

Bay Watch III Annual Owner's Meeting
May 27, 2017
Minutes

CALL TO ORDER - The meeting was called to order by President of the Board - Al Ulmer at approximately 0900 in the HHIRA Center.

- A quorum was present. Representatives from 22 units were present with 5 units represented by proxy. Total owners represented - 27 or 56%.
- Proof of Meeting Notices was presented by Al Ulmer
- Al Ulmer introduced the Board of Directors (Al Ulmer, President; Peter Grief, Vice President; Charles Schulz, Secretary & Diane Stafford, Treasurer) and representatives of Management -Vonnie Baker (Baker & Associates -financial management) and Mika Shipley (representing Shipley Management). Jayne Ayers was not able to attend.
- A motion was made to waive the reading of and accept the May 28, 2016 minutes, which had been posted to the website. The motion was unanimously accepted by the membership.
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Committee Reports

- Financial - Vonnie Baker
- 2016 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 \$371 excess of revenue over expenses consisting of \$474 in the operating fund and \$(103) in the boat slip fund. This was actually ahead of budget because you budgeted to use prior year excesses to cover budgeted losses. The main reason there were not losses in 2016 was due to savings in insurance from changing agencies. This saved the Association almost \$8k.
- 2017 financials -
 - Cash position is strong - \$254.1k in total cash - \$77.1k operating, \$142.1k condo reserve and \$35k in boat slip reserve
 - Accounts receivable - Two units are delinquent. One unit owes 2Q17 and another unit owes their HHIRA fee for 2Q17 because it was not collected at settlement.
 - Trend vs Budget through May to date 2017 - \$16.3k of discretionary funds remaining. This will be fully spent after the remaining funds on B Building are paid, as well as other contracted expenses. The budget is very tight.
 - Reserve expenses in 2017 will be approx. \$5.9k for the B Building Gutter system and storage room doors, which is consistent with 2016.
 - A list of who is paid what was also provided.
- HHIRA - Jack Berry
 - Mortgage is down from \$98k in PY to \$67k. (It started at \$300k six years ago)
 - \$104k in reserve
 - Projects recommended per the reserve study through 2018 are complete
 - New gym equipment was purchased (2 pieces)
 - The front island was redone, along with planter boxes along the entrance
 - New card system was installed and working well
 - The trees around the pool will be replaced with water tolerant bushes

- In 2018 will replace decking and gutters around the building, the boardwalk, the HVAC boiler, and tile the sauna & foyer. Will spend about \$80k on these projects.
- Best Aquatic remains the pool company.
- Tom and Sandra are managing the on-site office

➤ Insurance - Vonnie Baker

- In 2016, BWIII hired a new insurance agency - Insurance Management Group - IMG
- By doing this, the Association saved approx. \$8k
- One major change that all owners need to be aware of is that the deductible increased to \$5k. Owners should make sure their HO-6 policy includes this amount of deductible.
- The Association also purchased a new workers compensation policy to cover in case of an uninsured contractor
- To request a certificate of insurance go to www.imgoc.com.

President's Report - Al Ulmer

- Thanks to all the owners who attended the meeting and who are consistently paying their dues on time.
- Dock Electric
 - Mainly impacts D Building
 - Must get permits if installing boat lifts
 - Association is only responsible for electric from the dock receptacle to the pier
 - Owner is responsible for electric to lifts
 - Current electric can not handle 220V
 - More discussion will follow under new business
- Information Bulletin #14 describes what is owner responsibility and Association responsibility
 - Condo is responsible for items that are structural in nature.
 - Flooring on the decks is owner's responsibility
 - Please ensure to check the deck flooring for sponginess and repair if found.
 - Buildings are aging and annual repairs continue to increase. Association may have to increase dues.
- Reminder that if doors and windows are replaced, they need to be painted the same color as the other units in the building. Sherwin Williams has all of the BWIII colors. Permits are also required for doors & windows. The Town of OC has a list of all items that must be permitted on their website.
- Owner Clean Up - Trying to schedule a clean up for the fall to power wash and seal the Boardwalk. BWIII needs volunteers. The same 6 to 8 people are always volunteering. If owners do this work, BWIII will save a large chunk of money. (Note Peter Grief and Jerry McAllister have begun the work on A Building. Thank you!)
- One owner asked if painting the doors are part of the B Building contract. No, this is owner responsibility.
- The Board did a reserve study a few years ago. The study includes items like parking lot lights, parking lot, and roofs. The Board reviews the study each year to determine upcoming projects. The roofs are upcoming in a few years.
- Crawl Spaces - The Board met with a company that proposed to vapor barrier, seal and dehumidify the crawl space. This is to prevent moisture from seeping up to the bottom floor. The cost of the work would total \$40k to \$45k per building. The Board is seeking less expensive alternatives.

