

The Island at Hidden Harbour  
Board of Directors Meeting

December 4, 2020 – 9 AM  
Meeting Minutes

Board members Mark Hannahs, Alan Dietrich, Richard Foard, Tom Murrill, Caroline Pisano, Charlie Zellers, and Carol Ann Bianco along with John Jensen (Mana-Jit) participated in this board meeting via Zoom. President Mark Hannahs called the meeting to order at 9:00 am.

**Project status:**

--Lanai wood replacement (rear / water side): Immediately following the Island Owner Meeting, the new board met to lay out a plan to investigate which of the 2 remaining bidders would be the best fit for the Island / Lanai wood replacement project. After on-site inspections of similar work, speaking with references, a thorough analysis of the proposed contracts and insurance items, the board agreed to accept the proposal from Tyler Building. An onsite kick-off meeting was then held with Tyler personnel, John Jensen and board members Richard Foard and Charlie Zellers.

In this board meeting, John shared based on the above, the Tyler contract has been signed. Tyler has secured the necessary permits from Worcester County and are now waiting for the Ocean City permit to be received. Once that permit is in hand, work will start on the wood replacement on the rear of Lanai. John plans to alert the Lanai owners of the upcoming rear deck work telling them to treat their decks as a work area and to stay off the decks until the project is completed.

Two additional topics surfaced in connection with this effort. While not part of the initial bid but with awareness from other recent wood projects, the board expects the steel splice plates involved with the third floor railing sections will (all) need to be replaced on Lanai. In the on-site meeting, Tyler was shown a sample of the metal brackets used in similar prior jobs. Until Tyler can exactly see what's involved in this effort, they plan to bill that work on a time and material basis. The board prefers for Tyler to better define the total cost involved once this work is underway.

Secondly, Tyler raised the question if the Azak trim should be textured/wood grain or flat PVC boards for the fascia and column wrap boards. The board agreed they should use the textured trim style boards and agreed to accept the additional cost for that material.

Rich, Charlie and John each plan to observe the kick-off of this work effort as well as plan to be available for ongoing oversight to confirm contract specs are being maintained during the work.

Finally, the board has contracted with DM Taylor to clear the South end of Lanai and remove all the over-grown shrubs from the water side to the front. This work was already planned for the Spring but doing it now will allow better access for Tyler's crew to access the building. DM Taylor needs clearance from Ms. Utility; they expect to get this work done in the next week or so.

Landscape Updates: Tom shared the volunteer owner (Paul) offered to develop in-depth plans for future landscape work during the off-season. Also, 2 Crape Myrtle's were recently removed from the North side of Maui.

--Tropical Storm Isaias: John received a cost summary to replace the damaged 3<sup>rd</sup> floor awnings on Lanai, Bermuda and Oahu. Given the quoted repair cost cited and our \$25k insurance wind deductible, it doesn't make sense to pursue an insurance claim for these awning replacements. During discussion, the board asked John to obtain a more detailed explanation of the proposed repairs and also to seek another vendor proposal for comparison. Finally, it is hoped once cold weather settles in and the ground freezes we can get the Oahu awning out of the marsh.

--Insurance appraisals of buildings: Mark provided the full report of the recent Island property insurance valuation study with the board earlier via email. This analysis covered the 10 owner buildings for both their insurable value and the insurable flood values...in both cases “as though new”. This very detailed report was compiled after a thorough onsite inspection was completed and includes many supporting documents, photos and building specs. Mark commented it was the most thorough analysis he and others have seen.

Some general notes Mark shared on this topic are:

- MD does not require renewed insurance appraisals but insurance carriers are generally suspicious of stable values over a long period of time.
- the cost of wood / lumber materials increased significantly this year, but it was considered to be a temporary blip; thus this replacement cost report does not include those atypical cost values.
- in this analysis we are valued at a basic \$107 per square foot replacement cost.
- this Appraiser offered to return in 3-4 years to do a re-evaluation at a reduced cost

Overall our total “replacement cost new” insurable value is based on an “agreed value endorsement”. However, the analysis does show insurable value imbalances on several buildings, especially unit 401-A. We now need to rebalance our insurance value on those buildings based on this updated appraisal. The board agreed and asked Mark to get an insurance quote with those tweaks for us to consider.

