

**BAY WATCH III
P.O. Box 5429
CONDO ASSOCIATION
BOARD OF DIRECTORS**

Ocean City, MD 21843
410-723-9495

**Bay Watch III Annual Owner's Meeting
May 23, 2015
Minutes**

CALL TO ORDER - The meeting was called to order by President of the Board - Jerry Quinn at 0909 in the HHIRA Center.

- A quorum was present. Representatives from 20 units were present with 8 units represented by proxy. Total owners represented - 28 or 58%.
- Proof of Meeting Notices was presented by Jerry Quinn.
- Jerry Quinn introduced the Board of Directors and representatives of Management -Vonnie Baker (Baker & Associates -financial management) and Suzanne Jones (representing Shipley Management)
- A motion was made to waive the reading of the May 24, 2014 minutes and was unanimously accepted by the membership. A unanimous acceptance of the minutes was also made.

Committee Reports

- Financial - Vonnie Baker
- 2014 Compiled Financials were distributed. Focus was placed on the budget vs actual information and the fact that the Association finished the year approx \$4k ahead of budget. The operating excess from the operating fund was transferred to the reserve fund.
- 2015 financials -
 - Cash position is strong - \$199k in total cash - \$83.8k operating, \$115.6k reserve (\$32.2k of which is boat dock)
 - Accounts receivable - No units delinquent except late fees. One boat slip owner is delinquent, but situation involves bankruptcy.
 - Trend vs Budget through April 2015 - \$4.2k ahead of budget. Prior year was \$9.2k.
 - Building maintenance - have \$8.5k remaining
 - Water claim cost Association \$7.2k - Jerry will address further
 - Snow removal cost the Association - \$1.4k more than budget
 - \$1.3k remains for dock related items
 - Flood insurance is expected to be \$1.5k more than budget. FEMA implemented some new surcharges, as well as remapped zones. A 10% increase over PY was budgeted. See 36% increases at renewal.
 - Landscaping - \$2k below budget due to the hard work of Bob Lemon and crew.
 - A list of who is paid what is also provided.
 - An owner asked a question about why the cash is some much greater than in the PY. Vonnie explained that cash should always be growing given the fact that you are budgeting to contribute to the reserve fund and there is no major reserve project underway. Additionally, since there is no building under the repair rotation program, no money was paid out at the beginning of the year like has done in the past.

- An owner asked for explanation about the building repair program. Jerry explained that each year the Association focuses on any major repairs/maintenance for one building (painting, etc.) In order to save more money as called for by the reserve study that was done in the prior year, the Association is not doing any major work on any building this year. That budget savings is contributed to the reserve fund. Any on-going repairs are done on an as needed basis.
- HHIRA - Jack Berry
 - Dehumidifier was repaired in the pool room. This has helped keep the wall dry.
 - Trees have been trimmed in the front
 - The front island is owned by the HHIRA. The HHIRA will be working on this area next year.
 - New plants were placed in four of the planter boxes our front
 - New pool furniture was purchased. The HHIRA saved \$20k from past years by finding a new furniture company.
 - The sprinkler system was repaired
 - \$8k worth of sod was purchased. They had tried planting grass, but the geese loved the seeds too much
 - 2 new HVAC units were installed.
 - A new pool pump (\$6k) was installed
 - New TVs were put in the gym & common area
 - HHIRA is keeping the existing cleaning company. They are doing a nice job.
 - Best Aquatics will remain as the pool company. This is year 3 and they continue to do a good job and are very accommodating.
 - Pool covers are put on the pools. This has saved \$2k since acid washing and refilling the water is no longer needed.
 - There is a new vending machine company. These companies are hard to find due to the seasonality and salt water damage to the machines.
 - The road may be done this year.
 - There is a no smoking policy at the pool, consistent with the new OC Beach policy.
 - 3 years ago the debt was \$352k, now it is \$118k
 - The reserve is funded \$50k ahead of where it was projected and repairs called for in the study through 2017, have already been completed.
 - Theresa is no longer staffing the office. They are looking for a replacement. The office should be open from 10-4 daily.
 - Geese are a protected species. The HHIRA continues to spray the grass - except during nesting season.
- An owner complemented the work that the HHIRA has done, especially the boardwalk.
- Jerry reiterated the huge improvement there is with the new Board and new management.

HHIRA - Election

- Jerry indicated that the Association had to elect their Board representative. Jack Berry agreed to run again.
- A motion was made and seconded to nominate Jack Berry to serve as BWIII's HHIRA Representative for a 2 year term. The motion was unanimously approved.

- Insurance - Jerry Quinn

- Insurance renews in July. We aren't sure what the increase will be, but we are hoping that the budgeted increase of 8% covers it.
- Flood insurance was budgeted for 10% increase and we are experiencing 36% increases.

