

**Island at Hidden Harbour Condominium Association**  
**Annual Owners Meeting Minutes**  
**September 23, 2017**  
**Meeting Room at OC Recreation and Parks,**  
**200 125<sup>th</sup> Street, Ocean City MD**

President Mark Hannahs opened the meeting at 9:05 am and introduced board members Tom Murrill, Al Dietrich, Carol Ann Bianco, Charlie Zellers and Jim Watkins. Mark then introduced Marie Henderson noting she was not running for another term on the board and thanked Marie for her many years of service; all owners shared their appreciation. The roll call of owner units was waived after verification from John/Mana-Jit that we had a quorum with 70 owners attending or represented by proxy. Mana-Jit confirmed all owners received their meeting announcement package so the notice of meeting requirement has been fulfilled.

President Mark Hannahs called the Annual Owner Meeting of The Island at Hidden Harbour Condominium Association to order and recognized John Jensen of Mana-Jit as well as Bob Moore and Brittany Arnone from Moore & Co. who also attended.

Mark requested a motion to accept the 2016 Owner Meeting minutes. Howard Weinblatt (231 Hawaii) made the motion to accept the September 24, 2016 minutes, which was seconded by Sue Ryan (317 Cayman). The motion was unanimously approved.

**Financial Report:**

Bob Moore, CPA from our accounting firm Moore & Company, then presented the financial report.

The association ended the 2016 year with revenues exceeding expenditures in the Operating fund in the amount of \$21,177.00 and in the Reserve fund the revenue exceeded expenditures in the amount of \$33,814.00. The surplus is due to a decrease in building repairs and painting expense of approximately \$90,000. As of December 31, 2016, the balance in the reserve fund totaled \$537,887.

As of August 31, 2017, expenditures exceeded revenues in the Operating fund in the amount of \$27,517.17 and in the Reserve fund, revenues exceeded expenditures in the amount of \$23,200.76. The balance in the reserve fund as of August 31, 2017 is \$582,265.10.

Although the cost of building maintenance decreased in 2016, the most significant operating expenses were still building repairs and painting expense. The painting expense totaled \$60,129.00 and building repair totaled \$59,061.48. In 2016, Islamorada, and Aruba were painted, thus all wood rot was repaired during painting, increasing building repairs. The extraordinary decrease in painting and building repair in 2016 was due to only painting two buildings, whereas three were completed in 2015.

The most significant expenses of 2017 have again been painting and building repair with amounts totaling \$72,870 and \$56,416.97, respectively. Cayman and Bermuda painting have been completed as of August 31, 2017 along with wood rot repair in connection with painting.

The most significant reserve fund expenses of 2017 to date have been carpet replacement in the common areas of Dominica totaling \$17,809.42 and an awning for Hawaii totaling \$12,382.95.

An owner questioned why the current operating budget expenses exceeding the revenue through August 31<sup>st</sup>. The reason is both the Bermuda and Cayman buildings were painted in one time period, which jammed all those costs into the budget now rather than spreading them out over the year. We expect with project work tapering off and summer related expenses ending this trend will correct itself. Future painting projects will be staggered to better keep pace with the revenue stream.

Bob pointed out on the 2018 Proposed Reserve budget, the insurance line items listed there are due to MD law requiring those funds be designated. It is not expected those monies will actually be spent.

With no further questions or comments, Rick Clark (118 Cayman) motioned to accept the proposed 2018 budgets. Barb Landis (254 Maui) seconded the motion and all owners agreed. The 2018 budget was accepted with no change in condo dues for 2018.

Rick Clark (118 Cayman) also made a motion to move any excess operating funds to the Reserve fund at the end of the year. Jim Knepp (128 Dominica) seconded the motion and all owners agreed.

Later in the meeting, Mark reminded all owners they need to obtain their own personal condo insurance policy. Even if an incident fell under the associations master policy, it would only put a condo unit back to basics with the original or similar materials; it does not cover any improvements or betterments made by the owner to their unit. Similarly, all owners need to have loss assessment coverage in case of damage to another owner unit caused by a problem in their unit. Under MD Condo law, the owner whose unit caused the damage is liable for up to \$5000 in damages. New insurance coverage options to be aware of are wind deductible and named storm deductible.

