2023 RPHA ANNUAL GENERAL MEETING MINUTES

Date: Saturday, September 9, 2023
Time: 10:45 AM
Location: Regal Point Gazebo
Board members in Attendance: J. Lowenthal, C. Oliver, D. Singh, K. Verma, L. Wainczak

Board President John Lowenthal called the meeting to order at 11:00 AM. He proceeded to introduce the members of the Board: Catherine Oliver, Dhiresh Singh, Kamal Verma, and Lauren Wainczak. John acknowledged and expressed his gratitude for the Board members' efforts on various committees and projects. He also acknowledged Coleen Lettieri's many years of service on the board as she recently stepped down. Dhiresh Singh replaced Coleen who retired in June. For over 30 years, Coleen participated on the board as well as many of the committees. John thanked Paula Shorter (Covenants Committee Chair) and the members of the Social Committee. He also thanked Keith Oliver for repairs to the playground and Tom Lettieri for his service to the community.

John announced that he does not plan to run for a board position when his term expires in 2024. John has been on the board twice for over 10 years each time and feels it is critical to get younger owners to serve the community. He also mentioned that Kamal (who has served on the board for 20 years) also plans to step down at that time.

While both John and Kamal will be happy to help a new Board in advisory capacities to aid with transition, it is absolutely critical that a number of current owners will need to step up to fill those vacant positions next year. The by-laws of the condominium always require a Board of 5 members.

John then continued with a Review of FY2023 as follows:

The board completed the roofing project on 6 buildings, buildings 3-8. The roofs of the other two buildings (1 and 2) will need to be done in 8 years as they were replaced in 2011. John is compiling all the details of the recent roofing project into a file that will be uploaded to the Board's Google Drive for future reference. We replaced all the FRT sheets as needed. The project included removing all box vents and installing eave vents for better air flow to minimize condensation issues. The project also included a number of other changes, and we are very hopeful that these improvements will allow us to achieve a projected 25-year life expectancy.

We completed concrete work including replacing the collapsing porch at unit 35 and correcting the pitch of 6 slabs of concrete sidewalk by unit 86.

Although actually done in August (which is fiscal year 2024), we decided to move ahead with the seal coating of the road due to the general condition of it. It also allowed us to install speedbumps that have been requested for several years. We installed four bumps as recommended by the multiple vendors who quoted on this project. It was noted that while speedbumps help to some degree, it is critical for the safety of everyone that drivers obey the 15 MPH speed limit on Regal Drive.

John moved on to legal issues stating that the board re-engaged our attorney (for the first time since 2016) for a variety of reasons. Note that the firm of Hill-Wallick specializes in community law. Note also that the Bylaws can be amended by a vote of the Board but amendments to the Master Deed require a vote of 2/3 of the owners.

Personal Electric Vehicle Charging Stations (EVCS): An amendment to the by-laws was created by the attorney and unanimously approved by the Board. This amendment was emailed to the community and is available on the Regal Point website (regalpoint.net). All details and requirements for such an installation are outlined in the amendment. Anyone interested in undertaking such a project must follow all the instructions, present a plan for approval and be aware that they must sign a License agreement that would be filed with the County Clerk and becomes a part of the subject unit's deed and must be declared to any prospective future buyer of that unit.

Affordable Housing Maintenance Contributions: Since the Condominium's inception, there have been 5 units designated as affordable housing units which are authorized by the Affordable Housing Office of the township. This state-wide program allows qualified owners with assistance regarding the pricing and affordability of their units. According to our master deed and in compliance with the original affordability program, those units have always paid 1/3 of the standard assessments. Our attorney noted that according to our Master Deed, that stipulation ended after 30 years, and that the township does not have the ability to make amendment to our master deed. The owners of those units have been notified that effective January 2024 they will need to pay the same rate as everyone else. This change has no impact on any other part of the affordable Housing Program as far as the resale value or any other financial considerations.