President's Report - Jerry Quinn

- Financial Health of BW III is Good
 - Both Condo Association and Dock Association have positive balances and are in line with the Reserve studies
- This is year to skip major building work and fund reserves. Trying to keep repairs to minor and cosmetic.
- Insurance Replacement Cost Appraisal was completed.
 - Replacement cost increased from \$11.1MM to \$11.9MM.
 - Must complete every two years because policy is written so the insurance company will pay no matter what it costs to rebuild the buildings.
- A Building water leak from February frost (3 condos effected)
 - Pipes froze in exterior wall with very cold temperatures and minimal insulation
 - Total cost of \$32,000 - all except \$,7154 covered by insurance
 - \$5,000 deductible and \$2.154 to relocate pipes and could have done two years ago
 - Reminders
 - Keep heat at 55 degree minimum, turn off water, leave laundry door open
- Water Heater and water lines update
 - All water heaters with 10 year life span except one
 - Still some washer, ice maker and dishwasher lines need to be replaced. They need to be braided stainless steel.
 - Matt Shipley will follow up with individual owners for replacement
- Landscaping Crew (Al and Joanne Ulmer, Jack, Bob Lemon and Joe O'Donnell)
 - Removed dead and replaced with 65 new plants (Great Job!!)
- New Mailboxes being installed in C and D Buildings in two weeks. Keys will be left in the boxes
- Water leak in street in front of C Building
 - City will be repairing the leak and the irrigation water will be off for a few days
 - Main water valve has a leak and the valve in front of the fire hydrant is also leaking
 - This could be causing the water problem on the lawn in front of C building. Note: A leaky valve in the irrigation system was found and repaired last year.
- The downspout in front of A Building will be moved.
- Two Board Positions Open.
 - Al Ulmer - running again
 - Bob Simpson - retiring after 22 years! Thank you Bob!
 - Need volunteer for this position
 - Joe O'Donnell volunteered
 - Both Al and Joe were unanimously elected to the Board.

New Business

- Jerry opened the meeting to the floor for Owner / Membership Discussions:

- Unit 303 B commented that their clothes dryer takes forever to dry and wondered if any owners had any thoughts.
 - It was suggested that a flapper valve be installed on the dryer connection to prevent moisture from the main line and other units from entering their dryer. The exhaust pipes vent down and not up.
 - It was also suggested that stackables may work better
 - Get dryer vents cleaned. Indoor Pollution Solutions can help with this. (410) 673-1700.
- C Building - East Side. There are large chunks of paint chipping off. The owner is concerned that there is a moisture problem.
- Owner indicated that owners should not get complacent with the braided stainless steel. This can corrode and break too.
- Jerry reminded owners that the deck maintenance (non-structural) are the owners' responsibility. Plywood on the decking is owner responsibility.
- Unit owner of A 302 indicated that the gutters don't drain correctly. Gravel gets in the gutters and seems to plug them. This is impacting their deck. There may be a hole in the gutter.
- Owner list and contact list will be provided to owners in the next mailing. Name, Phone number & email will be included.
- Owner asked if rubber interlocking flooring is approved for the decks. Jerry indicated yes.
- Board asked if owners could please remember to water the new plants if they seem dry.
- Future Meeting Dates:
 - Saturday, September 26, 2015- 9AM (downstairs)- Review of summer season
 - 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 HOA meeting.

A motion was made and seconded to close the meeting. All voted in favor. The meeting was adjourned at 10:04am.

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Bay Watch III
 Organizational Meeting of the New Board Scheduled Immediately in Accordance with the By-Laws
 May 23, 2015
 Minutes

➤ Board was established with the following positions

Bay Watch III
Board of Directors
May 23, 2015

<u>Position</u>	<u>Last Filled</u>	<u>Term Expires</u>	<u>Person Holding Position</u>	<u>Role on Board</u>
1	May, 2014	May, 2017	Dennis Luchey	Treasurer, Insurance
2	May, 2015	May, 2018	Joe O'Donnell	Dock Master
3	May, 2015	May, 2018	Al Ulmer	VP
4	May, 2013	May, 2016	Jerry Quinn	President
5	May, 2013	May, 2016	Diane Stafford	Secretary
HHIRA	May, 2015	May, 2017	Jack Berry	HHIRA

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CONDO ASSOCIATION
BOARD OF DIRECTORS**

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Ocean City, MD 21843
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**Baywatch III Board of Director's Meeting
May 22, 2015
Minutes**

CALL TO ORDER - The meeting was called to order by President of the Board - Jerry Quinn at 9:00am in the HHIRA. A quorum was present.

Attendees were as follows:

- President - Jerry Quinn
- Vice President - Bob Simpson
- HHIRA - Jack Berry
- Property Manager - Accounting - Vonnie Baker
- Property Manager - Physical - Matt Shipley

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.

Meeting was adjourned at 10:00am.