



**July 6<sup>th</sup>, 2019**  
**at The Meeting House**  
**Smugglers' Notch Resort**

# **Welcome**

**Smugglers' Notch**  
**Homeowners' Association, Inc.**  
**Annual Meeting**

## Overview

### Saturday Morning July 6, 2019

8:00 – 9:00 Registration and buffet breakfast – Meeting House

9:00 – 12:00 SNHA Annual Meeting

12:00 - 12:30 Lunch buffet will be served - provided by Smugglers' Resort

12:30 - 1:30 Bill Stritzler and the management team will have a  
presentation in the Meeting House during lunch

5:00 – 7:00 PM Homeowner Picnic at Tent near Morse Lift

# Annual Meeting Agenda

8:00 am -Registration breakfast

9:00 am Welcome/Intro/Call to order – Jay Kahn President

**Audio of the meeting is available via BT Conferencing Service** – Contact number and code below:

Call in number 1-888-481-3032

When prompted enter code – 28651467 #

Follow prompts to join the call.

Participants on the call are urged to follow the Presentation Slides that will be posted on the snha.net web home page:

<http://snha.net/annual-meetings-and-reports/>

**Please note that the meeting will be recorded.**

Questions may be submitted via email to [cadi@snha.net](mailto:cadi@snha.net)

## Agenda continued .....

2018 Annual Meeting Minutes review for approval – Joe Hester Ingram

SNHA Financial Reports - Herb Lewis, Treasurer

Recreational access/common area fees – update by Jay Kahn, President

### Committee Reports

Housekeeping/QHP – Florrie Paige

Damage Fund – Elizabeth Waldvogel

Rental Balancing – Lucia Homick

Insurance – Joe Hester Ingram

Real Estate – Tracy Whitney and Joe Hester Ingram

Technology – Michael Rembish

## Agenda continued.....

SNHA Project Management for Homeowner and Regime Projects  
Tracy and Joe

Nominating committee report and election of Directors – Florrie Paige

Other business – Questions and comments

Adjourn

# SNHA Financial Reports

Herb Lewis – Treasurer

Financial – Balance 12-31-18 and Comparative 2015-2018

Revenues & Expenses - 2015 through 2018

Budgets 2019 and proposed 2020

## Financial – Balance 12-31-18 and Comparative 2015-2018

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	2018	2017	2016	2015
Assets				
Cash	170,598	202,773	162,917	105,185
Assessments Rec.	75,288	54,450	48,905	52,360
Other Rec.	1,819	2,029	2,899	3,257
Inventory	2,309	3,196	3,210	5,032
Regime trust Accounts	630,600	762,241	576,164	439,354
Property & Eqpt. Net	3,582	1,760	1,255	1,062
Rent deposit	660	600	600	600
Other Assets	2,179			
Total Assets	\$ 887,035	\$1,027,049	\$ 795,950	\$ 606,850
Liabilities Members' equity				
Liabilities				
Accts. Payable & Accrued Exp.	20,219	22,418	21,337	35,244
Insurance Reserve	85,163	55,536	31,928	13,288
Due to regimes	630,600	762,241	576,164	439,354
Other Liabilities				
Total liabilities	735,982	840,195	629,429	487,886
Members' Equity	151,053	186,854	166,521	118,964
Total Liabilities & Members' Equity	\$ 887,035	\$1,027,049	\$ 795,950	\$ 606,850

