

**ALPINE HAVEN PROPERTY OWNERS ASSOCIATION  
MINUTES OF THE 2017 ANNUAL GENERAL MEETING**

**DATE:** Saturday, August 12<sup>th</sup>, 2017

**PLACE:** St. Isidore's Parish Hall

**DIRECTORS PRESENT:** Nicholas Barletta; Graham Holder; Albert Perry;  
Henry Sauvagnat; Jeffery Usheroﬀ; Walter Knight; William Hayman;  
Duncan Kilmartin

**ADMINISTRATION:** Deb Tanguay, Bookkeeper; RockLake, LLC, Property Manager;  
Cedric Snider, Roads

**\*\* These are the unofficial minutes until approved by Association Membership. \*\***

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## **I. CALL TO ORDER**

The meeting was called to order at 9:06 AM and was chaired by President Nicholas Barletta.

Mr. Barletta emphasized that the purpose of the meeting is for members of Alpine Haven Property Owners Association (AHPOA) to conduct annual management business according to the 1996 Bylaws. It was noted that a non-member was at the meeting, and was permitted to stay; however, the non-member would not be allowed to participate. Mr. Brewin acknowledged and agreed. Duncan Kilmartin will act as Parliamentarian.

The Board and members acknowledged the loss of two community members, Norman Hawkins and Joy Pratt, by a moment of silence.

Mr. Barletta thanked the AHPOA Board for their dedication and time to all they have done for the Community.

Mr. Barletta thanked Cedric Snider, Dirk Danielson, Mike Pratt of RockLake, LLC, and Deb Tanguay for their continued service and dedication to the Community.

## **II. QUORUM**

At the start of the meeting, there were 24 members present in person and 11 proxies. Mr. Barletta restated that AHPOA is operating under the 1996 Bylaws as a result of the Vermont Supreme Court decision. This requires members to be in good standing to vote on matters, i.e., current or under and following an approved payment plan. Under the 1996 Bylaws, sixteen (16) members in good standing are required to form a members in good standing quorum. There were 19 members in good standing represented in person or by proxy, so a members in good standing quorum was established for the meeting.

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There was discussion on temporarily waiving, or amending, Article X (f) of the 1996 Bylaws to allow all members present, or represented by proxy, to vote on matters, regardless of payment status.

A motion was made to temporarily amend Article X (f), the “members in good standing” voting provision of the 1996 Bylaws, allowing all members represented at the 2017 AGM to vote, whether they have a balance outstanding or not. {S. Mistretta / W. Hayman}

All members in good standing represented (19) voted positively; therefore, the motion passed. All members represented at the meeting can vote on matters during the 2017 AGM.

Under the 1996 Bylaws, 20% of members represents a quorum. Mr. Barletta stated based on counts for everyone present at the AGM, this constituted a 43% general quorum for members. Thus, a general quorum has been established to conduct further business at the meeting.

### **III. APPROVAL OF THE 2016 AGM MINUTES**

There was some brief discussion regarding the draft 2016 AGM minutes. Three corrections were noted. Mr. Barletta requested a motion to approve the draft 2016 AGM minutes with the corrections. {G. Holder / H. Sauvagnat} With no further discussion, the motion passed unanimously.

### **IV. APPOINTMENTS**

A motion was made to approve Lee White & Associates as Auditor and Deb Tanguay as Bookkeeper & Registered Agent for the fiscal year ending April 30, 2018. {G. Holder / W. Knight} With no further discussion, the motion passed unanimously.

### **V. FINANCIALS**

Mr. Barletta reviewed the financials that were included in the AGM materials sent to members.

Balance Sheet – Cash is down due to an increase in receivables. Some members who used to pay on time are now not paying on time. Regardless, the Association remains liquid. The Reserve is stable year over year. It was noted the Kubota tractor will be paid off next year. Accounts Payable is down, and the legal fees payable at the end of last year were paid. With the Kubota being paid off, the Long Term portion of Debt has reduced. There was no further discussion on the Balance Sheet.

