

**Washington's Head Quarters Town Houses Homeowners Association
2017 Homeowners Annual General Meeting – October 1, 2017
Meeting Minutes**

1. Roll Call:
 - 16 households present (quorum).
 - Unit numbers: 1, 2, 4, 5, 6, 7, 8, 9, 10 (proxy, nominated unit #5), 11, 16 (proxy, nominated unit #6), 17, 18, 19, 20, 21 (12, 13, 14, 15 not represented).
 - The Management Agent and the contracted accountant were also present at the meeting,

2. Proof of Meeting Notice:
 - Invitation letter and email for Homeowners Annual General Meeting were sent out in advance as required by by-laws.

3. Previous Meeting Minutes:
 - 2016 HOA Annual General Meeting minutes were approved without objections.

4. Annual Report:
 - Since the 2016 meeting of the Washington's Head Quarters Townhouses Homeowners Association, we have been able to avoid major unplanned financial expenses (pool heater replacement still in progress).
 - The financial condition remains stable – without immediate major expenses scheduled (pool heater replacement is in budget).
 - The HOA is on track to increase the financial reserves to at least \$100k (as of September 2017 at \$86k), with \$3k being added monthly (where possible).
 - We have had no unit sales in the last year (unit 8 under contract now) and one change in renters (unit 15).
 - The major long-term maintenance related projects presented to the HOA last year remain in the pipeline and need to be addressed in the short to medium term, including the need to determine financing options.
 - Special Projects Status:
 1. Property maintenance related to wall, drainage and roadway:
 - a) Modifications to engineering drawings are underway to incorporate comments.
 - b) The board has continued to review professional service fees and payments and adjustments have been made.
 - c) Final documents to be issued as required for village review and approvals process
 2. Pool equipment repair

- a) An engineer has been engaged to report on heating system options as well as first and operational costs.
- b) The board will determine direction and authorize the engineer to proceed with appropriate filings with Westchester County.
- Additional activity during the past year included:
 1. Continued external financial audit report – The board continues to engage and retain an accountant to review and insure compliance with annual audit and record keeping responsibilities.
- Over the next calendar year, the board will need to address the following issues and obtain bids to assess the actual financial costs of these projects:
 1. Replace the pool heating system
 2. Repair the roadway drainage system
 3. Stabilize, repair and/or rebuild the Broadway wall
 4. Repair and re-surface the roadway
- Depending on the costs estimates, the Board will determine options for funding these projects and will present these at a special meeting to the HOA for decision.
- Additional background information on each of items will be provided during the committee reports to follow.

5. Financial Report:

- The HOA made a modest profit of \$3,4581 based on total revenues of \$202,505 vs expenses of \$199,024.
- The HOA monthly dues had remained constant for more than 6 years, while costs had increased.
- Accordingly, it was prudent to raise monthly dues, which were increased by 5% as of March 2017, which helped increase the HOA's reserves.
- Financial reserves (savings account) have been increased to \$86k, an increase in \$16k over last year, after having been significantly reduced by the painting expenses.
- The balance of the net increase in cash of \$23,394 is reflected in the HOA's operating account.
- Expenses over the last fiscal year were highest on landscaping and snow removal, followed by utilities, engineering expenses, insurance, and pool.
- While engineering expenses were significant, these should not be recurrent expenses to that extent over the coming years, as preparatory engineering work for the major upcoming projects is being concluded.
- Compared to the previous fiscal year, there have been no major changes, except for the painting project that affected maintenance and repair costs last year, as well as reductions to pool expenses, since the pool was not heated this season.
- The accountant clarified that the statement in the audit report, that *"Management has omitted the supplementary information about future*

repairs and replacements that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements,” is in line with common practices by HOAs, unless definitive information is available.

- On engineering costs, it was clarified that an engineer will likely be retained to oversee/inspect work during the construction phase of the projects.
- It was clarified that the process is ongoing to replace the pool heater, but that since the same model of heater is not available anymore, replacement with a different model requires county approval, for which an engineer has been contracted to review and provide information for first cost and operating costs, with the objective to have documents submitted and approved by end of 2017 for installation in time for the 2018 pool season.
- It was further clarified with regards to the pool that solar heating was considered as an option, but that it was concluded that there is not sufficient common surface area available to do so.

6. Project Updates:

- Project update information has been broken into three phases in order of anticipated timing.
 - I. Underground drainage and gas extension
 - Probing / testing / surveying complete.
 - Gas extension to units 1 to 8 and pool house – Con Ed / plumbing filing in process.
 - Gas extension design will follow.
 - Underground drainage design is complete.
 - Final construction drawing (CD) set and filing with Dobbs Ferry town in process. If required, gas work will be an amendment. Once finalized, can go out for bidding.
 - Final Bid Package in process. Gas work will be alternate.
 - Targeting bid, award, and construction for 2018.
 - It was clarified that pavement cracking is due to underground drainage having deteriorated, which and needs to be corrected before any repairs to the pavement.
 - It was also clarified, that given interest in the gas extension, including to the pool, this work would need to be done before any road work.
 - It was further clarified costs and continued interest in the gas extension will be confirmed with affected homeowners, once design and cost information available, and that ConEd might not be interested to fund or carry out the work in case of insufficient interest.