### **Completed and Proposed Projects:**

Al updated the owners on the situation found and remedy implemented for the **south pool fencing**. After hearing the concern of structural integrity in the foundation wall, the engineering analysis was reviewed. Essentially the foundation walls are sound but the new, raised height of the pool fence added more stress where the fencing joins to the deck surface. Prior to opening the south pool this year, custom angle braces were engineered and installed selectively around the perimeter at vulnerable locations. Al said the fix will not only support the fencing but provide support to the foundation wall too. The north pool will be evaluated and addressed as needed next year.

An owner concern regarding the south pool area closest to the tot lot always being wet was raised. Al said the grading of the lawn has declined over time. The irrigation system in that area might also be a factor to consider. This will be looked at in the Spring.

Concerning the other major Island projects for this year, Mark said we took on too many projects at one time in the Spring. For example, both the **Bermuda** and **Cayman** buildings were painted at the same time. A significant amount of rotten wood was found during these projects requiring more wood repair work than anticipated that not only added to the overall cost but to the timeline to complete the work. For 2018, the board plans to paint one building (**Hawaii**) in the Spring and one building (**Oahu**) in the Fall.

While discussing wood repair needs, Mark told the owners if they find rotten pickets on their decks to report it to the management company as this would be considered a safety issue.

The **Dominica carpet** project also took too long to complete due to the contractor's poor scheduling of his workers. Additionally, the damage caused by the carpet contractors poor use of the lift added extra repair work to this effort. Again, on behalf of the board, Mark apologized to the Dominica owners.

Several Dominica owners then shared their frustration and concern, especially with water leaking issues from the deck above that had not occurred prior to this effort. Mark explained we are now using an outdoor carpet that is thinner material from the previous deck carpet. This carpet dries quicker and thus reduces the mold issue. Mark stated that no carpet is waterproof. An owner suggested installing a waterproof barrier under the carpet. John noted the carpet installation requires the carpet be glued directly to the subfloor; if we deviate from this method, the warranty is voided.

Owners then offered suggestions for future carpet installation projects going forward. These included sealing all the joints of the plywood subfloor prior to the carpet installation to prevent leaks at the joint

seams. Another suggestion was to replace the 3<sup>rd</sup> floor deck carpets on a different time schedule than the 1<sup>st</sup> and 2<sup>nd</sup> floors since the exposed 3<sup>rd</sup> floor deck carpet takes a heavier beating from the weather.

Yet another suggestion was to do a test installation on one Dominica deck prior to undertaking the carpet replacement effort planned for Hawaii. Mark then noted that the **Hawaii carpet** project is essentially on hold right now. Besides water leakage concern, the carpet color we currently use has been manufactured discontinued and thus we have no bids to even consider right now. The **Hawaii awning** was replaced as planned in the Spring.

An owner, Alan Siegfried (346 Lanai), said he had experience with an alternative product rather than carpet that should last 20 years. It is a fiber reinforced membrane product. Alan offered to work with the board to evaluate if this type of product should be considered for future deck covering installations. Mark accepted his offer and said we are open to change.

Carol Ann then told the owners of a recent cost saving effort the board undertook by converting from Verizon land lines to cellular dialers to monitor alerts on the **fire protective system**. Using this new technology system will eliminate time spent on oversight and dispatch coordination on lost signal reports. The new equipment was purchased with Reserve fund monies; going forward the association expects to save approximately \$3000 per year in Operating expenses.

Finally, Mark shared the board has started to work on a future **roof replacement** project. Bids have been sent out but only one response has been received thus far. The board will select the first building to have the roof replaced based on the conditions found during the evaluation.

