

**NATICK GREEN CONDOMINIUM TRUST**  
**Minutes of the 16<sup>th</sup> Annual Meeting of Unit Owners**  
**Monday, September 23, 2002**

**AGENDA:**

Unit owners registered upon arrival at 7:00 pm and enjoyed hot and cold hors d'oeuvres catered by Creative Entertaining.

**I. The Meeting was called to order at 7:15 pm by Bernadette Drum, Chairperson**

**II. Introduction of the present Natick Green Board of Trustees:**

Bernadette Drum, Chairperson  
Susan Peters, Vice Chairperson  
Elliot Schwartz, Treasurer  
Evelyn Wilcon, Secretary  
Andrew Boyajian, Trustee  
Tracy Goodwin, Trustee  
Jeffrey Schwartz, Trustee (absent)

Bernadette also recognized the following management personnel:  
Nancy Mandino, Property Manager  
Michael Mandino, Director of Maintenance  
Jennifer Saponaro, Assistant Property Manager/Leasing Consultant  
Michael McClay, Maintenance Laborer  
Sergey Shirokov, Painter/Landscaper  
Heli de Souza, Landscaper/Cleaner

**III. Certification of proper notification of the meeting**

Bernadette announced that invitations to the annual meeting were mailed to all owners of Natick Green condominiums as of September 23, 2002.

**IV. Certification of Quorum**

Bernadette announced that unfortunately, we did not reach quorum, the 51% attendance requirement, with only 37.9784% in attendance or represented via proxy statements. Therefore, no voting of any kind could take place including the election of a new board of trustees. The incumbent trustees shall continue to serve on the board until the next annual meeting of unit owners, or until such time that they resign, whichever comes first.

**V. A review of the past year's business presented by Bernadette Drum**

**A. Sales and Rental Markets**

One of the highlights of the past year is the active sales and rental markets which have been at an all time high. We had 37 condominiums sell since last year's annual meeting. Our

owner occupancy percentage, however, only increased from 60% to 61%. The reason is that the majority of sales were one owner occupant selling to another, thusly unchanging the percentage. Although we no longer have long waiting lists for rentals, the rental market is still good. There are some properties along the Rte 9 area that are advertising rental deals. We have been able to keep our market rents the same and maintain 100% occupancy. We performed a total of 49 lease and make readies since last year's annual meeting to present and have done an additional 6 make readies for sales. The most recent sales and rental rates are as follows:

<u>Sale Prices</u>		<u>Rental Rates</u>	
1B/R	\$170,000	1B/R	\$1,025-\$1,050
2B/R 1B	\$195,000	2B/R1B	\$1,200
2B/R 2B	\$230,500	2B/R2B	\$1,300-\$1,400
		2B/R TH	\$1,400

#### **B. Fund Drive**

At last year's annual meeting, it was recommended that we hold a fund drive to benefit the TJX employees' families who died in the September 11, 2001 terrorist attack. We received a total of \$599.25 from Natick Green residents and the Association matched the first \$500 totaling \$1,099.25 to the TJX Family Memorial Trust Fund. All individual contributors received a heartfelt thank you letter from TJX.

#### **C. Property Insurance**

Our master property insurance package policy with Quincy Mutual Fire Insurance Co. expired January 16, 2002. Knapp Schenck, our insurance agent provided us with a 52% increase renewal quote from Quincy Mutual. We requested proposals from 5 insurance agents representing a total of 16 insurance companies. We awarded the property insurance package policy to Rodman Insurance with Community Association Underwriters (CAU) with a \$2,500 per occurrence deductible with the exception of a \$2,500 per unit deductible for ice dam claims, a CAU mandate. The annual premium is \$48,525. **It was further agreed to change the policy effective 9/15/02 to a \$5,000 per unit deductible** at an annual premium of \$45,025. By increasing the deductible, the Association will hopefully reduce its claims and the result will be a much better loss run history and more reasonable and competitive renewal rates. The purpose of the master insurance policy is to protect unit owners in the event of a major loss. Unit owners should not rely on the master policy for small claims that should be filed with the individual unit owner's policy. **If any of you do not have your own homeowner's policy in effect, it is strongly recommended that you obtain one.** An Insurance Night was held on 6/27/02. Jeff Grosser of Rodman Insurance discussed our master policy's coverage and examined individual unit owners' policies to insure adequate coverage. Anyone who has more questions can call Jeff at (781) 247-7800.