HHIRA Representative

- Nominations were requested for the two year HHIRA representative position.
- Jack Berry agreed to serve another term.
- He was unanimously approved for another two-year term.

Old Business

- B Building maintenance is currently in process. The Association follows a 1 building per year maintenance cycle with no maintenance in the 5th year in order to contribute extra money to the reserve fund.
 - The gutters in the back of the building are being replaced as part of the cycle and the water is being moved exit through the downspouts on the ends of the building and then funneled away from the building. French drains would have been a more expensive option and would have pierced the bulkhead.
 - Storage door replacements are also part of this cycles maintenance
 - Any repairs to other building not deemed hazardous are done during that building's maintenance cycle
 - Any rotted wood on the building is also replaced prior to painting.
- An owner asked for clarification about rugs on the decks. Per Information Bulletin # 13, if the rug is original then the condo will pay for any repairs to siding. If owner chooses to replace the rug with another rug, then owner will assume responsibility for siding repairs. BWIII has recently noticed tiling may also be a problem. When anything is installed on the balcony, it should be installed to make sure the material & the sealant extends past the drip edge.
- Owner reported that a rug is pulled up on the D Building.
- Dryer Vents - Reminder that the dryer vents should be cleaned.
- Per the By-Laws, Bikes should not be stored in the stair wells. The Association has looked the other way if they are left there temporarily while the owner is in OC. They can not block egress. There is a bike rack at the D building.
- D Building ramp railing will be repaired.
- Owner asked if personal items can be stored in the electrical closet? Technically, NO, however it is done. Items can not block access to the electrical and sprinkler. They are not locked, so be ware.
- Owner asked if some of the piling toppers could be replaced. Al indicated that it would be a work day project.
- 2016 Summer Season - problems with renters throwing cigarettes off balcony and landing on the deck below, as well as more people in units was discussed. Owners were advised to call the police. The more times they are called, the more likely the individuals will be kicked out or the rental license revoked. 8 is the maximum number allowed in the unit.
- The owner of unit 204D is requesting information on the status of repairs to the unit above. There had been water damage on their ceiling. Suspect it was HVAC line.
- Water Heaters (Mika Shipley) - useful life is 10 years. All water lines should be stainless steel. Mika distributed the latest inventory of water heater & lines. Any questions or changes should be given to Matt. Stainless steel lines should be replaced every 5 years. Toilette and dishwasher lines should be changed when replaced. T
- he Board/Matt Shipley should be holding a key in case of emergency.
- C Building in next in the cycle. Please let the Board know of items that need to be replaced. Would like to survey the building in order to obtain a quote prior to the 2018 Budget.
- Owner asked what to do about the uncut lot next to D Building. Call the town. If enough complaints are logged, they will cut the grass.
- New Business
- Jerry thanked Al for attending the meeting even though he became a grandfather the night before.
- Dock Electric - Peter Grieff
 - Over time more boat lifts have been installed and have overloaded the circuit
 - The docks don't have the capacity for 220V lifts, recommend 120V lifts
 - Boat Lift Cos are not supposed to touch the electric

