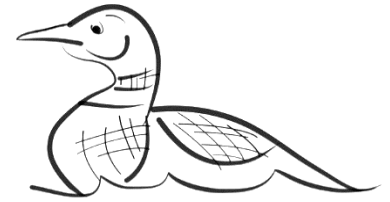


Sounds of the
Loon



Rum Ridge Association Board of Directors Meeting

Date: June 26, 2022
Time: 9:00 am
Place: Loon Landing Pavilion

In attendance:

DJ Salmon- President
Maureen Hopkins- V. President
Karen Hopkins- Treasurer
Bob Ludwig- Secretary
Bill Casey- Board Member
Pete Johnson- Board Member
Peg Wood- Board member

Other Association members attending:

Blaine Hopkins- lot 24
Jolene Staruch- lot 85
Bruce (Woody) Wood- lot 90

DJ called the meeting to order at 9:00 am and determined that we had a quorum.

DJ stated the meeting was called to discuss the snow plow bid proposal received from LoConte Property Management.

A lengthy dialog followed. (editorial note: These minutes capture the highlights of the dialog but are not a word for word transcript)

Blaine: Advised that he spoke with Jim Smith who did not submit a bid and said that the bid specs were written for the maintenance of a state highway. Nobody is required to start plowing at 2" as the bid specifies and not even the town requires plowing to maintain a 24' road width.

DJ: The specs are unchanged and we don't expect plowing to start at 2" every time it snows. It's in there to protect us for instances where we may need plowing on wet slushy events before a hard freeze sets in. The bid package was sent to 10 potential contractors:

Mason Lee Trucking,
LoConte Property Maintenance,
Dakota Harris Landscapes,
Jim Smith Contractor,
Cole Aucoin Property Services,
Mark Jennison Contracting,

Mike Theriault Construction,
Belmont Trucking,
Andy Hunt Lakeside Landscaping,
Trapper St. Jean Contracting.

All were called. I spoke to Jennison, Harris, Theriault, Aucoin and Lee who advised that they could not bid because they did not have the needed manpower.

Maureen: We may want to revise the bid specs next time but it would not be in good faith to ignore the one bidder, LoConte that we did receive.

Bruce: Why doesn't Chris Young wish to continue plowing under his current contract with the Association?

DJ: I talked to Chris who said he has just had enough. I asked him if there was any amount of money that would convince him to stay on and he said no. He would continue to service residential lots but does not want to service roads.

Jolene: How long is the contract under the bid specs?

DJ: As long as we want it to be. We only need to accept it for one year but at our pleasure it can be extended to 3 years.

Bill: How many miles are there in Rum Ridge?

DJ: 3.9 miles, call it 4, I measured it on Google Earth.

Bruce: Where does it start from?

DJ: It starts from the Wilson Stream bridge which is where our responsibility starts.

Bruce: LoConte already is paid by others to plow the Kl. road so under our bid spec he would be paid twice for the same section of roadway.

DJ: We are talking 4/10ths of a mile. It's the same bid spec as prior. It's not worth it to go back to LoConte and ask for a 4/10th mile discount.

Bruce: That's like \$5,000 of overlap.

Bob: At our last meeting I stated that I did not agree with the details of the bid specs and provided those reasons. That with only one bid received, the Association does not truly know the market value for our plowing job. We paid \$29,315 this past winter and this was after a 15% increase in 2020/21 and 3% increase in 2021/22 and now we have only one bid for \$54,400. Maybe the true market value of our contract is somewhere in the middle.

The covenant requires that any change in the dues as a result of a budget increase requires a 2/3 majority of the attendees in person or proxy and that we should have a paper ballot vote at the annual meeting to find what the Association wants to do. We sometimes receive a complaint concerning the roads but I feel many more members may be concerned with a dues increase of \$260 to \$350 annually over the next 3 years.

DJ: We don't need to go with LoConte's \$54,400 option "A" bid. There is also an option "B" in the proposal of \$52,000 but then if the winter snowfall is over 115", we pay \$56,680. We would be rolling the dice but 115" of snow has only happened once since 2019. This option takes some of the risk off of the contractor should a heavy snowfall year occur.

Bruce: So under Option "B" we may need to pay more than \$52,000 if it snows more than 115".

DJ: Yes, Option "B" was offered in the bid spec to potentially receive a lower price when the average snowfall, measured at the closest national Weather Bureau Station on Moosehead Lake, is less than 115" of snowfall. The National Weather Bureau measurement was chosen as it is an independent 3d party.