#### **D. Laundry Contract**

The machines in the two laundry rooms on the property are owned and maintained by Mac-gray Co. for which the Association receives a commission based on a percent of the total monthly collections as well as a monthly cleaning fee. Our contract expired and Mac-Gray proposed a renewal that was less pleasing than our old agreement. The board asked Mac-Gray to keep things the same for now and we will request proposals from other vendors.

**E. Newfield Drive**

We have been discussing the topic of Newfield Drive for years. Newfield Drive which is the street that runs from Rte 135 through all four Properties, Natick Village, Kendall Crossing, Natick Green and Deerfield Forest and turns into H.F. Brown Way down by Gold's Gym was never accepted by the Town of Natick as a public way. The board has been striving for its acceptance, even more so the past couple of years due to its pavement deterioration. We have patched the potholes within our section of the road the best we have been able. We had hired two attorneys in the past to research this topic. Attorney Lee Romanow advised us that the Town was supposed to take it over upon completion of construction but he failed to provide us with any written documentation stating such. Attorney Stephen Marcus' research concluded that Newfield Drive is a private way and each of the four properties own to the center line of the road but could not be completely sure without a full metes and bounds description of the road.

At last year's annual meeting we had announced that we held a collaborative meeting with our neighboring properties, Natick Village, Kendall Crossing and Deerfield Forest to discuss the matter. We jointly wrote a letter to the Town expressing our collective concerns and desire to have it accepted. We also instructed our Attorney, Ellen Shapiro to write a letter to the Town once again requesting their assistance and invited them to meet with all of us to discuss this matter. In order to get a road acceptance on Town Meeting's agenda, you must write a warrant for an article, and have a minimum of ten signatures requesting that it be granted. However, we have been advised that an affirmative vote by Town Meeting Members is unlikely without a favorable recommendation from the Town DPW and Finance Committee.

An update since last year's annual meeting is as follows:

- 9/24/01 Attorney Ellen Shapiro wrote a letter to the Town. The letter was copied to Town Counsel, John Flynn, our State Representative, David Linsky and State Senator, David Magnani.
- 12/12/01 A second joint meeting was held at Deerfield Forest with all four properties and representatives from the Town's department of public works and engineering departments. The Town's opinion is that they fear that inappropriate materials were used under the ground for plumbing and utility connections and that if the Town agreed to accept the road, they would be accepting all underground utilities. The outcome was that the Town agreed to provide us with town specifications and the necessary steps to take to pursue road acceptance. We also presented a proposal from Aggregate Industries to repave the entire road.
- 3/02 Since we had received no response from the Town, we asked the other three properties to share the cost of a field survey to determine for sure who owns Newfield Drive to be performed by Harry Feldman. This was approved at the cost of \$4,800 (to be divided in fourths).
- 5/29/02 We received a fax from Deerfield Forest which included a response letter dated 3/8/02 from the Town DPW department that they said they did not receive until 5/29/02. Although a bit nonspecific, the letter stated the work that needs to be

done to satisfy the DPW before they will agree to recommend that it be considered for approval at Town Meeting.

