

**FORT MARCY COMPOUND CONDOMINIUM ASSOCIATION MEETING
FORT MARCY CLUBHOUSE
SATURDAY, DECEMBER 2, 2017, 9:00 AM**

1. CALL TO ORDER

The annual meeting of the Fort Marcy Compound Condominium Association was called to order by President Judith Swift at 9:00 am on Saturday, December 2, 2017, at the Fort Marcy Clubhouse, Santa Fe, New Mexico.

2. ROLL CALL

BOARD MEMBERS PRESENT

Judith Swift, President
Ted McNamara, Vice President
Peter Baldassaro, Secretary
Steve McMurtry, Board Member

BOARD MEMBERS ABSENT

Denise Jurgens, Treasurer

OTHERS PRESENT

Luis Bayardo, Fort Marcy General Manager
Tom Overson, ASRL
Natalie Hamilton, Guest Care Services
John Garcia, Maintenance Services Manager
Elizabeth Martin, Stenographer

HOMEOWNERS/RESIDENTS PRESENT

Pat Powell, Unit 26	Constance Langston, Unites 35 and 36
Bob Beck, Unit 46	Lisa Wermeling, Unit 92
Pam Baldassaro, Unit 95	Richard Heath, Unit 52

**3. APPROVAL OF MINUTES
SEPTEMBER 23, 2017**

MOTION A motion was made by Mr. Baldassaro, seconded by Mr. McMurtry, to approve the September 23, 2017 Board meeting minutes as presented.

VOTE The motion passed unanimously by voice vote

4. PRESIDENT'S REPORT

President Swift welcomed everyone to the meeting. During this meeting we will be covering projects and repairs and will approve the budget and transmit it to the owners shortly.

5. TREASURER'S REPORT

Mr. McMurtry presented the Treasurer's report, in Ms. Jurgens absence. He reviewed

the report including an overview of the financial picture and the 2018 budget.

Through October, we are over budget by \$2,977; we expect to end the year on budget. Most of the Receivables balance owed as of November 30 is the special assessments for the pool and walkways.

The Operating assessments for the 2018 budget are down approximately \$10,000; Reserve assessments increased approximately \$26,000. A copy of the 2018 budget is attached (Addendum 1) and will be sent out with the first quarter assessment notice.

Mr. McMurtry added that the pool will be open by the Christmas holidays with the hot tub to be installed after the holiday rush.

The budget will be attached to the minutes (Addendum 1) and sent out with the first assessment mid-month.

Ms. Wermeling stated that she is having issues getting her mail from All Seasons. Also it would be good if the website were up and running.

Mr. Baldassaro asked that those issues be investigated by Tom Overson, of ASRL.

A summary budget approved today will be attached to the minutes from today's meeting. Owners present are welcome to a copy after it is approved.

MOTION A motion was made by Mr. McMurtry, seconded by Mr. McNamara, to approve the 2018 budget.

VOTE The motion passed unanimously by voice vote.

5. ASRL MANAGEMENT REPORT

Mr. Bayardo reviewed his report which was included in the meeting packet. It included a report that the new trash compactor is in place and that the previous code is still active. The concrete projects were completed and the railings and steps project is ongoing. Areas identified as safety issues are a priority and are addressed first.

President Swift added that the Board had a forensic architect come in to determine the priorities for us. The Association is following that guidance.

Mr. Bayardo reported that ASRL rents units 99 and 100 from the Association. Both units were remodeled, at a cost, to ASRL, of just over \$65,000.

Mr. McMurtry stated that the Board is looking at the possibility, in the future, of replacing parking lot lights with LED lights. There are substantial up-front costs but in the long run there is a savings in electricity.

6. OLD BUSINESS

POOL ENCLOSURE RENOVATION UPDATE

Mr. Bayardo reported that the pool renovation is moving along with the goal of having the pool open for the holidays. The contractor ran into some unforeseen conditions, and a

delay in delivery of the hot tub by the manufacturer, which they are working through. They are planning to close off the hot tub area, in mid-December, and to stop construction temporarily to make the pool space available for residents and their guests during the holiday. They will then wrap up the project in January.

Mr. Baldassaro said the Board met with the contractor and engineers yesterday and he was impressed by the commitment of the contractor to get everything ready.

