

**MINUTES OF THE
FORT MARCY COMPOUND CONDOMINIUM ASSOCIATION
BOARD OF DIRECTORS' MEETING
September 17, 2016
Ft. Marcy Clubhouse**

A regular meeting of the Fort Marcy Compound Condominium Association (FMCCA) Board of Directors was held at the Ft. Marcy Clubhouse, Santa Fe, New Mexico, on September 17, 2016.

CALL TO ORDER:

Vice President Ted McNamara, on behalf of President Judith Swift, called the meeting to order at 9:11 a.m. A roll call was taken and a quorum established with all Board members present either in person or by telephone. Introductions were made.

Board Members Present:

Judith Swift, President, by telephone
Ted McNamara, Vice President
Peter Baldassaro, Secretary
Denise Jurgens, Treasurer
Steve McMurtry, Director

Others Present:

Luis Bayardo, General Manager, Fort Marcy Hotel Suites, ASRL
Ken Rabach, Chief Financial Officer, Corporate Office, ASRL
Ellen Taylor, Conejo Loco Transcription

Other Owners Present:

Elizabeth "Liz" Rivera-Dirks (Unit 36)
Dorothy Rogers (Unit 49)

APPROVAL OF MINUTES:

Mr. McNamara asked if there were any proposed changes to the minutes of the last regular meeting of the Board, which was held on April 30, 2016. There being none, he called for a motion to approve the minutes. Mr. Steve McMurtry so moved. Mr. Peter Baldassaro seconded the motion. **The motion approving the minutes of the April 30, 2016, meeting, as posted on the website, carried unanimously.**

PRESIDENT'S REPORT:

Mr. McNamara turned to Ms. Swift for a brief President's Report. Ms. Swift noted that Mr. McNamara was chairing the meeting in her place, since doing so by telephone would be difficult. She stated that she is proud of what the Board has accomplished over the past year, including the numerous projects that have been initiated and/or accomplished. Board members have expended considerable energy on the matters before it, and President Swift thanked the members of the Board for their devotion to the Ft. Marcy Compound Condominium Association.

TREASURER'S REPORT:

2016 Year-to-Date Financial Report: Treasurer Denise Jurgens reported that, through August 31, 2016, there is a surplus in the operating fund of \$144,000. She explained that part of the reason for such a large surplus was the expenditure of monies from the capital reserve fund for repairs and improvements, of \$87,410. More specifically some of the larger expenditures include repair of headers and corbels, which has begun, and will require expenditures during this year of about \$45,000. The total cost, including next year, is approximately \$83,000. Mr. McMurtry clarified that headers are large structural beams over each porch and corbels are smaller structural side supports, some of which are visibly sagging. Ms. Jurgens reported that work is being done on parking areas, costing about \$20,000; handrail installations cost \$1,500, and swale repairs of Parking Lot A cost approximately \$9,000. These large capital items are necessary because of past deferred maintenance. Ms. Jurgens praised new ASRL management for careful oversight in identifying capital improvements, and added that we must deal with these now, since costs of complete failure would be much higher. Ms. Jurgens called for a motion to accept the financial report through August 31, 2016, as presented. Ms. Swift so moved, and Mr. McNamara seconded the motion. **The motion to accept the year-to-date financial report carried unanimously.**

Treasurer Jurgens then turned to other financial matters. The Association has \$137,000, a portion of the capital reserve funds, on deposit at Century Bank. It has been very difficult to work with Century Bank, to the point that Ms. Jurgens is recommending that the funds be moved from Century Bank to Wells Fargo, where we have capital reserve funds on deposit, also. She called for a motion to move the \$137,000 now held at Century Bank to Wells Fargo. Ms. Swift so moved, with Mr. McMurtry seconding the motion. **The motion to move the funds to Wells Fargo carried unanimously.**

Secondly, there is in excess of \$250,000, which is the FDIC insured limit, on deposit with Wells Fargo. To ensure that all the monies are secured, Ms. Jurgens proposed that ASRL obtain proposals for review by the Board, and that a professional money manager be selected. Mr. McNamara added that this is simply a way of addressing the security of the funds that are in excess of the FDIC insured limit. Mr. McMurtry moved that the Board request and review proposals and choose a professional money manager to manage the funds. Ms. Swift seconded the motion. **The motion carried unanimously.**

Finally, Ms. Jurgens turned to accounts receivable. She reported that the biggest arrearage results from the unit that remains in bankruptcy, and that other accounts are current. She credited Mr. Rabach for learning that, if payment for a storage unit is more than three days late, the law allows the owner to cut and replace the lock. This method has increased rates of on-time rental payments for storage lockers. Mr. McNamara added that ASRL team have been diligent and effective in reducing arrearages, observing that three years ago arrearages totaled more than \$100,000. On behalf of the Board, Mr. McNamara thanked Mr. Rabach. Mr. Rabach stated that

he has discussed the bankruptcy case with Ms. Swift, and that he and others on the ASRL team takes very seriously timely payment of dues and assessments. Ms. Dorothy Rogers (Unit 49) asked whether collection of arrearages included interest, and Mr. McNamara responded that all penalties, interest and costs of collection, are included.

