

Beacon Gate Condominium Association

The monthly meeting of the Association was held on February 17, 2005
at 7 PM in Dannin Managements office at 1120 Beacon Street

Present

Board Members

Ann Marie Carlson, President
Gail Litvin
Ann Kennedy
Cynthia Huff
David Kula, Treasurer
Mary Erskine
Ted Brown

Dannin Management

Annie Stefanelli
Justin Lopes


I. Introductions / Quorum Count / Prof of Meeting Notice

- Board President, Ann Marie Carlson called the meeting to order a 7p.m. Ann then asked the unit owners in attendance to stand and introduce themselves. After unit owner introductions were complete the Board introduced themselves and welcomed all those in attendance.
- Proof of Meeting Notice was established and agreed upon.
- Dannin Management, Annie Stefanelli, established that a quorum has been reached.
- The board waived the reading of last year's (February 10, 2004) meetings minutes. After a show of hands, last years meeting minutes (February 10, 2004) were unanimously approved.

II. Reports of Managing Board

Ann Marie Carlson reported to the group that with the laundry renovations that took place last year not only improved the over all look and cleanliness of the laundry room but it is our hope that the installation of more efficient laundry equipment will continue to decrease the buildings water usage. In addition, the building received a \$7,200.00 signing bonus from Automatic Laundry Company for the renewal of the contract.

On a more unpleasant note, in 2004 we had to have one of our tenants in the association owned unit evicted for domestic violence reasons. The incident was unsettling for all parties involved. In addition legal fees were required for the eviction process as well as additional costs for repairs to the unit. Due to financial constraints, which David will expand upon later in the meeting, the board made a concerted effort to limit spending other than what was required in FY 2004.



Ann Marie Carlson then brought up the topic of interior design and the idea of possibly redoing the walls, carpets, and lighting in all three buildings. In order to get a feeling of what the owners thoughts are on the subject the floor was open for discussion. Many ideas and theories were brought up for discussion. Some owners believe that interior renovations are long over due, while other owners believe that the buildings "core systems" (roof, boiler, etc.) need to be addressed before the beautification of the building is addressed. The Board of Trustees will continue to discuss options for renovations.

III. Financial

Board Treasurer, David Kula, gave the 2004 financial presentation to the unit owners. 2004 proved to be a financially challenging year. Beacon Gate came into 2004 with virtually no cash in our operating account and just over \$8,500 in payables, which immediately put us at a deficit. Our insurance carrier required that we pay our insurance premiums in advance for the year, which put a cash crunch on our operating budget. Given the loss coming into the year and the prepayment of the insurance, we were not able to make the majority of the planned reserve transfers for the year. One budgeted reserve transfer was made into the reserve account. Although we found ourselves in cash crises at various times throughout the year, the last quarter of the year went a bit smoother and all invoices were paid (excluding reserve transfers). As Ann Marie stated receiving the signing bonus from Automatic Laundry in August assisted the operating end with cash flow. In addition, we also prepay our oil expense so we are carrying a \$15,000 oil balance - prepayment budget. This "prepayment" helps costs during the heavy heating months. To recap on the overall budget for FY 2004 - the largest overages were reflected in maintenance expenses (\$4,200 over budget) (replacement of a condensate pump and steam risers that ruptured) and utilities (\$8,400 over budget). A spreadsheet was handed out at the beginning of the meeting to reflect where utilities / insurance has increased over the past 4 years. In 2001, \$ 61,000 was spent on utilities/insurance. In 2005, Beacon Gate is anticipating spending \$119,000 between utilities and insurance premiums. This cost has nearly doubled - yet fees have not doubled to accommodate these inflating costs. Beacon Gate ends the year with a cash deficit of \$6,445.68 after the prepaid oil and all AP.

IV. Financial Review - 2005 Approved Budget

Board Treasurer, David Kula presented the FY 2005 budget. Copies of the budget were distributed to unit owners. The FY 2005 budget reflected an 11.5% increase in common area fees as well as a fuel surcharge to offset the cost differential in oil vs. last year. The Board struggled with this year's budget, as we knew we could not go another year and not make reserve contributions. To balance the budget and fund the reserve account, the increase was necessary. Some of the key items on the budget for 2005 are: Our insurance was put out to bid in November and the premium actually decreased. We kept the "Maintenance Items" relatively the same however we increased HVAC repairs and landscaping based on prior years actual expenditures. As utilities continue to rise, we needed to increase those line items drastically based on actual costs of utilities. We would have liked to have had the funds to increase the plumbing line item but that would have meant an approximate 13% increase. We are carrying \$9,300 on the rubbish line item, however at the beginning of 2005, we secured a contract with

Waste Management for approximately \$4000 less than the \$9 K budgeted. We hope to be able to use any extra funds in the budget for any unplanned emergencies (riser ruptures, etc), which should arise this year. There is not a lot of fat in the 2005 budget. The 2005 budget calls for funding the reserve account with an additional \$21,725.

V. Election of Inspectors of Election

Ann Marie Carlson asked the group for two volunteers to tally the election for the Board of Trustee. Dan Winograd and Sissy Tankard volunteered to tally the votes of the election. At that point the floor was opened again to any unit owner that would like to run for a trustee position. Adam West, 1064-12A, volunteered to run for a position on the board along with the current board members. The candidates for election introduced themselves to the group and gave a brief biography of themselves. Ballots were passed out and the vote was tallied. The FY 2005 the Beacon Gate Board of Trustees, as elected are as follows:

Ann Marie Carlson
Gail Litvin
Ann Kennedy
Cynthia Huff
David Kula
Mary Erskine
Ted Brown

VI. Handbook

Mary Erskine has updated the resident handbook. The new handbook was distributed to all unit owners in attendance. Danning Management will be mailing out handbooks to all unit owners that were not in attendance. The Board thanked Mary for her diligence on this project.

VII. Review of New Business

The insurance underwriter has notified us that they will be looking for various recommendations on the washer and dryers within units. They are recommending that steel no burst hoses to be installed on washing machines as well as rigid venting on dryers. In addition, routing cleaning on dryer vents must be completed within the units. Unit owners are encouraged to comply with these recommendations. Notification will be sent out pertaining to these recommendations.

VIII. Question and Answer

The floor was open for questions and answers.

IX. Next Meeting and Adjournment

The meeting was adjourned at 9:30PM.

The next meeting will be held on March 23, 2005.