## REVENUES & EXPENSES - 2015 through 2018

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	2018	2017	2016	2015
Revenues				
Association dues and fees	132,860	\$ 125,990	118,665	111,340
Special projects & project mgmt fees	179,536	159,151	172,722	151,606
Acctg., Planning & Insurance Fees	34,485	34,485	34,485	35,097
Other Income	12,417	11,329	12,781	8,623
Gas program service fees	<u>6,194</u>	<u>6,194</u>	<u>6,194</u>	<u>6,194</u>
Total Revenues	\$ 365,492	\$ 337,149	\$ 344,847	\$ 312,860
Operating Expenses				
Payroll & benefits	\$ 106,749	\$ 122,102	\$ 103,857	\$ 99,808
Special projects expenses	152,410	115,706	134,131	129,383
Administrative & office	30,907	28,353	26,818	23,650
Bad debt expense	0	0	0	0
Payroll Taxes	9,628	9,821	8,475	9,416
Accounting fees	8,350	7,750	10,550	9,565
Board and homeowner meetings	2,677	4,198	3,319	3,253
Professional Fees	<u>90,571</u>	<u>28,886</u>	<u>10,140</u>	<u>3,353</u>
Total operating Expenses	\$ 401,292	\$ 316,816	\$ 297,290	\$ 278,428
Net increase / (decrease) in Members' Equity	\$ <u>(35,800)</u>	\$ <u>20,333</u>	\$ <u>47,557</u>	\$ <u>34,432</u>



# Budgets 2019 and proposed 2020

	2019	2020
<b>Revenues</b>		
Association dues and fees	139,730	146,600
Special projects & project mgmt fees	185,160	175,000
Acctg., Planning & Insurance Fees	34,485	35,000
Other Income	11,315	300
Gas program service fees	<u>6,194</u>	<u>6,318</u>
<b>Total Revenues</b>	<b>\$ 376,884</b>	<b>\$363,218</b>
<b>Operating Expenses</b>		
Payroll & benefits	\$ 90,235	\$105,000
Special projects expenses	181,944	170,000
Administrative & office	30,239	31,000
Bad debt expense	0	0
Payroll Taxes	9,264	9,500
Accounting fees	8,500	9,000
Board and homeowner meetings	4,862	4,862
Professional Fees	<u>50,000</u>	<u>33,500</u>
<b>Total operating Expenses</b>	<b>\$ 375,044</b>	<b>\$362,862</b>
<b>Net increase / (decrease) in Members' Equity</b>	<b>\$ 1,840</b>	<b>\$ 356</b>

# Recreational access/common area fees

update by Jay Kahn, President

# Recreational Access/Village Fees 2019, 10 Years +

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# Recreational Access/Village Fees 2019, 10 Years +

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## Recreational Access and Common area Fees

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- In 2008 the resort cancelled contracts (1985 club agreement) that were in place. New agreements left multiple open issues.
- The resort does not recognize deeded rights based on ownership vs rental status
- The village fee disproportionately favors the resort and has been in dispute for years without full transparency of expenses charged to maintain common areas. There is a current litigation between the White family and the resort regarding village fees in which the court has issued rulings.

# VILLAGE FEES-COMMON SERVICES

## PROVIDED OUTSIDE THE DEEDED FOOTPRINT OF THE HOMES

- SNOW REMOVAL
- ROAD MAINTENANCE AND REPAIR
- COMMONLY USED LANDS
- LAWN AND GARDEN CARE
- COMMON AREA TRASH
- STORM WATER MAINTENANCE AND REPAIR
- SECURITY, SAFETY
  
- PAYROLL, EQUIPMENT, SUPPLIES FOR THE ABOVE
  
- From Bill Stritzler 2013 presentation

# SUMMARY

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- START \$3,074M
- AFTER SMUGGLERS' EXCLUSIVE \$ 1,727M
- AFTER PROPERTY MANAGEMENT \$ 856M
- AFTER SMUGGLERS' GRAND LIST \$ 763M
- AFTER CLUB OWNERS \$ 344M
- AFTER FINAL DISTRIBUTION \$ 1,200
- From Bill Stritzler Presentation

# Recreational Access and Common area Fees

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- White Case Status, Village Fee Suit
  - The Resort sued the White family for underpayment of common area fees (2013)
  - Whites counterclaimed with class action claim that Village Fee is calculated by resort unlawfully
  - Judge Carlson certified the class in 2017, not yet notified
  - Murphy Sullivan & Kronk, White family attorney representing the entire class (Full, Equishare and Timeshare owners)