Treasurer Jurgens also noted that work is now being done on drafting of the 2017 budget.

ASRL MANAGEMENT REPORT:

Mr. Luis Bayardo presented the manager's report.

2016 Zozobra Event: Mr. Bayardo reported that the 2016 Zozobra event went very smoothly and there were no issues. He said that there was close coordination with Mr. Ray Sandoval, the Kiwanis Club Zozobra Event Chair. Extra fencing and security were provided. The Cross of the Martyrs area was closed. Mr. Bayardo hoped this would continue in future Zozobra events. Over the past four years ago, every year has brought improvement and less damage to FMCCA property. He credited Mr. McNamara with the work he began with Kiwanis and City officials to reduce negative impacts on the Compound and Mr. Bayardo would be meeting with Mr. Sandoval, the Santa Fe Chief of Police, and others in October to discuss and evaluate the 2016 event. Ms. Rogers (Unit 49) added that the event was very quiet and peaceful. Ms. Liz Rivera-Dirks (Unit 36) thanked Mr. Bayardo. She mentioned, however, that she had not received an email alert with parking information and passes prior to the event. Mr. Bayardo promised to investigate.

Security Company Change: Mr. Bayardo stated that a new security company, Stryker Security, has been hired and Stryker staff will be on-site four times a night. He encouraged Owners who have concerns to contact him. In response to a question from Ms. Rivera-Dirks (Unit 36) about directly contacting the security company, Mr. Bayardo offered to provide her with contact information. Her specific concern was hotel guests coming to her door late at night trying to find their correct lodging, about which she would like to be able to call the security company, if necessary. Mr. Bayardo added that, while scheduled security presence is only at night, a security officer in Santa Fe is available twenty-four hours a day to respond to concerns. The services of Stryker are on behalf of the Association, not the hotel. Mr. Bayardo recommended that 911 be called in case of immediate, emergency concerns. The Mayor and Chief of Police recognize the importance of the hospitality industry to the local economy, and have instituted more patrols around the Ft. Marcy area, and in downtown Santa Fe. He has seen evidence of timely and efficient response time by the Santa Fe City Police. Ms. Jurgens observed that the security personnel on their rounds during Zozobra were much more pleasant and communicative than in the past. Ms. Rogers (Unit 49) reported that the gate to the Ft. Marcy Park is finally being locked at 10:00 p.m. Mr. Bayardo requested that, if this practice stops, to contact him, so that he can report it to the Chief of Police.

Maintenance and Repair: Mr. Bayardo said that the swale has been finished, and the parking area work should be completed by Monday. Twelve of the headers and corbels will be done this year, with the remainder to be accomplished next year. Window seals are also being inspected and repaired where needed, which will avoid larger costs in the future. Finally, Mr. Bayardo reported that grading was performed around Units 52, 53, 54, and 55 to correct the negative grade, which allowed water to flow towards, rather than away from, the building.

Ft. Marcy Hotel Suites: Mr. Bayardo reported on hotel operations, saying that this year has been successful, in line with last year. The fall season, especially September, is very promising. Two new units were added to the rental pool this week, and two more are expected to join within the next month or so. Mr. Bayardo observed that having more units in the rental pool benefits the hotel operation and the Association.

Mr. McNamara expressed appreciation for the efforts of Mr. Bayardo and his team and Mr. Sandoval and the Kiwanis Club for the Zozobra event improvements. The Association has been making a charitable donation to the Kiwanis Club, and intends to do so again this year in the amount of \$1,000, noting that the Kiwanis Club has saved the Association a substantial amount of money.

Finally, Mr. McNamara stated that because of the repair and maintenance efforts being undertaken, Owners should be able to clearly observe that the FMCC property looks more attractive, well-kept and maintained. These are improvements leading to higher property values and a better quality of life for Owners, hotel guests, and renters. The Board has been very careful to ensure that a long-term maintenance and repair program is planned and implemented. The new reserve study this year represents the best, most cost-effective way forward with respect to maintenance and repair. He observed that Board members, as well as other Owners, experience the same concern over the costs of the maintenance and repair, and perhaps more since they are constantly dealing with these matters.