At this time, no comparison or discussion of flood valuations was covered. After we pull current Flood insurance valuations that portion of the new insurance analysis report will be re-visited.

--Lanai—Painting status: John shared Moore Painting still needs to paint a few top rails to complete the painting work on the front of Lanai. Earlier it was noted the new wood installed on the rear of Lanai will need to age / dry out for several months before it can safely be painted.

--Maui—wood replacement project: It was suggested we could possibly start a wood status audit inspection on Maui during the winter heat checks if time allows. If not then, the inspection to develop the scope of work should be done in the early winter months to allow us / Tyler to move right into Maui’s wood replacement project once Lanai is done. Again, timing the painting on Maui will depend on when the new wood has aged sufficiently to safely paint those areas.

--Maui—Painting status: As agreed earlier, Moore Painting is currently painting the trim only now on the front of Maui to get a start on this project for next year. Work includes the door and window trims, hallways, ceilings and stair towers. The board agreed now is not the time to paint the trim on the rear of Maui.

Hawaii sprinkler: Replacement of the main shutoff valve on Hawaii’s sprinkler system is done.

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

The October Operating fund financial report ended with a net negative monthly amount of (\$12,230) but with a positive year-to-date amount of \$71,740. The Reserve Fund balance increased to \$615,870 at the end of October due to few Reserve payments made but is still running a negative year-to-date amount of (\$5,154). The year-to-date negative Reserve fund status will continue with the 1<sup>st</sup> payment on the Lanai wood project that was made in November.

To date, the Association made one payment for the mitigation work on the clogged condensate line in Cayman. This is an insurance claim project and 2 reimbursement checks have been received from the insurance company thus far. Mark reminded us the total Association exposure on this claim will be \$5,000 since this clog damage occurred after our policy renewed this year with the new reduced insurance deductible.

-- **Contract status:**

--**Dominica roof:** During our 2021 budget planning, the board reviewed the proposed cost to replace the Dominica roof in the Spring however we did not officially accept the proposal at that time. To finalize this plan, John rechecked with our roof provider and as informed due to higher material costs, the bid price increased by \$1430 while the as needed miscellaneous cost for both OSB and CDX replacements decreased slightly. The board accepted this new proposal and asked John to sign the contract and get us on their Spring (March) work schedule.

--**Aruba carpet:** The quoted cost to replace the Aruba carpet in the Spring did not change. However, before we can execute that contract, John needs to determine if any Aruba owners plan to opt-out of replacing their private deck carpet so we don't order more material than will be needed. John will remind the Aruba owners of this upcoming project to identify if any plan to opt-out; if so, they need to declare their intention by 1/15/21 so this contract can be finalized.

The above led to a brief discussion of our relatively new deck preparation method during a carpet replacement effort. Some 2<sup>nd</sup> floor unit owners in buildings where new carpet was installed prior to the new preparation plan being undertaken have questioned how to address the water leaking issues. They should contact John.

**Future Plans/decisions/proposals:**

--**South Pool:** The board re-reviewed 2 proposals to re-plaster the south pool. After a brief discussion, the board settled on one contractor but asked John to have their proposal revised to include all details in the scope of work, e.g. replacing tiles, warranty, etc. Once John has this revised proposal, the board will finalize it via email vote so we can get on the Spring schedule.

Due to time constraints, some non-time critical items on this meeting's agenda were deferred; they will be discussed in our next board meeting likely to be held in January, 2021. No specific date or time for the next board meeting has been set. This meeting adjourned at 11:20 am.

Respectfully submitted,  
Carol Ann Bianco, Treasurer / Secretary