- To accommodate the number of lifts, it will cost over \$40k. BWIII may need to upgrade the electric which will cost even more.
- Many lifts are on the same breaker, so be conscious of when your neighbor is running their lift.
- The pilings are property of the Association and should not be cut
- Crawl Spaces - Al asked if anyone were having trouble with moisture in their unit.
 - C 103 has moisture drops on ceiling. In order to keep it dry, they keep their air/heat on and run a dehumidifier
 - Shore Restoration recommends keeping the temp 60-65 in summer and 75-76 in winter to keep the moisture out.
 - To install vapor barriers in all buildings - \$5k per building.
 - To seal the crawlspaces , install sump pumps - \$40k-\$45k per building.
 - One owner mentioned a spray insulation to help with the moisture problem. He will get the information to the Board.
- One owner mentioned that they have mice in their unit in D Building. Exterminator will be contacted.
- HVAC Policy - please remember to clean your condensation lines to prevent backup. If you have a regular HVAC service, ensure they include this as part of the annual maintenance.
- Shore Management is no longer cleaning the BWIII grounds. The Board will see if this service is needed. If you see trash on the ground, pick it up. Please report any bulb outages to Matt Shipley.
- Future Meeting Dates:
 - Saturday, September 23, 2017- 9AM (downstairs)- Review of summer season
 - Saturday, November 11, 2017 - 9AM (downstairs) - 2018 Budget

A motion was made and seconded to close the meeting. All voted in favor. The meeting was adjourned at 10:21am.

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Bay Watch III
 Organizational Meeting of the New Board Scheduled Immediately in Accordance with the By-Laws
 May 27, 2017
 Minutes

- Board was established with the following positions

Bay Watch III
Board of Directors
May 27, 2017

<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/Shipleigh Liaison
5	May, 2016	May, 2019	Diane Stafford	Treasurer
HHIRA	May, 2017	May, 2019	Jack Berry	HHIRA

Also discussed the approach to dock electric.

- Considering possibly putting all electric back to original installation which may force boat owners with 220V electric to hire an electrician with proper permitting to have proper electrical installed if they are able.
- Will get additional quotes for various solutions for further discussion.
- May need a special meeting for dock owners to discuss the solution.
- Dock 88 appears to be installing a boat lift. Vonnie will email the proper dock bulletins as a reminder.

**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 26, 2016
Minutes

CALL TO ORDER - The meeting was called to order by Treasurer of the Board - Diane Stafford at 9am in the HHIRA. A quorum was present.

Attendees were as follows:

- President - Al Ulmer (via phone)
- Vice President - Peter Grieff
- Treasurer - Diane Stafford
- HHIRA - Jack Berry
- Property Manager - Accounting - Vonnie Baker
- Property Manager - Physical - Matt Shipley
- Charlie Schulz
- Jayne Ayers (via phone)

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.

- The minutes from the April 8, 2017 minutes were unanimously approved.
- Discussion over the structural repairs of decks. Owners pay for the flooring and Association pays for the structural problems.
 - Problems are being found in both the front and the back
 - Owners need to make sure that they are maintaining the flooring. Any softness should be immediately repaired, otherwise it may cause structural problems.
 - Problem is that the beams are encapsulated for ascetic reasons, however this prevents the beams from drying.
 - BWIII will begin including the deck inspection as part of the annual maintenance process.
 - Owners need to ensure that the floor system installed goes past the drip edge.
- Any bulbs requiring replacement, will be done with LED.
- Matt is having Chesapeake roofing try to find the leak in 303 D.
- Discussed having a standard form for Matt to give owners when their problems do not involve the Association.
- Unit 201 A will be sent a violation letter regarding their windows, etc.
- Looking to plan a work weekend. Potentially Oct 1. Will discuss further at the owners' meeting.
- Sposato is not being paid until they cut the grasses. Matt will schedule a meeting with them.
- All, except Diane Stafford voted yes to have the insurance valuation updated for \$225.
- \$26k will be moved to the new ICS reserve fund, which is needed due to FDIC limits.
- Sink hole in parking lot is still not repaired. Do not pay invoice.

Meeting was adjourned at 10:05am.