they tested and the layout of the building in general.

I trust the new Board will continue to have dialog with these gentlemen.

3. Our building also had a break in the line between the well and the storage tank. A portion of the upper parking lot was excavated by Ray Harvey at a cost of \$14,000. We still need to blacktop the area, for safety and also to expedite plowing in the winter.

4. In the fall, 2018, Vaillancourt Tree Service removed several trees from the rear of the building in order to open up these units to sunlight thereby controlling mold and mildew. These trees have been replaced by weeds, which are growing at a rapid pace. It is necessary to plant grass in this area to control the weeds. You may have noticed TYVEC which was placed on the building, while we await repairs. Rot was discovered and needs to be addressed.

5. Several years ago, we had a building study completed by engineers Criterium Lalancette. The projects that we continue to place on the agenda are some of those suggested in the study. These include: regrading the perimeter; new lighting in parking lot; resurfacing patio and sidewalk at west end of building; repainting decks and bridge walkway. These are projects that need to be addressed by the new Board in the future.

6. This Board also considered replacing washing machines and dryers with more up to date cards instead of quarters. The cost was prohibitive at present but may be something you wish to revisit in the future.

I wish to offer a special thank Jacob McGrath for his leadership and involvement in all these projects. Without his expertise we would not have been able to accomplish so many of the repairs that

the building was in desperate need of when he came manager. A special thank you to his assistants Barbara Reardon and Vince Wynn, who greeted my phone calls with a willingness to get answers to my questions is also in order.

Without our accountant Christine Morrison, who has provided so much expertise, time and understanding of our many spending issues and projects throughout the years, it would have been very difficult for us to balance the budget and continue to build up a reserve fund. Thank you Christine.

I also wish to thank the ownership for placing trust in me and the rest of the Board for the many years I have served as President. It was an honor to serve in that position and work with the rest of the Board and management.

I wish to offer the new Board all the best in the coming years. I hope you will be as successful as we were. We are always available to offer any expertise, if you request our input. A new era has begun.

Make the most of it!!!

Sincerely,

Patricia McGee
President KGII