Income statement – Mr. Barletta noted that Alpine Haven’s accounting is on an accrual basis, not a cash basis. Therefore, when looking at income, the amount represented is the

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amount billed, not the amount collected. Considering this, the Association must carefully manage expenses. Snow removal costs were high this year. The Board established a Legal Committee which is helped decrease legal fees. In addition, the Association will be engaging in a mediation for one of its outstanding lawsuits to hopefully bring forth a settlement before having to go to trial and incurring more legal fees. This is regarding the case referred to as SKEA et al. A lot of road work was completed the prior year, so road repairs decreased for this year. There were some pool repairs this year. Mr. Barletta explained the some decreases in expenses were due to circumstances and others were due to being conscientious and not spending money, as the Association is not collecting all the fees it bills.

Member Linda Chaim started a discussion as to whether a board member can advise or assist the board legally, referencing Duncan Kilmartin. Mr. Barletta stated he is not being paid as an attorney and he is not acting as an attorney. Rather, Duncan brings his legal experience to the Board and Legal Committee. He stated that board members are independent and that no one has overall influence over other board members or decisions. Mr. Knight added that when the Board decides on a legal matter, it seeks legal counsel regarding the decision, so there are checks and balances in place before decisions are made.

Member Mark Rabinovitch noted an error with Note 1 and requested a change. Mr. Barletta stated that the error would be changed for the following year as Alpine Haven was not a CIC. Mr. Rabinovitch also discussed the use of reserve funds. Mr. Barletta stated that the Board is not anticipating the use of more reserve funds at this time, and the reserve funds should remain stable. In addition, when the Kubota is paid off next year, the reserve fund should start to increase. Members had approved at a prior meeting the use of reserve funds versus collecting more funds to fund expenses; therefore, these funds do not need to be paid back. If a surplus does exist, then the funds will be placed back in the reserve.

Mr. Barletta discussed the Cost Analysis that was included within the AGM materials. There was some discussion on what constituted Deeded Services (roads, street lights, and garbage removal) and Non-Deeded Services (driveway plowing and recreational facilities such as the pool and tennis court). Deeded Services only will be available and provided to Non-Members. It was stated that the Association exists primarily for road services as it wouldn't exist if there was no road system.

The Cost Analysis was based on a six (6) years of audited financial information. On average and over time, the cost percentages for various services are accurate and considered reasonable. Since the courts have determined that the Association can charge more than its actual cost to provide services, a reasonable surcharge of 15% was added to Non-Member fees for services.

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The Recreational Facilities costs were reviewed with minimal discussion. Member Linda Chaim commended Nick and the Alpine Haven Board on their hard work and dedication with the detail of the expense report. She stated as a member and voter, it gives more confidence on what we are voting on.

Member Ray Peters started a discussion on Non-Members who have others plow their driveways. Mr. Kilmartin stated that the Association can require hired contractors that plow Non-Member driveways to follow Association rules and regulations, and to provide an insurance certificate for any damage to the roads or inconvenience caused in the plowing of roads. Cedric Snider re-iterated that the mouth of a driveway is the Non-Member's responsibility. The snow that may be plowed into a driveway mouth during road plowing would not be removed by the Alpine Haven's road crew. There was some further discussion on plowing of roads and drives, and who would be responsible for maintaining what if they are Members or Non-Members.

There was no further discussion on the Cost Analysis or Tiered Fee Structure.

**VI. APPROVE CURRENT BUDGET (Fiscal Year End April 30, 2018) AND PROVISIONAL BUDGET FOR NEXT YEAR (Fiscal Year End April 30, 2019), AND ASSOCIATED FEES**

Discussion on Budgets commenced. The Operating Budget was based on average costs over time, or current costs if more appropriate. There has been a conscience effort to put more money towards roads and management. Regarding Legal fees, there will be an attempt to mediate on the SKEA et al matter, and the projected date is December 2017. Should mediation not work, then prepping and going for trial will have a cost of about \$20,000 - \$25,000. This is what brings legal fees up and this figure is realistic. The Budget is establishing the Annual Fee to members at \$2,028 and overall budget at \$184,865.

