

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

**July 18, 2009
Meeting Minutes**

Board members in attendance: Wayne Keeler, Lou Engle, Marie Henderson, Kitty O'Hara, Tom Murrill and Carol Ann Bianco. Barbara Taylor/OCREM also attended.

Wayne called the meeting to order at 9:05 am.

Finance Report:

Bob Moore, our CPA/Financial Business Advisor, attended the first portion of this meeting to review with us the proposed 2010 budget he and Mark prepared earlier.

The two main highlights of this proposed budget are:

- 1) plan to hold owner dues to the same level (\$270/month); same as the past 2 years
- 2) projected revenue > expenses will allow a higher transfer rate to the reserve fund

Bob said while we have not done a revised reserve fund study, he anticipates it would tell us we should have \$700k in reserves now. Since we are no where near that funding level at this time, a new study would merely confirm this. He said if we keep our revenue well over our expenses for the next few years, we can significantly rebuild our reserve fund.

One major reserve fund expense concern is the future replacement of the roofs. We had them all inspected 2 years ago and do on-going maintenance as needed. The projected life expectancy of each roof is 20 years; our oldest building (Aruba) is now 16 years old. We feel confident we will be able to manage for this expense given our current plans.

Barbara advised Ed Moore/Moore Painting feels we are fine to skip any/all building paint projects next year. He feels due to the location/position of Oahu, this will likely be the first one needing paint again, probably in 2011. If we maintain a schedule to re-paint the buildings and don't let them get too bad, we should be able to rinse the structure versus power washing it and only need to apply 1 coat of paint versus primer and 2 coats of paint. This will hold down future paint expenses from the operating budget.

At this point, the board stepped through the proposed 2010 budget line by line. We made adjustments to several line items based on past experience or projected needs. Barbara agreed to check our contract renewal periods, esp. those regarding fire protection. We need to verify that those committed expenses will remain stable in the next year(s).

Bob agreed to incorporate these changes and provide a revised version of the 2010 budget in the coming week.

Active/On-Going Project Status

Irrigation system:

Marie continued to share some concerns with our irrigation system. She said Mike has noticed several areas where the grass is burning up. He questioned whether someone was changing the timer settings on the control units or if the controllers are wearing out? Marie also said she anticipates we will need new irrigation lines installed in some areas in the future, especially near the dumpsters. One of her goals is to increase the areas that are grassed which will require regular watering. She plans to eliminate the soaker hoses, many of which are now exposed and not truly doing the job as intended.

Landscaping projects:

Marie advised some of the landscape projects are now finished; most notably the new plantings in front of the sales office which everyone agreed looked very good. She said Mike has more work to do between the guardhouse and the sales office to fully complete this area. Mike has now removed the Hollywood junipers from many areas including those around the dumpsters. She is taking a hard look at future work needs and does not expect to finish it all this year. One future plan is to remove the dying pine trees around the pool. Most are leaning and causing a mess in the pool area; plus this will allow more space for playground equipment in next years plan.

Recurring sinkholes:

Marie noted this is still on the work list but Mike is not sure when he'll get to it. The hole has been covered with a board as a safety precaution.

Project Updates:

--Bermuda work:

Barbara said the wood repairs are done and the painting is finished.

--Misc. paint projects—sales office; light poles

Barbara said the sales office wood repairs are done and the painting is finished also.

The painters started the light poles yesterday and most are done already. They did find a bolt missing from one light pole, between Maui and Oahu; Gilbert Electric will fix it.

--Deck cleaning—townhouses:

Barbara said the deck cleaning is done. The board asked that she send another note to owners with items on the common areas as this is a safety issue and could also cause future damage to the deck surface itself.

--Repair/Paint guardhouses:

--Interior—Joe G worked on the needed wood repairs on the interior of the guardhouse this past week.

--Exterior—the painters finished their work on the trim of both of these structures.

Recycle bins:

It was agreed to abandon the one sunken recycle bin (on the building side of the dock near Hawaii). It is fully under water now.

The one recovered recycle bin that was placed near Dominica during the peak season will be cleaned up, if possible and worth that expense; if not, it will be eliminated. If it can be saved for future peak time needs, Barbara will have Joe move it behind the sales office and secure it there out of sight.

Marie said the custom color material to build the recycle bin enclosures is on order. She suggested a new location for the placement of these two structures. Marie recommended one shared, central location for both sets, in the middle area of the parking lot. The board agreed this is a better location option for The Island. Barbara said she would discuss this location option with Steve Brown, OC Sanitation, to verify that the haulers will move the bins out of the proposed area to the truck for pickup.

Owner Guidelines/Action Items:

July 4th parking/guard services:

We briefly touched on the July 4th parking status. Lou said there were approximately 20 empty spaces that day which he could attribute to owners he knew did not come down.

Owner requests:

An owner in Bermuda questioned if the 1st floor rear deck wooden steps were power washed at the same time as the building during paint preparations. Barbara confirmed no, this is not part of that contract since the steps are not items to be painted. The owner agreed to negotiate this directly with the vendor.