# Recreational Access and Common area Fees

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- White Cases Status, Village Fee Suit.....continued
  - January 2016, Judge Pearson declared that the apportioning based on the Grand Values (real estate assessments) bears no discernable relationship to the parties' benefits of the common services provided
  - December 2017 mediation led to tentative agreement between class counsel and resort to be proposed to class members

# Recreational Access and Common Area Fees

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- This past year has been very active after 10 years of ongoing disputes
  - 2 Formal Mediation Sessions, one on village fee other on Recreational Access
  - Summit in White River to focus on Recreational Access
    - Bill Stritzler, Lisa Howe, Florrie Paige, Jay Kahn
    - Negotiation follows mediation rules
    - Yielded agreement (finalized 7/3/2019) memorialized in legal documentation

# Recreational Access and Common Area Fees

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- White Class Action Settlement Agreement
  - Still under formal Mediation
  - Terms and language agreed to, court advised a completed settlement to be signed in July 2019
  - Required compromise as with all negotiations to achieve results
  - Terms not perfect but acceptable
  - File with court, class notification to follow

# Recreational Access and Common Area Fees

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## Next Steps

- Recreational Access Easement agreed to 7/3/2019
  - Once settlement accepted by class then easement will be filed in Cambridge (will be in “escrow” during notice/acceptance)
- Notify Class Members of settlement agreement
  - Do nothing, accept settlement and easement
  - Reject settlement and benefits, do not benefit settlement or in easement
  - Object to terms of settlement at Fairness Hearing

# Recreational Access and Common Area Fees

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Thanks to those that paved the way

- TNT, Craig Greene, Steve Hoey, Eric Kotch
- Negotiating Committee, Michele Cloke, Ron Graham Lisa Howe, Jay Kahn, Tim Lizotte, Kristen Sullivan, Debbie Titlebaum
- Negotiating Committee II, Michele Cloke, Lisa Howe, Jay Kahn
- Legal Committee, Craig Greene, Ron Graham, Jay Kahn, Bob Oehrlein, Florrie Paige, Kristen Sullivan,
- Negotiating Committee III, Lisa Howe, Florrie Paige, Jay Kahn, Bill Stritzler

# Recreational Access and Common Area Fees

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- Thanks to previous board members who continued to work on resolution of common area fees and recreational access
- Our attorneys Sheehey Furlong & Behm P.C.
  - Arline Duffy and Craig Nolan
- Special Thanks to
  - JOE INGRAM, whose knowledge and perseverance for 30+ years has kept SNHA focused to optimize membership

# Housekeeping – Quality Home Program

Florrie Paige, Vice President

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Introductory remarks – Introduction of Smugglers' staff – contact persons

Laurie Thorpe – QHP Smugglers' Contact

Allison Tatro – Housekeeping Smugglers' Contact

# Quality Home Program

LAURIE THORPE – SMUGGLERS' CONTACT



# Action List Timeline

- Lists of Items to be completed by June 1 are distributed no later than August 1 of the previous year.
- The majority of owners have already been received their 2020 lists.
- A larger number of owners than ever before have no immediate action items on their lists because they have been proactive in taking care of items as they appear for future planning.
- Very few owners had any remaining action items as of the June 1 deadline.

