

BAY WATCH III CONDO ASSOCIATION BOARD OF DIRECTORS

P. O. Box 5429
Ocean City, MD 21843
410-723-9495

Baywatch III Board of Directors Meeting September 21, 2019 Minutes

CALL TO ORDER - The meeting was called to order by President of the Board -Al Ulmer at 9:01am in the HHIRA Center. A quorum was present. Attendees were as follows:

- President - Al Ulmer
- Vice President - Peter Grieff
- Treasurer - Andrew Laird
- Jack Berry - HHIRA Representative
- Property Manager - Connor Braniff
- Property Manager - Accounting - Vonnie Baker
- Unit owners: Gerald McAllister (A204), Ronald & Gloria Baer (D104), Paul Winfield (D202) & Charles & Lisa Ford (D 203)
- Ben Battaglia - BOD Member was absent
- Secretary - Charlie Schulz was absent
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Reading of May 25, 2019 Minutes

A motion was made and seconded to approve the minutes without reading because they were emailed after the meeting. All approved.

Reports

- Financial - Vonnie Baker
 - Operating Cash is \$38,921
 - Condo Reserve is \$73,962 this includes the full budgeted reserve contribution of \$26k.
 - Dock Association balance is \$23,237
 - AR - In good shape. One-unit owner still owes the Association \$1.3k for a reimbursement for repairs.
- HHIRA - Jack Berry
 - Debt will fully be repaid by year end. 6 years ago, the balance was \$300k.
 - The equity line will remain open
 - There is \$120k in the reserve and \$50k in the checking account
 - Dues will remain the same at \$225 per quarter in 2020.
- Insurance -Vonnie Baker - Policies renewed in July with an 11% increase. Policies renewed with increased values based on 2019 insurance appraisal. Walkway, Piers and Pedestals are covered for fire.

OLD BUSINESS:

- Dock Wiring - Pedestals working. No issues noted during summer.
- Debris on Walkways - Discussion ensued about the debris noted on the walkways. BOD discussed that a lot of debris was noted on the walkways and whether it was worse since the cleaning company was terminated. Will inquire whether lawn company will blow the walkways during the season in their 2020 contract.
- Management Report - Connor
 - Will be inspecting the water heaters during the sprinkler inspection
 - There is a pole in the D building parking lot that needs repair
 - B102 - Leak thought to be from unit above. Rental agency had already been to the unit. The HVAC was not working. Both Connor and Plumber believed the problem to be the HVAC. Unit owner was billed back for the repairs. Owner is contesting responsibility. BW3 is waiting for additional documentation from owner to show proof that the leak is BW3 responsibility.
 - BW3 will remind owners to clean their AC drains in the next communication to the ownership.
 - B202 - Emailed the Board about 3 issues.
 - Wood soft at the top of the stairs in front of his unit. Repairs were made.
 - 2 other issues involved crumbing siding and rotten trim on some areas at the top of the carpet. These will be put on hold until the Board determines if work similar to the D building will be needed on A,B & C.
 - D 302 Gutter/Center - Floor drain needs to get cleaned.

NEW BUSINESS:

- D Building - On 9/16/19, Becker Morgan & their contractor Mid-Coastal performed a concealed conditions study on the D Building and released their findings. The Highlights were:
 - The existing weather barrier is a mixture of felt paper and a synthetic. This was not properly lapped in many locations throughout our investigation.
 - The windows were installed on top of the felt paper without head flashing. This leads to water infiltration at the top of the windows.
 - The rear porches had multiple water infiltration issues where the water was being trapped by the trim. The trim is a compressed wood product that absorbs water after prolonged contact. This product is frequently failing around the building.
 - The knee walls on the porches are taking on water and failing. They will require replacement.
 - The front stair towers do not have proper flashing and water protection. They will require replacement.
 - The decorative trim on the sides of the building were not properly flashed into the building and will require replacement.
 - The waterproofing membrane on the rear decks is in poor condition, has improper flashing details and needs replacement. In several areas new coating has been put on top of the existing membrane and the coating is improperly detailing into the building envelope.
 - The front decks are sloping back towards the building and membrane is cut at the face of the building. This allows water to run down the face of the building behind the felt paper and water resistive barrier. This is extremely bad at the alcove entry doors.

