

Annual Meeting Minutes

Promenade Towers

September 8, 2010

Directors Present: Bruce Hopkins, Michael Lincourt, Leonard Ney, John Rastl, Margie Thomsen, Karen Winslow, and Jim Zafirson

Directors Absent: None

1. The meeting was called to order at 7:00 PM in the Promenade Towers Community Room.
2. Roll call was taken with the following results: there were a total of 60 (out of 80) owners either in person (24) or represented by proxy (36). These 60 represented 76 percent of ownership interest.
3. Proof of Notice. John Rastl displayed a written notification that was mailed to all owners and postmarked August 25, 2010.
4. Minutes of the September 9, 2009 Annual Meeting were approved as written.
5. Jim Zafirson gave the president's report. Mr. Zafirson said he continues to hear compliments on the improvements made to the building in the last few years. He noted that even though the major construction was completed in 2008, each year we have made significant new additions or renovations. In the last year we have completed the library's renovation including a computer with Internet access for residents/guests, added new signage at the street entrances and completed refinishing of the decks on Building 1's first level. We also replaced a storm drain catch basin in the driveway and added a storm drain at the trash compactor room entrance.
6. John Rastl gave the treasurer's report. He said we are not far off our Operating Budget. We are over-budget by more than \$6,000 on building maintenance but that is offset by being under-budget in utilities by a similar amount. The approximate \$3,000 we spent for new washing machine hoses for every unit almost accounts for our net loss [\$3,372] for January through August 2010. There are only two owners over 60-days past due and the total for those two is \$3,648. The 2011 budget is being worked using our expenses for the first eight months of this year. Inputs to the budget are always welcome. Mr. Rastl said he will be working drafts back and forth with the Board in early October with a plan to have the budget finalized for Board adoption at the regular October meeting. A copy would then be sent to all owners. He also reported that the Construction Project Final Report given September 10, 2008 had an amount of \$16,723.34 as a remaining balance and that balance was shifted to the Reserve fund to allow closing the accounts we had used for the Construction Project. In that report, we said that amount would only be used for items approved by the Association on 9/12/2007 including stairwell hatch doors, roof exhaust fans, waterproof decks, and/or roof stone guard. This summer we spent \$17,200 for Knowles Industrial Services Corp. to grind down the decks on the first level of Building 1. This clears out the balance of all funds left over from the Construction Project.

7. Unfinished business. None.

8. New business:

a. IRS 70-604 Election for 2010. Mr. Rastl explained that we file our annual taxes on a Form 1120 which has the most beneficial rates for our income. However, if we have an excess at the end of the year of owner dues over operating expenses, we could be liable for taxes on that excess as income. The proposed resolution would make the election that any excess of membership income over membership expenses, for the tax year ending December 31, 2010 shall be applied against the subsequent tax year member assessments. Our CPA recommends we make this an annual election at our annual meetings. *A motion was made, seconded and voted by unanimous show of hands that this resolution was adopted.*

b. Election of Board of Directors members. Two Board members with expiring terms were Bruce Hopkins and Margie Thomsen. Mr. Hopkins had volunteered to serve another three year term. The Board had nominated Gunnel Hansen to fill the remaining empty seat. Mr. Zafirson thanked Ms. Thomsen for her service on the Board and all the time she has given for the Association followed by a round of applause in appreciation of her service. Mr. Zafirson asked if there were any additional nominations from the floor. Given that there were two positions open and exactly two and only two nominees to fill them, Mr. Zafirson asked if there were any objections to voting by a show of hands. There was one objection but after discussion it was withdrawn. *A motion was then made, seconded and passed by a show of hands to elect Bruce Hopkins and Gunnel Hansen to serve on the Board of Directors.* Current Board members are as follows (listed by term expiration).

	Term Expires
Leonard Ney	2011
John Rastl, Treasurer	2011
Michael Lincourt	2012
Karen Winslow	2012
Jim Zafirson, President	2012
Bruce Hopkins	2013
Gunnel Hansen	2013

c. An owner's proxy said that the resurfacing of decks this summer had been an imposition and took away from residents' ability to use the decks during the time of year they can be enjoyed. It was suggested that future deck resurfacing (for Building 2) be done in late August of next year and that it should be put to a vote by Members of the Association. Mr. Zafirson responded by noting that the coating that is applied is temperature dependent and thus we need to finish the decks before the weather cools, however, he said the biggest limitation is the availability of the contractor that did the grinding. Planning must also allow for rain that will delay work. We selected the contractor that had done the approximate \$4 million worth of façade renovations based on their excellent work. They are a large contractor and this deck work is a small job for them that they will only do if they can work it into their schedule. Another owner asked why Building 1 decks had been done but not Building 2. Mr. Zafirson said we didn't feel we had enough time to get both buildings done

in one season. He selected Building 1 to be first after surveying the decks and deciding which were in the worst condition.

d. Jeff Sherman said he would like to volunteer to see what could be done to make recycling available. He said it has to be easy to work. Mr. Zafirson empowered Mr. Sherman to form a committee as needed to research the idea.

e. A resident complained of exercise activity on the lawn being loud and disturbing the peaceful use of her deck. She was asked to call the office the next time it occurs. Any exercise activity in the Community Room has to be between the hours of 8 AM to 10 PM, but no offensive sound should be heard in any other unit.

f. A resident asked about heating in the stairwell, halls, and Community Room as they affect her heating bill. Mr. Rastl said the Association's policy is to heat the stairwells to 50 degrees and the other common areas to 60 degrees during the winter months. The Association is not responsible to help heat individual units.

g. A resident said her cats had found and killed a mouse in her first floor unit. Mr. Zafirson said we have never had a mouse reported before but we will monitor for any future activity. He suggested that people propping open doors would most likely have been how an animal entered the building.

9. The meeting was adjourned at 7:45 PM.

A handwritten signature in black ink that reads "John M. Rastl". The signature is written in a cursive style with a large initial "J" and "R".

John Rastl
Acting Secretary

Attachment
Resolution – IRS Ruling 70-604

**ELECTION UNDER REVENUE RULING 70-604
EXCESS INCOME APPLIED TO FOLLOWING YEAR ASSESSMENTS**

WHEREAS the Promenade East Condominium Association, Inc. is a Maine corporation duly organized and existing under the laws of the State of Maine; and,

WHEREAS, the members desire that the corporation shall act in full accordance with the rulings and regulations of the Internal Revenue Service;

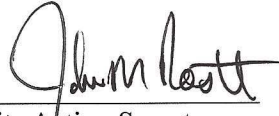
NOW, THEREFORE, the members hereby adopt the following resolution by and on behalf of the Promenade East Condominium Association, Inc.;

RESOLVED, that any excess of membership income over membership expenses, for the tax year ending December 31, 2010 shall be applied against the subsequent tax year member assessments, as provided by IRS Revenue Ruling 70-604.

This resolution is adopted and made a part of the minutes of the membership meeting of September 8, 2010.

PROMENADE EAST CONDOMINIUM
ASSOCIATION

BY: 
James Zafirson, its President

ATTESTED: 
John M. Rastl, its Acting Secretary