- 6/17/02 Nancy Mandino, Peggy King, Manager of Natick Village and Patty and Pasquale Franchi, owners of Kendall Crossing met to discuss strategy. All four properties agreed to hire Attorney Richard Glazer, a local attorney who has a history of working with the Town of Natick for other ventures, to complete a preliminary review (to spend no more than 5-7 hours) to reach an opinion.
- 8/26/02 A joint meeting was held at Natick Green with representatives from all four properties present. We reviewed the results of the survey that concluded that Newfield Drive is a private way and all four properties do own a portion of the road. The percentages are as follows: Natick Village owns 33.7%, Kendall Crossing owns 30.8%, Deerfield Forest owns 21.3% and Natick Green owns the least amount at 14.2%. We also reviewed the results of Attorney Richard Glazer's findings and his letter of 8/26/02. Since Attorney Glazer found no records that indicated that Newfield Drive was to be accepted at any time and the Town By-laws mention it being a private way, he recommends that we get estimates on the inspections/repairs mentioned in the DPW's letter of 3/8/02. If the cost of the repairs is feasible and **IF** all four properties agree to go ahead with completing the inspections/repairs, the next step is to write the warrant for an article for the next Town meeting. One of the conditions that the Town wants is a copy of asbuilts for the entire road. Patricia Franchi provided an as built that includes from Rte 135 to the Kendall Crossing entrance. No other asbuilts have been located. Patty made copies of her as built for the three other properties and Attorney Glazer. Patty also volunteered to contact Bob Rotondi of D&R Contracting, the company contracted by the State to repave Rte. 135.
- 9/5/02 A meeting was held with Patty Franchi, Nancy Mandino and Bob Rotondi of D&R General Contracting at the Franchi Development office. Bob reviewed the 3/8/02 letter from the DPW and inspected the road. He said that he had a meeting scheduled with the Town on 9/17/02 and he would bring up Newfield Drive to them and he will be working on getting us an estimate.

## **VI. Physical Property Report, Susan Peters, Vice Chairperson**

### **A. Social Subcommittee Update**

After the annual meeting in 2000, it was recommended that a social subcommittee of owners and residents be formed in order to provide a sense of community to Natick Green. Susan Peters is the Chairperson of this subcommittee. The board of trustees has budgeted \$5,000 per year for the social subcommittee to spend on social events for residents. Past events held:

- 10/29/01 Fright Night Double Feature: children dressed in costume and goodie bags were distributed.
- 12/12/01 2<sup>nd</sup> Annual Holiday Gathering was held. The event was catered and a raffle was held.
- 2/13/02 Pizza Game Night
- 4/28/02 Book Swap
- 5/7/02 Walking Club Started; meet on Tue. evenings

5/16/02 Pizza Game Night  
6/2/02 Ice Cream Social  
7/21/02 Cookout on the Green included a catered barbecue, D.J., contest with prizes and face painting for kids

A future event planned is another Fright Night that will be held on October 29, 2002.

## **B. Major Repairs/Replacements**

This past year we have completed a vast amount of physical improvements to the Property as follows:

### **1. Roof Replacement**

We entered into a contract with J.T. Haffey Home Improvement Co. in 1997 to replace all of the roofs on the Property. This project was expected to take several years to complete. The roofs are being replaced in order of physical necessity. The original contract price was \$162,970 and Haffey kept his rates the same until May 2002 when they were increased by 15%. He has agreed to keep his new rates good through May 2004.

To date we have replaced all but one rubber roof and 19 out of 31 shingle roofs, which totaled \$96,339.36. We still owe \$11,983 for 9 & 11 Silver Hill, the most recently completed building that we haven't been invoiced for yet. The cost to complete the remaining buildings will be \$65,507, provided that they are completed by 5/04. This will result in a total roof replacement expense of \$173,829.36.

### **2. Balcony/Storage Shed Door Staining**

The Natick Green Condominium Master Deed defines decks, patios and storage areas as limited common areas with the unit owner possessing their exclusive use. It also states that they shall be maintained, repaired, and replaced, as necessary, by and at the sole and separate expense and risk of the owner of such unit.

Since the Trustees are responsible to the Association to insure the aesthetic appearance of the buildings, and the balconies were in dire need of staining, the Board received proposals and hired Kelly's Painters to perform the work. Each unit owner was charged \$215 per deck and \$30 per shed door. Our in-house maintenance personnel resecured all loose fascia boards utilizing screw nails at no cost to unit owners. The contract with Kelly's Painters encompassed the following:

- (a) Deck post, fascia board and underside:
  - (1) Pressure wash with a bleach, detergent solution
  - (2) Scrape, sand loose, blistering paint
  - (3) Application of one-two coats of Cabot's Deck Stain to specified areas
- (b) Deck floors:
  - (1) Pressure wash with a bleach, detergent solution
  - (2) Application of one coat Cabot's clear sealer
- (c) Storage Shed Door:
  - (1) Pressure wash with a bleach, detergent solution

- (2) Application of one-two coats of Sherwin Williams acrylic latex paint.

