

The Island at Hidden Harbour
Board of Directors Meeting

July 22, 2017 – 10:00 AM
Meeting Minutes

Board members Mark Hannahs, Al Dietrich, Marie Henderson, Tom Murrill, Charlie Zellers and Carol Ann Bianco attended this board meeting in Mark's Ocean City office. Jim Watkins and John Jensen (Mana-Jit) participated via the conference bridge. Having a quorum, Mark called the meeting to order at 10:00 am.

Project Status:

- North Pool** -- Premier Pools completed the joint caulking needed at the north pool. Done.
- Boardwalk board** replacement work – previously identified boards have been replaced. Done
- Park benches**—2 park benches were replaced near the north tot lot / grill area. Done
- Alpha building identification signs** have been replaced on buildings where needed. Done
- Fire Protective Services**—Project to replace Verizon landlines with Teleguard Cellular Dialers is complete. Signal antennas were installed to assure Central Station Monitoring success; Verizon landlines have been disconnected. Project is complete.
- Mailboxes**—2 new mailboxes for units in Lanai, Maui and Islamorada have been delivered; installation is expected soon.
- Tot lot structures** – installation of spare Trex decking on both tot lot structures is on the work schedule. Installation is expected soon.

--**Painting** – Tom and John inspected both the Bermuda and Cayman buildings yesterday. Tom said the painters have now painted all that can be painted and recommended the final payment be made on both contracts. A few new areas of bad wood will be addressed in the next 1-2 weeks to finally close out these 2 paint projects. Tom said Moore's team also wrapped up the punch list of paint areas identified on Dominica that resulted from the carpet tear out and installation. The cost of that paint work will be covered with money held back from the carpet contract. A few areas on Maui were identified to need touch-up painting; it will be done under the paint contract warranty.

--**Carpeting:**

The Dominica carpet installation was inspected and is complete. An inspection of the building showed several spots where touch-up painting was needed after the carpet work. Additionally, earlier damage to the Island property during improper use of a lift still needs to be addressed. Repair of the concrete sidewalk between Cayman and Dominica was started yesterday. However, several 2 x 12 bulkhead boards along the boardwalk edge as well as several piling top caps that were torn still need to be replaced. As noted earlier, John already obtained cost estimates and negotiated with the carpet company for this money to be deducted from their final payment.

One Dominica owner sent a certified letter to John sharing concerns with the carpet and decking on the canal side deck. On the soft spot deck concern, the board told John to have a sister joist installed on the underside of the deck. While the carpet company has denied causing the broken bedroom window on the front walkway, the board asked John to get the receipt for this repair from the owner for the association to pursue. This deck status will continue to be monitored.

Several owners, mostly the 2nd floor units, are reporting water leaking onto their canal side deck from the deck above. Considerable discussion followed including the fact that the decks will leak during a rain storm; they were never designed to be water tight. The new carpet, being exterior grade, is a thinner material which thus lets more rain penetrate it but it also dries quicker to prevent mold issues that were found with the prior indoor/outdoor carpeting. The carpet installation guideline states it must be glued directly to the subfloor. The 3rd floor water side decks are not covered on any building; those owners never get to sit outside during a rain storm.

--Owner issues:

--Owner to owner water leaks: As agreed last month, Mark contacted a lawyer on an unresolved owner to owner water leak. A letter is being sent to the unit owner outlining the actions required. A similar situation may reach this same point of needing legal intervention. Water from another unit is seriously leaking into and causing damage to the unit below. A recent effort was made to patch the problem but if leaking continues, then further action may need to be taken with the assistance of the lawyer. In an effort to prevent future water leaks the board requires management be advised of the MHIC licensed contractor who will be used for any owner managed projects.

--Landscaping:

Although positive comments on the overall appearance of the property started this discussion, the newly installed hydrangeas at the north pool area are a major disappointment. In that open space area, those bushes cannot withstand windy conditions. A more tropical plant type was suggested. Additional red stone continues to be added to the beds that need it. Trees have been trimmed where requested earlier. A suggestion to have a landscape maintenance contract program, someone who will inspect and adjust on an ongoing basis, was made.

--Financial Report:

The June financial report shows a negative (\$10,731) financial position for the month and a negative (\$15,371) amount year to date. This pattern is typical due to the heavy loading of expenses and project work in the first half of the year. Several projects were paid from the Reserve funds including the south pool fence bracing work, the replacement park benches, two replacement mailboxes and the Cellular Dialers required for the FPS conversion. Most owner fine issues have now been resolved.

Mark shared the boat slip tax issue has been resolved; the boat slip is now fully under an Island unit ownership control.

--Insurance Renewal Proposal: Mark shared and discussed this year's Master policy renewal proposal. Through negotiation, and with no new water damage claims in the past year, the new premium is \$8418 lower. If the association stays water claim free for one more year, the next year's premium should be much lower yet. The board unanimously accepted the proposal.

--2018 Proposed Budget review: Earlier this week Carol Ann shared the proposed 2018 Operating budget for the boards review. With the reduced master insurance policy cost, the 2018 projected excess net income is now in line with last year's budget. The 2018 operating budget includes painting Hawaii (Spring?) and Oahu (Fall?) of 2018. The board accepted the proposed budget without making any new tweaks to the proposed budget over what was submitted thus far.

Other projects that may impact the 2018 budget include a replacement mailbox (Oahu), north pool fence support bracing and park benches. These will be Reserve expenses. It is anticipated besides carpeting of Hawaii which is still planned for this Fall, another carpet project will be tackled in the Fall of 2018. The biggest project on the horizon is roof replacements to start with the building showing the greatest need. The board will have John schedule roof inspections and obtain cost proposals shortly so a decision can be made for work to begin in 2018.

Misc. items / Agenda reminders:

- Hawaii carpet project—bid requests have been sent out but no responses back yet
- Start inspection and bid effort on roofs (Aruba, Bermuda, Cayman) for future replacement
- Misc. concrete issue---epoxy repair to crack behind 106-A; inspect other sidewalk areas
- Bad wood identified on Hawaii--put on worklist
- Recurring sinkhole near the boardwalk between Aruba and Bermuda; no new status yet.
- Possible bulkhead inspection necessary this Fall.

With all business addressed this meeting adjourned at 12:20 pm. The next board meeting is scheduled for Saturday, August 26 starting at 10am in Mark's Ocean City office conference room.

Respectfully submitted,
Carol Ann Bianco, Treasurer / Secretary