

SHEARWATER CONDOMINIUM ASSOCIATION, INC.
BOARD OF DIRECTORS MEETING
OCTOBER 17, 2011

PRESENT: Gerri Smith, President
Pat Duval, Vice-President
Phil Hatchard, Treasurer
Susan MacMillan-Finlayson, Secretary
Frances Higgins, Director
Tina Ligon, Director
Barbara Britt, Director

ALSO PRESENT: Greg Balestrero, Unit 4B2
Jim Behrens, Unit 1B1
Eric Petterson, Unit 1B3
Skip Smith, Unit 5B1
Carol Schaake, Unit 1A3
Ron Faulkner, Unit 12A1
Rainette Bannon, Unit 4A2
Scott Ligon, Unit
Chuck Trefrey, Unit
Heather Gummel, Brodie Management
Sherri Kennedy, Recording Secretary

Gerri Smith, President, called the Board Meeting of the Shearwater Condominium Association to order at 7:00 P.M. The meeting was held at the Shearwater Clubhouse.

MINUTES:

- Tina Ligon moved to approve the meeting minutes of the June 20, 2011 as submitted. Barbara Britt seconded the motion and the vote was carried unanimously.

PRESIDENT'S REPORT – Gerri Smith:

- No Report.

TREASURER'S REPORT – Phil Hatchard (See Attached Report):

- See attached report
- Operating budget is over budget by about \$13,000.00. The Reserve Account is in good shape, but some of the maintenance items have been neglected for some time. Phil Hatchard will be recommending a special assessment.

MANAGEMENT REPORT – Heather Gummel (See Attached Report):

- See Attached Report
- #1 – Board agreed to permit BG&E to replace the failed cable lines on property. Heather Gummel will look into when the work will be scheduled and the length of time for the repair.
- #2– Buildings 1 – 6 were inspected for paint bubbles and areas were reviewed with Palmer Brothers. It was explained that the bubbles had nothing to do with the paint job, but rather with the painting done when the siding was initially installed. Palmer Brothers will scrape, seal and paint the affected areas at no additional charge. It was deemed that powerwashing the interior siding was not necessary and would be hand wiped prior to painting. The doors will be painted when the buildings are painted. Anyone interested in having the entire door painted may make arrangements with the painter. An email has been sent out notifying owners of this option. The door must remain open for approximately one hour to allow for proper drying.
- #8 – The Board agreed to have John Guthrie replace all the ceiling tiles and any lights that are not energy efficient.
- #9 – Phil Hatchard moved to replace the frame and awning at building 11. Susan MacMillan-Finlayson seconded the motion and it carried unanimously.

- #10 – Heather Gummel will follow up with John Guthrie on the pool door repairs. Heather Gummel will also follow up to determine if the cause of the damage to the racquetball court ceiling has been completed and a cost to paint the ceiling.

COMMITTEE REPORTS:

Marina Committee – Skip Smith (See Attached Report)

- See Attached Report
- Gerri Smith moved to authorize the purchase of a Waste Caddy and to charge \$10.00 per use of the pump out to each user. Frances Higgins seconded the motion and it carried unanimously.
- Gerry Smith reported the receipt of a letter from David Longegrove protesting the change in the policy for the GCE/LCE swap. Discussion ensued and the previous vote was upheld with one comment from Tina Ligon that a grandfather clause could have been considered for those slots involved in the swap.

Grounds and Landscape Committee Report – Ron Faulkner

- Aeration, seeding, and fertilization has been completed and in the process of leaf removal.
- Davey tree removal update – Jim Behrens reported that the contractor was unable to remove the entire tree with the existing crane. All of the old and new cuts have been removed. The contractor will return with larger equipment to complete the work. Heather Gummel will follow up on this job.
- Landscape Committee meeting will be this Wednesday, October 19th.

Architectural Committee – Rainette Bannon

- An architectural audit was performed of the community. There are currently 3 end unit doors that are not in conformance that were grandfathered in.

