

The Island at Hidden Harbour  
Board of Directors Meeting

January 20, 2018 – 9:30 AM  
Meeting Minutes

Board members Al Dietrich, Mark Hannahs, Tom Murrill, Jim Watkins, Charlie Zellers and Carol Ann Bianco attended this board meeting in Mark's Ocean City office along with John Jensen (Mana-Jit); Mark Coldren participated via conference call for the first half of the meeting. Having a quorum, Mark H called the meeting to order at 9:30 am.

**Project Status:**

**--Heat check (end of 2017) / key access status--** Prior to this meeting, John shared his report of the Island owner's unit heat check inspection that was completed on December 27 – 28, 2017. While this inspection was, pre-planned and published to owners, due to the forecasted cold, windy temperatures, it took on added importance. John and Brett (Mana-Jit) gained access to more units than last year yet the owner compliance results were worse. There were 18 owner units that could not be accessed due to no or non-working keys / door codes. Of the remaining units checked, 7 were found to have the heat turned OFF! Another 20 were found with the heat set below the required 55 degrees. Another 10 units were found to have the water left ON. All units found to have the heat set below 55 or with the water was left on were corrected by John / Brett during the December winterization inspection. Another heat check inspection will be conducted, likely in February, to verify continued compliance.

Mark reminded us our master insurance policy contains a heat clause requiring that each owner unit maintain their heat setting at 55 degrees minimum. If a damage claim would be brought to the insurance company, their first step is to verify the unit temperature at the time of the incident. If the owner's unit is found not compliant with the 55-degree minimum heat condition, the claim would be denied and any damage expenses would default to the association to cover.

Fully recognizing how serious this negative compliance trend is the board then considered what actions to take now and to prevent similar results in future heat check inspections. After some discussion, the following actions were agreed to by the board members:

The 18 units with no access, immediate steps must be taken to confirm the winterization status of those units. John will send a letter to each owner in the coming week advising them of their delinquency. They will be instructed to provide a working key / access code to John by the date on the letter and their units will then be checked for compliance. Recognizing this is an insurance requirement and emergency condition where weather conditions can and do shift quickly, for any unit still not accessible after the date of the notice, John will enter those units with the aid of a locksmith and those owners will be charged for the locksmith services.

--The Owner Rules and Regulations will be updated to strengthen the violation fines for owners who are found not to properly winterize their units.

--In December 2018, a baseline heat check will be performed on every owner unit; each unit will be assessed a \$50 fee for this inspection. If in December 2018, the unit is found to be in compliance, the fee will be waived. For any units failing in December 2018 with either no access, heat not set at 55 degrees minimum or the water left on, the fine will stand and be due to the association. If on subsequent heat checks in 2019, a unit is again found not in compliance, the second violation fine (\$250 minimum) will be assessed to that unit.

Final note on access to owner units: access to each owner unit is also required by the Fire Marshall as each unit's sprinkler valves must now be inspected. This inspection will be completed by our sprinkler system provider (Sure Fire Protection).

--Electric room heaters / door closers: John shared our contractor Roger has installed electric fan forced air heaters in the outside electric/sprinkler room closets of Hawaii, Kauai, Lanai, Maui, Oahu and Islamorada replacing the old baseboard heaters. The other buildings units were replaced earlier. New commercial grade door closers have also been installed on all 10 of those doors to assure the heat is retained in this area. The board then agreed to investigate the cost to upgrade the door locks on those doors to further prevent them from being left open.

--Snow removal: Just a few days after the owner unit's heat check, in the first days of January, a major snow / wind storm attacked Ocean City. Our regular snow removal contractor had a truck breakdown and was unable to perform. A second contractor solicited by Mana-Jit failed to show up. John finally engaged a construction and landscaping contractor from Berlin to clear the Island. By this time, the wind had caused significant snow drifts on some areas of the property. After discussion, the board advised John in a future "normal" snow event to re-engage with our regular snow removal contractor. For a more serious snow event, or if our regular person is not available, then to continue to use this new Berlin group. John should advise them that the center, overflow sections of the parking lot do not need to be cleared even if cars are parked there.

--North pool---The hollow section of the north pool foundation wall has been repaired. The only task left here is to have the painters paint those areas in the Spring.

--Dryer vent cleaning---The 9 owner units (A, B & C buildings only) that were not accessible to indoor Pollution Solutions for dryer vent cleaning will be re-visited in April.

#### **--Financial Report:**

The December / 2017 year-end financial report shows a positive \$3,245 for the month and an overall net positive amount of \$16,581 for 2017. This excess operating fund money will be transferred to the Reserve funds as agreed in the Owner Meeting. All 2017 expenses were paid in 2017 so 2018's budget will start clean. A few outstanding owner payment issues exist; they are being actively managed by Moore & Co.

The Reserve Fund ended 2017 with a cash balance of \$614,819. This significant balance increase is the result of the association now fully funding the Reserve accounts. In December, one Reserve account balance exceeded the FDIC insurance limit so a new \$100k 12-month CD was opened at M&T Bank.

Of note, 2 recent flood insurance premiums show a slight decrease in cost for 2018. Mark said one building's replacement cost has been raised to \$600k. His office is verifying this; more will be known on the final status shortly.