Due to the conditions observed we would recommend a full replacement of the siding and weather barrier on all facades of the building. Each façade could be performed as a separate project in consideration of expense. The front stairs and entries would be our highest priority with the rear balconies and decks being the next highest priority. The sides are the lowest priority.

"We are estimating that the rear façade would cost \$250,000. The front would be about \$250,000. Each end would be about \$50,000. Estimate \$600,000 - 750,00 depending upon final scope, materials, etc., There are some ways we can try to get these costs down and save money while maintaining the integrity of the building. "

- Windows & Sliders- BOD discussed the fact that the windows will need to be removed and be reinstalled. This will be a perfect opportunity for owners to replace windows since the labor will be covered by the Association.
- Carpet - Needs to go. Becker Morgan will be recommending another alternative for carpet.
- Trim - Discussion over the type of trim to be installed. Color plus Hardie vs Azek
- Resale - Must continue to disclose at resale
- Kevin George from Marlin Restoration attended the meeting. Kevin performed the work on BayWatch 2 and Harbor Club and shared some of his experiences with those buildings, since they were constructed by the same builder.
 - Every building was built differently (i.e. some built with double 2x12s and some triple)
 - Found some buildings were not pressure treated
 - Pitch is a problem.
 - Found knee boards not connected to the walls or nailed.
 - Discussed how to handle entry doors to correct pitch/water breaching threshold (raise headboard, custom doors, like to try for a 1" or 2" but will settle for a $\frac{1}{4}$ "
 - Can't change the pitch on the interior units, therefore they must be watertight
- Discussion ensued over what temporary repairs could be made to prevent additional leaks. Since membranes was cut during carpet installation temporary flashing could be installed.
- Main posts seem to be structurally sound
- Discussion needs to happen about whether to use a licensed home inspector (Home Masters) or engineering firm as project manager
- Discussion about Kevin's thought about residing the building
 - Entire building not necessary
 - Areas around windows must be rewrapped/reflashed
 - Fake windows must be corrected/likely removed
 - D building seems to be in better shape than BW2.
 - Harbor Club redid building siding using Cedar impressions vinyl siding. Much cheaper maintenance and held up well over the last several years.
- Recommends dealing with one side of the building at a time, so that work is not duplicated
- Discussed Knee Boards and how Harbor Club used Azek and did not fill the nail holes. Use light paint colors only. Tan is OK. Kevin doesn't like Hardie Color Plus because it needs to be painted anyway.
- D Building West stair tower - It is trapping water due to caulking & paint. Must ensure dry from inside out. Need to open and ensure not trapping water.
- Harbor Club has left everything open on the decks. No soffit is used, therefore largest complaint is that water drips from decks above

- A, B, C - Discussion over whether Kevin could inspect the remaining buildings to determine whether those buildings had the same problems found in the D building. The Board asked Kevin to provide a proposal.
- A special meeting with a presentation to the ownership will be needed once all reports are received and a proposed go forward plan is known. Discussion over special assessment or financing occurred. Most leaned toward special assessment, however, must wait for final estimates.
- 2020 Dock Budget - Proposed budget held dues to \$135 consistent with the prior year.
- 2020 Condo Budget-
 - Forecasted to finish 2019 with a \$6k shortfall from budget. Assumptions include \$15k for engineering study and \$2.5k for other misc work. Shortfall will be covered from PYs excesses.
 - If dues remained the same as in the PY assumptions in insurance, management and building repairs would likely fall short by \$1.3k, \$1k and \$25k respectively. Additionally, even with a \$50k reserve contribution, the reserve balance would be approximately \$50k short of the amount that the reserve study calls for.
 - The BOD agreed to increase dues by \$40k to cover these items and begin to cover the reserve study shortfall.
- Next BOD Meeting Date
 - Saturday, November 16, 2019 - 12:30PM

The meeting was adjourned at 11:56 pm.