

**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 25, 2019  
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 20 units were present with 8 units represented by proxy. Total owners represented - 28 or 58.3%.
- 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) and representatives of Management -Vonnice Baker (Baker & Associates -financial management) and Connor Braniff (Braniff Property Management). Diane Stafford, Treasurer and Jack Berry HHIRA were absent.
- A motion was made to waive the reading of and accept the May 26, 2018 minutes, which had been posted to the website. The motion was unanimously accepted by the membership.

**Committee Reports**

- Financial - Vonnice Baker
  - 2018 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 \$2.7k excess of revenue over expenses consisting of \$2.3k in the operating fund and \$.4k in the boat slip fund.
  - 2019 financials -
    - Cash position - \$163.3k in total cash - \$66k operating, \$73.8k condo reserve and \$23k in boat slip reserve. These balances take into account that the full 2019 reserve contribution has been made, that the dock electric project is complete (\$10k from condo & \$15k from the dock fund) and the B & C roof projects are complete. D Building Storage doors and D Building carpet replacement still to be completed.
    - Accounts receivable - \$1.2k represents 1 unit that still owes 2Q19 dues.
    - Trend vs Budget through May to date 2019 - \$17k of discretionary funds remaining. (Since the meeting it was noted that the storage doors were factored into the operating fund, so \$23k discretionary funds actually remain.)
    - A list of who (vendors) has been paid what was also provided.
    - Reserve Funds: The status of the reserve funds were discussed for both the condo association and the dock fund.
      - The dock fund is trending slightly ahead of the Board prepared reserve study done in 2014.
      - The condo association is approximately \$47k behind the Board prepared reserve study done in 2014. The main reason is that the Association spent \$53k or 31% of the reserve funds spent were on projects that were not even included in the reserve study to begin with.
- HHIRA - Jack Berry (report read by Al Ulmer in Jack's absence)
  - New tennis fence, nets, lighting and Har-tru surface refurb
  - New tile in clubhouse foyer
  - Replaced all ceiling tiles in clubhouse
  - Remodeled men's room in clubhouse with new sinks, granite counters and flooring
  - New sinks and granite counters in women's room

- Plan to pay off remaining mortgage on the building at years end (was \$300K in 2012)
- Reserve fully funded (\$99K)
- No dues increase anticipated for 2020
- One owner asked if the sauna was out of order? Al was unaware why this might be the case.

➤ Insurance - Vonnie Baker/Al Ulmer

- Policies renew in July. Given the market and storms in the past couple year, expect premiums to increase.
- Bay Watch III had their insured values updated. The values increased 8.5% to \$12.7MM. This increase will also impact premiums.

**President's Report - Al Ulmer**

- D Building - BW3 just finished the 4-year building maintenance cycle this year with D Building.
  - D building owners have experienced water leaks from both the front and the back. The Association has tried multiple fixes with nothing that works.
  - The Association has obtained a bid from a structural engineer - \$2.5k for a visual inspection and up to \$15k to pull the building apart to see concealed conditions. It is for this reason that the carpet replacement is on hold and that further aesthetic and non-safety/emergency repairs are on hold. The Association does not want to waste money on repairing something to have it later torn apart.
  - The original plan was to take a year or two off the maintenance cycle to make up some of the short fall in the condo reserve fund, however depending on the results of the engineering study this will probably not be feasible. Additionally, dues may have to increase.
  - One owner commented that the engineering study is a good idea.
  - Owners may note rotting marked with an X. These were extras and not included in the original painting contract. These won't be patched in an effort to save funds.
  - A new contractor will likely be employed, since work from Shore Painting has continued to decline.
  - The gutters were also rerouted.
  - Discussion ensued about how buildings were not settling evenly and may be causing the problems. Also discussed that buildings are tightly sealed which looks nice but is bad for water seepage and rot. Hoping that engineering study will help drive what needs to happen during future building maintenance cycles.
- All 4 buildings have had new roofs installed since Nov 2017.
- Dock electric is completed. Light are on the pedestals and each pedestal has a breaker box.
  - One owner requested that all the old wire disappear.

**Election of Directors**

- Four open positions
- Diane Stafford is no longer running for the Board. The ownership thanked her for her past service.
- Ben Battaglia, Phil Garber, Peter Grieff, Andrew Laird and Charlie Schulz running for the open positions.
- Results of the election were: Ben Battaglia, Peter Grieff, Andrew Laird and Charlie Schulz
- Jack Berry was also elected to service a 2-year term on the HHIRA

**Old Business**

- Building maintenance, dock electric and management were covered in the president's report.
- One owner commented that the shrubs are too high.

- Al Ulmer explained that the owners used to handle during owner's workday, but the same owners used to show up. Owners can trim the bushes as they see fit, but make sure to put the clippings in the trash.
- Shrub trimming is included in the landscaping contract for 3x per year
- Water Heater Survey - Water heaters older than 10 years need to be replaced. Most owners are up to date. Connor will contact owners with out of date heaters.

#### **New Business**

- Owner informed BOD that links on website are not working.
- Discussion about sealing the parking lot occurred. Will be next major project. It is scheduled in reserve study for 2021.
- Owners were requested to provide updated email addresses.
- Future Meeting Dates:
  - Saturday, September 21, 2019- 9AM (downstairs)- Review of summer season
  - Saturday, November 16, 2019 - 12:30PM (downstairs) - 2019 Budget
  - Saturday, May 23, 2020 - 9AM (downstairs) - Annual Meeting

A motion was made and seconded to close the meeting. All voted in favor. The meeting was adjourned at 9:55am.

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Bay Watch III  
Organizational Meeting of the New Board Scheduled Immediately in Accordance with the By-Laws  
May 25, 2019  
Minutes

The meeting was called to order at 10:05am

- Board was established with the following positions

**Bay Watch III**  
**Board of Directors**  
**May 25, 2018**

<u>Position</u>	<u>Last Filled</u>	<u>Term Expires</u>	<u>Person Holding</u> <u>Position</u>	<u>Role on Board</u>
1	May, 2019	May, 2022	Charlie Schulz	Secretary
2	May, 2019	May, 2022	Ben Battaglia	
3	May, 2018	May, 2021	Al Ulmer	President
4	May, 2019	May, 2022	Peter Grieff	Vice President/Braniff Liaison
5	May, 2019	May, 2022	Andrew Laird	Treasurer
HHIRA	May, 2019	May, 2021	Jack Berry	HHIRA

- Engineering Study -Discussion ensued about whether to hire the engineers GMB and about what BW3 wants done.
  - GMB did work on similar buildings, built by the same builder.
  - Want them to design a system to make the buildings watertight and is effective
  - Peter Grieff explained that he met with Marlin Restoration who is doing work on BayWatch 2. What he has found is that they have floor pitching issues and rotting headers with no flashing.
  - The Board voted to hire the engineers.
- Shore Painting - Balance owed to Shore Painting is \$14k. Agreed to pay  $\frac{1}{2}$  now and balance when punch list is completed.

The meeting was adjourned at 11:15am.