Bruce: We could be seeing \$1,000/year dues within 3 years based on the increases in the LoConte contract.

DJ: If we want to, we can accept the LoConte contract for the 1st year only then rebid as there is currently no one else interest in our plow job.

Bruce: There may be items in our bid that kept contactors from bidding.

DJ: No, the bid specs are pretty standard. I talked with the 3 contractors that cared to respond to my call and their reason for not bidding was due to lack of help not the bid spec.

Bruce: When Jim Smith plowed, he worked independently. Why couldn't this work for other contractors.

DJ: Yes, most other contractors do work independently but they already have other accounts. They would like to grow their business but have not been able to hire as nobody wants to work.

Bob: We should revisit our bid specs as they may have scared off potential bidders. At least one contractor on the list recently expressed an interest in bidding until they received the specs. Maybe the provision that duties may not be assigned to anyone else without the Boards permission is a meaningful restriction. Or maybe the indemnification clause that requires the contractor to pay the Association any amount that the Association is liable for should death, injury or property damage occur relating to the contractors road maintenance is too costly.

Maureen: If our bid specs scare off a contractor then maybe they are not responsible enough to plow for us.

DJ: You will find no contractor smaller than Chris Young when he started and he had no issue with the bid spec. We currently only have one bidder and we can go with option "A" or "B" but I don't see any other scenario.

Peg: If this was my situation, I would put the bid back out because we have to find another way. But at this time it's almost a done deal. We need to look at this process again next year. I don't know how this is going to go over in Rum Ridge as we represent everyone. It's not whether the Board members could pay an extra \$300 but what about everyone else and how will this affect goodwill in Rum Ridge. I am reluctant to say we may not have a choice this year.

DJ: One option we have, that I don't agree with, is to take the \$8,500 or \$8,800 left in the current summer road maintenance budget and apply it to next winters increased plowing costs. Or we could also take next year's summer road maintenance budget of \$14,560 and assign it to the winter contract cost to defray the increase. We could bring this up at the annual meeting as an option.

Karen: We should not take money out of other budget lines (improvements and summer road maintenance) as it's needed.

D: We can budget the \$52,000 from option "B" and if we need to pay the additional \$4,680 because there is more than 115" of snow then we could take that out of next years summer road maintenance. We hold off on summer road maintenance until after we know the winter's snowfall total.

Maureen: We can revisit the current bid specs prior to next year.

DJ: We can't leave anything out of the specs that would be a problem.

Peg: We will need to budget for lot owners that have a problem paying the additional \$250-\$300 with the new budget and do not pay.

Maureen: This should not be an issue as its only \$20-\$25 more a month.

Bob: The LoConte plow bid, requiring a budget and dues increase, may not pass a vote by the membership.

DJ: If it doesn't pass, where do we go from there?

Multiple responses: We rebid.

DJ: I have already contacted everybody in town and nobody wants to bid so what would change?

Bob: Rebidding is a common practice when you receive only one response and it has a big price increase. Why would we not try to get additional bids? That is the responsible thing to do. I do not feel comfortable standing in front of our membership saying we received one bid and we have no choice but to accept it.

DJ: The reason the contractors did not submit is due to lack of help so nothing is going to change.

Maureen: What if LoConte objects to us rebidding and is gone, I don't want to be snowbound without him.

Bill: At least LoConte has the best equipment.

Karen: So, which are we considering, the LoConte bid Option "A" or "B"?

Bob: The LoConte bid option "B" only provides a small 4% discount from his standard bid but a large 9% surcharge for over 115" of annual snowfall.

DJ: With option "B" we could save \$7,200 over 3 years if snowfall does not exceed 115" but then have the risk of paying an additional \$4,680 for each year when it does exceed 115".

Bruce: What is LoConte's bid for the second year of the contract?

DJ: LoConte told me that the lack of help is the reason others did not bid. His bid price was based on diesel fuel at \$6.25/gallon. Before the high diesel prices, Theriault said he was at \$8,000/mile and LoConte said at \$10,000/mile. Maybe there is a way to base a bid/contract on the price of diesel fuel but that would be difficult as the amount of fuel that would be used is unknown and the price could climb with the winter blend.

Peg: So I make the motion that we take the \$52,000 LoConte Option "B" and hold off on the summer maintenance next year until we know snowfall is under 115". If over 115", we take it out of the summer road maintenance.

Karen: Seconded the motion

Peg, Karen, Pete, Bill, DJ, Maureen voted yes,
Bob voted no. Carried (6-1)

Pete: Is \$52,000 a reasonable bid.

