

HILLSBORO COVE CONDOMINIUM ASSOCIATION
BOARD OF DIRECTORS' MEETING
Friday, July 1, 2011

President Lou Buscemi opened the meeting at 10 am in the Clubhouse. The Secretary verified that the meeting had been duly posted 14 days in advance and called the roll. Present were: Lou Buscemi, Sara Bridger, Iris Leipic, Nick Marchione and Bob Rae. Mary Ellen Palenchar and Dick Martin were absent. The President then asked to dispense with reading the minutes of the April 1, 2011 meeting and to accept them as posted on the website. Bob Rae so moved, Sara Bridger seconded, and the motion carried. There were no Board member or committee reports and no old business.

Mr. Buscemi stated that the reason for this meeting was to bring everyone up-to-date on the concrete restoration project and for the Board to vote on the funding. He continued by pointing out that there seemed to be a lot of confusion and misinformation about the assessment plan for this project. Some of the points he made were that:

- Unit owners believed that a bank loan was available to the Association. This was not true. HCC does not have an open line of credit with the SunTrust Bank.
- Some unit owners felt that we should pursue another loan. The Board felt that a loan was not prudent or fiscally responsible since HCC already has a debt of over \$1,000,000.
- Owners claimed that they knew nothing about this project. However, Lou pointed out that this project was discussed over the past year at Board meetings, in Newsletters and in the multiyear plan. All of this information has been available on the website.
- Some owners thought that the assessment was to be voted on by the membership. Our documents and FS 718 clearly state that the Board of Directors has the power to make and collect assessments.
- Some owners thought that the concrete restoration of WH and CH was not necessary. Lou called on Nick Marchione to report on this issue. He distributed photos taken by him in both buildings to confirm the need for immediate action. He explained in detail the importance of concrete restoration in older buildings near the water.

President Buscemi then asked Bob Rae, Bob Lorang, and Sara Bridger to speak on the topic of the concrete restoration and on the funding thereof. Bob Rae began by reporting that originally the Board planned to repair the parapet wall of WH, patch the CH wall, and paint both buildings. Eight contractors bid on this plan, and further analysis showed that it was not cost effective. The project was changed to completely restore the concrete on the parapet walls of both WH and CH and to paint both buildings. The Board hired SRI Engineering Consultants, and nine contractors bid on the revised project. Bob Rae outlined in great detail the scope of the work which will appear in the next Newsletter. Work should begin in early August.

Bob Lorang outlined the details of both the five-year (2005 – 2010) and multi-year (2005 – 2014) plans – available on the HCC website since 2009. He discussed 11 completed projects and described all the information available on the website. He addressed the “reserve study” required of all condo associations and the 40-year building safety inspection required by Broward County. Notification of the safety inspection is anticipated for 2012.

Treasurer Sara Bridger explained how the calculation of the annual Reserve contribution is figured. Because the Board needs to allocate \$290,000 in Operating to cover the Eastport concrete restoration loan, the 2011 contribution to the Reserve was only \$108,561. The concrete loan expense will continue for four more years and will limit the spending on property improvements. The HCC financial position as of July 1: Operating -- \$197,454; Reserves -- \$108,056; WH/CH Concrete Restoration -- \$33,998; Cooling Towers -- \$26,220; Boat Docks -- \$33,037.

President Buscemi then asked for a motion to assess the unit owners for the concrete restoration as outlined in the mailing each owner had already received. Bob Rae so moved, Iris Leipic seconded, and the motion carried. Lou then opened the motion for discussion. After hearing from Board members and residents, Lou called the question. The five Board members present voted in favor of the assessment. There were no opposing votes.

Lou then asked for a motion to adjourn the meeting. Sara Bridger so moved; Bob Rae seconded, and the motion carried.

Iris Leipic, Assistant Secretary

