

# Smugglers' Notch Homeowners' Association, Inc

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Fellow Homeowner,

This note is to bring you up to date on the Annual SNHA meeting and some subsequent activity.

This year, for the first time the Annual Homeowners' Picnic was held the night before the Annual Meeting with the "charity of choice" being the Jeffersonville Food Shelf, part of the Food Bank of Vermont. We are proud to announce that our attending members donated \$930 to the Food Bank. We received a warm letter from the charity expressing their appreciation to all homeowners that donated. The money will be used to feed "school lunch type meals" to local children during the summer.

Our Annual Meeting began at 9 am in the Meeting House on Sunday July 1, 2012. New owners and board members were introduced. We were pleased to see both new and long-term members (over 10 years) in attendance. Minutes from the 2011 Annual Meeting were approved. Financial Reports for 2010, 2011, and 2012 year to date were reviewed and discussed.

Open issues from previous years for Full Ownership Homeowners were presented and discussed:

## **Act 250 New Construction Permit**

As many of you know from our emails sent earlier this year, the resort announced its intention to begin new construction on additional time share homes, to be sold by Wyndham, on the North Hill. The new construction re-raised some longstanding concerns by the SNHA about the capacity of the waste water treatment plant and the adequacy of the potable water supply. We were now concerned that the additional homes proposed in the resort's permit application could take the current waste water system over the design capacity. While the resort assured us the system was just fine, we consulted an engineering expert who echoed our concerns.

As always, the Board's primary interest is to protect existing full owners. In this case, we wanted to ensure that full homeowners would not have to bear any of the cost associated with the increased draw on the system or the construction of the new homes. As such, when the waste water permit was approved by the state, the SNHA appealed the decision. The appeal may have had the effect of delaying construction of the new homes for a significant period of time. This resulted in renewed discussions between the SNHA and the resort.

Craig Greene, on behalf of the Board and Bill Stritzler on behalf of the resort had several meetings to discuss our North Hill project concerns. As a result of those meetings, the SNHA and Smugglers' have reached an agreement whereby, in exchange for dismissing the Appeal of the North Hill permits and not

appealing other issues related to the North Hill project, the resort, the Smugglers' water company and any affiliated company is prohibited from charging or collecting from full owners, directly or indirectly, for any upgrades or repairs made necessary by the construction of additional homes at the North Hill. That agreement has now been signed by SNHA and Smuggs.

### **Endorsing Complimentary Day Lawsuit**

During their discussions about the North Hill project, Craig and Bill took the opportunity to discuss some other outstanding issues as well. The resort expressed its desire for the SNHA not to promote or endorse individual homeowners from pursuing the Comp Day lawsuit we have been discussing over the past several years. The SNHA explained that we could not and would not waive any of members rights to pursue such an action if they so desired. The resort explained they were not looking for that. They were only looking for the SNHA not to promote or endorse the lawsuit or provide legal research. Once again, to make it perfectly clear, every member is free to hire their own attorney to pursue the Comp Day action if they so desire. In exchange for agreeing not to promote or provide legal research, however, the resort agreed to pay \$630,000 over a seven year period. Specifically, upon execution of the Agreement a few weeks ago, Smuggs wired \$10,000 to our attorney's trust account to cover SNHA's legal costs relating to this settlement and the withdrawal of the SNHA Appeal. Smuggs will also pay to the SNHA/Full Owners, an additional \$620,000 as follows:

Beginning on January 1, 2013 Smuggs will pay the SNHA the sum of \$44,285.00 and an additional \$44,285.00 on January 1 for each of the subsequent six years. The SNHA will take those funds and apply a \$155.00 credit toward each Member's SNHA Dues if the owner is a Member of the SNHA or toward the Core Service Fee if the owner is not a member of the SNHA. If the dues and/or fees are paid by the Owners' regime or townhouse block, the SNHA will simply credit the \$155.00 against the Owner's share of his or her regime association or townhouse block's obligation to the SNHA.

Beginning on January 1, 2013, Smuggs shall provide a "Credit" to each Owner in the amount of \$155.00 for use in 2013 and an additional \$155.00 Credit per Owner for each of the subsequent six years. The annual Credit shall appear on the Owners' first quarterly statements each year. The annual Credit may be redeemed by an Owner, at the Owners choice, (A) to be applied against sums otherwise due Smuggs, (B) by designating the payment to the SNHA (C) for purchase of good and services from Smuggs, or (D) may be redeemed in cash.

According to the terms of the agreement each Owner may designate the SNHA as the recipient of the Credit in order to pay for a substantial portion of your SNHA Dues or Core Service fees for the next 7 years. The SNHA is obviously pleased we were able to negotiate this arrangement and would certainly appreciate your designating us to receive the credit to help us with our cash flow to continue to provide

the services that you have come to expect. If you agree, please simply reply to this email and indicate that your credit should be applied to the SNHA.

As the Ronco spokesperson says: "And that's not all ...."

### **Use of Workout Facilities**

We were also able to negotiate an agreement for full homeowners to have free use of one of the current on-site workout facilities located at the West Hill area, the North Hill area, or Aspen facility. This right exists from now until July 30, 2019 for use by each Owner (and the spouse, children, current spouses of children, father, mother and grandchildren of an Owner). In order to use a facility, simply go to the front desk, advise them you are a Full Owner and ask for a key to the facility. You will be provided one at no charge. If the front desk person doesn't know what you are talking about, ask them to confirm with Bob M. or Lisa H.