Discussion continued regarding the impact of the Condo fire. Mr. Usheroff commented that the 13 Condos and the 3 Units contribute 3.32%. Mr. Barletta stated that although the condo building is not usable, fees should still be assessed as there will be trucks and equipment using the road system to tear it down, and or repair or rebuild the building. These trucks and equipment will have an impact on Alpine Haven's road system, and any work on the building or land will be facilitated and monitored by the community, which has a cost to the community.

Mr. Barletta clarified that the contingency expense did not represent money to be spent but rather a line item used to balance the budget.

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It was noted that David Chaudry (personally) and as Alpine Meadows (Condo) has sued the Association and the Water Cooperative. The Declaration for the condos stipulate they are members of the Association which they are disputing. Duncan will discuss this further in the Legal Review portion of this AGM Meeting.

With no further questions, Mr. Barletta asked for a motion to approve the Operating Budget and Service Fees as presented for the current fiscal year, as well as provisionally for the following fiscal year. {Mark Rabinovitch / Barb Hawkins} Very limited discussion followed on roads, garbage removal in deeds, and members opting in and out and the effect. Mr. Barletta stated that there is a value to having services available, even if they are not always used. The cost is minimal, and the value of having the service available will carry with member properties. The motion above was voted and carried unanimously.

Discussion on the Reserve Budget and Fees commenced. Funds are being reserved for roads and Deeded Services. Previous Reserves for recreational facilities were reallocated to roads and Deeded Services. Repairs to recreational facilities will be funded through related fees or assessment. A motion was made to adopt the proposed Reserve Budget and Fees to fund it, as presented. {R. Peters \ M. Sherman} There was very limited further discussion. The possibility of increasing the reserve fee to better ensure adequate funding in the event of an emergency was raised. Mr. Hayman suggested tabling this discussion until after the resolution of some of the legal cases outstanding. The motion was voted and carried unanimously.

## **VII. ACCOUNTS RECEIVABLES**

Mr. Hayman discussed the Accounts Receivables. It was stated that as members of the Association you are entitled to view this information. We are not distributing this information, but copies are available at the Accountants table for viewing only.

Currently, Alpine Haven has \$288,000 in Accounts Receivable. The Board continues to have a challenge to operate with no payments, partial payments and late payments. As a breakdown of this amount, there are 7 litigants, 6 of whom are severely past due and account for \$123,000 of the receivable balance.

There are other members who are severely delinquent and experiencing hardship and one is going thru bankruptcy, some members on payment plans, some making partial payments and awaiting their second payment portion, and other members who pay as agreed.

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The Board encourages members to pay as the Association needs the money to fund services. It was noted that if the outstanding receivables were paid in full reserves could be completely funded and the annual fee could be reduced.

Mr. Usheroff re-iterated that of the \$288,000 in Accounts Receivables, \$123,000 is owed by 7 litigants, and the Association's annual budget is \$184,000 for this year. Although, some Board members are talking with some of these people, the board is not responsible for debt collection. Member Colleen Pratt offered her time and assistance, as a volunteer, in helping with debt collection.

There were 8 property sales within the last year that had transpired, and the new members were welcomed into the community.

**VIII. STATUS REPORT ON OUTSTANDING LAWSUITS**

Mr. Kilmartin discussed legal matters. In December 2016, the Board determined it was time to establish a Legal Committee consisting of 4 members, with Duncan Kilmartin as Chair. The Legal Committee was appointed and consists of Duncan Kilmartin, Jeff Usheroff, Walter Knight and Albert Perry. The purpose of Legal Committee is to contain current litigations and to plot how to move forward as a community.