John shared he just received the new Clean Team contract for 2018-2019; it now includes their light check efforts. Charlie agreed to source our light bulb supply in bulk which will the control costs per bulb plus keep us from having us pay Clean Team a service fee for this effort.

#### **Future plans / new business:**

--Major proposals—guidance and planning -- Carpeting / Roofing – In our November meeting, a consultant, Will Cleveland, met with the board. While the board is interested to engage him, we don't yet have an agreement in place. John will pursue with Will the options for either a flat rate or hourly rate agreement, esp. as it relates to the roof bid specs. The board wants a bid package laid out with recommended roofing product choices, e.g. type of shingle, underlayment, etc. so we can then obtain comparable roof bids for consideration. At this point, the roof replacement on Bermuda will likely be a Fall project.

The board next restated our goal for future deck covering plans is to preserve the structural elements of the buildings. It is not to prevent rain flow from the 3<sup>rd</sup> floor onto the 2<sup>nd</sup> floor decks.

To that end, we need to acknowledge the existing wood decking has a useful life expectancy that will come into play at some point.

Al again reminded us of the 3<sup>rd</sup> floor Kauai deck that was prepped for new carpet in 2017. Roger used sealing tape on all the seams and placed additional flashing at the fence posts. John agreed to inspect this deck and the one below in a rain storm to evaluate the success of this method.

Consideration was then given to do another 1-2 test cases to evaluate products using decks we can closely monitor. As usual owners involved in this effort would pay for the new carpet while the association would pay the deck prep expenses. However, this process requires the board first find a new color and/or type of carpet as the one just installed on Dominica is now discontinued. Charlie agreed to start looking around at carpeting. The goal is to have a plan in place this spring so Hawaii's carpet can be replaced in the Fall.

--Pool repair proposals---John re-engaged with Premier Pools on their earlier proposals. The estimate (#5296) / south pool to replace all the tiles is not needed at this time; misc. tile repairs will be made in the Spring as the pool is prepped for opening. Similarly, estimate #5295 / north pool to replace the coping and tile was provided for budgetary purposes. However, estimate #5293 for the north pool needs to be considered now as the plaster is in rough shape with spots where the concrete pool shell is visible. Also, a large crack exists in the north pool steps. After discussion, the board unanimously agreed to accept estimate #5293. This work is to be completed prior to the north pool opening; it will be a reserve fund expense.

--Hawaii insulation—The board reviewed an updated proposal to install spray foam insulation under the Hawaii building. Given the open design of this building and the proposed cost, the board asked John to obtain a second bid for the old material tear out work as well as a counter proposal using batt installation.

--Rusted deck brackets---Future work of this type will be done on an as needed basis.

--Pool furniture replacement—Mark advised his contact at Hit the Deck has not been available to provide replacement costs yet; they will likely be known in February.

### **To-Do's for 2018:**

--Paint proposals—John has asked Moore Painting for cost proposals to paint the Hawaii building in the Spring and the Oahu building in the Fall. It was agreed that Roger and his crew should do any wood repair needed in connection with the Hawaii project. Depending on cost, the board is also interested in painting the tot lot equipment, the south pool foundation wall with some pargeting repairs there plus touch up painting on the north pool wall from the recent repair. Painting the walkway lights (not the parking lot lights) is also under consideration.

--North pool fence posts— Al re-checked the north pool fence posts and found them to be very solid; no stability work is needed there. Thus, there is only the 1 missed post at the south pool that hopefully Roger can address.

--Landscaping— Tom shared he set up a meeting for 1pm today to meet with DM Taylor to review the landscape needs at the north pool. Charlie and Al planned to attend; others were welcome to join. Re-grading of the land in this area and also at near the south pool are major concerns to address.

--Replacement mailbox—As noted earlier, the Oahu mailbox unit is very wobbly and needs to be replaced. The board decided to price the replacement of the remaining mailboxes (Dominica and Hawaii) to complete this effort completely. Carol Ann will obtain these costs.

--Boardwalk boards-- Determining which board walk boards need to be replaced was discussed with the thought to do a larger swath this time to get ahead of the situation. Jim agreed to work with John to identify the board next week. The board asked John to engage that contractor soon so this project is done well ahead of boating season.

--Miscellaneous items—Ordering replacement flags and signs plus purchasing cell phones for the pools is also on the Spring to-do list. Possible replacement of the bridge lights with new LED type fixtures is still an open item. It was shared owners have requested the top circle lights on the buildings be repaired; all except Hawaii are burnt out now. Spare bulbs for those light fixtures are believed to be available in 401-A for this effort. Last, replacing the wood decking on the north tot lot with a Trex-like material is targeted for the Spring.

The board also handled several other topics in a closed meeting session.

With all business addressed this meeting adjourned at noon. The date for the next board meeting is Saturday, March 17, 2018 starting at 9:30am. The plan is to again hold this meeting in Mark's Ocean City office conference room. If an item needs attention prior to the March meeting, the board will address it either by email or conference call.

Respectfully submitted,  
Carol Ann Bianco, Treasurer / Secretary