### **Village Fees**

As you all know, the SNHA has vigorously challenged the resort's Village Fee on two basis. First is the lack of transparency in identifying every expense and the reason for that expense that the resort asks us to pay, (what costs and fees go into the pot). The second is how the pot is divided as between the homeowners, the resort and the resort's vendors. While no final resolution has been reached on the second part, (the allocation of charges included in the Village Fee), Smuggs has agreed to provide no later than December 1, 2012 for this year, and no later than February 28 of each year thereafter, a complete accounting of fees charged to Owners. We have been told the Village Fee presently includes charges for the maintenance and repair of Resort roads, maintenance of commonly used lands, Resort transportation services and on-site security personnel. The accounting will allow us to confirm what goes into the pot and shall provide the same level of detail and level of specificity as set forth in the referenced example used in the Annual Meeting presentation titled "Village Fee Itemization". We will post an example of the level of specificity agreed to by the resort on our web site as soon as Joe returns from vacation. Please note: This is strictly an example of the level of detail required. It is not a listing of expenses at Smuggs.

So the homeowners may get a full picture of both sides of the dispute, the SNHA has agreed to allow a representative from the resort to speak at next years meeting in order to present their side of the "Village Fee Story."

After the above issues were discussed, other topics were also presented to our members.

### **Vermont State Statutes**

Joe Ingram briefly discussed changes to the Vermont State Statutes that became effective January 1, 2012 and have a bearing on the existing Regime bylaws and governance. Our attorney is assisting with drafting documents that will be considered for adoption by each Regime that bring our current documents into compliance during the coming months. See for example: Draft for Liftside as recently

proposed for their review

[http://www.snha.net/images/docs/Regimes/Liftside/liftside%20bylaws%20\\_00083044-2\\_r%203.pdf](http://www.snha.net/images/docs/Regimes/Liftside/liftside%20bylaws%20_00083044-2_r%203.pdf)

### **Master Insurance Program**

Joe Ingram also reported that the Insurance program as offered and managed by SNHA is alive and well. Rates continue to be competitive, and programs to manage and reduce loss and risk continue to evolve as SNHA works with our agent, Associates of Glens Falls to review losses and effect measures to address ways to maintain a competitive record. These include:

- Water heater replacement schedule and installation of moisture sensing devices and shutoffs
- Fire wall separation reviews
- Fire Alarm system reviews and upgrades
- Hallway doors and wall glass reviews and upgrades
- Roof shingle and ice protection for ice dam reductions
- Attic and venting reviews and upgrades
- Bath and dryer venting reviews and upgrades
- Review of construction contracts for homeowner and Regime projects for safety and liability
- Review of Smugglers' fire protection hydrant system and its maintenance

All of the above activities are addressed by the SNHA office and Board as a part of the day to day activities and responsibilities with homeowners, Regime Directors, Smugglers' Maintenance and Housekeeping, and independent contractors engaged by Regimes and available to homeowners. These activities are central to the value available to the homeowners who participate as members of Condominiums and Townhouses.

### **Real Estate Issues**

Barb McGee reported on the Cambridge Property Tax appeals. Last year, 2011 assessed valuations were successfully grieved, and in response, the Listers lowered assessed values of all full-owner homes for 2011. Some Homeowners believed their assessed values were still too high and took their appeal to the BCA (Board of Civil Authority), which ruled against the Homeowners. 31 of these Homeowners have filed a further appeal to the State. Those appeals will be heard in August.

The 2012 assessed valuations were published by Town of Cambridge in early June and distributed to property owners. 44% homes' assessed valuations increased from 2011, 33% decreased and 23% remained unchanged. Homeowners were notified by Barb through an SNHA communication that an appeal was again available to them. Of the 126 homeowners who saw an increase, 14 have chosen to appeal and have retained Hans Huessy, attorney who handled 2011 appeals. That appeal was filed June 25, 2012.

### **SNHA Nominating Committee**

Gerry Sunderland reported that four director positions were open at the time of the meeting, each for three years ending in 2015. The nominations provided by the committee were Eric Kotch, Bob Oehrlein, and Lonny Gee. With no further nominations offered, the slate was elected by voice vote.

An invitation to all those present was made to volunteer to serve as associate directors. Many of the standing committees, (i.e. Housekeeping, Damage Fund, QHP, etc.), will become more active this coming year and could use help.

### **SNHA - New Rate Structure**

Steve Hoey discussed the rate structure introduced in January 2012. Simply put, the SNHA went from a bundled pay one price dues structure to one in which there is a baseline annual service fee of \$350.00 and individual homeowners and regimes would pay for additional services provided by the SNHA staff on an as needed basis. Regimes or individual homeowners who utilize Joe and the SNHA staff to manage improvement projects or provide monitoring or other services, will pay additional services charges. We believe this model is more transparent and responsive to owner's requests that services be paid for by those utilizing the services.

The Meeting adjourned just before the noon hour, and the homeowners heard a presentation by Bill Stritzler and Smugglers' Staff during a buffet lunch provided by Smugglers.

Finally, let us reiterate our request for you to designate the SNHA as the recipient of your \$155.00 Credit to be applied toward your Dues or Core Service Fee. It will help tremendously.

Thanks, and always, if you have any questions, feel free to send them to [Joe@snha.net](mailto:Joe@snha.net).

Sincerely,

Tom Gangi

President SNHA