The rainy spring weather delayed our initial completion target date of May 31<sup>st</sup>. The project was completed by the end of June.

**3. Street Lights**

In an effort to improve the lighting along Newfield Drive, the board approved the purchase and installation of two new streetlights at the front entrance to Silver Hill. The cost including the fixtures and installation was \$6,350.50. Our maintenance personnel relocated the single former streetlight further down Newfield Drive to further illuminate the area for pedestrians.

**4. Artesian Well/Irrigation System**

In response to an increase in water rates and usage demanded by unit owners at past annual meetings to keep the grass green, the board approved to replace the existing well motor with a larger 5 horsepower motor at the cost of \$4,795 which will increase our size capacity and allow us to expand the underground irrigation system. We first worked on pricing filtration systems and then discovered a new injection system (which we are still researching) to rid rust so that we can water the fronts of the buildings without fear of staining resident's vehicles. We expanded the sprinkler system in the fronts of 42 & 44 Silver Hill and 46 & 48 Silver Hill. We are still in the process of completing the well/irrigation extension project.

**5. Pool Heater**

The board approved the purchase of an electric heat pump to heat the pool water at the cost of \$4,200. It cost an additional \$615.60 to have it wired by an electrician. Our in-house maintenance personnel performed all plumbing work. We are the only Property in this area to offer a heated pool. Since we received some requests from residents to keep the pool open weekends in the month of September, we took it into consideration. We elected not to do so for the following reasons: Since most of the lifeguards are college students who return to school, it is very difficult to staff the pool beyond Labor Day. In addition, the costs involve not only the lifeguard's salary but the electric expense of keeping the pool and jacuzzi filters and pool heater on all day and night. In addition, the board of health would require that the chemical tests be performed every two hours, even on the weekdays that it wouldn't be open and that would take our maintenance manpower away from their other tasks.

**6. Hallway Carpeting Update**

At last year's annual meeting we had just begun the hallway carpeting replacement project and had only completed one building. Since that time, all of the buildings have had their common hallway carpeting replaced. We received favorable comments on the selection of the carpeting. Upton Wholesale Carpet was the company hired to perform the work. The cost of this project was \$54,088.85, which was a bit higher than anticipated due to necessary repairs to the concrete floors in preparation for the carpeting.

**7. Clubhouse Renovations**

At last year's annual meeting we were in the process of renovating the interior of the clubhouse, which had not been updated since it was built in 1982. The project has since

been completed. We installed tile flooring and new carpeting; replaced glass and installed 3M Scotch Tint on the doors to the pool; purchased new furniture and window treatments and accessories to give it a very attractive face lift. Since it so beautiful now, more owners expressed interest in renting it out. Due to the cost of the renovation work, we needed to reassess our rental rates and deposits. We have increased the rental rate from \$100 to \$200 and security deposit from \$200 to \$475 accordingly.

**C. Termite Activity Overview**

We had first identified termite activity in one of our buildings in 1997. We decided that it was prudent to inspect all of the buildings for termite activity. In 1998, we discovered that 14 out of 22 buildings showed activity. We signed a contract with F&W Pest Control Co. and all 14 buildings have been treated with Sentricon termite elimination system. This method involves installing bait stations around the exterior perimeters of the buildings. The program has a two-year treatment plan whereby the stations are monitored monthly and additional bait stations added where necessary. This method works on eliminating the whole termite colony as opposed to only killing the termites that the chemical reaches in the alternative method of treatment. In August 2001 we discovered termites in a 15<sup>th</sup> building which we also had staked with Sentricon. As of 9/01 we had paid a total of \$57,331 for termite treatments.

Since it had been several years since the initial contracts with F&W Pest Control, this past year the board analyzed the history of activity levels that the treated buildings have experienced and considered such prior to continuing the automatic renewal of the contracts. The board decided it was wise to treat the contract renewals as insurance since it is much more costly to restake a building than to pay the renewal fees. There are seven remaining buildings on the Property that remain untreated since they showed no activity at their last inspection. This past year we have paid an additional \$3,756 in renewal contracts, which results in a total of \$61,087 spent on termite elimination. We have test staked the remaining untreated buildings to monitor any new activity. We have been extremely fortunate to have had sufficient funds, thus far, available to take the appropriate action and did not need to charge a special assessment.