# Action Lists

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- Schedule Projects immediately in August
- Contact Tracy at SNHA or Maintenance at Smuggs
- Notify Laurie Thorpe when items are completed
- If an item is questionable- request a review ASAP
- Do not overlook small items- our guests don't!
- Blocked from Rental Program but not removed

# QHP Requests for 2020

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- All “Boom Box” style cassette players to be removed as per your action lists (including combo units).
- Look for systems compatible with smart phones (USB connections)

# Housekeeping

ALLISON TATRO – SMUGGLERS' CONTACT

# Common Area Improvements (Laura St Cyr)

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- Weekly Supervisor Inspection and Checklist for all buildings.
- Common Area Vacuum Upgrade

# Support Crew Initiatives (Colin Warner)

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- Carpet Cleaning
- Linen Bag Delivery to homes with out a linen closet

# Housekeeping Office Management (Amanda Fuller)

31

- Cost reduction in housekeeping supplies with new WB Mason relationship.
- Contact for any questions on Home Owner billing
- [afuller@smuggs.com](mailto:afuller@smuggs.com)

# Staffing continues to be a challenge.

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- International crews used during busy times
- Staffing during the off season is also a problem now.
- A plan to employ housekeepers from Puerto Rico is in the early stages.



# Damage Fund

Liz Waldvogel  
George Belansek

**REPORT ON 2018 DATA**

**07/06/2019**

# What is the Damage Fund

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- ▶ Unique to Full owners renting through SNMCo
- ▶ Fund is to socialize small expense items associated with rentals
  - ▶ \$500/occurrence limit
- ▶ Contributions are 5% of gross HO rental
  - ▶ 2.5% SNMCo
  - ▶ 2.5% HO

# Fund Amounts

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	2019 YTD 5/31/2019	2018	2017	2016
Fund Contributions	\$132,662	\$247,838	\$228,471	\$200,247
Actual Expense	\$57,073 *	\$135,939	\$164,758	\$213,376
Y-T-Y Actual Expense Increase/(Decrease)	\$12,179	(\$28,819)	(\$48,618)	(\$58,157)
Gross HO Rental	\$2,924,216	\$4,915,464	\$4,612,318	\$4,004,935
Refund to owners & Smuggs	NA	\$111,900	\$63,713	-

\* 2018 Expense to 5/31/2018 was \$44,894 on gross rent of \$2,989,345

# Observations

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2019 contributions are below 2018 by \$4,190 and expenses to May 31 are up \$12,179 compared to 2018

- Maintenance has noticed, across all homes in the resort, more 'wear & tear' and time spent doing punch list items as compared to previous winter seasons.
  - Cabinet repairs & tightening
  - Furniture repairs - Loose legs, refinishing.
- 14 fewer homes in the rental pool Dec 2017 vs Dec 2018
  - Lower gross rental potential
  - Lower potential damage fund contribution

# Top 10 Damage Fund items 2018

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<b>Part</b>	<b>Homes</b>	<b>Qty</b>	<b>Total Charge</b>
Vacuum Part: 8251	29	29	\$4,534.76
Shower Curtain - Hookless Part: 8213	46	56	\$3,257.87
Fan Part: 8085	21	32	\$2,760.53
Coffee Maker - Cuisinart - Wyn Part: 8050	25	25	\$1,723.98
Mattress Pad - Twin Part: 8149	43	70	\$1,626.35
Mattress Pad - King Part: 8147	52	60	\$1,548.02
Wastebasket - Large Part: 8254	19	22	\$1,428.39
Liner - Hookless Part: 8144	36	49	\$1,384.83
Blanket - Twin Part: 8012	21	58	\$1,335.45
Blanket - King Part: 8010	30	37	\$1,244.59
Mattress Pad - Queen Part: 8148	44	51	\$1,055.49

# Summary

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- ▶ Reviewing vendors for several items to reduce purchased expense
- ▶ On track for another refund for 2019

# Rental Balancing

Lucia Homick, Director

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## RENTAL BALANCING

SnapShot 2X a year

6 Month \$ + 5 year Cumulative \$

Compares Homes by Regime, By Like Size unit

Not Resort wide

# Rental Balancing

Lucia Homick, Director

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## Rental Formula

HO use (\$) + Rental \$ = Total Value

Total Value - SNMCo 35/40 % = Owner Net Rental

What impacts rental income?