Additionally an owner requested if they could install a vinyl ceiling in the roof area of their rear porch deck. The board decided no.

Trailer Parking:

An owner sent a complaint form to OCREM requesting a by-law change to allow parking of boat/jet ski trailers during the prime season. Lou reviewed the guidelines for an owner to submit a by-law change. First it needs 30% of the association membership to agree to the petition for a change in order to submit it for general review. A petition then needs to be submitted in sufficient time to be placed on the agenda for the annual owner meeting; this year's mailing package will go out mid-August. Only after these two steps are completed, then the membership would review. Lastly, it requires 67% of the full membership for final approval. Barbara will provide this information to the owner.

Annual Owner Meeting prep:

Carol Ann had provided a draft cover letter to accompany the request for nomination form. After a minor modification, the letter was accepted. Barbara will send this mailing out to all owners in the coming week to allow a sufficient amount of time for responses to be included in the annual owner meeting mail out package..

Carol Ann said she has started a draft of the agenda for the September 26th meeting. She will distribute it to the board via email before the August board meeting to allow sufficient time for review. She also confirmed Moore & Co. will provide the financial handouts, same as they did last year.

Contract Review:

Cleaning service/Shore Clean:

After earlier board email exchanges, Lou requested Shore Clean provide an activity report of their cleaning actions on The Island. In this meeting, Lou said the report they provided was not what he wants. Some concerns were expressed about areas not being cleaned, e.g. pool decks and dock side of property. Lou said he would contact Barbara in the coming week to define his report expectations. This effort is to assure that all items in the cleaning contract are being properly addressed in the future.

New Business/Bids

Landscaping:

Marie said she met with Envirotech Inc and a contract is coming. They advised it is legal to remove the phragmites as it has been determined they are actually not good for the wetlands. Their plan will take out all of the phragmites. First they will spray starting from the lighthouse and all around the bay side buildings; now is the exact time to do this work. Once the spray takes effect, they will then come in and cut back the dead looking material, leaving it in place. Since the roots can be 30' deep, the phragmites will not truly be dead at this point so they will then re-spray next spring. [Note: the contract was received and unanimously accepted by the board. Wayne signed it so work could begin right away.]

Tot Lot mulch:

Based on our discussion last month, Marie asked Mike McConnell to price playground mulch. She advised he could not find what she wants. Her recommendation to defer this until next year, to coincide with the tot lot equipment decisions, was accepted by all.

Awning repairs/new vendor:

Marie advised she and Barbara met with an awning vendor from Newark, DE after our last board meeting. The good news is he feels there is no immediate need for action. The stitching concern observed on the entrance awnings is cosmetic only; it does not affect their stability. He also said if we ever needed new entrance awnings made, he will be able to replicate our logo on them. He said the pin holes Barbara noted in her awning inspection report are not a concern either. He recommended a few minor maintenance items that Joe G can handle. Finally Mr. Boyle said we should not sand the rust from the metal frames as this coating is actually protecting the metal.

Barbara and Marie both noted hearing from owners who are interested in rear deck awnings and said they provided Americraft Awning, Inc. as a second vendor option. Carol Ann will update the FAQ note on the website with this information also.

Signs needed:

Barbara showed everyone the new sign Marie requested she order for the bridge. It is a reflective stop sign that alerts drivers of “no thru street”. This new sign will replace one of the “no parking on bridge” signs currently at the entrance.

We also discussed spare signs stored in the guardhouse that say “no trailer parking” but Barbara reminded us they are only valid when we purchase the OC sticker. No action will be taken to re-activate these signs at this time..

Lastly, Barbara told us we do need a “no trespassing” sign at the dock to keep boaters from tying up their boats in a non-slip area. We asked she have Joe G purchase a standard no trespassing sign from a local hardware store and install it as quickly as possible.

Stair towers:

Carol Ann previously supplied a revised bid request document to the board via email. The modification this time requests the vendor price the replacement of the interior siding on these stair tower jobs in two ways. Option 1 is to re-use/ replace with T-111 material and option 2 is to install with all new vinyl siding. The board accepted this document and asked Barbara to send it out for bids on 3 possible tower repairs; these include the Dominica-SW, Dominica-N and Oahu-E towers. She will note that the board may decide to accept one, two or all three of them when the final decision is made. Barbara will request bid responses be back from the vendors by 8/11 in time for review at the 8/15 board meeting.

Items from the floor:

Tennis Court:

Marie shared a comment from an owner in Aruba on the new tennis court. He said the hole is back and if not corrected water will get under the surface and increase our troubles. While we approved paying the final invoice at last months meeting, Marie said we do have a 3 year warranty. Barbara was asked to draft a letter, for board review, to be sent to the vendor. We want the problems corrected before cold weather sets in this year.

Stepping stones:

Tom noted that several of the curbside stepping stones around Dominica are cracked with rough edges showing. Carol Ann will ask Barbara to see what can be done to fix/replace them.

With no more business, Wayne then adjourned the meeting at 11:35am.

Respectfully submitted,
Carol Ann Bianco, Secretary