Pool and Activities Committee – Tina Ligon (See Attached Report)

- See Attached Report
- Great pool season with a successful barbeque and three cocktail parties.
- A new pool liner was installed and chair cushions were purchased.
- Flowers at the pool were nice.
- Anchor Aquatics submitted a contract for the 2012 season at a cost of \$22,900.00 which is a \$500.00 increase. The increase is based on fuel, electricity, and chemical costs. After speaking with Anchor Aquatics they agreed to reduce the contract by \$250.00, bringing the total contract cost for the 2012 season to \$22,650.00. The Board unanimously agreed to accept the contract.

OLD BUSINESS:

- No old business

NEW BUSINESS:

- Rainette Bannon requested to have late payment charges waived. She explained that she has been out of town due to illness and on three occasions this year has been unable to forward the assessment by the deadline. Ms. Bannon expressed that she has not been late in the past and that the payments were only one or two days late. Tina Ligon moved to waive \$75.00 late charges. Francis Higgins seconded the motion and it carried unanimously.
- Rainette Bannon has misplaced her green parking sticker. Heather Gummel will re-issue another sticker.
- It was reported that there are several expired or damaged lights in the community. All repairs must be reported to Heather. The expired lights are currently marked with red tape. Two noted are a post light at building 4 and a broken light on the B dock caused by the landscape contractor. Heather Gummel will issue a work order for this work.
- Phil Hatchard reported that he has received several complaints from homeowners concerning the floating docks and lights that have been installed at Truxton Park. It was requested that the Board forward a letter to the City requesting a meeting to discuss options. Phil Hatchard will draft a letter to be sent to the City.
- Special Assessment – Phil Hatchard reported that the balance in the Reserve Account, as show on the report, will be significantly lower than that recommended by Miller Dodson. Some maintenance items are being put off in order to complete priority maintenance items. Phil

Hatchard is making a recommendation to proceed with the special assessment process to complete the deck replacement project. It was suggested that proposals be solicited in order to determine if a lower or fixed price will be available based on the size of the job. Heather Gummel will solicit proposals for deck replacement and request that the contract price be held until March. It was also suggested that the Building Captains meet with the owners in their building to stress the importance of the special assessment. Another suggestion was to include the awning replacement in the special assessment as well. The Board had considered including replacement of the remaining storage doors. Phil Hatchard moved to begin the special assessment process for \$260,000.00 to be allocated for deck replacement with an option for a one time payment or a six month payment plan. Gerri Smith seconded the motion and it carried unanimously.

- Discussion ensued regarding the possibility of pursuing a loan as done in the past. Heather Gummel reported that she recently set up a loan for another community and the interest rate is 7%.
- Heather Gummel will contact Allied Waste regarding the blue recycling bins blocking the gate. Allied Waste will be informed that the bins must remain in the designated area as agreed upon.

NEXT BOARD MEETING:

The next Board of Directors meeting is scheduled for Monday, December 19, 2011 at 7:00 P.M.

ADJOURNMENT:

With no further business to discuss, Tina Ligon moved to adjourn the meeting. Susan MacMillon-Finlayson seconded the motion and it carried unanimously. The meeting was adjourned at 8:41 P.M.

