

**Island at Hidden Harbour Condominium Association**  
**Annual Owners Meeting Minutes**  
**September 22, 2018**  
**Meeting Room at OC Recreation and Parks,**  
**200 125<sup>th</sup> Street, Ocean City MD**

President Mark Hannahs welcomed everyone and introduced board members Alan Siegfried, Al Dietrich, Carol Ann Bianco, Tom Murrill and Charlie Zellers. He explained that Alan took the seat vacated by Jim Watkins after Jim sold his Island condo earlier this year. Mark also recognized Bob Moore and Brittany Arnone from Moore & Co., now PKS & Company, who were also present.

The roll call of owner units was waived after verification from John/Mana-Jit that we had a quorum with 78 owners attending or represented by proxy. It was confirmed that 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 at 9:10am

Mark requested a motion to accept the 2017 Owner Meeting minutes. Bernice Fagan (248 Lanai) made the motion to accept the September 23, 2017 minutes, which was seconded by Derek Ecolono (153 Maui). The motion was unanimously approved.

**Financial Report:**

Bob Moore, CPA from our accounting firm, then presented the financial report. Before starting his report, Bob noted the Sept. 1<sup>st</sup> merger of his firm, Moore & Company into the **PKS & Company** group. He reminded owners to follow the directions in the letters they received earlier to update their bank information for their condo dues payments going forward.

The association ended the 2017 year with revenues exceeding expenditures in the Operating fund in the amount of \$16,579. and in the Reserve fund the revenue exceeded expenditures in the amount of \$56,767. The surplus in the operating fund is due to a decreased Commercial Wind Insurance premium of approximately \$15,000. The association also did not have any expenditure related to water damages in 2017, which cost approximately \$20,000 in 2016. As of December 31, 2017, the balance in the reserve fund totaled \$615,831.

As of August 31, 2018, revenues exceeded expenditures in the Operating fund in the amount of \$12,580.63 and in the Reserve fund, revenues exceeded expenditures in the amount of \$21,188.29. The balance in the reserve fund as of August 31, 2018 was \$653,529.88

As it has been the case in prior years, the two largest expenditures in the Operating fund were building repairs and painting expense for 2017. The painting expense increased roughly \$14,000. In 2016 Islamorada was painted which cost \$14,000 less than the other larger buildings which is where the difference between the two years stems from. Building repairs also increased by roughly \$10,000 from 2016, which is related to rotted wood replacement during painting

The most significant expenses of 2018 have again been painting and building repair with amounts totaling \$34,179 and \$34,201.74, respectively. Hawaii has been completely painted as of August 31, 2018 along with wood rot repair in connection with painting.

The most significant reserve fund expenses of 2018 to date have been the North pool re-plastering, an expense of \$11,090. All pool furniture for both pools was replaced earlier in the year which cost \$29,838.

With no questions on the Financials, discussion moved to the proposed 2019 budget which includes a \$10 per month increase in owner condo dues. A question was raised why the increase was \$10 versus \$5 per

month. The reason is the Reserve Study recommendation calls for a \$5 per month increase. Thus \$5 alone was not sufficient to also cover the projected operating expenses forecast for the planned 2019 projects.

Another topic during the budget discussion centered on the roof replacement efforts with the owners questioning if the board approach is on an as needed basis or a proactive one. The board advised while we plan to work in a proactive basis, right now the planned Bermuda roof replacement is due to need from significant shingle loss in recent years.

With no further questions or comments, Howard Weinblatt (231 Hawaii) motioned to accept the proposed 2019 budgets. Derek Ecolono (153 Maui) seconded the motion and the owners agreed. The 2019 budget was thus accepted with a \$10 increase in condo dues taking the new monthly dues to \$320 in 2019.

Helen McFadden (153 Maui) then made a motion to move any excess Operating funds to the Reserve fund at the end of the year. Robert Whitley (138 Kauai) seconded the motion and all owners agreed.

### **Completed Projects:**

Mark stated that painting the **Hawaii** building was finished along with the related wood repair on that building. The sidewalk lights around the property have also been painted.

The **North pool** was re-plastered before the pool opened for the season. Additionally new pool furniture was purchased to replace the old chairs and loungers. The pool umbrellas were replaced at the south pool.

Mark mentioned the main **landscape** effort this year was to re-work most of the planting beds surrounding the North pool. The main goal for most of this work was to re-grade the water runoff away from the pool based on problems discovered last year while improving the appearance there.