- HO Use
- Five Star Plus
- Opting out of groups and discount programs



# Rental Balancing

Lucia Homick, Director

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## ANALYSIS

Changed Cumulative from 12 to 5 yrs

50 vs 30 average outliers

6 month Seasons - Winter 18/19 & Summer 18

5 Star Plus Homes

Individual regimes and homes

# Rental Balancing

Lucia Homick, Director

42

- 10% OUTLIERS (52 units)

33% 17 units Seesaw-HO use & 5\* Plus

13% 7 units Bed/Room configuration

10% 5 units QHP issues

19% 10 units Various

15% 8 units ?? Investigated by Reservations

10% 5 units @10%

# Rental Balancing

Lucia Homick, Director

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Benefits - 5 Star Plus

More Net Rental Income (65 vs 60%)

5 Star Plus rented 1st

More \$ into Regime

Impact: High % of Regime 5 Pluses

# Insurance

Joe Hester Ingram, Executive Director

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## 2018-19 Program

- Level Premiums – Recent Years – Reduction in 2019-20
- Good record
- Water leaks & losses - biggest issue – although not significant
- Homeowner - confirm that you have a Unit Policy to compliment Master Policy
- See web: <http://www.snha.net/> for complete program description of the Insurance Program - see Link on Home Page
- Thanks to Frank Michael Conte Villmarksauna homeowner who serves as Insurance advisor to the SNHA Board

# Real Estate – Full owner review

Joe Hester Ingram and Tracy Whitney

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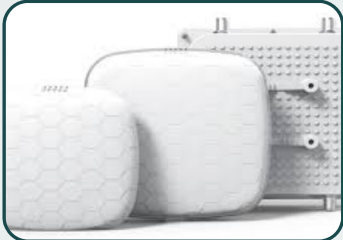
<b>Year</b>	<b>Units Sold</b>	<b>Avg % diff btw asking &amp; purchase price Above/below asking</b>	<b>Avg % diff btw sales Price &amp; tax value Above/below tax value</b>
<b>2015</b>	5	-14.94%	-6.03%
<b>2016</b>	11	-12.46%	-11.39%
<b>2017</b>	12	-5.87%	-4.92%
<b>2018</b>	23	-8%	-1%
<b>2019 YTD</b>	<u>9</u>	-7.68%	-2.01%
	60		