Respectfully Submitted,

Sherri Kennedy, Recording Secretary

Approved: _____

Date: _____

FY 2012 Reserve Fund Cash Flow

Begin Bal	\$	243,268	1-Jul-11				
		Expenses*	Income	Balance	Rec Yr	End Bal	Expenses
July	\$	3,800	\$ 20,374	\$ 259,842			July \$ 3,800 Siding
Aug	\$	26,064	\$ 20,374	\$ 254,152			August \$ 26,064 Paint
Sept	\$	-	\$ 20,374	\$ 274,526			
Oct	\$	69,184	\$ 20,374	\$ 225,716			Sept \$ -
Nov	\$	73,632	\$ 20,374	\$ 172,458			
Dec	\$	75,132	\$ 20,374	\$ 117,700			Oct \$ 5,000 Decks
Jan			\$ 20,374	\$ 138,074			\$ 8,366 Seal Coat
Feb			\$ 20,374	\$ 158,448			\$ 3,000 Water Bill help
Mar	\$	20,000	\$ 20,374	\$ 158,822			\$ 6,055 Tree
Apri			\$ 20,374	\$ 179,196			\$ 6,075 Walks
May			\$ 20,374	\$ 199,570			\$ 40,688 paint bldg's 13-16
June	\$	3,000	\$ 20,374	\$ 216,944	\$	291,723	\$ 69,184

* Assumes wood replacement stays at or below \$85K

No Deck work

"Unexpected" expenses not included

No operating fund "over budget payment

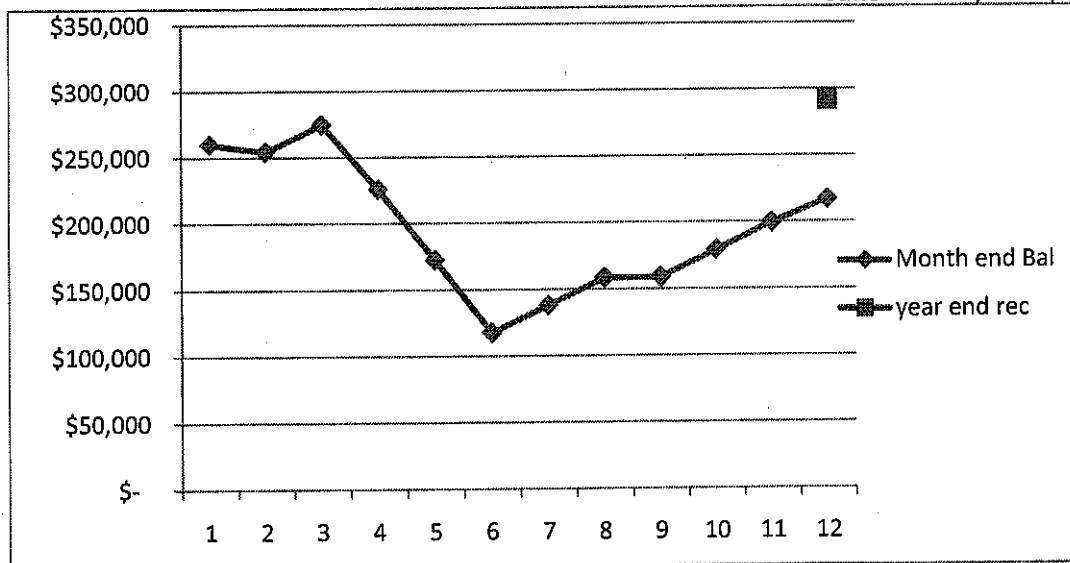
\$45K marina income in February not included here.

Nov	\$	72,132	Paint
	\$	500	Pump-out
	\$	1,000	Gate
	\$	<u>73,632</u>	

Dec	\$	72,132	Paint
	\$	3,000	water bill
	\$	<u>75,132</u>	

March	\$	3,000	Water bill
	\$	17,000	Awnings
	\$	<u>20,000</u>	

June	\$	3,000	water bill
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Shearwater Condominium Association
Budget Status
as of
September 30,
2011

