

BAY WATCH III CONDO ASSOCIATION BOARD OF DIRECTORS

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Baywatch III Board of Directors Meeting April 14, 2012 Minutes

CALL TO ORDER - The meeting was called to order by President of the Board - Jerry Quinn at 0800 in the HHIRA Center. A quorum was present. Attendees were as follows:

- President - Jerry Quinn
- Vice President - Al Ulmer
- Vice President - Bob Simpson
- Treasurer - Dennis Luchey
- Secretary - Pete Skilton
- HHIRA Representative - Betty McAllister
- Property Manager -Physical - Matt Shipley
- Property Manager - Accounting - Vonnie Baker

The minutes of the Board Meeting of November 19, 2011 were reviewed and approved. All open/action items were noted as completed.

Reports

- Financial - Dennis Luchey:
 - 2011 financials complete. Condominium - finished the year \$4k behind budget and \$2k more expenses than revenue. The main driver of this was the \$5k deductible paid by the Association in connection with a water heater failure. Other line items of note were insurance \$4k favorable to budget, \$1k savings from budget in professional accounting fees, \$5k in added spending in repairs and maintenance mainly due to work related to identification/correction of a water leak caused by common area gutters, and \$4k overspending in fire safety due to required repairs.
 - 2011 financials - Boat dock - results were essentially on budget - \$1.6k excess of revenues over expenses.
 - 1Q2012 - Trending \$3k ahead of budget. Discussion ensued regarding whether the budgeted contribution to the reserve should occur quarterly or in one lump sum at the end of the year. It was unanimously decided to make that contribution quarterly - **\$4k will be moved from operating to reserve.**
 - 1Q2012 - Cash balances - \$56.7k in operating and \$65.5k in reserve (\$35.1k condo and \$30k boat). Receivables - in process of collecting 2Q assessments. It appears that collection may be slightly slower than normal; owners may still be getting used to the coupons. There are "opt-in" email reminders available upon owner request. Other than 2Q12 - only one late boat dock assessment and one late fee outstanding.

- HHIRA - Betty McAllister:
 - New Board working very well together. Intend to stay if voted back
 - Researching options for new management company - Existing management will be invited to bid
 - Best Aquatics will provide pool service for second year.
 - Tennis courts will be resurfaced and new locks will be installed
 - The main pool and baby pool will be replastered and the pool beam will need to be replaced.
 - Restructured existing debt by converting the owner loans to a conventional loan (7.5% interest)
 - ADA compliance - not required to comply with the new ADA requirements for a handicap lift.

OLD BUSINESS:

- Insurance - Dennis Luchey
 - HO-6 Policies - PY compliance with request of proof of HO-6 policy went well - only 2 owners did not respond.
 - Insurance renewal - Do not know what our renewal premiums will be, however the water leaks claims are expected to impact premiums. We will know more in June.
- Action items from 11-19-11 meeting complete.
- Website - Website is complete and will be rolled out to the owners for comment prior to the annual meeting.
 - Will want owners to determine if want owner information accessible via website.
 - **Board to look for projector for use at the annual meeting.**
 - **Vonnie to work with Elaine to put together instructions to access the website to be distributed with annual meeting documents.**
- D & C building insulation - quote to remove insulation from D building and blow in new insulation in C & D building would cost \$8k. Discussion occurred regarding whether insulation in a concrete building is necessary. The Board felt it did not provide significant benefits. The Board did feel it was necessary to remove the old insulation from D building because it was hanging down putting pressure on wiring. **The Board unanimously voted to remove the insulation from D building (expected to cost <\$1,300).**
- Under building access panels - Quote to rebuild/replace existing access panels 2 per building is \$1,387. **Board unanimously voted to move forward with access panel work.**
- Water heater and water inventory line - Early in 2012 a water heater and water line inventory was completed at BWIII. Owner's units were accessed and water heaters were checked for installation dates and water lines were checked for braided stainless steel.
 - **Matt to send letters to all owners with water heaters 10 years or older to notify of required replacement. Letters will also be sent to owners whose lines need to be replaced with braided stainless steel (washer/dryer and refrig). Dishwasher lines should be changed upon replacement. Owners will have 45 days to comply.**
 - **Matt to send letters to owners whose keys no longer work. By-laws require keys for access to units.**
 - **Vonnie to contact Jim Almand to determine what steps are possible to ensure compliance (e.g. can association replace water heater and change lines and bill back owner?)**

- Roof estimates - \$23k to replace existing roof and \$16k to put double layer of shingles (not recommended). Board intends to tackle the roof replacement with the next round of building repairs (in about 2 years). Given the building repair budget and the reserve contribution, the Board expects that no special assessment will be required.

NEW BUSINESS:

- **Friday, May 25th Board Meeting is at 8am.**
- **Annual meeting is Saturday, May 26th at 9am.**
 - Al Ulmer and Bob Simpson's terms are expiring in May. Both are willing to stay on.
 - HHIRA - Betty McAllister can no longer serve as the BWIII - HHIRA representative. **Will send request for volunteer with annual meeting package.**
 - May 26, 2012 - Annual Meeting Agenda Items - In addition to standard items agenda will include:
 - Website
 - Insurance renewal
 - Water heater and water line inventory
- Building - B Carpet - installed the week of the April 9th. Installation went well. Final payment approved.
- Landscaping - Bob Simpson brought up the need for Sposato landscaping to pay closer attention to the rose bushes and crape myrtles (picking off dead leaves, pruning etc.)
- Concrete repairs to sidewalks - Town typically hires a contractor to replace the sidewalks and then charges $\frac{1}{2}$ of the cost to the condo. **Matt to contact town uses to get on list for replacement of some blocks. Matt to determine which blocks may need replacement.**
- Replacement of boards at base of decking - owner or Association responsibility? One of the BWIII owners asked how to get siding boards replaced at the base of the decking for these decks with carpet. Based on review of the declaration (Article IV), the Board determined the following:
 - Balconies/decks are the responsibility of the owners' because it is a limited common element.
 - The association is responsible for the structural portion of the limited common element only, unless the damage/repair is caused by the owner or negligence.
 - In these cases, the carpeting on the decks causes water to settle at the edges. Carpeting on the decking is a choice made by the owner.
- Comcast consolidated billing - an owner requested that the Board investigate a Comcast consolidated billing. After multiple attempts to speak directly with Comcast personnel, direct contact could not be made. The Board discussed whether further pursuit would be made and voted not to pursue further for the following reasons:
 - The unsuccessful attempts are indicative of the level of service these consolidated groups receive. It is Shipley's and Baker's experience that making contact with the correct personnel is difficult. No one at the OC Comcast office can help.
 - Not everyone in Bay Watch III uses cable, some have bundles, etc. It would not be fair to increase assessments for something not everyone uses.
 - Billing is known to increase 5% per year, consolidated billing eliminates owner's ability to negotiate.
- Annual building maintenance - C building maintenance will be completed in late 2012 / early 2013. The current cash balance in the operating account gives the Association flexibility on the timing of the work.

- All States construction appeared to have a larger punch list of items needed to complete the project. They appeared to use more sub-contractors. BWIII seems to be a smaller job for them and is treated as such. **Matt to find some other potential contractors and secure quotes for the completion of C building.**
- It was noted that the boardwalk needs to be scrubbed with a brush and sealed - **Matt to obtain a quote. The Board will also consider whether the Association will do the work as part of a work day.**
- **Matt was also asked to investigate the signage between A building and the neighboring community.** More signs discouraging trailer parking will be added. Town of OC tow signs will also be installed to allow legal towing of illegally parked cars and trailers.

The meeting was adjourned at 9:52am.