

**The Island at Hidden Harbour  
Board of Directors Meeting**

**April 18, 2009  
Meeting Minutes**

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**Board members in attendance:** Lou Engle, Marie Henderson, Kitty O'Hara, Tom Murrill and Carol Ann Bianco. [Barbara Taylor/OCREM had a schedule conflict and was not able to attend this meeting so Carol Ann, as Liaison, provided her/OCREM updates]

With Wayne not present, Lou called the meeting to order at 9am. Since Mark was also not present, Lou later delivered the Treasurer report.

**Active/On-Going Project Status**

**Lighting maintenance:**

Joe continues our regular inspections and bulb replacement program. He found a less expensive bulb for the walkway lights. If this generic one lasts, we will save a significant amount of money on this type bulb.

**Re-Activation of property water:**

By the Sea Plumbing began turning on the outdoor water lines early in April. This is a month later than last year due to the cool/cold and rainy weather thus far. He had to replace several shower heads – on Lanai and Oahu --due to rust/sediment damage. He also discovered a crack in a combo valve line at the south pool that integrates with the sprinkler system there; that repair will hopefully prevent a future occurrence.

**Irrigation system activation:**

Marie advised she met yesterday with another landscape contractor who also services irrigation systems. He will send a bid for our systems next week. At this time, we do not believe the sprinkler system has been activated. While this is not an immediate concern due to all the recent rainy weather, it does highlight our continued frustration over poor communication from our current irrigation vendor.

**Recurring sinkholes:**

As Tom alerted us last month, the sinkhole in the sidewalk between Bermuda and Cayman is back. Barbara is now working with McGinty to address this problem as he repaired it last year. He assured her he stands by his work but to date he has not inspected nor advised the reason for the re-occurrence. Also, during a walk-around yesterday with the landscaper, we discovered severe ground sinking near the north pool and dumpster. The landscaper said he could address this area; more details will follow in his bid.

**Wi-Fi**

Tom said the Wi-Fi vendor jacked up the signal power from the HH III complex antennas to address the weak signal he had in Dominica. The vendor also plans to add antennas to the rear of our bayside buildings. This will provide better coverage for our owners as well

as allow Sanctuary condo association members to jump onto the Hidden Harbour Public Internet network. They will not, however, get any revenue from their participation. The board felt these actions were fine as long as the bandwidth can accommodate all users.

New Website status:

Carol Ann shared statistics from our website host provider showing the number of hits to the new IHH website since we went live on March 4<sup>th</sup>. Discussion then followed with suggestions of material to be loaded for the boards use. The board also felt Carol Ann should provide a quick update now of our current project status to the website.

Project Updates:

**—Cayman work:**

--The 3 main floors of the Cayman building have been power washed--front and back. The peak will be done later in conjunction with the Bermuda building work since a boom lift is required.

--The old carpet was removed earlier; the UR1600 wood treatment coating material was ordered and is stored on site now and ready for use.

--Triangle/Marty has already inspected the Cayman building for rotten wood along with Moore's paint/power wash crew. He purchased the new material and prepped it in his shop but has not been able to install much yet due to the recent rainy wet conditions.

--Due to cooler than expected weather, steady painting only started recently. The plan is to paint the back/lagoon side of Cayman first. This will allow the carpet crew to install the new rear owner deck carpet first--hopefully before many owners are here and thus less disruptive to them. The painters will then paint the front of Cayman, again so the new carpet can be laid there next.

--The metal door on the rear of this building is severely rusted. A bid to install a patch panel to the lower section was reviewed and rejected. Marie commented a new door, with frame, from Home Depot would cost less than the patch repair, not including the install cost. Marie made a motion that we order and install a new door and get a cost estimate from Triangle/Marty to install it. Kitty seconded the motion and all present approved it. Carol Ann will work with Barbara/OCREM to execute this plan.

**---Bermuda work:**

Power washing the 3 main floors of Bermuda is basically complete now. Inspection for rotten wood will be done as soon as the wood repairs are finished on Cayman.

**--Tennis Court:**

Again due to the cool and wet weather conditions, the final surface coat and paint application can not be applied yet on the tennis court. The vendor has confirmed we are on the top of their work list as soon as weather conditions stabilize.