Because of this change, the Board changed the previously distributed long range budget plan and decided to not to impose the $25 increase planned for January 1, 2024. The dues for all owners will be $325 through June of 2024 and will be reviewed again in the Spring.

The board will be researching quotes for privacy fencing and painting around springtime 2024. The board would like to start the projects in summer 2024. Our maintenance contractor (Doyle Brothers) gave the board a quote for painting which the board will review and compare with other quotes. When the painting is contracted, we will also add in the replacement of deteriorated siding on some of the communal chimney chases. We also plan to change the vinyl lattices on the central units' front porches to wood. These were changed from wood to vinyl in 2018 with the understanding that they would not need future painting, but they have not held up as they should have.

John also pointed out a correction in terminology regarding our long-term spending plan (previously published “Plan B”). We had incorrectly used the term “special” assessment when the correct terminology is “lump sum” assessment. By definition, a “special” assessment is used to fund a potential major capital improvement that is beyond the scope of normal maintenance (for example, if we wanted to double the size of the playground or add a second gazebo). This is just to clarify that the $3000 “lump sum” assessment that was billed as of July 1 was used to replenish our Reserves Funding and that the second planned lump sum assessment of $2000 per unit is still in the plans for July 1, 2024, to aid with the short-term reserves project’s needs.

The $149,000 that was collected as the lump sum assessment may not all be spent within the current fiscal year. The logic for doing the lump sum assessments as single billings on July 1 of any given year allows us to do so without incurring additional fees from our management company Associa MidAtlantic.

To augment the Reserves Funds as much as possible, we were able to open an eight-month CD at Chase Bank paying 5%. This will add an additional $5,000 in interest to the reserve funds.

John also advised that he and Lauren would be working together modifying our long-range planning using the Reserve Funding Analyzer software that we invested in a couple of years ago. The impact of the high post-covid inflation rates means we need to reanalyze all of these long-range plans.

Board Treasurer Kamal Verma then spoke about <u>Financial Matters</u>, as follows:

Kamal discussed the projected budget and again referred to the affordable units paying the total dues starting in January 2024.

Kamal continued to discuss the budget explaining how our snow removal estimates and reserves work. The snow estimate is based on a 10-year rolling average of our actual snow removal costs and typically increased by 10%. In any year, if we do not spend all that is budgeted for snow removal, we move the excess budgeted amount to a special snow reserve account. If we have a particularly bad snow year and end up exhausting both the budgeted amount and the reserve holding, then we might be forced to have a snow assessment depending on the amount of the shortfall. It was noted that we currently have about $26,000 in that snow reserve account. He also cautioned that since the last 2 years had virtually no snow expense that negatively impacts the 10-year rolling average going forward.

Kamal then addressed a letter that was circulating last year which was addressed to the board and signed by 13-unit owners. The letter expressed interest in how the board goes about the budget and how we vet vendors. They suggested we should try a

different vendor for landscaping/snow removal. It is our policy to review our vendors every so often by getting competitive quotes and references. Since it had been several years since we spent the time looking at alternate vendors for landscaping/snow removal. We got quotes from 3 vendors including the one suggested by this group of owners. In every case the landscaping quotes came in nominally lower than our current vendor, but the snow quotes came in much higher; some were double what we pay now for snow removal. It is smart and common practice to use the same vendor for both items to maintain a good vendor relationship. Since we now had competitive numbers, we did renegotiate the rates for this season for landscaping.

During the discussion of snow removal, Paula Shorter asked if snow removal could clear a path for any person in need- anyone in a wheelchair or who is older. Maybe this can be part of the kids/volunteer project. Anne Marshall suggested that we create a list of those in need and those who can volunteer. The Social Committee will create a list of volunteers and those in need.

