

The Island at Hidden Harbour
Board of Directors Meeting

January 16, 2016 -- 10 AM
Meeting Minutes

Board members Mark Hannahs, Wayne Keeler, Tom Murrill, Charlie Zellers and Carol Ann Bianco were present in the Harford General Insurance office (Lutherville, MD) conference room. Marie Henderson, Jennifer Cavanaugh (1st half only) and John Jensen (Mana-Jit) participated in this meeting via conference call. Mark called the meeting to order at 10:10am.

Topics discussed:

--**Tot lot refurbishment** – John shared thus far he’s had general discussions with several contractors for options to improve the appearance of the tot lot equipment. This topic will be pursued more fully in the Spring.

--**South pool fence** – In December, a solid panel section of the south pool fence, closest to the tennis court, blew over due to wind. Recently the adjacent picket section of that fence fell onto the pool deck. Visually it appears the metal rebar poles in the original wood fence support posts and the rebar along the edge of the concrete deck surface have rusted and weakened due to water intrusion. Note: while the north pool fence is currently intact, that pool foundation also shows stained water runoff spots and the concrete edging near those fence support posts have cracked.

On 1/8/16, Mark, Tom and Carol Ann along with John (and Chris) from Mana-Jit met at the south pool with RAD Construction and an engineer to examine the situation and develop a solution. After excavating the ground near the post failure, compactable soil was found 2’ below grade level. An informal repair option suggested concrete footings be poured at each post point and steel bars extended up from the footings to “sister” to the fence posts providing extra support.

A concern about any impact from ground water was also shared. Wayne agreed to seek a geo-tech engineer to possibly assist in this area. It was suggested that additional engineer opinions be sought before we proceed with any repairs. John agreed to check with the OC Permit Department to see if any drawings exist from the original pool build. John will also follow-up on the status of the 1/8/16 engineer inspection but cautioned it might be another 2 weeks before we receive the report / recommendation.

--**Dominica paint project** – Tom reported Moore Painting finished the paint project on Dominica right before Christmas. John commented the job was done with good cut-ins, sharp edge lines and no paint splatter on the carpet. Carol Ann stated we paid off the balance of this contract with 2015 expense money to keep this expense from impacting our 2016 budget item. Item is closed.

--**Dominica support column** – Tom shared Triangle Builders replaced the rotting support post on the rear of Dominica, in the area of units XX6 / XX7 units. The new 6” x 6” solid pressure treated post replaced 3 2’ x 6” boards tied together. An adjacent section of railings was also replaced. Final painting of the new wood is weather dependent. John will follow-up.

--**2015 water damage / final claims** – Mark explained an owner in Maui and an owner in Aruba are still waiting on reimbursement for excess electric costs incurred during the remediation work following water damage that occurred early in 2015. A breakdown in communication with the insurance adjuster has been identified and final steps are underway to close this issue soon.

--**2016 water break** – On Jan. 6th, a water pipe burst “due to weather” in the electric / utility room of Hawaii adjacent to unit 135. The break was discovered within minutes of it occurring and the main building water was shut off within 30 minutes of the report minimizing damage.

However, water did infiltrate into unit 135 and caused some damage. Immediate mitigation efforts were undertaken that evening in both the exterior closet and the owner unit. With The Island's current \$25k water deductible, both mitigation and repair expenses, currently estimated at \$16k, will need to be paid with association funds. The unit owner also has some issues (hard wood floors) to address with his personal H06 carrier as those are improvements to his property. The board requested that John obtain additional bids on the rebuild work. John agreed to reach out to several other contractors for additional repair cost estimates next week.

--Carpet bids for 2016 – After a visual inspection, John agreed with the board that the carpet on Bermuda and Hawaii was in the worst condition. John constructed RFP specs for the carpet bids on both of those buildings which the board accepted. John plans to send out the requests for proposals to 3 carpet companies in the coming week. Some discussion followed on installation and billing logistics that will need to be addressed more fully as we move forward on this project.

--Carpet standards / Architectural Guidelines – In the 11/14/15 board meeting it was agreed to allow owners who replaced their private deck carpeting within 5 years of an association lead new carpeting project to opt out. In this meeting, additional refinements were specified. Owners wishing to opt-out will need to show receipts / proof of their carpet replacement within the 5-year window. Further, the board limits this opt-out option to only include owners rear (water side) decks; all owner decks that directly connect to the common walkway carpet must be replaced at the same time as the building common area carpeting. The Architectural Guidelines will be updated to reflect these changes.

