

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

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Baywatch III Board of Directors Meeting
November 7, 2015
Minutes

CALL TO ORDER - The meeting was called to order by President of the Board - Jerry Quinn at 9:05am in the HHIRA Center. A quorum was present. Attendees were as follows:

- President - Jerry Quinn (via Phone)
- Vice President - Al Ulmer
- Secretary - Diane Stafford
- Treasurer - Open
- Jack Berry - HHIRA Representative (via phone)
- Property Manager - Accounting - Vonnie Baker
- Also present were future Board volunteers - Jane Ayers (via phone, Peter Grieff, David Long, and Charlie Schulz)

Reading of Sept 26, 2015 Minutes

Al Ulmer made a motion to waive the reading of the minutes and accept them as written, Diane Stafford seconded. All unanimously approved.

Reports

- Financial - Vonnie Baker
 - 2015
 - Cash position remains strong -\$214.1k total. \$7.9k checking, \$65.3k operating, condo reserve - \$108.7k (includes full 2015 budgeted reserve contribution of \$50k) and boat dock reserve - \$32.3k.
 - AR -3 owners have not paid their 4th quarter dues. This is unusual. Reminder notices were sent on October 23rd. Attorney letter is next step. One owner has not paid the boat slip fee. They are in bankruptcy, so we are just waiting for opportunity to initiate collection process. A real estate agent did call regarding unpaid dock fees, so this dock may be changing hands soon.
 - YTD through October, trending approx \$4k ahead of budget. \$1k is related to the boat slips. Only known major repair that may come out of this figure is the \$1.5k for the fire panel for the B building. This will be discussed under new business.
- HHIRA - Jack Berry
 - Budget for 2016 will be adopted on 11/14/15. Budget reflects no increase in dues for 2016.
 - Debt is down to \$113k. 3 years ago the debt was \$300k.
 - HHIRA has \$90k in operating cash
 - Reserve fund balance is ahead of the recommended balance per the reserve study.

- Installing 12 new security cameras. This count is up from 6 and includes some outside cameras.
 - Plan to replace the landscaping in the 120th street median
 - Plastic walls in the indoor pool will be installed. The indoor pool will be closed after the 1st of the year. The exact dates are still TBD.
 - Geese were less of a problem this year due to a sonic fixture installed by one of the homeowners
 - Diane informed Jack that there were no paper towels in the bathrooms. Jack indicated that they are working through issues with the cleaning company. Jack will let Legum and Norman know.
 - If any owners have any issues like this, they may contact Legum & Norman.
- Insurance - Vonnie Baker
 - Nothing to update. Insurance renewal is in July.
 - Flood zone update shows Bay Watch III moving from a flood zone to a non-flood zone. This means that mortgage companies no longer require Bay Watch III to hold flood insurance. Given the risk in OC, the Association will continue to carry coverage. Just because flood insurance is no longer required, it does not necessarily mean premiums will decrease. ISG is determining whether it is beneficial for BWIII to pay premiums based on the new zone classifications.
 - Dave Long asked if the insurance is shopped among carriers each year. We believe the answer is yes, but we will make sure of it at renewal time.

OLD BUSINESS:

- Water Heater Inventory - Only 1 unit still requires replacement. Matt to send certified letter. Also, Matt to begin letter process for A 204 & B 301 since their water heaters will require replacement in 2016. C 202 should be updated to reflect stainless steel ice & washer lines.
- Water Leak - Frozen Pipes - Unit 104 A -
 - Claim approved for \$38k excluding any mold related work. Waiting for remaining \$15k check for the non-mold portion of the claim.
 - Because Royal Plus was tired of dealing with the insurance questions, Wayne Saunders will be contracting/paying Royal Plus directly and then looking to BWIII to be reimbursed for the money.
 - BWIII will only reimburse Wayne for what the insurance company pays. Wayne is aware of this. Adjuster is awaiting proof of mold.
 - Royal Plus agreed to answer the adjuster's questions in writing only.
 - We are waiting for proof of mold. Pictures were sent to the adjuster, but he indicated that standing water causes stains on wood and the pictures do not provide proof of mold. Additionally, the air diagnostics test showed mold wasn't present in those areas.
 - Are also waiting for cost for new flooring & finishes in laundry and bath.
 - Area was retested for mold after remediation. This will not be covered by insurance.

NEW BUSINESS:

- Board Openings - Currently, there are two Board openings. In May, there will be at least 3 openings. There are 4 owners who are volunteering to become part of the Board. The official election will be held in May.

- Water Leak - C 304 - Owners came down in late May, early June, turned their water on and had a broken pipe in the master bedroom ceiling above the vanity. Since the damages were well below the Association's deductible, the owners were sent an invoice for the cost of repairs to their unit and the ones below. Total cost of damages was \$3,515.00. The owners just did send in the check.
 - Jane Ayers is the owner and was present at the meeting. She indicated that the carpet was cut in a bad place and the bathroom vanity is peeling. She is working with Matt to get these problems resolved. It has been about a month.
- Landscape Contract / Irrigation Contract - Quote from Sposato was \$9,023.50. DM Taylor Quote was for over \$13k. Sposato contract will be signed.
 - Dave Long asked if tree trimming was part of the Sposato contracts. Al explained that tree trimming isn't part of the contract and usually the owners handle the trimming of the crepe myrtles.
 - The Board discussed making this part of the owner work day.
 - Peter Grieff suggested that the Board come up with a rolling list of simple items that need to be accomplished at the Buildings. As owners have time, they can complete a task. Board will gather the list as part of the coupon mailing.
- Shore Painting and Restoration Contracts -
 - Waiting for revised contract that includes:
 - 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.
 - Other repair items noticed
 - Balcony headers near 101 A & 102 A
 - Ensure downspouts on all buildings are working and moving the water away from the buildings appropriately. Maybe consider installing gravel to prevent erosion
- Dehumidifiers Under Building - Matt to obtain quotes and determine feasibility.
- 2016 Budget - Budget was mailed to all owners with no comments received. Dues will remain flat to 2015. Budget is tight. Hopefully, will have excess in insurance. Al Ulmer made a motion to adopt the budget that was mailed to the owners. Diane Stafford seconded. All approved.
- Fire Alarm Panel for B Building - Alarm panel for B building needs to be replaced. It can be replaced with a used panel for \$656 plus labor with no warranty or with a new one for \$1,088.53 plus labor. When C building panel was replaced the cost was \$1.4k with labor. If B building panel will be around \$1.5k including labor, Matt is authorized to execute the contract.
- Sprinkler Contracts - Matt is bidding sprinkler systems monitoring. Charles Schulz provided the name of another sprinkler monitoring company to get a quote. Matt will get quotes from Kinetix & Surefire.
- Coupon Mailing - Vonnie to work with Al to ensure all work day and other topics are included in the cover letter.
- Management Contract - Add to next meeting agenda.

Next Board Meetings Scheduled at HHIRA clubhouse.

- Saturday, April 9, 2016 - 9AM (downstairs) - 2015 financials, preparation for May 2016, HOA meeting
- Owner Work Day- April 9, 2016

- Friday, May 27, 2016 - 9 AM (downstairs)- Finalize BOD Annual Meeting Preparation
- Saturday, May 28, 2016 - 9AM (downstairs) - Annual
- Saturday, September 24, 2016 - 9AM (downstairs)
- Saturday, November 5, 2016 - 9AM (downstairs)

The meeting was adjourned at 10:45 am.