

**Smugglers' Notch Homeowners' Association, Inc.
Board of Directors Meeting
Teleconference
March 10, 2009**

Members present			
X = In attendance			
DIRECTORS		ASSOCIATE DIRECTORS	
Gerry Sunderland	X	John Mooney	
Tom Gangi	X	Michael Conte	
Lonny Gee	X	David Ritchie	
Herb Lewis	X	Jay Kahn	X
Eric Kotch	X		
Florrie Paige	X		
Bob Oehrlein	X	SNHA Staff	
Steve Hoey	X		
Jon Donahue	X	Michael Russell Legal Counsel	
Craig Greene	X	Joe Ingram Executive Director	X
Kevin Rohrbacher	X		

Roll Call – established quorum – Gerry Sunderland called the meeting to order at 8:30 PM.

Minutes [attached for reference] from past meetings-review for approval – Eric Kotch
08-28-08 meeting
12-08-08 meeting
01-14-09 meeting

All approved the minutes for the above listed meetings as distributed.

Insurance – Master Policy 2009-10 renewal – John Donahue motioned and Craig Greene seconded that the Board authorize the SNHA Associate Director for Insurance, Michael Conte to review options with Associates of Glens Falls and then consult with the Executive Committee in order to approve a Master Policy Package with Associates of Glens Falls for 2009-10 to become effective 04-01-09. It appears the final policy offers will not be available until late in March at the 11th hour just prior to the March 31, 2009 expiration of the current policy. All Approved.

Budget – Herb Lewis reported that he and Joe had worked up a budget for operational expenses and trimmed as much as possible. The withdrawal of the Family Share homes last summer, and the notice from SNMCO that they would not be transferring the timeshare [weeks] club homes dues to SNHA for 2009 will create a shortfall in dues income of about \$36,000. Several remedies were discussed:

1. Raise the dues to full owners – Currently the dues are at \$470 for 2009. To raise another \$36,000, the dues would have to be raised to about \$600 per year
2. SNHA has been managing certain functions and affairs of the Regimes who appointed SNHA as agent in the mid 1990's and has been charging about 6% of the operating expenses for these Regimes. Raising that charge to about 15% would generate the funds needed if all Regimes stay with SNHA for these functions and the expense for the 2009 maintenance plans are carried out as planned and presented at last summer's Regime meetings.

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- a. Another complicating factor are the number of homes that have declared that they would no longer be members and would not pay 2009 dues [about 15 to date]
- b. Most of those have also indicated that they would not pay the 2008 special assessment of \$600.

Lonny, Kevin, and Bob volunteered to join a Budget subcommittee to assist Herb in resolving the issues and finalizing a budget.

Membership Policy – review the previous motion and fee established to be charged to those who have declared themselves to be non-members. See minutes of 01-14-09 SNHA Board meeting.

1. At the 01-14-09 meeting, the Board passed a resolution and policy. Excerpted from the minutes of 01-14-09 meeting – “Motion: Eric Kotch moved that SNHA establish a “non-member” service fee of \$625 to be charged to homeowners who do not pay their dues and continue to benefit from the programs managed by SNHA for their buildings. Steve Hoey seconded. John Mooney asked if there would be any tax liability for this arrangement. No one was sure about the tax laws in Vermont in that regard. John proposed an amendment to the motion to add “and any taxes due” following the “\$625” fee in the motion. Steve Hoey seconded the motion to amend. All approved the amendment. Further discussion clarified the intention of the policy that payment of the fee would not restore a member’s standing or voting rights in SNHA, and that miscellaneous services as called in to the office would not be included in this fee.”
2. Discussion continued regarding the Master Policy and participation of a homeowner who had not paid dues and/or special assessment:
 - a. Craig Greene moved and Steve Hoey seconded that: Participation in the Master Policy would be available for the properties of homeowners who either:
 - i. Pay SNHA dues and any other assessments made by SNHA, and are in good standing with their accounts, or
 - ii. Have paid a non-member management fee as established annually by the SNHA Board – The non-member management fee for 2009 will be \$1095. Collection of the non-member management fee will be the responsibility of the named insured Regime on the Master Policy according to the provisions in their Declarations, Bylaws, and or property Deeds. [Note: In a subsequent meeting, this fee was later set to be the same as Dues]
 - b. Changing the Master Policy during the year may become necessary if homeowners and/or Regime Directors do not pay the required fees. Joe believes that the Master Policy can be amended to add and drop buildings after the date of issuance, with a proper notification period to those who are delinquent in payment. He will confirm with Associates of Glens Falls agency.

Rental options to Full Owners – John Mooney and Jay Kahn updated the Board on this committee’s agenda. They are researching options and alternatives for homeowners who wish a rental program other than SNMCO’s contract and program.

Legal Issues – Declaration/Easement

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Craig briefed the Board on the current issues, status, and positions of SNMCO and SNHA.

SNHA – Committees – What’s happening with the other business of SNHA? A brief discussion of Housekeeping, maintenance, star rating, etc.....Gerry asked Board members to review their committee’s functions and create a draft agenda for 2009 to consider at the next meeting.

Nominating Committee and Annual Meeting – All agreed that the Board needs to review the election process and begin planning for the July Annual Meeting soon.

Other business - None

Adjourned at 11:16 PM

Respectfully submitted,

Joe Ingram, Executive Director

Reviewed by Eric Kotch, Secretary