--Paint bids for 2016 – As agreed in an earlier board meeting, we plan to paint 2 buildings in 2016--Aruba and Islamorada. The board asked John to get cost quotes for this work.

--Lighting program – John shared the 2016 incentive replacement lighting program is not cost effective for The Island given the lighting changes we've already made. This item is closed.

--Heat check inspections --Mana-Jit performed owner unit heat checks in December and January. While January compliance showed improvement, issues continue to leave owners and the association vulnerable and liable for costly damages. In the case of the owners still not complying with the insurance carrier requirements, the board asked John to send letters to those owners advising them that their unit was not properly winterized, i.e. heat at minimum of 55 degrees and main water line turned off. They also need to be advised in the event water damage occurs based on their failure to comply, they will be held financially liable for damages.

Further, the board agreed to add a new violation category to the General Rules and Regulations for winterization compliance. For the first offense, owners will be notified with a warning. If a second offence is found, a \$250 violation fine will be imposed.

The board holds open the option to request Mana-Jit to conduct a 3rd unit heat check in February. We will collectively monitor weather and occupancy conditions and make a decision later.

--Inspection checklist – John shared the checklist he developed for his property inspections. Due to the recent electric room water issue, it was recommended adding checking that the electric room doors are securely locked on those rooms on a regular basis. John agreed to this addition.

--Building representatives – It was agreed there is no need for a separate building representatives program. Owners should reach out directly to the management company with any concerns. This item is closed.

--**Irrigation system** – Mark recommended we cut back the sprinkler / water usage this year and run the sprinklers only when weather conditions warrant it. All agreed. DM Taylor will need to be informed of this new policy.

--**Landscaping and grass cutting** – Marie noted now is not the time to address this topic. Mark recommended she and the committee look at these topics closer to Spring.

--**Financial Report:** Carol Ann shared updates regarding a few individual owner condo dues issues and that some owner confusion occurred from the \$30 monthly dues increase. Moore & Co. are working directly with owners to get everyone on track.

For November and December, the association expenses continued to exceed revenue; this has been a fairly consistent trend in 2015 mostly due to higher painting and wood repair costs. Even with not making the reserve fund contribution for both November and December, the year ended with a \$71,240 shortfall. The final Dominica paint project payments were made in December thus keeping those overage project costs within 2015 and allowing that budget line item to start 2016 without a carryover expense. December 2016 ended with a Reserve Fund balance of \$504,073.

A few cost saving items for 2016 include:

- the Mana-Jit contract includes 2 heat check inspections thus saving the association \$2000.
- an earlier board decision to cancel the DM Taylor power sweeping contract will result in a \$2380 annual saving. Notice to cancel this contract is an ACTION item for John / Mana-Jit.
- the Verizon telephone lines used for the fire protection alarm system are now on a 24-month Verizon term plan contract that reduced the monthly cost of each line (11 currently active) by \$9.26 each per month resulting in an annual savings in excess of \$1200 for 2016.

Additional cost saving recommendations from Moore and Co were shared with the board in this meeting. The board agreed to move forward with Moore & Co. using electronic / email communication with the board and / or owners in communication situations that suit this effort. An example of this is to share the year end, spiral bound, financial report to save production and mailing costs. John feels the email authorizations received from some owners thus far would cover such owner mailings by Moore & Co also. Efforts will continue to obtain more owner's acceptance to receive email notifications.

Lastly, the board agreed to authorize Moore & Co. to set up direct payments for standard monthly charges, mostly utilities. Over time this will save processing and mailing costs for them / us.

Items from the floor:

Charlie questioned if the rear circle on the top of Cayman was repaired. John will follow-up with Triangle Builders for status.

Charlie also reminded us of the cracked top step in the North pool. John shared the pool company will address this repair when they perform the start-up efforts in the Spring.

A date for the next board meeting will be determined after we receive responses to various bid requests and the engineer report on the South pool fence issue.

With all business addressed, the meeting was adjourned at 12pm.

Respectfully submitted,
Carol Ann Bianco, Treasurer