

**HILLSBORO COVE CONDOMINIUM ASSOCIATION**  
**Board of Directors Meeting                      January 20, 2015**  
**MINUTES**

**BOARD OF DIRECTORS MEETING**

At 2:05 p.m. President Lou Buscemi 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 December 2nd, 2014, meeting since they were emailed to residents, are currently posted on the Association website, and are available in the office. Mary Ellen Palenchar made the motion, and Nancy McCue seconded.

**Guest Speaker**

The President then introduced Michael Burns, our insurance agent from the Smith Watson Parker (SWP) Insurance Agency, to address the residents and also to answer questions that might arise. SWP is a family-owned business and has been in business for 75 years. Mr. Burns stated that 90% of their business is with condominiums, apartments, and homeowner associations. The residents were informed that HCC has been removed from the flood zone and, thus, we did not renew our flood insurance for 2015. Mortgages for the area no longer require flood insurance because of the map change. The mitigation form that residents may need for their individual insurance policies is posted on the HCC website. It confirms that flood insurance is no longer needed.

Citizens is depleting all their business within the next several years. Condominiums are having no choice but to go with other companies. Weston and Heritage are the two big take-out companies at this time. A year ago Weston took over the HCC wind and fire policy. The Florida guarantee fund assures coverage if the company fails. Weston kept the rates the same for a two year period, but increased the property value of each building by three per cent. They will continue this increase each year. The problem for many south Florida properties is the age of the buildings. If the association has updated wiring, plumbing, shutters or impact windows and doors, there are other options as far as companies. The HCC Weston policy is \$302,000. However, there would be a 40 per cent credit if all units had impact windows and doors or shutters. New companies coming into the state will want to see these updates also. It is something HCC will eventually have to face. Options in three to five years will be out-of-state companies with high rates if the buildings are not updated.

Another issue for HCC involves the property value increases each year. There are two classes, A rate and non-A rate. Eastport is A rate because its value is over \$10 million. West Harbor and Center Harbor are both non-A rate because their value is just under \$10 million. However, with the three per cent annual increase, their values will be over \$10 million in 2017, at which time their insurance will more than double, from \$40,000 to \$88,000. The only way to offset that increase or to gain coverage from other companies is

through the updating of all units to include hurricane shutters or impact windows and doors. There were many questions from the residents regarding options.

In closing this portion of the meeting, the President explained that we are forming an Insurance Committee to investigate and to make recommendations to the Board.

### **Director Report**

The Treasurer, Glenn Baker, reported on the income/expenses statement at the end of November of 2014. At that time we were on budget with income. The expenses were approximately \$15,000 under budget. Specific expense line items that he shared were:

- Payroll: \$17K under budget
- Utilities: \$22.5K under budget
- Services: \$15K under budget
- Supplies: \$66K over budget
- Administration: \$26K under budget

### **Committee Reports**

**Document Revisions:** Nancy McCue reported on the documents revision committee. She explained the process moving ahead, including meeting with the attorney, committee meetings, and resident meetings to explain proposed changes. Finally, the Declaration of Condominium document will go up for a vote by all residents.

She also explained that the **Communications Committee** will be sending out electronic surveys to gain resident feedback on various topics, with the first one being sent out next week. She thanked Hal Allen for working with the committee to develop and manage the survey process. These surveys will be short and focused on a particular topic or topics. Residents will have seven days to respond. Those residents who do not receive email may pick up copies in the office and return them to the office.

As part of the Communications Committee, Emily Murphy reminded residents of the Meet the Candidates night to be held on Wednesday, January 28. Four Board member terms are up for election, and there are eight candidates running for these four openings. Seven of the eight candidates will be attending the Meet the Candidates night to answer questions from the moderator and from residents.

**Election:** Ray Moore addressed the election process and announced that ballots will be mailed next week. He reminded them that information sheets from each candidate and the ballots will be included in the mailing. It is important to follow the directions when filling out the ballots. He also introduced the candidates who were in attendance.