Board member Lauren Wainczak spoke about <u>Maintenance Issues</u>:

Lauren mentioned that the community had 100% compliance for vent cleaning and chimney inspections. She thanked those in attendance. She also explained that vendor who did the inspections informed us that 12 units have unsafe fireplaces. Rust was found on the damper and the throat. Prefabricated fireplaces have a life expectancy of 15-20 years depending on usage based on online research we did after getting this report. All the affected units were sent a letter to sign stating they would not use their fireplace. The estimated cost for replacement (from this vendor) was between $5000 and $7000.

If the unit owners with the unsafe fireplaces decide to sell their homes, they need to inform potential buyers that the fireplace cannot be used. Since this meeting, we have decided to do further competitive inspections to verify these situations. Clearly, there is risk involved that can be very dangerous to an entire building, hence the demand for non-use until replaced or otherwise resolved. Note that these prefabricated fireplaces are only in the interior units; end units have brick fireplaces.

Lauren explained that some of the siding on several of the group chimney chases is rotting. We had the maintenance vendor inspect these and got a quote for replacement. We will have this done when we do the staining/painting of the buildings in the next 18 months. John pointed out that some of the white fascia boards (mostly on the gable ends of the end units) are getting attacked by woodpeckers. Our vendor explained that bees make nests behind the fascia and the woodpeckers try to get to the bees and damage the fascia. We have replaced most of the ones in question (it is an ongoing issue) and the replacement has been done with Azek (synthetic wood) material.

Lauren addressed garbage, recycling, and bulk, reviewing the rules of the bulk and garbage area. She promised to reach out to the township to see if the vendor could replace the blue garbage dumpster with one with a side opening.

Lauren then mentioned that when swings or other items in the playground are broken, Keith Oliver has been making the needed repairs on behalf of the community. Please tell your children to let you know if they see a broken swing so you can alert the Board.

John spoke about Landscaping:

John explained that due to the extreme drought conditions during last summer, we had 53 trees on the property that died. We approved having JT's Landscaping remove the dead trees and strategically replace some, but not all, of them. The cost for this project is about $13,000 and has been included in the published budget.

Paula Shorter spoke on behalf of the Covenants Committee:

Paula started by thanking her committee members: Coleen, Gigi, and Stephanie and all their work on the Covenants Committee. Paula said they are not the neighborhood police. They want to collaborate with the community on how to approach members and keep the community looking good. Paula will send emails, speak to a unit owner, and deliver notices regarding any violation. Paula thanked the community for complying with rules of the community and addressing issues that are found. Paula noted that there has been an increase in dog waste around the property and urged dog owners to clean up after their animals.

Social Committee Chairperson Catherine Oliver gave the following update:

Catherine thanked the other committee members, Anne and Pallavi, for their help and support and invited others to join in to assist in our efforts. Some of the activities we plan include the annual picnic, Fall Festival, Earth Day Clean Up, a water day (in the summer), and yard sale. Anne also asked those in attendance to join the committee as we need more volunteers.

Board Elections John Lowenthal presided over the board elections.

Board members serve 2-year terms and every year either two or three of the current Board member terms expire. This year, the terms of Catherine Oliver and Lauren Wainczak expire. John announced that Catherine and Lauren had filed their required petitions for reelection. In addition, Dhiresh Singh also volunteered and petitioned to run. John asked for and received a motion to vote by a show of hands rather than written ballots. All 3 members were voted in unanimously.

Other Issues:

John requested input from the members in attendance regarding two planned amendments to the Master Deed of the Condominium (our primary governing document), as follows:

Initial Capital Contribution: Whenever a unit is sold, to augment the working capital of the Association, Article 7 of the Master Deed states that the new owner must contribute an initial capital contribution (separate of any prepaid dues) in an amount equal to 2 months of current maintenance dues. The planned amendment would change the initial contribution from 2 months to 4 months of dues. The NJ state limit is 9 months, and this nominal increase is believed to be sensible and fair. It has no impact on any current owners and would only apply to resale purchases after the amendment has been recorded in the County Clerk's Office. The members in attendance all agreed that this amendment should go forward.