He further commented that FMCCA became dissatisfied with HOAMCO's (the former property management) level of performance and commitment and entered into a new property management agreement with ASRL, beginning January 2016. A key benefit from this agreement is Luis Bayardo's full time presence on the property. Over the last two years several unexpected long term capital improvement projects, needing immediate attention, were discovered. The total cost for those capital improvements is approximately \$700,000. To properly maintain the FMCCA property, and preserve owner value, the recent special assessment was needed to restore the reserve account to an appropriate balance. Addendum 2 with additional information and representative photos of some, but not all, of the 2016 – 2017 capital reserve projects is attached.

7. NEW BUSINESS

Mr. Bayardo explained that there is an IRS ruling regarding the ability of the Association accountant to choose which forms to use in filings so that the forms that most benefit the Association can be utilized. That decision must be approved each year by the Board.

MOTION A motion was made by Mr. Baldassaro, seconded by Mr. McNamara, to approve the use of the IRS ruling.

VOTE The motion passed unanimously by voice vote.

8. OPEN SESSION/OWNER COMMENTS

Ms. Wermeling stated that cars race through Kerney St. and asked if there was a way to get speed bumps placed on that street.

Mr. McMurtry said the Board could work with our City Councilor on that.

Mr. Heath said we approached the City Parking Division about putting yellow lines at the intersection of Kearney and Otero Sts. People are parking right at the intersection. We need yellow lines and ticketing. He asked if he could add the voice of the Board to that request.

Ms. Wermeling said she noticed between her unit and the next one down that the evergreens planted in that section are completely dead this year.

Mr. Bayardo explained that the landscape crew spray a pre-emergent where the rocks are.

Ms. Wermeling asked about the large storage units and the status of the list of those who would like the opportunity to utilize one of those. She put her name on the list and others did as well.

Mr. Bayardo said we have 3 large units. He has spoken to those 3 people and they have said they will not give up their storage unit.

Mr. Baldassaro asked Luis to look into the issues. He also advised Lisa to put her name on a new list with Luis.

President Swift thanked Ms. Wermeling for bringing that to our attention.

9. NEXT MEETING

The next meeting will be on February 3, 2018.

10. ADJOURN

MOTION A motion was made by Mr. McNamara, seconded by President Swift to adjourn the meeting.

VOTE The motion passed unanimously by voice vote.

There being no further business before the Board the meeting adjourned at 10:14 am.

Respectfully Submitted by:

Peter Baldassaro, Secretary

**ADDENDUM 1
FORTMARCY COMPOUND CONDOMINIUM ASSOCIATION
DECEMBER 2, 2017 MEETING MINUTES**

Income	2018 BUDGET	2017 BUDGET	Change
Income			
41000-001 Owner Assessments	336,000	346,000	(10,000)
41300-001 Owner Reserve	210,000	183,910	26,090
48000-001 Storage Locker Rent	58,730	54,136	4,594
47000-001 Clubhouse Rent	26,490	26,464	26
45000-001 Unit 99/100 Rent	25,035	24,240	795
43000-001 Late Fees	3,775	-	3,775
41400-001 Special Assessment	-	-	-
43100-001 Interest Homeowners	30	214	(184)
43300-001 Interest Operating	285	-	285
Total Income	660,345	634,964	25,381
Expense			
Administration			
59500-001 Misc Admin Expenses		660	(660)
57500-001 Franchise Filing Fee		-	-
57000-001 Taxes - Corp		2,055	(2,055)
Total Administration	1,000	2,715	(1,715)
Facilities and Equipment			
68500-001 Landscape	12,000	5,185	6,815
60500-001 Compound Maintenance	39,122	24,300	14,822
61000-001 Lighting Repair	5,106	5,000	106
61500-001 Painting & Stucco	7,940	7,800	140
62000-001 Parking Lot Repair	3,436	1,910	1,526
62200-001 Roof Repair	1,803	4,106	(2,303)
64500-001 Clubhouse Repair	9,070	9,400	(330)
62250-001 Sewer Repair	9,103	2,000	7,103
62500-001 Snow Removal	4,632	9,650	(5,018)
68200-001 Irrigation Repair	1,876	1,000	876
69000-001 Pool Maintenance	12,600	9,000	3,600
69200-001 Pool Supplies	1,200	2,200	(1,000)
Total Facilities and Equipment	107,888	81,551	26,337
Operations			
56000-001 Office Supplies		217	(217)
54250-001 Donations		1,000	(1,000)
53500-001 Website	180	720	(540)
52000-001 Bank Charges	1,154	278	876
52500-001 Postage & Copies	1,071	639	432
52100-001 Bad Debt		2,500	(2,500)
Total Operations	2,405	5,354	(2,949)
Outside Services			
81500-001 Alarm Monitoring	31,157	25,800	5,357
80000-001 Security	10,241	12,950	(2,709)