Mark then referenced the **Owner Clean-Up** effort undertaken earlier this year. He read a message sent by Donna and Dick Reid, the Clean-up Volunteer Coordinators, who were not able to attend this meeting. “Twenty-three volunteers spent the morning of Saturday, June 16<sup>th</sup>, picking up trash around the Island buildings and shoreline/marsh. We provided everyone with trash bags and disposable gloves” (*paid for by the association*). “The effort was a huge success, ending with a mound of trash—plastic bottles, cans, Styrofoam, heavy wood planks and even a large tire! The shoreline was definitely cleaner and the wildlife was happier! We are willing to organize another clean-up next spring, but we need volunteers. No one has to commit at this time but it would be helpful to know the names of people who might be interested. Please sign your name to the sign-up sheet being passed around so we can contact you in the Spring when we have a confirmed date for the event. Thanks!”

The next topic of discussion was the update of the Island **Architectural Guidelines** which included the addition of an owner pre-project request form. Responding to a query, it was shared the Guidelines were clarified to specifically define the “like for like” style when owners replace any exterior doors or windows. Also, the new carpet material specs are spelled out in this latest version.

Mark then moved on to explain the reason for the revised **Owner Rules and Regulations**. Based on prior years’ experiences, with no access to some owner units preventing us from performing the insurance policy required **winter heat checks**, the board has added a **new violation penalty**. All owners will be assessed \$50 for the 1<sup>st</sup> heat check of the season. Then if the first inspection is successful, aka we have a working key and/or access code to unlock the entry door, the \$50 fee will be waived for those owners. However, if an owner unit cannot be accessed to verify the units compliance with the heat set at a minimum 55 degrees and the main water shut off, the \$50 fee will be billed to that unit owner. It is important to understand if an owner unit is determined to have the heat set below 55 degrees, and a property damage incident results, the insurance claim would be denied. Owners are responsible for the first \$5000 in damage costs caused by an incident stemming from their unit.

Several owners then shared thoughts about the amount of the fine (is \$50 high enough?) and what is the association ability to utilize a locksmith to enter the unit (only permitted if a suspected emergency situation exists). John then shared his plan to proactively check keys ahead of the winter heat checks to head off some last minute concerns. Owners found not compliant are sent violation notices by mail.

Additionally, the OC Fire Marshall requires entry into each owner unit to **inspect the sprinkler heads** in each unit to be sure they are not blocked by furniture, have paint or dust on them that would prevent the sprinkler heads from doing their job, if needed. While non-compliance issue resolution is still being fully defined, no access due to no working key or access code will likely result in a revisit inspection with a second fee imposed by the Sprinkler inspection company; the association will then pass the revisit fee on to the owner. Additionally there is the possibility of civil fines imposed by the Fire Marshall. Responding to an owner question about access to the sprinkler heads in the outside storage closets, yes it is our understanding those are also subject to inspection. If your storage closet uses a different key than your front door, you need to provide a copy of that key to John / Mana-Jit.

The updated Architectural Guidelines and Request form as well as the Owner Rules and Regulations can be found on the Island website in the History and Resources section. [www.islandathiddenharbour.com](http://www.islandathiddenharbour.com)

### **Major Projects Proposed for 2018-2019**

At the start of this section of the agenda, an owner shared his concern for the **boardwalk** replacement effort and questioned if it couldn't be done faster. Mark explained that in the past we have done the inspection and had the bad boards individually replaced. This year we increased the total boards replaced since we now do the replacements in sections versus a single board at a time. During the season, if anyone spots a bad board, they should notify John/Mana-Jit to have it addressed. Mark agreed the new board of directors should re-look at the long range plans to refresh the boardwalk and how long it will take.

Mark shared the board spent considerable time and effort since the last Owner Meeting on the topic of **deck carpeting**. Reminding everyone that the decks are / were not designed to be waterproof, the board looked at various materials and installation options due to owner concerns while focusing on how best to protect the integrity of the building.

Al Dietrich then shared that early in our efforts, we learned the carpet we'd been using was now tagged manufactured discontinued. That carpet was thinner, with little backing, so it did not hold the water thus letting water penetrate the deck wood and to the deck below. Recently, the board replaced the carpeting on 2 3<sup>rd</sup> floor "**test**" **decks** as those uncovered decks are the primary source of water related issues to the deck and intrusion downward. The first change in the test deck process was the installation preparation. On the 3<sup>rd</sup> floor decks, the subfloor seams were sealed with butyl tape; then Blue Skin house wrap was applied over the current aluminum flashing and extended several feet away from the sliding doors. The pitch of the deck was also checked. This was done to preserve the structural integrity of the deck itself.

