

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

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

Baywatch III Board of Directors Meeting  
September 26, 2015  
Minutes

**CALL TO ORDER** - The meeting was called to order by President of the Board - Jerry Quinn at 8:45am in the HHIRA Center. A quorum was present. Attendees were as follows:

- President - Jerry Quinn
- Vice President - Al Ulmer
- Secretary - Diane Stafford
- Treasurer - Open
- Joe O'Donnell - Member
- Jack Berry - HHIRA Representative
- Property Manager - Accounting - Vonnie Baker

**Reports**

- Financial - Vonnie Baker
  - 2015
    - Cash position remains strong -\$217.3k total. \$31.6k checking, \$69.9k operating, condo reserve - \$83.6k and boat dock reserve - \$32.2k.
    - The reserve fund includes \$25k of the \$50k budgeted reserve contribution. The remaining \$25k will be transferred immediately.
    - AR -One owner has not paid the boat slip fee. They are in bankruptcy, so we are just waiting for opportunity to initiate collection process. There is also another owner who owes some late fees.
  - 2016 Budget - Boat Slips - Annual budget of \$75 per year is working well. Board agreed to leave it as is.
  - 2016 Budget - Condos
    - Forecasted to finish the year with a slight excess of revenues over expenses totaling approximately \$2k. This allows for \$1k of misc repairs in 4Q of 2015.
    - Holding dues flat and assuming the following major assumptions, will have a deficit of revenues over expenses of \$1,745.
      - Insurance increase of 5% which is consistent with the 2015 increase.
      - Flood insurance increase of 10%. Increases are expected to be consistent with prior years vs the extra surcharges experienced in 2015.
      - Landscaping contract is up at the end of December, assumed a 5% increase - just in case.
      - Building Repairs budget - \$35k
        - A Building Painting Contract totals \$27.3
        - A Building Misc Repairs identified total \$4.8k
        - Leaves \$2.9k of discretionary repair items for the remainder of the year.

- \$26,000 will be contributed to the reserve fund based on the study
  - Board decided to carryover the 2015 operating excess to cover the 2016 projected budget deficit.
  - The items identified for replacement per the reserve study were discuss:
    - Roof on A Building - to be inspected to determine remaining useful life.
    - Mailboxes for A & B are still in good shape and will not be replaced yet.
    - Parking lot lighting for A/B/C does not need to be replaced at this point.
  - The budget will be officially adopted at the November 7, 2015 Board meeting.
- HHIRA - Jack Berry
    - Budget will be reviewed the weekend of October 4, 2015. Does not expect to increase dues for 2016.
      - Plan to continue to replace the landscaping
      - Plastic walls in the indoor pool area are still in the plan, even though the new HVAC system has made a huge difference with the mold.
      - The TVs in the clubhouse and gym are undersized. They are looking into their replacement.
      - Repair of the streets has been tabled by the Town.
  - Insurance - Vonnie Baker
    - Nothing to update

**OLD BUSINESS:**

- Water Heater Inventory - Matt to provide an update
- Water Leak - Frozen Pipes - Unit 104 A - Work is at a standstill because we can not get confirmation from the adjuster that the entire quote for mold from Royal Plus will be covered in full. Last conversation that Vonnie Baker and Wayne Saunders had with the adjuster was that there were items included in the mold quote that were already included in the claim. The duplication needed to be eliminated prior to inclusion in the final total.
  - To date BWIII has only been paid for \$22k of the \$44k claim due to multiple items that were not included in the original claim total. These items include the water remediation, the upper cabinets, the tile in the entryway and dining area and the mold.
  - Excluding the mold problem, there appears to be a \$3k difference between the quotes from the contractors and the money BWIII expects to collect. This needs to be reconciled.
  - Next steps require Royal Plus to contact the adjuster like Wayne Saunders requested weeks ago.

**NEW BUSINESS:**

- Building B Crawl Space - In the prior year, there was a problem with moisture under the B Building. Pumps were installed to rectify the situation. There was concern based on mold in one of the units that the moisture was back. It turned out that the owner did not leave the AC on in the unit and mold appeared. Crawl space is still dry.
- Building A Water Bill - The latest quarter's water bill was extremely high. It turned out that there was a leak in one of the A Building dock line. The leak has since been repaired.

- Budget Mailing - Will include an owner list with email and phone numbers when mailing the budget to the owners.
- Board Openings - Dennis Luchey, Treasurer recently resigned from the Board. Joe O'Donnell has sold his unit and will no longer be on the Board. This leaves two immediate openings.
  - Al Ulmer suggested that a letter be sent to the owners requesting two volunteers
  - Diane Stafford agreed to draft the letter
  - Letter will be included in the budget mailing
- 2015 Summer Season - No significant issues
- Shore Painting and Restoration Contracts -
  - All spindles on all decks should be check to ensure that they are secure
  - Gutter system should be reworked and re-leveled, especially in the rear of the building
  - There are also a few rotted areas on buildings B, C, D that should be repaired.
  - In painting contract, please specify that rotted wood boards should be replaced with AZEK trim.
- Miscellaneous -
  - Water to dock lines to be turned off by November 1, 2015
 Landscaping contract is up at the end of the 2015. Matt to obtain a quote from DM Taylor, as well as Sposato. DM Taylor - 410-251-7973 - Patrick Pastore is the contact person.
  - Irrigation contract is also up at the end of 2015. Obtain a quote from another contractor, as well as Sposato.
    - Make sure to add to the contract that the sprinkler system should be adjusted to certain specifications (amount of water and timing of water) as established by BWIII.
  - The handicap ramps and 1<sup>st</sup> floor walkway carpets should be power washed in the spring
  - Winter Plowing - Owners complained that there was no pathway plowed to the sidewalks and that they had to walk through snow to get to the side walk. A the April BOD meeting it was decided that a small section in each parking lot should be plowed and that there needs to be a path to the sidewalks. Matt to get a quote for this.

Next Board Meetings Scheduled at HHIRA clubhouse.

- Saturday, November 7, 2015 - 9AM (downstairs) - 2015 Budget
- Saturday, April 9, 2016 - 9AM (downstairs) - 2015 financials, preparation for May 2016, HOA meeting
- Friday, May 27, 2016 - 9 AM (downstairs)- Finalize BOD Annual Meeting Preparation
- Saturday, May 28, 2016 - 9AM (downstairs) - Annual

The meeting was adjourned at 9:50 am.