Carol Ann reviewed a draft letter informing owners of the key box access codes for 2009. Recommendations were made to modify the dates and the wording. It is planned this letter will be sent out to the owners no later than early May.

Marie advised she asked the landscaper yesterday to include adding an edging around the tennis court to keep the grass and weeds out.

### **Finance Report:**

#### **Year to date budget vs. actual report review:**

Lou commented we are in excellent financial shape thus far based on the budget comparison report. While new account sub-categories have been established, based on earlier meetings/dialog, we still have a few more items to shift to a better location in the structure. Further those items on the second page of the report that have not had expenses charged to them yet need to be incorporated into the main body of the chart, not kept separate. Lou will work with Mark/Moore & Co to address these changes.

#### **Reserve Fund:**

It was noted that as of our March 31, 2009 Reserve Fund report, we currently have \$184,788.22 in actual funds available for use. However the current report suggests we have a balance of \$332,935.23 due to the \$148,147.01 entry of money we “owe” ourselves from prior work projects. The board unanimously agreed to eliminate the line item of money we “owe” ourselves from this report as it is mis-leading. We will however continue our monthly contributions to the reserve fund thus building the balance back up to earlier levels.

#### **Reserve Fund-CD's**

The Reserve Fund monies are invested in 3 CDs each holding approximately \$50k. One is with Chevy Chase Financial-Discover Bank/Greenwood; it matures on 11/17/09. The other two are with Sandy Spring Bank and they both mature on 8/23/09. The remaining reserve funds are in money market accounts at Bay National Bank and Hebron Savings Bank. The money market funds are sufficient to cover our known reserve fund projects.

#### **Operating Fund:**

Again as of March 31, 2009 our Operating Fund is holding \$244k in 2 accounts at Bay National Bank. Marie recommended we estimate our outstanding, committed and known expenses through May. Then we should move some of the “excess” funds into a short term CD to maximize our capital. Carol Ann agreed to put together the known project expenses. We will then rely on Moore & Co to determine our standard monthly commitments and determine how much can be better invested in a short term CD.

#### **Board members financial end of year report:**

Marie noted the end of year financial report from Moore & Co. included incomplete reserve fund details. The back section of this document only lists part of our current reserve fund study. Lou said he had addressed this issue to Moore & Co. earlier this year. Given the current cost of this report (\$2500) we question do we even need this financial statement report? Lou agreed to check on this as well as verify our suspected cost for it. He also agreed to find out what contract agreement we have with Moore & Co; what activities are standard; which, if any do we pay extra for?

#### **Requirements to be met for re-sale financing:**

Recently we have seen documents of new guidelines for anyone trying to obtain a Fannie/Freddie Mac financing agreement. There is one item we need to add to our

financial reports in order to be compliant. We need to list our insurance deductible as a budget line item so lenders can see how it will be paid if a claim is made. Upon guidance from Bob Moore, we will show this line item in our Reserve Fund report. If we listed it in the Operating Fund budget, it would cause the owner condo dues to be raised by \$13/month which is not necessary. Tom made a motion to make the change needed to be compliant; Kitty seconded it. All present voted in favor of this action. Lou will pursue.

Legislative rulings:

Lou provided a new handout listing recent legislative ruling that might impact condo associations. After review, we are currently compliant with all of them except to show our fidelity bond in our budget report. Lou will pursue.

Other budgeted items:

As mentioned earlier, we have money allocated in several categories yet to have expenses charged against them. In fact, some line items will probably not be used fully or at all this year. Discussion and agreement followed to shift some of these excess funds to the landscape budget. It was also decided next year's budget preparation should be completed with input from the board group/team in a board meeting.

**Owner Guidelines/Action Items:**

Owner contact list updates:

Carol Ann advised we had over 60 responses from owners who sent back revised contact information sheets from our last newsletter mailing. She has also tested all the local OC condo telephone numbers to verify which are still active. Lastly, a reconciliation of boat slips was made from the state tax records. All updates have been incorporated into the master owner contact documents.

Heat Pumps:

Carol Ann reported she has nearly all owner heat pump units identified now. This was completed through two walk around inspections earlier this year as well as direct contact via email with some owners. There are only a few units left to determine ownership and then this project will be complete. These charts will be made available to OCREM and the board members in case frozen heat pumps are discovered next winter.

