

# Annual Meeting Minutes

## Promenade Towers

### September 12, 2012

Directors Present: Bruce Hopkins, Dave Mathieu, Len Ney, John Rastl and Jim Zafirson

Directors Absent: Gunnel Hansen and Mike Lincourt

1. The meeting was called to order at approximately 7:05 PM in the Promenade Towers Community Room by President Jim Zafirson.
2. Roll call was taken with the following results: There were a total of 48 (out of 80) owners either in person (21) or represented by proxy (27). These 48 represented 62 percent of ownership interest.
3. Proof of Notice. John Rastl displayed a written notification that was mailed to all owners and postmarked August 30, 2012.
4. Minutes of the September 14, 2011 Annual Meeting were approved as written.
5. Mr. Zafirson gave the president's report. He said that when reviewing last year's Annual Meeting minutes he saw that we had discussed the newly completed Fitness Room and new [clothes dryer] vents on the roof. This year the improvements are very similar with renovations almost completed on the Community Room and we have completed and tested the first (of seven) replacements of the rooftop exhaust fans [exhaust air from bathroom vents]. He pointed out the new lighting and more modern look to the ceiling and thanked John Rastl and Einar Juhlin for their volunteer efforts on the Community Room project. Mr. Zafirson also noted that the roof top exhaust fans were similar to the vent caps replaced in 2011 in that they were also 35 years old and in bad condition. During the installation of the first exhaust fan we observed that the old fan was pulling air not just from the vents but from the utility chase. This was corrected and will be corrected on the remaining installs. This should help improve the ventilation of bathrooms with a more efficient, quieter and low maintenance direct-drive fan. Sealing off the utility chase from the outside air should also help lower heating costs in the winter. He concluded by noting that it is a pleasure to be able to review our progress and improvements to our home at each year's Annual Meeting. We have made significant changes and improvements to our building over the last five years.
6. John Rastl gave the treasurer's report. He said our income through the end of August is approximately \$2,000 more than we expected (good) and that our expenses are more than \$9,000 less than expected (also good). The lower expenses are due to lower utility costs. Last year's milder winter has decreased our electric and propane costs. Our water bills have also been averaging lower, most likely due to changing out all the old toilets. We have a bill coming for completion of the new rubber flooring in the stairwells for approximately \$9,300 that will put us very close to our budget. Our end of August Operating account balance was \$37,863 and our Reserve accounts totaled \$624,636. Big ticket items in 2012 were a new treadmill, new pool gate with locking key (rather than padlock), Community Room renovations, and the flooring at the three stairwell entrances. These account for a little over \$32,000 in improvements while we have added \$95,499 to our Reserve Funds (since August 2011). There are only two owners more than 60 days past due on their fees with a total of about \$12,000. The 2013 budget is being worked using expenses to date from this year. Mr. Rastl said he will be working drafts 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. Bruce

Hopkins added that he considers the key to our budgeting to be modest, incremental increases in our fees to keep us up with inflation. While we are in good financial position today, we still have some big ticket items down the road such as sprinklers inside the units and upgrades to our elevators, and we need to always be prepared for the unknowns that are a normal part of building maintenance.

7. Unfinished business. None.

8. New business:

a. IRS 70-604 Election for 2012. Mr. Rastl explained that this is an annual election by the membership. He made a motion that any excess of membership income over membership expenses, for the tax year ending December 31, 2012 shall be applied against the subsequent tax year member assessments, as provided by IRS Revenue Ruling 70-604. The motion (attached) was seconded and approved by a show of hands vote.

b. Election of Board of Directors members. Three Board members with expiring terms were Dave Mathieu, Mike Lincourt and Jim Zafirson. Mr. Mathieu and Mr. Zafirson had volunteered to serve a new three-year term. Margie Thomsen volunteered to run for election for the position that Mike Lincourt had held. Mr. Zafirson expressed thanks to Karen Winslow and Mike Lincourt for their many hours of volunteer work on the Board of Directors and he thanked Ms. Thomsen for volunteering for the Board again (she was on the Board from 2007-2010). He then asked if there were any additional nominations from the floor. Having no additional nominations, Mr. Hopkins made a motion that since there were three and only three candidates for three open positions that they should be acclaimed by unanimous vote of the members. The motion was seconded and Mr. Zafirson asked if anyone objected and having no objections called for the vote using a show-of-hands. The membership unanimously elected Dave Mathieu, Margie Thomsen, and Jim Zafirson for three-year terms to the Board of Directors. Current Board members are as follows (listed by term expiration).

	Term Expires
Dave Mathieu, Assistant Treasurer	2015
Margie Thomsen, Secretary	2015
Jim Zafirson, President	2015
Leonard Ney	2014
John Rastl, Treasurer	2014
Gunnel Hansen	2013
Bruce Hopkins, Assistant Secretary	2013

9. There was no additional new business and the meeting was adjourned at 7:25 PM.



John Rastl  
Acting Secretary

Attachment  
Resolution – IRS Ruling 70-604 Election

**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, 2012 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 12, 2012.

PROMENADE EAST CONDOMINIUM  
ASSOCIATION



BY: \_\_\_\_\_  
James Zafirson, its President



ATTESTED: \_\_\_\_\_  
John M. Rastl, its Acting Secretary