DJ: It's got to be reasonable because it's the only one we have right now. I'm not happy about it but don't know what else to do. I don't think we should rebid as it would put Rum Ridge in a precarious situation. Yes, rebidding is a common practice but not in a small town.

Maureen: I would be surprised if our people didn't expect to pay more. I didn't think LoConte's price was surprising.

Bill: Carrabasset prices for plowing are in line with the bid that we received.

DJ: The Chris Young contract was level funded (remained at the same rate) for 5 years from the winter of 2015/16 to the winter of 2019/20. I think we have been paying an inherently low price per mile compared with everyone else around and it's catching up with us. He received a 15% increase for the winter of 2020/21 and a 3% increase to \$29,315 for the winter of 2021/22.

Maureen: My condo association went up \$190/year just for lawn mowing.

DJ: Fuel and labor is driving the market and that's why nobody is bidding.

Blaine: A monetary collection was taken from some in Rum Ridge and given to Chris Young based on the high snowfall during the 2018/19 winter.

DJ: I will go back to LoConte and see if he will bring his price down based on the KI Road contract overlap if this is OK with the Board.

Bill: What is the next step if the budget and dues increase does not pass at the annual meeting? What would you change on the bid?

Maureen: If it doesn't pass, we should ask what reduction of service are you willing to accept.

Bob: We need a plan if the Budget and dues increase is not approved.

Maureen: We could contact the various contractors and ask them what could they do for us.

Bob: And there may be other contactors that we didn't contact.

Bruce: Did we put out a bid in the newspaper or internet?

DJ: We had advertised our bid request that way when Marylyn Gilbert was the president and it didn't get us anything.

Bruce: But maybe it would be different now.

Bill: We don't want a contractor using a ¾ ton pickup truck plowing for us.

DJ: We have already contacted small and large contractors with only one bid return.

Bruce: How much equipment does is our contractor required to have?

DJ: We can't have a contractor with a 3/4 ton pickup. We need a contractor with all of his own equipment so there is no need to wait while he obtains what he needs from someone else.

Maureen: If the budget and dues increase does not pass at the annual meeting maybe we should have a committee look at the specs and rebid.

DJ: The Board passed the idea to approve the \$52,000 option "B" with the possibility of a \$4,680 surcharge for more than 115" of snowfall. But I will not sign the contract until approved by the Rum Ridge membership. If the Board approves, I will also talk to LoConte and see if we have any wiggle room in the price and explain to him that his contract will cause a budget and dues increase that must be approved by the Association members. I will also remind him that the .4 mile KI Road section is already under contract by others. All in favor?

Bob: I still feel frustrated as a Board member being in the position of only having one bid with such a large price increase. I do not think larger plowing equipment is always better as it creates more noise, will be tight on many of our roads and will be difficult to turn around at the dead ends.

Approval for DJ to talk to LoConte, Yes (7-0)

Maureen: Rum Ridge is unique as it has always had decent year round access. A lot of other associations in Greenville do not allow access or you struggle to get to your place in the winter. I don't want to worry about this.

DJ: I will discuss wiggle room with LoConte and write a letter to our Association members.

Jolene: People at the annual Association meeting may know of others that may want to bid.

DJ: It has never been close in my 15 years that the budget did not pass. Bob and Maureen, can you look at the covenant to see what it calls for. If the budget does not pass, could we extend it with a Zoom meeting if we need to?

Bob: The covenant is specific on how a budget and dues increase must be approved by the membership and it doesn't mention Zoom as an option.

Peg: We will have new Board members and officers after the annual meeting since Karen and Pete are not running for re-election. What will our dues be if the budget and dues increase is accepted by the membership?

Karen: \$750 or \$760 for next year beginning August 1st.

Bill: The budget/dues increase should pass as the condo Association fee for a 2 bedroom unit by me is \$427/month.

Maureen: I found that condo association dues in the greater Portland area are \$300-\$650/month.

DJ: The plow bid is a 77%+ increase in cost but the Association has been underpaying for a long time.

DJ: In other business, we need a list of candidates for the membership to vote on to replace Karen and Pete on the Board.

Blaine: Stacy Vavrek of lot 26 and Deb Webber of lot 12 might be interested in being treasurer.

DJ: Could we have a treasurer that is not local to Greenville?

Karen: That would not be a good idea and would be burdensome.

DJ asked for a motion to adjourn at 10:30am
Motion made by Maureen and seconded by Bill.

Respectfully submitted.

Bob Ludwig, Rum Ridge Association Secretary
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