Newsletter to owners:

Carol Ann reviewed some topics she plans to include in the next owner newsletter. Several other suggestions were made by the group. It is hoped the next newsletter will be ready to send out by mid-May.

**New Business/Bids**

Landscaping:

Marie reviewed the meeting and plans made from her meeting yesterday with a new landscape firm who was recommended by OCREM. While she is waiting on an estimate to determine the full cost of work for this season, she highlighted a few critical items: --as mentioned in the tennis court notes, landscape edging will be installed around the tennis court to keep the grass and weeds out of this area.

--the entrance sign area needs additional sprinkler heads added so this years new flower plantings can fill in and provide a terrific first impression of The Island. The sign itself needs touch up painting. We will ask Moore Painting for a bid on the painting project.  
--some (4) mature trees need to be removed due to their encroaching onto the owner front decks on the Hawaii building.  
--during the financial discussion, several board members requested Marie look into removing the (3) plum trees behind Dominica due to geese nesting and related mess.

#### Recycle bins:

The one recycle bin spotted earlier is still secured to our docks behind Hawaii. We've been waiting for warmer weather to extract it from the water; it is now on its side, full of water and growing barnacles. Given the broken lid and expected poor condition of this container, the board authorized only 1 hour vendor labor to remove it; otherwise leave it in place. [Update-we think we now know the location of the second run-away can.]

The board received 2 bids to construct a 3-sided structure to surround the recycle containers and hopefully prevent their future trips off site. One bid used a wood/T-111 material which was rejected due to the cost of on-going maintenance, esp. paint. We also questioned whether the vinyl material in the second bid is available in a color other than white to be less noticeable and again keep ongoing maintenance costs down. The landscaper Marie (and Carol Ann) met with yesterday also offered to bid on this 3-sided structure. The board deferred a decision until the new (3<sup>rd</sup>) bid is received.

It was decided to stay with the current quantity of 2 sets of containers. As it is now, we will probably have to buy 2 new containers to replace those lost last winter. OCREM confirmed with OC Sanitation they still cost \$300 each "at this time". We will also have OCREM verify with OC Sanitation any size guidelines for these 3 sided structures before a final decision is made. Lastly, we will select the locations for installation of these structures on a walk around at a future date/time.

#### Pool "stuff" for this season:

##### --Water fountain at the south pool:

During the plumber's efforts to turn the water back on around the property, he discovered the water fountain at the south pool is "shot"; it is beyond repair now. He provided a bid to replace it with a new stainless steel unit (stainless due to outside weather conditions). Joe informed OCREM the OC Water Dept. requires every pool to have both a working water fountain and shower. The board approved this estimate and Lou signed it pending confirmation of the above OC requirement in writing.

##### --Umbrellas:

Marie has spent many hours researching new patio umbrella options for the pools. She is still on the hunt for the best style/cost umbrella for the association. She also wants to verify how many need to be replaced this year before placing an order. Tom made a motion to authorize Marie to purchase up to 10 new umbrellas at a cost not to exceed \$250 each. Carol Ann seconded the motion and all present approved it.

--Signs:

Carol Ann advised 1<sup>st</sup> Choice Pools, our vendor for this years pool maintenance, has signs we need for the pool chemical room doors. We will purchase 2 of them to comply with Health Dept. regulations. Also, 1<sup>st</sup> Choice installed key lock boxes at both pools in case our regular service person is unavailable, then others on their team can easily assist. We will own these boxes after the season.

Lou said we need to verify signs are in place stating “no glass containers” are allowed in the pool deck area for obvious safety reason. It is also a health dept. regulation. Carol Ann will also recap the association rules for pool use in the next newsletter.

Fire Protection—telephone lines:

Carol Ann reviewed the current inventory of telephone lines connected to the fire protection system. After some discussion it was decided best to leave the set-up as it is for now. Kitty volunteered to see if there are less expensive monthly service cost options.

Future Projects:

Carol Ann reviewed a bid OCREM obtained to have the common area decks on Islamorada power washed. The board approved taking this action but requested we first obtain a second bid, possibly from Moore Painting Co. before proceeding. Carol Ann will work with Barbara on this.

Items from the floor:

None

Kitty made a motion to adjourn the meeting at 11:50am; Marie seconded it and all present agreed.

Respectfully submitted,  
Carol Ann Bianco, Secretary