# Technology

MICHAEL REMBISH – SNHA DIRECTOR

# Technology Update

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Access  
Points



Fiber  
Cable



Smart  
Home



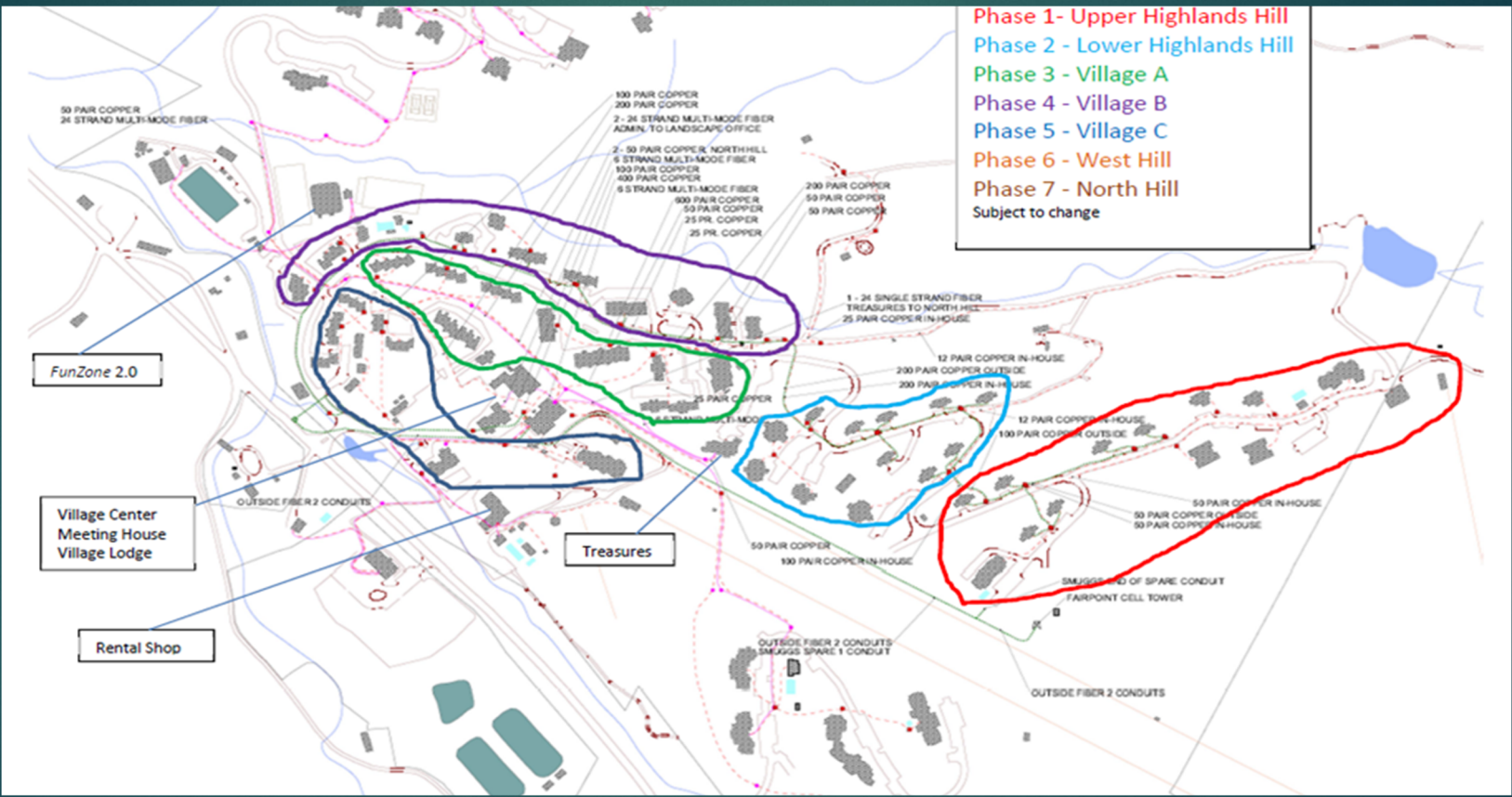
Digital  
Locks  
(RFID)



## Access Points

- New access points installed
- Total cost for the installation was \$28K
- Range from \$55 - \$190 per home
- Cost offset by 2017-18 revenue sharing
- Offset the entire cost rather than allocate funds







## Fiber Cable

- Smuggs waiting for quote
- Desire project completion in next 12 months
- Unused conduit up the mountain
- Smuggs is responsible of getting fiber to property line
- Accessed through the current utilities space
- 3 or 4 buildings may need new access point
- Homeowners responsible for building connection building (last mile).



## Smart Home

- Smuggs met with consultants
- Experienced consultants with upgrading resort systems
- Tech plan dependent of fiber
- 2021 Project Timeline

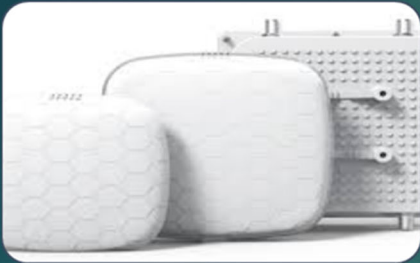


## Digital Locks (RFID)

- Moratorium on installing any new SafLoks
- Project dependent on fiber
- SafLok™ no longer supports the current locks
- An evaluation of vendors will take place
- Cost will be a significant consideration
- 2021-22 Project