The newest litigation is with David Chaudry / Alpine Meadows. Both parties have brought 2 lawsuits against both the Association and the Water Cooperative thru the Franklin Superior Court. There was little discussion on the first suit of error with the \$150 reserve fee of the Water Cooperative and how it relates to the Association. It is anticipated that this lawsuit will be dismissed from the Franklin Superior Court, as the claim that David Chaudry and Alpine Meadows are confused as they are stipulating the Association is acting as surrogate for the Water Cooperative and the Association is not. The second lawsuit states that Alpine Meadows are members of the Association even though their attorney is stating they are not. Alpine Meadows has requested a partition to Public Service Board to oversee charges of the Water Cooperative to members. This lawsuit is again based on the erroneous finding of Judge Bent in a prior proceedings. More discussion of the Alpine Meadows fire commenced. The Legal Committee will start to assess the matter Monday, including any safety issues that may be present.

Concerning the ongoing collections lawsuit with non-member P. Brewin, there were several errors in Judge Bents decision which both the Brewin's and Alpine Haven recognize. Both parties are waiting on Judge Bents decision on a motion to reconsider the matter and allow additional evidence to be presented.

Concerning the ongoing collections lawsuit with non-member E. Deptula, a 6-page amended complaint to collect fees from Deptula was filed on June 17, 2017. Deptula answered the complaint with a 45-page response. The case was dormant until the court requested pleadings. The Legal Committee will be considering this case soon.

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Concerning the ongoing defence lawsuit with the SKEA et al litigants, the board is hoping to settle this case thru mediation. If mediation is unsuccessful, then Attorney Robert Scharf has an estimated trial date in December with an expected cost of \$20,000 - \$25,000 for legal fees. The Board's objective is to achieve settlement with the litigants on Deeded Service fees that will be beneficial to both litigants and members. There was a brief discussion on the mediation process. The Board should know by September 1<sup>st</sup> if the SKEA et al case will be going to trial in December.

It was noted that prior Attorney Robert Gensburg's health has deteriorated and Attorney Robert Scharf has become primary attorney in all litigations.

Member Barb Hawkins stated that the Legal Committee and the AHPOA Board should be commended on their effort and thanked for volunteering their time. Mr. Kilmartin stated there have been a lot of volunteered hours spent on the mediation preparation, as well as all the legal matters. It was noted that regardless of whether the mediation in the SKEA litigation is successful, the preparation time was time well spent for the Alpine Haven community. The Legal Committee and Board believes that it is now more educated and prepared to shape a better future for the Alpine Have community and its members and non-members.

#### **IX. ELECTION OF DIRECTORS, OPERATIONS & OTHER BUSINESS**

Under the 1996 Bylaws, there are 9 directors, each serving successive 3-year terms, i.e., 3 for 3, 3 for 3, and 3 for 3. Currently, we have 9 directors, each serving successive 2-year terms, i.e., 5 for 2 and 4 for 2. In moving to 3 for 3 under the 1996 Bylaws, none of the current directors have served a 3-year term. Those having served 1 year will have 2 more years to serve; and those having served 2 years will have one more year to serve. All current directors agreed to continue serving for the balance of the new term; therefore, an election was not necessary this year.

It was noted that the Operational Report will be made part of minutes. Alpine Haven launched a new community website and encouraged members to sign up. Wifi is now available in the pool area for Members only.

A discussion on the subdividing of vacant land was initiated by member Bruce Charron. Mr. Kilmartin stated that vacant land can be divided and would have to follow current zoning laws. There is a mechanism for adding lots within the Alpine Haven community and allowing new members to join the Association. Currently, most deeds permit the construction of a single family, chalet-type residence and a garage. Subdivided properties would be expected to have the same restrictions as their related source deeds.

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It was noted that AGM meetings are generally scheduled for the 3<sup>rd</sup> Saturday in August. However, the 2016 Meeting had to be moved sooner due to Board Members schedules and ability to attend.

There were no additional questions or business.

A Motion was made to adjourn the meeting. {W. Knight \ W. Hayman} All were in favor. The motion was voted and carried unanimously. .

**ADJOURNED:**                      12:00 PM

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Respectively Submitted

G. K. Holder  
Secretary