50000-001 Accounting CPA	5,000	1,200	3,800
55000-001 Legal Fees	3,221	2,000	1,221
68000-001 Landscape Contract	38,472	36,198	2,274
70000-001 Pest Control	4,848	-	4,848
70500-001 Property Insurance	27,852	28,800	(948)
71000-001 Mgt & Acct Fee	31,090	30,876	214
72000-001 Consulting	20,323	-	20,323
Total Outside Services	172,204	137,824	34,380
Travel and Meetings			
51000-001 Administrative Bd Mtg		190	(190)
51500-001 Annual Mtg Exp		811	(811)
54000-001 Directors Exp BOD Mtg	15,000	15,000	-
Total Travel and Meetings		16,001	(16,001)
Utilities			
79000-001 Utilities Other		-	-
75500-001 Electric	21,541	24,997	(3,456)
76500-001 Waste Removal	31,961	26,739	5,222
77500-001 Gas	4,607	6,229	(1,622)
78500-001 Water	48,421	45,011	3,410
78750-001 Comcast	17,432	21,336	(3,904)
79500-001 Internet	4,406	5,592	(1,186)
Total Utilities	128,368	129,904	(1,536)
Unit Expenses			
87500-001 Unit Insurance	484	-	484
87000-001 Unit Dues		5,080	(5,080)
86000-001 Unit Prop Tax	1,137	1,150	(13)
85000-001 Unit Repair & Maint	3,807	500	3,307
82000-001 Misc Operating Exp	5,428	-	5,428
Total Unit Expenses		6,730	(6,730)
58000-001 Reserve Study	-	4,520	(4,520)
88000-001 Debt Srv Principal		-	-
88500-001 Debt Service Interest	12,728	12,510	218
89700-003 Depreciation		13,320	(13,320)
89000-001 Contingency	5,324		5,324
90000-001 Reserve Fund	210,000	224,125	(14,125)
Total Expense	660,345	634,554	25,791
Net Income	-	410	(410)

ADDENDUM 2
FORT MARCY COMPOUND CONDOMINIUM ASSOCIATION
DECEMBER 2, 2017 MEETING MINUTES

TO ALL FORT MARCY COMPOUND CONDOMINIUM ASSOCIATION

The Fort Marcy Compound Condominium Association Board of Directors does not take lightly the decision for the recently announced special assessment. It is essential that the key factors which led to the need for additional funding for capital improvements (e.g. the pool facility renovation and the replacement/repair of stairs and walkways) be clearly communicated to all FMCCA owners.

The Board arrived at the special assessment based on the contractual amounts for the pool and walkway projects that must be done in 2017. The pool project is \$410,000; the walkway project is about \$90,000. Therefore, the assessment was set at \$500,000. The condominium declaration (Art. 6, particularly 6.2, 6.3, and 6.4) determines each owner's allocation of the annual operating and reserve assessments, as well as special assessments.

ASRL Property Management identified significant unexpected long term capital improvement needs, requiring immediate attention. Major infrastructure projects are funded by the capital reserve account. Regular capital improvement projects coupled with long term maintenance coming due, which cannot be further delayed, severely stressed the capital reserve balances.

The Board considered the critical need to deal immediately with these projects and potential 2018 capital projects in the funding plan for the capital reserve account. Subsequent analysis and detailed discussion led to the Board's decision to initiate the recent special assessment. We understand the impact of this decision on all owners and are available, at the email addresses shown below, if you have a need for further information.

As owners, we also share the expense and the difficult impact of this assessment. We are doing our best for you, our neighbors, friends, and colleagues in the Fort Marcy community. We hope this explanation helps you to understand why we acted as we did.