# Timeline

2019



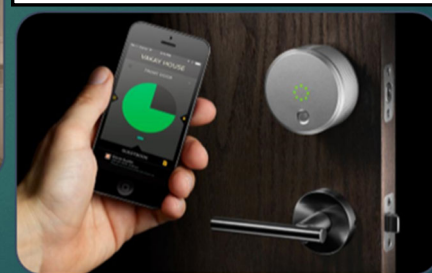
2020



2021



2022



# SNHA Management for Homeowner and Regime Projects

## Tracy and Joe

- 1990 – Joe was employed to assist Regime Directors to create and fund Long Range Plans – Engineering study in 1992 projected out 30 years. Is it time to have another Engineering Study?
- 2010 – Tracy employed as Office Assistant – soon after was responding to Homeowners' calls for assistance with interior projects
- 2011 – 2017 Services to Homes gradually increased as Tracy expanded role in services to Homeowners
- 2018/19 – SNHA added new staff – Office Assistant
- 2018 – Tracy begins adding Regime projects to her job

Projects continued....

Homeowner services have grown

2012 - \$18,000 to 2018 - \$118,000

2019 Year to date - \$118,000 (in 6 months)

Homeowner Services – 2019 Include

- Home Inspection Service (32 homes monthly).
- Homeowner QH program action items (assistance to 27 homes)
- Appliance Special Offer (16 homes, 1 Regime, 23 appliances replaced).
- Carpet/Upholstery cleaning upon seasonal request.
- Fireplace Clean/Inspect for Non-renting homeowners.
- Water Heaters – Replace (36).
- Bath Fitters (6 homes/12 bathrooms).
- Contact Tracy – [Tracy@snha.net](mailto:Tracy@snha.net)



Bath Fitter – tub and surround



Water Heater Before  
No longer Code  
Compliant



Water Heater After – code compliant

- Expansion Tank
- Auto shut off valve
- Temp mixing valve
- Pan with moisture sensor/alarm
- Electric supply added
- Rheem 12 year extended warranty



# Regime Services – 2012 -2018

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Regime services and Projects – Value varies from year to year

- 2012 - \$437,000 for low    2018 - \$604,000 for high
- Routine Services and Projects
  - Budgets, planning, and accounting for 18 Regimes
  - Spring and fall seasonal - repairs to common property as needed
  - Entry areas, hallways and decks – repair clean and paint
  - Window washing – exterior
  - Dryer vent cleaning
- Major Projects – some examples
  - Roof shingle replacements
  - Complete exterior painting and siding replacement
  - Window & slider door replacements
  - Major hallway improvements
  - Racoons in the attic and other unanticipated events
  - Foundation settling

Lifside – exterior painting



RS entry



Hallway Improvements LS,SS, Nordland



Snow removal from roofs



New entry doors for SS, RS, LS, VS



Exterior Lighting



Ski Lockers – LS, VS, RS, SS

## Nominating Committee Report and Election of Directors – Florrie Paige

There are four board positions with terms ending at this meeting:

Barb McGee – Creekside 28

Michele Cloke - Liftside 12

Kevin Rohrbacher - Liftside 53 & 02

Vacant Position

Kevin Rohrbacher will be stepping down. Barb McGee and Michele Cloke have agreed to accept a nomination. Rob Gagnon homeowner of Poolside 03 has also agreed to serve. The Board has endorsed these nominations for election and are placing their names on the slate for consideration for terms ending July 2021.

Barb McGee	Creekside 28	term ending 2021
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Michele Cloke	Liftside 12	term ending 2021
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Rob Gagnon	Poolside 03	term ending 2021
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Vacant position		term ending 2021
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Options to fill vacant position

Nomination from the floor

Authorize the Board to interview and appoint after this meeting

Other Business.....

Questions and comments from the floor

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Questions will be added as received for the record

Adjournment

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Thank you for your participation and  
membership

In the  
Smugglers' Notch Homeowners'  
Association, Inc.

