

Bay Watch III Annual Owner's Meeting  
May 28, 2016  
Minutes

**CALL TO ORDER** - The meeting was called to order by President of the Board - Jerry Quinn at 0902 in the HHIRA Center.

- A quorum was present. Representatives from 26 units were present with 7 units represented by proxy. Total owners represented - 33 or 68%.
- Proof of Meeting Notices was presented by Jerry Quinn.
- Jerry Quinn introduced the Board of Directors (Jerry Quinn, Al Ulmer & Diane Stafford) and representatives of Management -Vonnice Baker (Baker & Associates -financial management) and Matt Shipley (Shipley Management)
- A motion was made to waive the reading of and accept the May 23, 2015 minutes by Jane Quinn and seconded by Jane Ayers. The motion was unanimously accepted by the membership.
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**Committee Reports**

- Financial - Vonnice Baker
  - 2015 Compiled Financials were posted on the web. Focus was placed on the budget vs actual information and the fact that the Association finished the year approx \$4.8k ahead of budget consisting of \$3.1k in the operating fund and \$1.7k in the boat slip fund.
  - 2016 financials -
    - Cash position is strong - \$236k in total cash - \$85.6k operating, \$115.5k condo reserve and \$34.5k in boat slip reserve
    - Accounts receivable - No units delinquent except for one unit that owes late fees.
    - Trend vs Budget through April 2016 - \$4.3k of discretionary funds remaining. (Prior year was \$4.2k.) The budget is very tight.
      - Building maintenance - have \$1.6k remaining
      - Also, know of \$700 that is needed for fire safety to test the A Building sprinkler heads
      - Plan to spend \$5.9k on A Building for a gutter system, bury the down spouts and replace the two shed doors
    - A list of who is paid what is also provided.
- HHIRA - Jack Berry
  - Membership in the HHIRA consists of 466 homes. There are six Board members representing the members. Jack is BWIII's representative.
  - No dues increase in 2016 and hoping the same for 2017.
  - Mortgage is down from \$300k to \$89k
  - Reserve fund is funded 3 years ahead of plan.
  - 16 security cameras have been installed, along with some dummy cams
  - Pool has been plastered and walls and tile have been redone
  - More outdoor sand furniture has been purchased.
  - New larger TV has been installed in library
  - One entrance median has been redone during 2016. The second median will be completed in 2017. Using low growing shrubs.

- The boardwalk has been sealed
- In 2017, plan to replace the tennis fence, remodel the bathroom and landscape the 2<sup>nd</sup> median.
- One owner asked if something was done to the geese. Jack explained that it is molting season and they aren't flying. He also explained about a new CDC directive that states that pools should also be shut down if geese feces gets in the water.
- Jerry reiterated the huge improvement there is with the new Board and new management.
- Insurance - Vonnie Baker
  - Insurance renews in July. We aren't sure what the increase will be. Given the water leak claim in Feb 2015, the Association is also waiting to hear the deductible for water. It is currently at \$5k and we are hoping that it doesn't rise to \$10k, as it has in the past.
  - One owner asked if the Association was under the new flood zone maps, given the articles in the paper that many Associations weren't. To the best of our knowledge BWIII is under the new maps.

### President's Report - Jerry Quinn

- Insurance - Condo owners are responsible for the \$5,000 deductible if damage originates in your unit. Owners can get an HO-6 policy to cover this deductible. If the water deductible increases to \$10k, the Association will be responsible for the other \$5k.
  - If an owner has a leak, contact Matt who will hire/pay the contractor.
- Read Information Bulletins #14, #12 & #15 that lays out responsibility of owner vs condominium association. Owners are responsible for:
  - Water pipes beyond the on/off valve
  - All electric beyond the meters
  - Dryer vents
  - Decks - surface & steps
  - Windows, screens, doors and sliders
  - HVAC
  - Interior - betterments & improvements
- Building maintenance - 1 in 4 changed to 1 in 5 in 2015 to allow for additional contribution to the reserve fund. The effect has been an increase in the amount of annual maintenance required on A Building. Will continue to monitor, however A Building is the hardest to maintain since it is the only all wood building.
- Capital Reserve Status
  - No Loans
  - Reserve study calls for \$104k. BWIII has \$115k. Are ahead of plan because the roofs were planned for 2016, however they can make it another 2-4 years.
  - Dock reserve study calls for \$15k. Current balance is \$34k.
- A Building Status
  - Shore painting is 90% done with A Building. Large delays due to rain in the last 24 out of 26 days.
  - Also getting a gutter system, burying the down spouts so they drain away from the building and replacing the two shed doors
- Dock Electric - discovered that as owners are getting boat lifts installed the electric is not installed properly. The Association is now going to recommend two electricians to do the work. If an owner chooses not to use one of the recommended electricians, owners will be responsible to make any corrections.
- Landscape crew - Thank you to Al, Diane, Joanne, Pete, Charlie, Wayne, Jerry, Brick and James. These owners did much of the tree trimming and clean up around the property. Need more volunteers. The same owners keep doing the work.