**D. Beyond day-to-day operations**

As most of you know, our maintenance personnel perform most of the necessary common area maintenance work in house, which saves the Association thousands of dollars each year. In addition, they provide interior maintenance repairs to unit owners as well as make readies of rental turnovers and some condos. listed for sale, which generates income to the Association. All of this keeps them very busy. They still managed to oversee all of the contractors performing the previously mentioned major repairs and replacements. They just loamed and hydro seeded those areas of the Property that are in need of grass.

**VII. Financial Report, Elliot Schwartz, Treasurer**

**A. Financial Services Contract**

Effective February 2000 we took on the performance of the financial services of the Association, namely the collection of condo. fees, payment of bills, monthly and year-to-date financial statements, delinquent collection attempts, etc., from an outside management company to in-house. This saved the Association \$27,120 per year and results of

independent audits have proven that not only was it a wise financial decision, but a prudent business decision resulting in more efficient services and accurate records.

**B. Fiscal Year Change**

Also effective February 2000, we changed the fiscal year from January 31<sup>st</sup> to June 30<sup>th</sup>. The result is a more current review of the independent auditor's report at our annual meetings.

**C. Replacement Reserve Study**

Replacement Reserves are designated funds to be used for major costs of repairs/replacement. Mass. State law states that Associations are required to maintain a "reasonable" amount of reserves. In order to help the board determine that reasonable amount, we have chosen to have reserve studies performed. A reserve study is performed by an independent company, usually by engineers who determine the major components of a property, their remaining useful lives and the costs needed to repair or replace them. Continental Building Consultants (CBC) has completed our reserve studies; the most recent reserve study was performed in January 2001. The cost of the study was \$2,800. CBC recommended that we contribute a minimum of \$38,021 annually toward the reserve fund.

**D. Operating Budget**

The Board approved the operating budget for Fiscal Year July 1, 2002 through June 30, 2003 that reflected a 4.7% increase in condo. fees effective 9/1/02. This is only the fifth increase in fees in 16 years since the Association's inception in 1987. The factors that contributed to the increase were due to the increased expense of property insurance and water. In addition, it is extremely important to contribute the designated annual replacement reserve amount as designated in the Reserve study. We want to have the funds on hand when needed and not to have to utilize special assessments. We have only had one special assessment and that was the major undertaking of replacing the exterior siding on the buildings with vinyl siding, which was approved by a majority of 75% of unit owners.

**E. Audit for 7/1/01 - 6/30/02**

As normal business practice, we hired Murphy, Liscombe & Edwards, CPA to perform an independent audit for the Fiscal Year 7/1/01 - 6/30/02. Mr. Murphy advised the board that their decision to move the financial service activities in-house was a wise decision that not only proved to have saved the association over \$27,000 per year but has resulted in unit owners' records being maintained at a higher level of accuracy. They found the internal control procedures to be satisfactorily in place. Mr. Murphy complimented the Trustees and management personnel for running a "Class Act". Anyone who missed the meeting but would like a copy of the audited financial statement, you may pick one up at the Natick Green Office.

**Balance Sheet  
June 30, 2002 and 2001**

<b>Current Assets:</b>	<b>2002</b>	<b>2001</b>
Cash and Cash Equivalents	\$415,777	\$435,241
Accounts Receivable - Unit Owners	3,363	8,346
Prepaid Expenses	<u>24,146</u>	<u>13,827</u>
Total Current Assets	\$443,286	\$457,414



	<b>2002</b>	<b>2001</b>
<b>Property and Equipment, Net</b>	<u>\$ 76,915</u>	<u>\$ 92,924</u>
<b>Total Assets</b>	\$520,201	\$550,338
Liabilities and Trust Members' Equity		
<b>Current Liabilities:</b>		
Accrued Expenses and Security Deposit	\$ 69,012	\$ 33,876
Assessments and Fees Received in Advance	<u>45,066</u>	<u>35,779</u>
Total Current Liabilities	\$114,078	\$ 69,655
<b>Trust Members' Equity:</b>		
Designated for Future Major Repairs And Replacements	\$346,875	\$353,421
Undesignated	<u>59,248</u>	<u>127,262</u>
Total Trust Members' Equity	\$406,123	\$480,683
<b>Total Liabilities and Trust Members' Equity</b>	\$520,201	\$550,338

