

HILLSBORO COVE CONDOMINIUM ASSOCIATION

Special Member/Board of Directors Meeting

December 02, 2014

MINUTES

Member Meeting

President Lou Buscemi opened the meeting in the clubhouse at 2:04 p.m. He welcomed Glenn Baker to the Board as the new Treasurer. After determining that there was a quorum of proxies returned, he asked that the votes for the funding of the 2015 budget be counted. When asked by the President, the Secretary verified that a notice of the meeting had been duly posted 14 days in advance. The President then asked if residents had any questions concerning the proposed budget.

Jim McGeary raised a question regarding the new pool heating system and how its cost of operation is reflected in the 2015 proposed budget. Bob Lorang explained that the line item of \$25K for the former propane heater operating expense was deleted from the 2014 budget and the present operating cost of the electric geothermal heater is part of our electric bill under utilities. The actual savings have not been broken out from the rest of the electric bill, but are anticipated to be an approximate reduction of \$16,000 from previous costs.

There were no further questions. The President then asked if anyone present wished to change a vote on how to fund the 2015 budget. There was no response, so he called for the results of the votes.

Ray Moore replied that the Association had received a total of 218 votes. The final results were 206 votes for partial funding, nine votes for full funding, and three votes for no funding of the budget.

At 2:14 p.m. the President asked for a motion to adjourn the Special Members Meeting. Mary Ellen Palenchar so moved and Nancy McCue seconded. The motion carried 7-0.

Board of Directors Meeting

At 2:15 p.m. the President called the meeting to order and asked the Secretary to call the roll. Directors present were Glenn Baker, Lou Buscemi, John Evans, Nick Marchione, Nancy McCue, Emily Murphy, and Mary Ellen Palenchar. The secretary then verified that the meeting had been posted 48 hours in advance.

The President asked for a motion to dispense with the reading of the minutes of the November 12, 2014, meeting. They appear on the Association website and are also available in the office. The Secretary then made a correction to those minutes. It was stated at the meeting and the minutes reflect that "we have another year to complete the payments for the work done on Eastport's cooling towers". We actually have another two years to complete the payments and the assessment amount will remain the same for another two years rather than one year.

Director Reports

Glenn Baker reported that he had heard recurring comments about transparency, so he plans to give a report at each meeting based on the information he has at the time. His current

information is through September 30th. As of that date, the Association was about \$16,850 under budget. Specific line items that he shared were:

- Payroll: \$8300 under budget
- Utilities: \$21K under budget
- Services: \$14K under budget
- Supplies: \$46K over budget
- Administration: \$19,600 under budget

- Income: \$900 under budget

Questions from the residents concerned the following:

- What happens to money left at the end of the year?
- How can that money be allocated?
- What does the supplies line cover that put it in deficit?

Bob Lorang responded that no decisions will be made regarding excess money in our operating budget until after the annual audit when we will know a final amount of any surplus. Funds could then be used to cover any shortfall within the operating budget. Another option would be to reallocate the funds from the operating account to the Reserve account. This option, however, would require an owner vote to amend the budget. The shortfall in the Supplies/Maintenance line resulted from clubhouse renovation expenses in excess of the \$80K provided in the Reserve budget. The additional funds were needed in order to finish the project.

Manager Report

Bob reported that the Association is looking toward 2015 and 2016 to begin implementing the long range plan for replacing the roof for West Harbor and replacing the air conditioning stands on that roof. The work may be postponed until February 2016 to allow for the collection of reserve payments that are paid each quarter throughout 2015. We are also investigating contractor funding participation to allow a 2015 project start.

The air conditioners in each unit will have to be removed in order to replace the stands. Because of the age of most of the units, many will not survive the move because of their condition. We hired a company to do an analysis of the air conditioners for each unit to determine their condition. Of the 84 units, 51 were listed as probably needing to be replaced due to age and condition. A letter, a report, and a quote will be sent to each unit owner and will explain an opportunity for a group purchase and a credit for a new air conditioner.

We also have received an engineered plan for the pool renovation project. The project is not scheduled for any particular completion date at this time. It will be a Reserve project, estimated at \$140K. Two of the design decisions in the plan will require an owner vote representing a material alteration to the pool. Those material alterations include the addition of a therapy system and reducing the deep end depth from eight foot to five feet. The basic pool repair will not involve any material alteration and will not require an owner vote.

Questions following the Manager's report yielded the following information:

- The West Harbor air conditioning credit comes from an anticipated installation from the unused labor that would have paid to re-install the old unit. This credit will go to those owners who will need a new air conditioner unit.
- Window frames in the clubhouse have been treated for termites by tenting the entire building. This treatment carries a five year expectation against termite activity. In addition, a solar film recognized as a protection for hurricane-related shattered glass will

be applied to all glass. These decisions were made instead of replacing all existing windows and sliding doors at this time.

- If a West Harbor owner has a new air conditioning unit that is damaged when it is removed, the Association is responsible through the contractor.
- The roof for Center Harbor and the air conditioning stands will be replaced after West Harbor is finished and as funds become available.
- The concrete restoration on West Harbor may be postponed until another year.

Committee Reports

Neighbors For Neighbors: Nancy McCue reported for the Neighbors for Neighbors committee and made the following motion:

I move that the Board of Directors accept the plan as outlined by the Neighbors for Neighbors co-chair, whereby a committee of 18 volunteers will begin to contact HCC residents on their respective floors to offer a list of area resources and a File of Life wallet card to those who wish to have them. The volunteers will serve as liaison between residents who need assistance and those who can provide it. They will also alert the Association Board to any concerns that they believe may need attention.

The motion was seconded by Mary Ellen Palenchar and carried 7-0.

Social Committee: John Evans reported on several recent successful events, the Christmas fundraising reception and the Thanksgiving dinner. The reception raised \$531 for the committee. The social committee has \$1600 in checking and about \$112 in cash. He listed reminders for upcoming events during December, including the coffee, Happy Hour Follies, Bingo, and the Holiday Gift Exchange. He also announced a New Years Day brunch. Details and reminders will be issued throughout the month.

New Business

The new business was the approval of the budget for 2015. Emily Murphy made a motion to accept the 2015 budget as presented. Nancy McCue seconded. The motion passed 7-0.

The President then asked for a motion to partially fund the budget as was voted on by the owners. Emily Murphy so moved and Mary Ellen Palenchar seconded the motion. This motion also passed 7-0.

The President then asked for any questions. A question was raised about a dog in the marina area whose owner did not clean up after it. Emily Murphy stated that the dog did not belong to a resident. It belonged to a person getting on a boat belonging to one of the residents. It was agreed that our residents need to let guests know about our rules. Mary Ellen Palenchar let people know they can get a copy of the rules in the office and also asked residents to let the office know when an incident occurs.

At 2:57 p.m. the President asked for a motion to adjourn. Mary Ellen Palenchar made the motion to adjourn and John Evans seconded the motion. All seven members voted for the motion.

Emily Murphy, Secretary