Sincerely,

Judith Swift
President of the FMCCA Board of Directors

Judith Swift, President
judith@judithswift.com
Denise Jurgens, Treasurer
daj@reesehenry.com
Steve McMurtry
mcmurtry@uwm.edu

Ted McNamara, Vice President
tedmcn@gmail.com
Peter Baldassaro, Secretary
pjbaldassarojr@cox.net

Attachment

REPRESENTATIVE EXAMPLES
OF
2016 – 2017 CAPITAL RESERVE PROJECTS¹

¹ Total projected cost for 2016 – 2017 Capital Reserve Projects is approx. \$700,000



1. Pool facility exterior wall structural damage



2. Pool facility foundation structural damage



3. Stair and walkway weather and use deterioration



4. Header and Corbel water intrusion damage



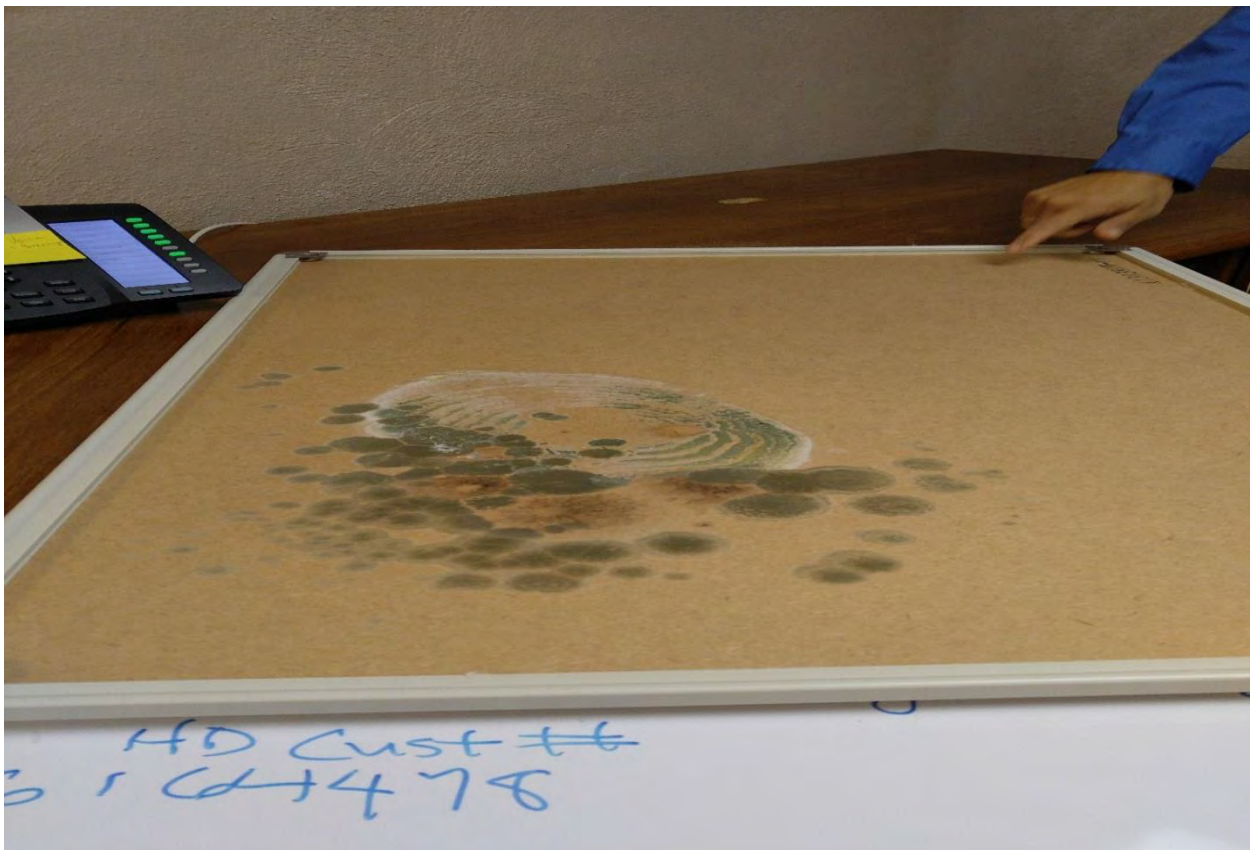
5. Header and Corbel water intrusion damage



6. Header and Corbel water intrusion damage



7. Window sill water intrusion damage



8. Clubhouse office mold accumulation



9. Parking lot weather and use deterioration