Leasing Restrictions: Article 11, Section 11.20 details the current rules regarding leasing units as follows: (a) a unit cannot be leased for less than 6 months, (b) it cannot be leased in any way that would include hotel-type services, (c) the renting owner must file a copy of the lease with the Board and that lease must include all rules, regulations and governing documents of the Condominium to which the tenant must abide. Note that owners of Affordable Housing units are restricted from leasing (except that there could be a hardship exception to rent for no more than 6 months that would require approval by the Affordable Housing Office of the Township).

Recently, we have experienced numerous problems caused by tenants of some of our leased units (note that there are currently 6 units that are being leased to tenants) including but not limited to destruction of Association property, loud noises, noisy cars speeding through the development, trash being left in the street and tenants not cleaning up after their dogs. There have also been shouting matches and fights with other residents and numerous complaints have been reported to the Board and the Police.

In recent years, many condominium communities have created leasing restrictions to protect the character, marketability, and insurability of their developments. It is a fact that, almost without exception, tenants do not care for the property and surroundings in the same manner as owners. We are pleased to say that while we have experienced some problems as noted above, Regal Point has been fortunate to have had and continue to have some tenants that are excellent members of our community.

In doing our research about leasing restrictions, we were informed by our insurance broker that if more than 25–30 % of a condominium consists of rental units, it would be nearly impossible to qualify for insurance protection.

Every time a unit is sold to a buyer using a lender, the Board needs to complete a "Condo Questionnaire" that always asks how many total units and how many are leased. We've checked with realtors who have informed us that lenders are hesitant to offer mortgages in communities with high percentages of leased units.

For all these reasons, the Board has developed a Rental Restriction Amendment with the following basic elements:

a) There will be an overall limit on rentals of 20% of the total units (11).
b) There will be a limit of no more than two units per building that can be rented at any time.
c) A unit must be owned for a minimum of two years before it can be rented.
d) The existing leased units (currently 6) at the time of passage of the amendment would be grandfathered.
e) There will be a waiting list system to facilitate the control of these restrictions.

The discussion from the members in attendance was predominantly favorable with a couple of people concerned about the 2 per building limit. One owner suggested that the limit be lower than 20%; perhaps 15 to 18%.

John went on to explain that he is working with the attorney to finalize the language of these amendments and to review the necessary voting procedures. To pass an amendment to the Master Deed requires 2/3 of all members to vote in the affirmative.

Open Forum:

At this point, the "floor" was turned over to those attendees who had issues they wanted to address:

A unit owner mentioned that a mailbox was broken, and the open door was a hazard and did not look good. John noted that this had been vandalized by a problem tenant (see above) and that the owner would be required to fix this once the tenant had vacated the property.

One unit owner asked a question about the unsafe fireplace issue. She said that she would sign off on the letter but that she hadn't used her fireplace at all since she moved in many years ago and wondered how it could have gotten an unsafe condition report. She felt there would be no reason to pay for changing it until such time as she might sell her unit since she is not using it. John said that all we really want is everyone with such a fireplace to agree not to use it. As mentioned earlier in these minutes, we are looking further into this matter.

Adjournment & Note:

John Lowenthal thanked everyone for coming out and adjourned the meeting at 12:15 PM.

Note: NJ condominium law mandates that association board meetings include open sessions during which homeowners are permitted to observe although participation cannot be guaranteed. Our Board typically meets once a month beginning at 7:00 PM and the first 30 minutes will be considered open for this purpose. If an owner wishes to attend a meeting, please note that the location for the meetings varies and there is occasional rescheduling so please contact the Board a week before the scheduled date for venue information. The schedule for meetings for calendar year 2024 (all on Wednesdays) is:

January 17	July 17
February 21	August 14
March 20	September 18
April 17	October 9
May 15	November 13
June 12	December 11