- One owner suggested that each Building handle their own work.
- Docks can only be sold to owners in Bay Watch I, II or III.
- The HHIRA meeting is at Noon.
- Thank you for paying your dues. Payment status is great!
- New Sign Lights are being installed. Putting in LED lights.

### **Old Business**

- Water Heaters (Matt Shipley) - useful life is 10 years. 47 out of 48 are in compliance with the rule. Also need to ensure water lines are braided stainless steel, including toilet lines. About 75% of owners are in compliance with water line rule.

### **New Business**

- Sprinkler System Repairs - Sprinkler heads in A Building have to be tested. Sprinkler company will test 4 sprinkler heads to determine if all heads need to be replaced. The heads must be tested every 10 years. The cost of the test is \$680. We don't know what it will cost if all heads need to be replaced.
- HGTV Beachfront Bargain was filming at BWIII
- BOD Elections - 5 positions. 4 are open. Have 4 volunteers for those positions. No additional volunteers came forward. The ownership unanimously accepted the BOD nominees for a 3 year term: Diane Stafford, Charlie Schulz, Peter Grieff and Jayne Ayers
- Future Meeting Dates:
  - Saturday, September 24, 2016- 9AM (downstairs)- Review of summer season
  - Saturday, November 5, 2016 - 9AM (downstairs) - 2015 Budget
  - Saturday, April 8, 2017 - 9AM (downstairs) - 2015 financials, preparation for May 2016, HOA meeting
  - Friday, May 26, 2017 - 9 AM (downstairs)- Finalize BOD Annual Meeting Preparation
  - Saturday, May 27, 2017 - 9AM (downstairs) - Annual HOA meeting.
  - Saturday, September 23, 2017- 9AM - Review of summer season
  - Saturday, November 4, 2017 - 9AM - 2017 Budget

A motion was made by Jane Quinn and seconded by Mary Anne Pierce to close the meeting. All voted in favor. The meeting was adjourned at 9:42am.

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 Bay Watch III  
 Organizational Meeting of the New Board Scheduled Immediately in Accordance with the By-Laws  
 May 28, 2016  
 Minutes

➤ Board was established with the following positions

**Bay Watch III**  
**Board of Directors**  
**May 28, 2016**

<u>Position</u>	<u>Last Filled</u>	<u>Term Expires</u>	<u>Person Holding Position</u>	<u>Role on Board</u>
1	May, 2016	May, 2019	Charlie Schulz	Secretary
2	May, 2016	May, 2019	Jayne Ayers	
3	May, 2015	May, 2018	Al Ulmer	President
4	May, 2016	May, 2019	Peter Grieff	Vice President/Shiplely Liaison
5	May, 2016	May, 2019	Diane Stafford	Treasurer
HHIRA	May, 2015	May, 2017	Jack Berry	HHIRA

Also discussed how Building Maintenance should be handled.

- In July the owners will be sent an email requesting that the owners provide maintenance requests to the Board by September 1, 2016, to allow time for quotes prior to the budget meeting in late September. Owner should send a picture.
- Board will develop a list tasks that owners can volunteer for to save money.

In 2016 -

- D Building carpet should be examined for replacement
- Boardwalk should be coated again

**BAY WATCH III  
CONDO ASSOCIATION  
BOARD OF DIRECTORS**

P. O. Box 5429  
Ocean City, MD 21843  
410-723-9495

**Baywatch III Board of Director's Meeting  
May 27, 2016  
Minutes**

**CALL TO ORDER** - The meeting was called to order by President of the Board - Jerry Quinn at 12:50pm in the HHIRA. A quorum was present.

Attendees were as follows:

- President - Jerry Quinn
- Vice President - Al Ulmer
- Secretary - Diane Stafford
- HHIRA - Jack Berry
- Property Manager - Accounting - Vonnie Baker
- Property Manager - Physical - Matt Shipley
- Charlie Schulz
- Jayne Ayers
- Wayne Saunders

The purpose of the meeting was to prepare for the Annual Owner's meeting. All topics discussed were as noted in the annual meeting minutes. In addition, the following items were also addressed.

Unit 104 A Water Leak - Wayne Saunders addressed the Board and indicated that he was angry with their decision that Wayne would not be reimbursed for the \$14k portion of his insurance claim that was not paid by the insurance company. He claimed his contractor was following the protocol as outline by the air diagnostics company. The Board agreed to seek additional council from Jim Almand on the matter. Additionally, the Association will try to use the upcoming renewal as leverage to pay additional funds on the claim.

Boat Slip - Diane is interested in purchasing a boat slip.

Dock Faucets have been fixed.

Jack Berry found shingles from C Building. Need to get C Building roof checked.

Boat Slip / Lift Electricians - RC Electric and JT Novak

Meeting was adjourned at 2:30pm.