**Statement of Revenues and Expenses  
For the Year ended June 30, 2002 and June 30, 2001**

	<b>2002</b>	<b>2001</b>
Total Revenues	\$742,207	\$683,267
Total Expenses	<u>\$691,755</u>	<u>\$611,345</u>
Net Income before Depreciation & Provision for income taxes	50,452	71,922
Depreciation	<u>15,793</u>	<u>19,262</u>
Net Income before Income Taxes	34,659	52,660
Provision for Federal and State Income Taxes	<u>405</u>	<u>-</u>
Net Income	\$ 34,254	\$ 52,660

Due to the previously mentioned major repairs and replacements (roofs, hallway carpeting, clubhouse renovation, light fixtures) that we have undertaken this past year, we spent a total of \$108,813.79 in replacement reserves expenses. We were able to perform and pay for all of these repairs out of cash due to good planning and did not have to establish any special assessments.

**F. Survey**

The board requested that Murphy, Liscombe and Edwards provide them with a comparison of other condominiums with outside management versus in-house management and comparison of condominium fees. Their results are printed in Michelle Gonsalves' letter of 7/8/02. After conducting a survey, Michelle concluded that there are three main reasons that in-house management works better than outside management. One reason is the cost benefit. In-house management has proven to be less expensive and a cost savings to Natick Green. The second is turnover problems on management companies. Most clients find that the first two years the management company is attentive and diligent, but that by year three they become complacent and need to be replaced. Thirdly, there is a benefit to the unit holders that can be tied to the value of their condominium. In-house management allows person-to-

person communication and the on site manager has a better handle on the matters affecting the unit holders. Because the management team is on the premises issues can be resolved with less red tape. Michelle reminded the trustees of their acute awareness of the problems with receivables when the former outside management company made numerous errors and there were difficulties resolving these issues. Because of these benefits, the value of living in Natick Green is enhanced. Mr. Murphy provided the Trustees with the average condominium fee amount for several other condominium properties, which ran from \$222 to \$385 per month. Natick Green's average is only \$174, therefore, remaining well below average. We are able to keep our fees below average by performing most duties in-house and by the additional income earned through our interior maintenance and lease and make ready services.

**G. Audit Proposal**

The audit engagement with Murphy, Liscombe & Edwards expired with the 6/02 audit. We received an audit proposal from MLE for the next three years but the board tabled it until their next board meeting.

**H. Delinquencies**

Accounts receivables are down from last year by \$4,983 and assessments paid in advance have increased by \$9,287. We dealt with collection attempts on a couple of delinquent accounts. One of which involved a rule violation and accumulated fine assessments. This account was turned over to our legal counsel and payment terms were negotiated. The second involved unpaid condominium fees and maintenance repairs which resulted in the Association attempting to foreclose on the condo. Since the balance was finally paid in full the day before the auction, it was cancelled. The Association was made whole of all condo. fees and attorney fees as well.

**I. Certificates of Deposits**

We had three certificates of deposit reach maturity in 9/02. The board voted to allow all three to roll over for the same terms. We have researched other investment possibilities in the past but have been advised by both legal counsel and our CPA to remain with the safest investment means with zero risk because of our fiduciary responsibility to all unit owners.

**VIII. Open Discussion**

An open question and answer period took place.

**IX. Adjournment**

Bernadette Drum adjourned the meeting at 8:45 pm.

**The next Board of Trustees' Meeting is scheduled for Wednesday, October 23, 2002 at 6:15 pm at the Natick Green Clubhouse.** As usual, all unit owners are welcome to attend for observance purposes. If you wish to address the Board regarding a particular matter, kindly submit a written agenda request stating the nature of your business at least ten (10) days in advance of the meeting. This assists the Trustees in planning an organized meeting. Since the Trustees are volunteers, please respect their personal time and privacy rights and maintain communications via their mailing address at Natick Green Condominium, 7 Silver Hill, Natick, MA 01760.