OLD BUSINESS

Pool Building: Mr. McNamara stated that repair of the pool building has been postponed because of delays in the engineering and design phase of the project. This delay was determined necessary just yesterday after a meeting with the architects and engineers. As a result, the special assessment of the membership has been postponed until 2017. The data needed to reliably determine the cost of the project is simply not available yet. Reconstruction and rebuilding cannot commence until the spring, when outdoor construction becomes feasible. We will try to schedule this work when hotel bookings are low. The revised assessment will be determined as quickly as possible and Owners will be kept informed throughout the process.

Rental Rules and Regulation: Mr. McNamara reported that he and Mr. Bayardo would draft a list of rules and regulations specifically relevant to renters, which will be prominently posted in each unit, so all renters can see the rules and regulations which concern them.

Property Declaration Surveys: Mr. McMurtry reported that not all of the property declaration surveys have been returned. This information is required in order for the Association to comply with New Mexico law. These were sent to Owners in late April and early May, with a subsequent reminder. A discussion followed about whether sanctions should be imposed, as allowed by Association regulations, for failure to return the property declaration form. Ms. Jurgens suggested that the fine for failure to return the declaration form could be added to the fourth quarter assessment and be written off and removed if the form is returned. Following on this suggestion, Mr. McMurtry proposed that a letter and/or email be sent to those who have not returned the property declaration notifying them that return is required and a fine will be imposed, but the fine will be forgiven if the form is returned by a certain date. Ms. Jurgens so moved. Mr. McNamara and Ms. Swift simultaneously seconded the motion. **The motion carried unanimously.**

Internet Service: Mr. McMurtry reported that Mr. Bayardo had discovered that Comcast, which previously was unable to provide Internet service using the existing infrastructure, was now able to do so. An agreement with Comcast has been signed, which will greatly upgrade cable television service, including providing many more channels and a HDTV system, as well as effecting a Wi-Fi system that should perform at a speed of five times faster than the current speed. Implementation of the new system will begin within the next few weeks. Mr. McMurtry was also pleased to report that the cost will be slightly lower than what is currently being paid just for cable television. Mr. McMurtry concluded by expressing his hope that this switch to Comcast will solve the lingering Internet connectivity and speed problems experienced with Cyber Mesa, the previous Internet service provider, as well as providing enhanced television service.

NEW BUSINESS:

Mr. McNamara asked if there was any new business. There being none, the floor was opened to Owners.

OPEN SESSION/OWNER COMMENTS: Ms. Rivera-Dirks (Unit 36) thanked the Board members for their time and effort serving on the Board and Mr. Bayardo for his work as the Manager. Ms. Rodgers (Unit 49) seconded that expression of appreciation.

Ms. Rivera-Dirks asked whether the Association website was still functional. Board members and Mr. Rabach responded that the HOAMCO-managed website is no longer in use, but a new ASRL-managed site is now online and available. Ms. Jurgens noted that, in her experience, the new website is not as user-friendly as the previous site, and locating specific items of

information is more difficult. Additionally, there is no password-protected login to limit access of certain information to Owners only. Ms. Jurgens observed that the old website contained a list of Owners and contact information, cross-referenced by unit and name, which could be accessed by Owners using a password. Several Owners had found this list very helpful, for instance, in order to contact a neighbor in case of emergency. Mr. McMurtry pointed out that the Owners' list has also been used in the past by Owners who are dissatisfied with a Board action or decision to communicate among themselves and present objections to the Board.

A discussion followed regarding privacy issues and the feasibility of a password-protected access for Owners only. The Board concurred that, first, it should be determined what confidentiality laws exist in New Mexico. Second, it needs to be determined whether ASRL can include a password-protected access to Owners for non-public documents. Once these issues are resolved, a letter/email can be sent to all Owners, with the existing contact information on file for each, so that Owners can opt-out of inclusion on the list, or exclude some contact information. Additionally, Board members agreed that the site itself needs attention to make it easier to access documents and more user-friendly.

Ms. Rogers (Unit 49) asked if a list could be prepared of the Owners who reside on the property year-round. That information will be made available.

DATE OF NEXT BOARD MEETING: Mr. McNamara announced that the next regular meeting of the Board is scheduled for December 3, 2016, at 9:00 a.m. at the Ft. Marcy Clubhouse, adding that during that meeting, the dates for all meetings during 2017 will be set.

ADJOURNMENT: There being no further business, Mr. McMurtry moved that the meeting be adjourned. Ms. Swift seconded the motion. **The motion carried unanimously** and the meeting was adjourned at 10:05 a.m.

Approved by:

Judith Swift, President