

The Island at Hidden Harbour
Board of Directors Meeting

July 19, 2019 – 10 AM
Meeting Minutes

Board members Mark Hannahs, Caroline Pisano, Alan Siegfried, Charlie Zellers and Carol Ann Bianco along with John Jensen (Mana-Jit) attended this meeting in Mark's OC office; Al Dietrich and Tom Murrill joined via conference call. Having a quorum, President Mark Hannahs called the meeting to order at 10:05 am.

Project status:

--Carpeting on Hawaii: This project is complete—both installation and owner reimbursements.

--Carpeting on Lanai: An onsite inspection of the installed carpet was conducted on June 26th with a less than satisfactory report. A punch list of 3rd floor bayside decks found the carpet edge not wrapped but instead with the carpet cut on the edge exposing the wood deck to weather. Both owners and the board agreed to postpone final resolution of all deck issues until the Fall.

--Paint prep / wood repair on Kauai: The carpenters finally finished the bayside railing replacement work two weeks ago. The painters are now working to paint the bayside wood on the building. It is hoped, with good weather, to finish the painting in the next two weeks.

--Boardwalk replacement: After this project stalled at roughly 30% complete, John's multiple efforts to re-engage the contractor failed. At the board's direction, John then engaged the 2nd bidder we had from the initial effort. They managed to quickly get another large section of the boardwalk replaced, including the walkout bridge from Hawaii to the boardwalk. We now believe some of the second batch of boards were installed upside down which will be addressed with the concerned parties after Labor Day. Being in-season, this project is on hold until the Fall. We want a fixed cost bid for the remaining work that needs to be done this Fall.

While discussing the boardwalk, it was noted boat traffic moving at a higher speed has been observed, likely from the new restaurant at the end of the canal. After discussion, it was agreed to install 4 new larger No Wake signs along in that stretch in an attempt to slow boaters down.

--Pool Management company: The new pool company performance has been found to be very good based on comments from owners and observations by John and several board members. While discussing pools, a suggestion to place signs either on the pool tables or the actual umbrellas was made to remind owners / guests to put the umbrellas down when they leave.

--Financial Report:

Both the May and June, 2019 financial reports continue to show a negative amount spent each month (\$10,057) and (\$3304) and negative year-to-date amounts of (\$54,287) and (\$57,625). These totals continue mostly due to the much higher than expected Building Repair expenses that still continues. Unofficially to date, we've now over spent this category by 181%. The Reserve Fund balance decreased to \$571,397 in June due to payments made on several major projects.

The board then discussed how to end the bleeding in the Building Repair work now and prevent it in the future. After discussion it was agreed to first stop all non-emergency repairs now during the active owner season. We next asked John to investigate alternate railing materials to see if there was a viable option. Also discussed was if it's now time to approach the wood "repair" in connection with a paint project as a wood "replacement" effort and fund it from the Reserves.

As discussed earlier in the year, a sit down meeting with our current contractor, John and possibly some board members should be held before we undertake any new major repair work efforts to set absolute expectations going forward. These include getting an upfront quote on projects with a ceiling not to exceed cost without authorization. We agreed to also re-look at our material standards, aka do we need to use Azak or switch to pressure treated wood? Finally, while we've asked in the past, the board now requires the un-authorized, not used siding in 401-A be returned for credit. Lastly, 401-A and the surrounding area is to be returned to its original condition.

Budget prep for 2020 budget: The June financial report just came out so the board spent some time considering the projects to undertake for the remainder of 2019 and those in 2020. At this time, the board agreed to undertake the following this Fall:

- complete the boardwalk effort. John was tasked to get new bids for the final scope of work
- the tennis court repair still needs to be done, before it gets any worse over the next winter. John was asked to rebid this as a repair to address just the known cracks only.
- re-carpet Kauai is also planned; John is working to get new bids (bidders) for this now.

While not firm just yet, plans for 2020 include replacing the roof on one building, most likely Cayman although Kauai has needed several repair efforts. Painting the Lanai building would be next up as we dropped it from the 2019 plans earlier this year due to general budget concerns. A decision whether to paint a second building in 2020 was not reached and will depend in part on the way we approach wood repair / replacement / alternate material going forward. Finally, there are two buildings we should re-carpet in 2020---Cayman and Aruba.

While we have yet to develop the actual 2020 budget, the board agreed a condo dues increase will be necessary next year. Budget prep will begin in the coming weeks so the board can finalize the proposed budget in our next / August meeting.

--Master Insurance policy: Mark shared the number of insurance companies providing coverage on the shore has been cut in half; our current provider is no longer available. He has shopped our policy best he can with the remaining companies recognizing our master insurance policy premium will rise regardless of who we select. A big issue now is most master insurance policies include only 1% wind coverage which the board agreed is not sufficient. The additional package needed for 25% wind coverage will likely cause our total premium to jump by approx. \$6500 over last year. Mark did offer there is a finance plan available to spread the annual premium out over 9 months after a 25% down payment but that incurs an estimated 5% interest cost. He will send the formal insurance proposal and the finance agreement for our review early next week.

Future Plans / Decisions:

--Landscaping --Tom shared there are no new major landscape projects planned at this time.

--Lighting options -- Charlie shared with the board his efforts to update the Island lighting fixtures and switch-over to LED bulbs with the overall goal to reduce our annual electric costs. Included in the scope of this effort will be to address our lighting at the bridge, the parking lot, the buildings and the townhouse hallways. During our discussion, options for a new shape or size of lights, esp. at the entrance bridge area, were discussed. Charlie said he expects we will have options in the final plan.

To-Do's for 2019:

- Oahu building---some pargeting is needed and then the foundation walls of Oahu need painting.
- Touch-up painting on the north pool foundation wall pending; a few new spots now also needs pargeting.
- Paint the south pool foundation wall
- North pool tot lot—upgrade the wood decking with a composite type of material

Items from the floor:

- Several specific owner concerns were shared and discussed. No action was taken.
- An owner Architectural Request was reviewed but the board felt more information was needed before a decision could be reached. John will re-connect with the owner.
- It appears the water leak at the North pool is back; John will check this out.
- John shared a meeting is planned for later this month with the Town of OC Public Works Director and their Project Manager regarding a Utility Easement issue. This involves a water line that runs across the bay from our property to 123rd. John will attend this meeting; Mark said he should be available to attend also. During the meeting we will learn what impact any needed work will have to the Island.

With all business addressed, this meeting adjourned at 12:50 pm. The next board meeting is scheduled for Friday, **August 9, 2019** starting at 10am in Mark's Ocean City office.

Respectfully submitted,
Carol Ann Bianco, Treasurer / Secretary