**Social Committee:** John Evans recapped last year's committee finances. In April when he took over the committee, there was a balance of \$1261. The committee collected \$1157.67 in profits for all social events during the rest of the year, and today has \$1316.75 in the checking account and \$231 cash on hand.

Expenses included a freezer for the kitchen area, Christmas decorations for the club house, other décor purchased.

Upcoming social events include the yard sale at the end of the month, a Super Bowl tailgate party in the clubhouse, a Sea Horse race the first weekend in March, and a St. Patrick's Day party. Details will be provided via email and also will be posted on the bulletin boards.

### **New Business**

**Clubhouse Rental Fee:** Currently the clubhouse progressive rental fees of \$15-\$35 for private events are based on the number of people in attendance for the event. John Evans suggested that these fees are very low and proposed raising the fees to \$50-\$100. He also asked that the money go to the Social Committee since they have no budget and have to raise their money at the various social functions. Mary Ellen Palenchar pointed out that there needed to be two motions. She moved to accept the recommended fee changes. Nancy McCue seconded. It was then opened to the residents for discussion. Ira Wechterman suggested that the progressive fees are confusing and thought a flat fee of \$75 would be better. Others, including the Board, agreed. As the Board started to propose that idea, a member of the audience brought a point of order to the attention of the Board. There was already a pending proposal on the table. The Board voted down the \$50-\$100 progressive fee. Nancy McCue then proposed the flat rate of \$75 for all private events and several members seconded. The Board voted 7-0 for the \$75 flat rate fee going forward. Previous reservations for the room, however, will be charged the rate they were quoted when they reserved the clubhouse.

Mary Ellen Palenchar proposed that the private event fees be turned over to the social committee, and Nancy McCue seconded. This new proposal was then opened for discussion. Glenn Baker suggested that half should go to the Association and half to the social committee. He felt that it would be more fair to all residents and would uphold the original idea that the fee was for set-up prior to and clean-up following the event. Several in the audience thought it should all go to the Association. The vote yielded a 4-3 decision that all the money would be turned over to the social committee, with Lou Buscemi, John Evans, Nick Marchione, and Mary Ellen Palenchar voting for the motion. Glenn Baker, Nancy McCue, and Emily Murphy opposed.

**Establishment of Insurance Committee:** Lou Buscemi introduced Bob Wagner as the chair of a new insurance committee. Nancy McCue read aloud a resolution creating the committee to "inquire, investigate, and report to the Board the potential for future increase of the value of its property" and to explore other alternatives and make recommendations to the Board.

**Parking:** Mary Ellen Palenchar reported that the parking situation has greatly improved as a result of strengthening the enforcement of our parking restrictions. The current rule regarding no pickup trucks on the property has been enforced since the re-posting of the rule on December 12, with the deadline for removal of trucks by January 1. Notices have been posted on windshields of illegally parked vehicles. Any vehicle without a Hillsboro Cove sticker is parking illegally. Persons without the sticker are required to obtain a guest pass from the office. If residents know they will be having family or guests coming to visit, they may want to obtain the parking pass in advance.

Another issue raised was that of residents who have been assigned a designated parking space but continue to park in a guest space. Residents with only one car must use their assigned space and not take up a guest spot.

Finally, contractors delivering to residents or working on residents' units should check into the office. They may unload their materials on site, but then must move their trucks to the clubhouse parking area. Their compliance has improved the look our area and has also freed up more parking spaces for guests and for residents with more than one car.

### **Manager Report**

Bob Lorang began his report by announcing that new luggage carts would arrive soon. This announcement brought cheers from the audience.

The West Harbor roofing project is slated for 2015 and Bob has taken bids. The reserve funds have the money for the air conditioning stands. We should have the money for the roofing before the end of the year. He plans to start engineering plans to replace the dumpster room doors at some point. The pool project is on hold for now, but the general pool renovation will need to be considered at some point.

In answer to a question on the clubhouse restroom renovation, Bob stated that they will be ADA compliant.

### **Adjournment**

At 3:57 p.m., the President asked for a motion to adjourn. Emily Murphy so moved, and Nancy McCue seconded the motion. All seven members quickly voted for adjournment.

Emily Murphy, Secretary