Operating Account	% of Year		
	Year-End Budget	Year-to-Date Actuals	Actual vs Budget (%)
Operating Income	569,729	128,438	22.5%
Unit Assessment	515,241	128,810	25.0%
Marina	54,076	-609	-1.1%
Late Fees	350	125	35.7%
Other	50	110	220.0%
Operating Account Interest Income	12	2	16.7%
Operating Expenses	325,241	80,844	24.9%
Administration	87,995	25,790	29.3%
Telephone (Gate,Fax,Pool)	900	181	20.1%
Postage	1,300	468	36.0%
Office Supplies	2,000	886	44.3%
Management Fee	29,259	7,315	25.0%
Audit Fee	1,300		
Attorney Fees	2,000	1,092	54.6%
Licenses & Permits	350		
Other	1,200	316	26.3%
Newsletter	220		
Real Estate Taxes	750		
Fed & State Taxes	1,000	1,142	114.2%
Liability Insurance	27,216	14,390	52.9%
Flood Insurance	20,500		
Maintenance & Supplies	67,200	28,951	43.1%
Grounds	20,000	8,222	41.1%
Irrigation	2,000	622	31.1%
Buildings, General Maintenance	40,000	16,150	40.4%
casualty loss		332	
Pool	2,200	2,490	113.2%
Marina	3,000	1,135	37.8%
Service Contracts	100,286	15,182	15.1%
Pest Control	3,000		
Trash Removal	13,474	1,997	14.8%
Snow Removal	8,000		
Grounds Care	27,814	6,953	25.0%
Janitorial Services	25,956	1,407	5.4%
Pool	22,042	4,825	21.9%
Utilities	69,760	10,921	15.7%
Electricity	20,000	5,138	25.7%
Cable TV	23,000	5,783	25.1%
Water & Sewer	26,760		
Transfer to Reserve Account	244,488	61,122	25.0%
Net Income		-13,528	

Reserve Account	
Starting Balance (7/01/09)	\$243,268
Year-to-Date	\$31,383
Income	\$61,247
Fees	
Interest	\$125
Transfer from operating fund	\$61,122
Expenses	\$29,864
Capital Replacement	\$3,800
Paint	\$26,064
Current Balance	\$274,651

Dock Master Report to the Board – Monday, October 17, 2011

- Slip vacancy: GCE - 6
LCE - 11
Kayak - 1
- Improved kayak storage facilities to allow four additional “short” kayaks. Wait list is now totally fulfilled
- Renumbering kayak racks for ease of use
- Guest occupancy for October - boats occupied slips for 26 nights
- Provided reciprocity slips to Eastport Yacht Club for their Santa Maria Cup activity for one week for three boats
- One boat in an LCE slip removed by the slip owner as a result of having a live aboard occupant
- Announced winterization process of the marina effective November 15 - water will be turned off
- Completed designation/installation of marked emergency safety ladders in marina
- Provided research and information for procurement of required (State mandated) sewage pump out equipment by installation deadline of November 23, 2011 (now extended to March 2012). Request that the Board authorize the purchase of a Todd Marine products Waste Caddy, Part # P93-2402 at a cost of \$512.10. This request is made to meet the mandate of the Maryland Department of the Environment set forth in statute 9-333(d) of the Environment Article, Annotated Code of Maryland by March, 2012. We have been advised that this unit meets these requirements. The delivery cost of this unit is \$512.10. There will be minimal anticipated additional costs for installation of the unit at Shearwater (i.e. lock, chain, weather proof cover, etc.). Storage of the unit during winter months will be in the Racquet Ball Court building.

As indicated, this unit meets the minimal requirements of the State.. Whenever it is used, we will have to call the City pump out boat to come to Shearwater to pump out the unit. Therefore, we propose to charge \$10 for each use of this pump out unit to defray the costs we will have to pay the City and assist in defraying the unit cost.. The critical item we have to make known is that **each user** will be responsible for the actual pumping out operations of their boat after scheduling with the Dock Master and moving their boat to the pump out site. Very obviously, the most convenient method of pumping out your boat is calling the Annapolis city pump out boat, which will respond to your boat and provide this service at a minimum cost (\$5). Unfortunately the State will not recognize this convenient service offered by the City as fulfilling the State requirements for Shearwater.

Respectfully submitted,
Eric Petterson and Skip Smith