Alan Siegfried then picked up describing the second "test deck" step which involved our selection of the new carpet to be used going forward. It is an 100% olefin material which should not promote mold or mildew issues. The color is a deeper blue which is attractive and the material is softer in feel than the prior carpet. We are also using a different carpet company to provide and install the new carpet.

With the above changes and decisions made, the board placed the order for the **new carpet for Hawaii**. John stated the plan is to tear off the old carpet starting the first week of October. All the common area / deck subflooring will then be inspected / repaired as needed; the new preparation process for the 3<sup>rd</sup> floor (only) decks will be applied. The goal is to install all the new carpeting, on the common hallways and owner decks, by the end of October, weather permitting. If possible, owners should remove deck furniture from their personal decks to aid in the proper installation and glue down effort of the new carpet. Brittany / PKS will soon be sending a heads up cost share notice to each Hawaii unit owner for their personal deck; once the installation is completed, a billing invoice will be sent to those owners.

**Painting the Oahu** building has begun as well as the replacement of rotten wood there also. The board anticipates **painting** and wood repair to be done to **Kauai and Lanai in 2019**. Similarly, the board plans to replace the common hallway and deck **carpeting on Kauai and Lanai in 2019**.

The topic of roof replacement surfaced often in this meeting as well as prior years. The board initially attempted to obtain roof bids but found that effort unsuccessful as the specs we provided and the bid responses received were not consistent enough to make a decision. The board then engaged a consultant to aid in this effort. Bid specs were sent out to several companies. John shared we now have 3 viable bids that the consultant is reviewing for adherence to the bid specs. It is anticipated the bids will be shared with the board soon for a selection of the vendor with the goal to replace the Bermuda roof this Fall.

Owners from Aruba shared a concern with the **common dryer vents** for that building. Those vents were inspected and cleaned within the last year however a recent report is they are again clogged and thus a potential fire hazard. John is aware of this and is re-engaging our contractor. The owners then also recommended the board determine if there is a way to re-route the common, joined 2<sup>nd</sup> and 3<sup>rd</sup> floor dryer vent runs on Aruba, Bermuda and Cayman while we are engaged in the roof replacement effort. Mark agreed the board will investigate this. Note: 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 in the rest of the Island buildings clean their dryer vents regularly.

#### **Owner Comments:**

Mark then opened the floor to comments and concerns from the owners present. They included:

Howard Weinblatt (231-Hawaii) recommended owners who rent post a list of Rules & Regulations in their units. This stemmed from an earlier incident he observed where a renter was found grilling on the deck of the rental unit. Reminder to all...no grilling with any type of grill, is permitted on / near the buildings. The grills located in both common areas near the pools are the only ones permitted.

Mark shared No Wake signs have been posted along the boardwalk canal running East / West. Recently more boaters have been observed quickly moving through the canal; it is thought they are going to / from the new restaurant at the end of the canal that allows boat access.

A concern for dying plants in the large flower pots on the Islamorada walkway was raised. Tom explained we recently found a GFI switch had gone bad; every time it started the water flow, the circuit tripped and stopped the water. New plants will be installed.

The Aruba sprinkler system seems to be running way too much; the grounds around that building never seem to dry out. This will be addressed with the landscapers.

Continuing with the excessive water topic, an owner complained about the weeds in the flower beds. Charlie explained that due to the amount of rain this year, the weeds literally pop up overnight. The landscapers have done a special application of a weed killer. Also, when they do spot weeds, they pull them out by hand.

Finishing the landscape topic, a Maui owner reported the phragmites are getting bad again to the point they are high enough to block their bay views. After discussion of our past efforts and environmental restrictions, the board agreed to look at the areas in question and cut the phragmites back where possible.

The last owner concern was for the condition of the wood skirt surrounding the rear area of Maui. The suggestion made was to replace the wood slats with a plastic type fencing product. It was shared the board recently looked at alternative materials for those areas but found that the use of pressure treated wood was the best long term, cost effective solution. Maui will be examined to be put on the schedule.

**Election of Officers:**

Mark advised 6 current board members, Mark, Tom, Carol Ann, Al, Alan and Charlie, submitted nomination forms to continue on the board. A 7<sup>th</sup> owner, Caroline Pisano, who was not present at this meeting, also sent in a nomination form which Mark read to the owner's present. 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 2018-2019:

Carol Ann Bianco, 208-Bermuda	Caroline Pisano, 353-Maui
Al Dietrich, 354 Maui	Alan Siegfried, 346-Lanai
Mark Hannahs, 349-Maui	Charlie Zellers, 224-Dominica
Tom Murrill, 226-Dominica	

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

Respectfully submitted,  
Carol Ann Bianco, Secretary