II. Reconstruction of North and South Perimeter Walls and Tennis Court Wall

- Second phase could happen subsequently or in parallel.
- Probing / testing / surveying complete. Ongoing telltale monitoring.
- Support of Excavation (SOE) design / build alternate
- Wall structural and civil design complete
- Final CD set and filing with DF in process
- Final Bid Package in process
- Target Bid / Award 2018
- Target Construction –TBD
- It was clarified that a distinction need to be made between the north and south walls, since north is a retaining wall, which has most of the structural concerns, and south deteriorated due to weather, etc.
- On the SOE it was clarified, that structural bracing of the wall is needed, since the parking spaces along the wall are on an embankment, and that area needs to be structurally braced, with an alternative cheaper option to bid this out as design/build as opposed to design by current engineer
- It was clarified that the HOA is currently waiting for the town to sign off, to then have final bid packages, but no target construction date been set yet
- The Board will discuss financing options, and possibility of phasing.
- It was clarified that the current assumption is that all foundations would need to be replaced, while there is a possibility that the foundation of the south wall could still be fine, which would be determined during excavation.
- It was further clarified that the work includes the tennis court wall on the interior side, and that the exterior wall along the tennis court at the Broadway side has been assessed and is fine, and it was built as retaining wall
- It was noted that there was recent damage to the south wall due to a car accident on Broadway, which has been submitted to the HOA's insurance company as basis for a possible claim against the responsible car owner, and the HOA is in process of obtaining the police report of the accident to have the insurance provider present a third-party claim.

III. Paved surface restoration and landscaping restoration

Paved Surface restoration:

- Probing / testing / surveying complete.
- Roadway pavement design complete

- Final CD set and filing with town in process
- Final Bid Package in process
- Target Bid / Award 2018
- Target Construction – TBD
- Bid/award also scheduled for 2018, but timing to be determined, since complete work will take about nine months.

Landscaping Restoration

- Removals will be minimized and subject to protection plan
- New plan & design TBD
- Target Bid / Award / Construct - TBD
- It was clarified that landscaping restoration is not yet designed; aiming to minimize any removals, but will require removal of trees and vegetation, which has not yet been planned or designed, and is out of scope of current engineers, and would need to be contracted to someone else.
- It was clarified that it is not cheaper to repave the road every few years instead of waiting until the end of the project.
- It was confirmed that the current engineering work will be concluded once approval by the town is obtained.
- For Construction Administration (CA) during the construction, an engineer will be contracted.
- With regards to timing, it was clarified that the Board had identified discrepancies in the engineering report and had taken time to address these.

Project Financials:

- Original estimate for total project was \$1.5 million, which was obtained at the height of the market and included 15% contingency and an allowance for landscaping, and was estimated for a two-year project duration.
- A preliminary bid for the infrastructure work was obtained, which totaled \$1.2 million, but without landscaping replacement, but work only phased over 12 months.
- A minimum of three competitive bids will be received and contract work will be bonded
- The final budget will be based on phasing and financing sourcing.
- Several commercial banks expressed interest to provide loan and/ or credit line.
- On financing options, it was clarified that:
 - Preliminary discussions had taken place with one bank, which was for an unsecured loan against the association's ability to assess costs against its members.
 - The size of the loan and conditions would be based on the assessed credit strength of the association.

- It would probably be possible to obtain a loan for as long as 15 years.
- The preliminary estimate in April 2017 was for a \$1 million loan, which resulted in a 5.5-6% interest rate, over 15 years.
- Homeowner costs would depend on the owner's share in the HOA, which at the lowest end would have been an additional \$375 per month (increase in monthly common charges).
- Alternative options would be smaller loans combined with HOA assessments or a one-time assessment (and e.g. individual home equity loans).

7. Committee Reports:

- Gardening:
 - Lost some trees, have not made any plans for replacement along the outside walls due to pending projects
 - Also lost some boxwoods, ageing and dying, and planting in front of units, with options being assessed for next year.
 - On deer issues, HOA has DeerTech, but deer come in from Broadway and not clear on further options, with Board planning to talk to other HOAs on experiences/options.
 - It was clarified that the HOA has electronic deer repellent, as well as different chemicals being sprayed to deter deer, in addition to insecticides for trees, rodent/pest control and also termite control system
 - It was noted that the Board will investigate the option to replace planting with those that deer don't eat.
- Pool and tennis court: already addressed
- Maintenance and special projects:
 - It was clarified that drainage was assessed by video, with one broken sewer line, which belongs to the village to be replaced, with the town working on repairs.
 - For the two fire hydrants on the property, it was noted that the HOA is paying Suez Water for availability of water, but Suez does not provide maintenance/flushing, while the HOA is also paying the village for hydrants. It was clarified that the Board is investigating whether these can be included on the list of the village to flush/maintain.

8. Board Elections:

- The two-year terms of Dale Greenwald, Sabin Meyer, and Uwe Steckhan are expiring.
- All three have expressed willingness to run for another term.
- Mary Donovan was elected in 2016 to fill out the balance of Eli Cohen's two-year term. As Mr. & Mrs. Donovan are moving from the property we will need a volunteer to run for this open seat.

- Jon Brose, Ken Colao, and Robert Murray round-out the current Board and their terms will expire in 2018.
 - Emily Wolf nominated to fill Board seat vacated by Mary Donovan; Ms. Wolf indicated willingness to serve.
 - Nomination and confirmation of seats proposed to be carried out by acclamation accepted and no objections received.
9. Other Matters:
- The homeowners bade farewell to Mary and Herbert Donovan and thanked them for their contribution to the HOA.
 - It was clarified that the HOA's website (www.washingtonshq.com) is kept current with the latest Board meeting minutes, details on dues payment, and contacts of homeowners and renters, plus WHQ's history.
 - It was agreed to correct the name on the website to 'Washington's Head Quarters Townhouses' from 'Washington's Headquarters.'
 - It was confirmed that the HOA presentation will be posted on the website, with draft minutes (to be approved at 2018 HOA AGM).

--- MEETING ADJOURNED ---