

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

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## Baywatch III Board of Directors Meeting September 28, 2013 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
- Dennis Luchey - Treasurer
- Diane Stafford - Member via phone
- Jack Berry - HHIRA Representative
- Property Manager - Accounting - Vonnie Baker

The reading of the minutes of the Board Meeting on April 6, 2013 was waived and the minutes unanimously approved.

### **Reports**

- Financial - Dennis:
  - Good Cash position - \$40.8k in operating funds. Reserve balance totals \$94.1 consisting of \$63.7k in condo reserve and \$30.4k in boat dock reserve. Reserve balance reflects all budgeted reserve contributions. However, the balance does not reflect that the \$20k of unusual major projects will likely be covered by the reserve account.
  - AR - One delinquent boat assessment. Communication with owner had originally indicated that the bill would be paid. Recently, the owner said that he would not pay the bill. He had given an attorney's name to contact for the payment of the bill however no response was received from the attorney. Will send to collections.
- HHIRA - Jack Berry
  - 1<sup>st</sup> HHIRA budget meeting is scheduled for October 5<sup>th</sup> with a second meeting scheduled for October 26<sup>th</sup> Nov 9. Does not anticipate an increase in CY, however future years an increase will be likely. Won't know about increase for sure until the second meeting.
  - Next Year's projects include
    - Fencing (\$30K)
    - Replacement of Tennis Court lighting (\$30K)
    - Some new fitness equipment (16K)
    - Replacement of Key Card system (\$10K)
      - Owners will be limited to 2 cards based on the by-laws. Owners that have more than two cards, only the 3<sup>rd</sup> and 4<sup>th</sup> card will be grandfathered in. If the extra cards are lost they won't be replaced.

- The HHIRA had a reserve study completed to determine the remaining useful life of the complex components and to determine how the reserve needs to be funded.
  - Dennis questioned when the boardwalks would be replaced. Jack indicated that the study indicated a remaining useful life of 3 years.
  - Jerry questioned whether the HHIRA had thought of selling boat slips right outside the clubhouse.-Jack will inquire at HHIRA meeting
- Insurance - Dennis Luchey
  - HO-6 Request letters. Still have questions on 3 who responded with 5 who did not respond. Will follow-up with emails to those who are still missing or have missing information.
  - The Association has increased the building insured value to cover the foundations. The buildings are insured for 100% replacement cost.
  - Flood Policy - Flood zones are being remapped. BWIII does not know what impact this may have on them.
  - Dennis commented that all the work BWIII has been doing does help with insurance costs. At renewal the water related deductible was decreased from \$10k to \$7.5k
  - Our agent indicated that BWIII should budget increases in the 10% range, however there is no guarantee that the increase won't be greater. Jack indicated that the HHIRA has a 30% increase budgeted. He will provide more information on the detail around this increase after the Board meeting on Oct 5<sup>th</sup>.

#### **OLD BUSINESS:**

- Water Heater Inventory -Owners that still needed work on their units to comply with the Bay Watch water line and water heater policies, were sent certified letters to inform them that they were still not in compliance and the Board would be replacing the non-compliant items at their own expense. Next steps will have to be determined at the November 9<sup>th</sup> meeting due to Matt's absence.
- Balcony Damage to Plywood on Owner's Deck - An owner has requested that the Association cover the cost to repair the soft spot on an owner's balcony. Correspondence has been going back and forth between the owner and the Board regarding whose responsibility the repair is. The Board stands behind its position, our attorney's position and an independent contractor's position that the plywood is not structural and therefore is the owner's responsibility. A letter will be sent from the Board. Jack stated that the repair has been made by the owner, but does not know if owner will still be pursuing reimbursement.
- Insulation Under A Building - Has been completed.

#### **NEW BUSINESS:**

- 2013 Forecast - Indicates that BWIII expects to finish the year with an excess of \$.6k of revenue over expenses (after adjusting for the \$5.2 repair bill that was recently presented to the association.) This is slightly behind budget. This also assumes that C building carpet, A Building insulation, B Building Sump Pumps and A Building Siding is paid for out of reserves (\$19.5 total).
- Proposed 2014 Budget Condominium- Budget being proposed does not increase assessments. The bottom line without an increase shows that based on assumed increases (mainly insurance), the association will not cover expenses with current year assessments and will need to use prior

year's excess to cover the \$3k shortfall. The Board will try to manage to the assessments by only taking on necessary projects, but is concerned because as the buildings get older more maintenance will be needed. We likely won't be able to hold assessments another year.

- Proposed 2014 Projects - The Board agreed to get the sidewalk replaced in front of D Building. Matt to get on the Town's list. Sump Pumps - quote for \$12.5k was obtained to put pumps under A and D building. Will hold off and determine how the pumps under B Building are working. Dock Lights - to replace the cosmetic covers on the dock lights. This project would be \$750 for materials and \$800 for labor. The Board will hold off on this project.
- Proposed 2014 Budget - Boat Dock - Assessments will be held flat with prior year. Even with the excess expenses that were incurred due to Sandy, the Boat Dock budget was adequate for 2013.
- Invoice from United Restoration - A \$5.2k invoice was recently presented to the Association for internal repairs to A-104 due to the water damage. Further details need to be provided to the Board prior to approval. Board would like to understand what was spent on these repairs.
- Budget Mailing - will include cover letter to include insurance deductible notice, information on A building insulation and needs to be sent 30 days prior to the adoption of the budget.
- Shore Painting Proposals for D Building and other Misc. - D Building proposal for painting, etc totaled \$26,180. They also identified some other misc work that needs to be completed totaling an additional \$5,480 (door replacement, drip caps, etc.). The Board unanimously approved both proposals. The Board also requested that the window work near 102D be completed first, so owner can get interior painted without further damage.
- Shore Painting Proposal for Replacement of Fake Windows - \$11,960. Board will hold off on this proposal. Drip caps seem to be working, so will hold off until absolutely needed.
- Boardwalk Painting - Dennis indicated that he thought the boardwalk may need to be completed again. He also thought that it should be completed with a stain with pigment to further protect it from the sun. This will be added to the potential work day list for 2014.
- Finger Piers - Many nails are popping on the piers. BWIII will ask owners for assistance to hammer the nails on their respective piers to save some money. Note will be included in budget mailing.
- Rot on Building - B 201 - Owner would like little balcony in the front to be inspected building siding appears to be rotting. Matt to have it inspected.
- Flashing on A Building - The flashing is missing on the A Building on Two corners and there is also a scallop missing. Matt - to have the flashing and scallop replaced and check the wood underneath.

Next Board Meeting - Saturday, November 9, 2013 - 8am in HHIRA clubhouse.

The meeting was adjourned at 9:57am.