#### **Election of Officers:**

Mark advised 5 current board members, Mark, Tom, Carol Ann, Al and Charlie, submitted nomination forms to continue on the board. A 6<sup>th</sup> owner, Mark Coldren who was not present at this meeting, also sent in a nomination form which Mark read to the owner's present. Tom Murrill (226 Dominica) then recommended Jim Watkins to rejoin the board; Jim agreed. Kim Zellers (224 Dominica) nominated Jim and Sue Ryan (317 Cayman) seconded it. With no other nominations from the floor, the owners agreed to accept those 7 nominees as the new board members.

Thus, the following owners (in alphabetical order) were elected to the Board of Directors for 2017-2018:

Carol Ann Bianco, 208-Bermuda	Tom Murrill, 226-Dominica
Mark Coldren, 306-Aruba	Jim Watkins, 225-Dominica
Al Dietrich, 354 Maui	Charlie Zellers, 224-Dominica
Mark Hannahs, 349-Maui	

#### **Owner unit maintenance items:**

Mark and John shared the following recent activity updates with the owners. First due to a recent Fire Department requirement, the sprinkler company is now required to **inspect the sprinkler heads** located inside each owner unit and storage closet. They are checking for possible recalls not yet addressed and dust or paint on the heads. This will become an annual procedure. Owners need to make sure Mana-Jit has a working key or access code to gain entry into your unit; if your storage closet door key is different from the front door, please make sure Mana-Jit has a copy of that key also.

John / Mana-Jit will resume handling the **winter heat checks** this winter rather than the company who handled it last year. In preparation for this effort, John plans to start testing owner keys in the next few months to make this effort complete as smoothly as possible.

Another Maryland law to be aware of concerns the **wired smoke alarms** located in each owner unit. You should have a 10-year sealed smoke alarm unit equipped with a lithium battery and a hush feature to quiet the alarm without removing the battery.

**Common dryer vents** for the 2<sup>nd</sup> and 3<sup>rd</sup> floor unit in the Aruba, Bermuda and Cayman buildings will be cleaned in early November. One owner questioned the venting arrangements in these buildings. The board will discuss this again in a future board meeting. The 1<sup>st</sup> floor units in these three buildings vent independently and thus are not the associations responsibility to maintain. It is recommended all other owners clean their dryer vents regularly.

**Owner Comments:**

When the floor was opened for general owner comments, Ann Weinblatt (231 Hawaii) offered thanks to Marie Henderson from the owners as she retires from the board. Ann noted Marie's service has been extensive over many years and wished her well.

Donna Reid (265-Oahu) commented on the debris in the marsh / wetlands. She offered to organize an owner clean-up day, probably in June, to carefully remove unwanted "stuff" from those areas. Owners wanting to participate signed up with Donna at the end of the meeting.

Bikes locked in the stair tower entryways was discussed extensively. It was noted many bikes have rusty chains and flat tires. Those bikes and any others in the common areas not identified with a unit number are assumed to be abandoned and will be removed. Starting in January, all bikes must be removed from the stairwell areas and stored either in the owner unit / deck space or in a bike rack on the property.

A few owners posed landscaping queries. These include the north pool area, the canal side of Bermuda, esp. the tall grasses and some other areas that need to be re-graded for drainage. Tom said these concerns will be addressed in the Spring.

An owner suggested replacing the pool furniture, especially at the south pool. Mark indicated this would likely be an expensive project; the board will investigate this in a future board meeting.

Continuing on the topic of pools, an owner requested a No Smoking sign be placed at the pools. Her reason was having small children exposed to a smoking area. Other owners noted the beach and Northside Park now restrict smoking. After some comments, Irene Dietrich (354 Maui) made a motion to designate the pools as non-smoking areas; Alan Siegfried (346 Lanai) seconded it and all owners present agreed.

Similarly, owners suggested signs specifically stating "no glass" be posted in the pool areas. While that restriction is posted, it is one of many listed in the posted pool regulations. Other owners were concerned with the number of skate boards, hover boards and such that are being used on the property. Additional signs were suggested to help eliminate this practice.

With there being no further business, a motion was made by Derek Ecolono (153 Maui) and seconded by Jim Knepp (128 Dominica) and unanimously approved, to adjourn the meeting at 10:45 am.

Respectfully submitted,  
Carol Ann Bianco, Secretary