

BAY WATCH III CONDO ASSOCIATION BOARD OF DIRECTORS

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Baywatch III Board of Directors Meeting November 9, 2013 Minutes

CALL TO ORDER - The meeting was called to order by President of the Board - Jerry Quinn at 0805 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 via phone
- Diane Stafford - Member
- Jack Berry - HHIRA Representative
- Property Manager - Accounting - Vonnie Baker
- Property Manager - Physical - Matt Shipley

The reading of the minutes of the Board Meeting on September 28, 2013 was waived and the minutes unanimously approved.

Reports

- Financial - Dennis:
 - 5 Year Look at Cash - Good Cash position - \$37.1k in operating funds. Reserve balance totals \$94.2 consisting of \$63.8k in condo reserve and \$30.4k in boat dock reserve. Reserve balance does not reflect that the \$19.5k of unusual major projects that are covered by the reserve account. The money will be trued up at year end.
 - The 5 Year looks shows increasing cash balances in total for the past 4 years. Reserve fund balances have grown consistently. 2013 will be the only year in the last 5 with a decreasing balance due to the \$19.5k in emergency projects to be funded by the reserve.
 - The strong fiscal management that has enabled BWIII to continuously grow its cash position, allows BWIII to fund these types of projects without calling for special assessments.
 - AR - All assessments have been collected. Just some minor late fee balances.
- HHIRA - Jack Berry
 - Budget approved - no increase in dues
 - Money allotted for buying pool covers this year(\$25K) - about a three year payback
 - Will install Wi-Fi early next year - plan to work in outside pool area and first floor of the bldg
 - Fence to be installed early next year - 2 sections have collapsed and are temporarily back in position
 - First application of goose repellent has been done- TBD as to effectiveness

- Will allot (\$50K) to reserve fund and continue to reduce debt
 - Info on flood plain - last mapping done in 1985 and at that time most of OC was rated "V" - highest risk. Latest mapping has most of OC rated "X"- less risk, except for those units on the bayside closest to the bay. The dunes on the beach are the contributing factor for the reduction. However, at this time, there is no anticipation of any significant decrease in rates
 - IMG Insurance is our new agency (Reese Cropper/Trish are the agents). Our previous agency was with Mark Hannahs. Our IMG carriers are Hartford for liability and Lloyds for property
 - IMG said 10% insurance increase for next years budget is a good number- he anticipates a 6-7% actual
 - Our new landscaping company is **DM Taylor - 410-251-7973 Patrick's cell number**. (about 10% cheaper than Sposato). We've been told that other condos have been pleased with their service
 - Will look for another company to handle our vending machines (service last summer was very poor)
 - Will get an estimate to replace the boardwalk treads for the area behind the tennis courts(bayside) from Baywatch II to corner. These tread are totally warped, balance of walkways not in real bad shape. Cost may be prohibitive at this time
 - Plan to install new access card system on March 3rd. A letter will come out in January explaining the new system and how new white and red cards will be distributed (I will send out more info in Jan). All owners will be required to sign a form that they have received the cards. Cards can be mailed or picked up at rec center office. Owners will be responsible for getting the cards to their rental agency.
 - At annual HHIRA mtg next May we will ask owners to amend bylaws for approval of a 2 year term for the HHIRA BOD members in lieu of present one year.
 - Rec center atrium window with the crack has been replaced
 - Pat Swanson of L & N, who was our new onsite office mgr this past summer died suddenly last week; she was doing an excellent job. She will be missed. L and N looking for replacement
 - Deferred Tennis Court Lighting project (\$20k)
- Insurance - Dennis Luchey
 - HO-6 Request letters. Still waiting for information from 1 owner. Additionally, there is missing information from two owners. Dennis will follow-up with emails to those who are still missing or have missing information. Getting this information is key for the Association's Risk Management.

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. 5 owners are currently not in compliance, however 1 will be replacing shortly. The next round of letters will go to the owners that have not replaced their washer lines and ice lines with braided stainless steel. Letters should be sent to Jim Almand for his review.

- D Building Sidewalks - Matt contacted the Town regarding the sidewalks in front of D building. They indicated that their condition did not warrant replacement. Matt will get this response in writing.

NEW BUSINESS:

- Review of Assessments - Jerry Quinn put together an historical look at assessments. Since inception, the assessments have not increased on average more than 2% per year. This data will be presented at the Annual Owner's meeting.
- 2013 Forecast - Indicates that BWIII expects to finish the year slightly over budget by \$1.3k. Through October, BWIII is essentially flat to budget (excluding the capital expenses of \$19.5k).
- 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. The Board unanimously approved the proposed budget.
- 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. The Board unanimously approved the proposed budget.
- Coupon Mailing - 2014 Coupons will be mailed in early December. Will ensure all future meeting dates are included in the mailing.
- D Building - Replacement wood completed. Paper and caulking on false windows appears to be keeping the water out. Some light sensors and exit signs were damaged by the contractor. The lights were repaired at the expense of the contractor. Matt to get the exit lights repaired and paid for by Shore Painting. All treads on the back of the building were replaced and treads on the front of the building were replaced, as needed.
- D Building Carpet - Matt and Jerry to determine if carpet needs to be replaced on D building.
- Parking Lot Lights - Matt to get quote for potential conversion to photo cell
- Pole Light at West End of Building C - Matt to have someone look at the leaning pole and get a quote to repair.
- Shore Management Contract -Contract is up for renewal in June. Contract will be shopped.
- Disposal of Records - Tabled to next BOD meeting
- Review of Summer Season - No problems to report. If there are too many people in a unit or other problems, contact Shipley Management and he will notify the owner.

Next Board Meetings Scheduled at HHIRA clubhouse.

Saturday, April 5th - 8am

Friday, May 23rd - 8am

Saturday, May 24th - 9am

The meeting was adjourned at 9:15am.