

HILLSBORO COVE CONDOMINIUM ASSOCIATION

MINUTES

Board of Directors' Meeting: November 12, 2013

President Lou Buscemi opened the meeting in the Clubhouse at 10:04 a.m. After verifying that the meeting notice had been duly posted 48 hours in advance, the Secretary called the roll. All Directors were present: Lou Buscemi, Sara Bridger, Nick Marchione, Dick Martin, Mary Ellen Palenchar, Nancy McCue and Rose Sexton.

The President then asked for a motion to dispense with reading the minutes of the September 4, 2013 Board meeting since they are posted on the website and copies are available at the office. **Mary Ellen Palenchar so moved; Nancy McCue seconded, and the motion passed.**

Board Reports:

The President called on Dockmaster Nick Marchione for his report. Nick reminded the group that the current budget includes the funding of an ongoing effort to replace many of our 40-year-old pilings. He said that a new contractor had been found who will be here after Thanksgiving to replace 30 pilings and to pressure wash and reseal the seawall. He said that presently there are 10 open dock slips in the Marina.

Further he indicated that based on consultation with a qualified dock building professional, as a safety measure he felt it is necessary to have a maximum 48' limit for Class III boat lengths at the docks, which, for the past few years, has been 60'. He said that he had been advised that the four very large boats in the Class III slips would put too much pressure on the docks, creating a storm damage risk that could jeopardize the entire marina. He also made clear that if the motion passed, no new boats larger than 48' would be permitted in the future and that only one existing boat would be grandfathered, not the boat slip itself.

Dockmaster Nick Marchione made a Motion to change the Association's Marine Facilities Rules and Regulations for Class III boats from a maximum length of 60' to a maximum length of 48' with one currently docked Class III boat grandfathered in. Sara Bridger seconded.

Vice President MaryEllen Palenchar moved to Lay on the Table the pending Motion until the next Board Meeting to allow concerned residents to contact Board members with their suggestions. The Motion was seconded.

During the ensuing discussion, the Assistant Secretary pointed out that the original Class III boat size limitation of 45' was based on an engineering study that has not changed. She said that the change to allow larger boats made during the past few years was a mistake that, should the docks fail, could involve walkways and ultimately be very costly even to non boat owners. She pointed out that the proposed change allows for a higher 48' limit. **Nancy McCue moved to reconsider the original Motion and Take from the Table the Motion to Table. MaryEllen seconded, and the Dockmaster's original motion passed.**

New Business:

The President said that the main purpose of this meeting was to allow our treasurer, Sara Bridger, to review the proposed 2014 Budget in order that the Board may vote to send out the proposed budget to residents with a request for their vote on the preferred method of funding the reserves.

Sara indicated that a line by line discussion had taken place at the recent Budget Workshop that was very well attended. She then read highlights from the proposed 2014 Budget and noted that, if the residents choose to partially fund the reserves, the quarterly maintenance would be increased by 4.7 %.

She added that if the unit owners' vote is to fully fund the reserves, the increase would be 36.3%; and since our documents call for a maximum maintenance increase of no more than 8% annually, the increase of 28.3% over the 8% necessarily would be assessed. Further, if the vote is for no funding, there would be no maintenance increase, but all unbudgeted projects would require a "special assessment."

Sara explained that an accounting question had arisen regarding the proper apportionment of the \$80,000 budgeted in the reserves for the Clubhouse. The question was whether, according to our Documents, the monies should have been apportioned based on unit size or divided equally among all units. The Clubhouse constitutes a unique situation since it was acquired after the Condo was incorporated.

The matter was brought to our attorneys for clarification. Since a change would affect maintenance costs, Sara provided the plus or minus quarterly maintenance numbers for each size unit in the event that the change would become necessary. **(Addendum: Later in the day, it was legally confirmed that, according to our Documents, no change was needed on that issue and that our budget was correct as it stands.)**

Sara indicated, also, that monies have been set aside in the budget for the possible revision of our Association Documents, which would help to alleviate some of the confusion in the interpretation that is created by the current wording. She explained that changes outside the realm of accuracy or clarity as yet have not been considered.

She also pointed out that monies have been set aside for bad debt that may or may not be needed this year.

Regarding the Eastport Cooling Towers, Sara apologized for an error that resulted in a shortfall of maintenance monies charged to Eastport residents this year. She explained that the error would be corrected over a two year period to recover the monies that should have been but were not collected this year.

Sara said that unit owners will receive copies of the correct 2014 budget for review. She encouraged anyone who has questions about the budget to contact her. She said that the results of the vote will be announced and adopted at the Special Members/Board of Directors Meeting on December 3, 2013 and that, before the preferred method of funding the reserves is adopted, residents will have an opportunity to change their vote. **Assistant Treasurer Dick Martin moved to send out to the residents the proposed 2014 budget and ballot for voting on the method of funding the reserves. Sara Bridger seconded, and the motion passed.**

Report from Property Manager:

Manager Bob Lorang answered questions about the Clubhouse. He said that the electric, air-conditioning and ceiling work will begin once building permits are issued by the City. The priority will be the completion of the office area to allow staff to reoccupy that area. Once that is completed, it will be possible to continue the work on the remaining rooms in the Clubhouse.

The president asked for a motion to adjourn at 11:20 a.m. Sara so moved; MaryEllen seconded; the motion carried.

Rose Sexton, Secretary