

Sea Winds Condominium Association, Inc.

Minutes of the Sea Winds Board meeting held at the Sea Winds Clubhouse on Saturday
25th January 2014

1. **Determination of a Quorum**

A quorum was announced by the presiding officer, Doug Loudon. Three Board members were physically present (Jane Hartman, Mike Hughes, and Nigel Smith) while Doug Loudon and Jeff Peet were on speaker phone.

2. **Call to Order**

Mr. Loudon, President of the Board, called the meeting to order at 9:13 AM at the date and location noted above.

3. **Approval of minutes from previous board meeting**

The Board approved the minutes from the Board meeting held on 26 October 2013 by a vote of 5-0.

4. **Officer's Report**

Doug Loudon summarized progress on several fronts, including improvements to the rental program, hiring of a CAM manager, and various renovations and repairs concerning Building and Grounds. It has taken about 6 months to stabilize the Association after a tumultuous period in 2012 and 2013 which involved two changes in external management companies and the sudden departure of the office manager. While there is still work to be done, self-management is providing the Association with greater flexibility and accountability.

The President suggested that it may be worthwhile to review the condo docs which were drawn up some thirty years ago and may be out of date in some instances. However, any changes would require approval of at least 70% of the owners, a daunting proposition because it is hard to get so many owners to vote, let alone vote in unison.

It was announced that the annual meeting this year will take place on May 1st.

5. **Agenda Items**

Three committee reports were presented as follows:

Finance (Mike Hughes)

The financial condition of Sea Winds is good. The current reserve accounts total \$261,187.99. The Association's operating account has a cash balance of \$31,095.51 and the Rental operating budget has a cash balance of \$61,331.17, though there are a number of outstanding rental commissions and bills that will draw down the rental balance. The budget work for 2014-2015 has begun and after 3 drafts, it is close to completion.

Many lines within the budget will be broken out for all owners to see various categories of expenses in greater detail than has been customary in the past. Major cost increases over budget this year included the expense of tree trimming and mulch. In addition Lake Doctors had to do additional work on the lagoons to remove algae which should not have to be repeated annually. It will occur once every 2-3 years. The other category of maintenance that went up was the cost of dry wall for those units that are located in the South section of our complex where pin hole leaks had occurred in pipes between units. The Association is responsible for the dry wall after the owner has replaced the pipes.

Insurance costs for the complex will continue with a modest increase at least at this point as the laws have not yet changed for coastal areas. The Budget next year will contain both a line for revenue collected from 2 units for the remaining time left on their 10 year note and on the expense side a line item will appear for the remainder due BB&T for the loan taken out in 2005 that will not be paid until November of 2015. This money must be added as it never had been by previous management company(s) and needs to be accounted for as the expense side will be greater than the revenue through out that period.

Rental (Jane Hartman)

We are experiencing high demand for the rental units. The renter today has high expectations, including a quality unit and quick response for service calls. Renters report that they have experienced better service this year and are pleased with the updates in many of the units.

We are catching up with fully implementing the new cleaning rates and rental rates as many of the renters have booked the rental prior to the increase.

We have written new language for the implementation of registration fees for renters who rent with outside agents or through individual owners. Our attorney is working to include the new language in our documents. When this is completed it will be implemented.

We have purchased one complete set of towels and linens for each unit in the Association's rental program for which owners are charged. We expect to need more towels in May as we prepare for the high demand for rental units in the summer season. Renters generally prefer a generous supply of linens and towels so that they do not need to do laundry. If we go this route we will need to increase the inventory of sheets and towels in each rental unit, thereby necessitating an increase in laundry charges.

As we prepared for the 2014-2015 budget, we discovered that for the last 12-15 months or more owners have not been billed when Louis does a repair for a renter or the owner, or when office personnel get supplies for the owner. Failure to follow through with the billing has been traced to the front office and this is being corrected. Bills will be sent to owners for past work done during regular hours.

Buildings and Grounds (Jeff Peet and Nigel Smith)

Activities since last meeting:

1. Complex caulking and painting completed. Currently finalizing punch list for painting touch ups. Sherwin Williams to finalize paperwork for 10 year warranty.
2. Pedestrian Roof Decks: Repair and recoating of all roof decks was coordinated with building coating/resealing and is complete. No deck boards are being reinstalled. Unsealed concrete patios coated. Vendor working through punch list for deck repairs on two units.
3. Gate operator repaired.
4. Pool lights and wiring has been repaired as well as leak.
5. Two fire hydrants replaced and isolation valves installed. Four concrete posts were installed outside the scope of approved project due to direction by an unauthorized owner. Contractor wanted \$600 for the posts (which are not required by law and were not part of the original scope of work) but the Board has refused to pay and the contractor has agreed to drop the charge. In future, all contracts for work on Sea Winds property will include a clause that states that under no circumstances is the contractor to take instructions from unauthorized individuals. Owners must refrain from interfering with contractors working in the complex and should seek out a Board Member or the CAM manager with suggestions or concerns. Only the CAM manger in conjunction with the Board can authorize changes to work orders.
6. Tennis court resurfacing is complete and railroad ties have been installed as a retaining wall in the SE corner to keep soil from washing onto new courts. Degraded fence posts and fencing are being replaced. The total cost of the tennis court repairs is approximately \$14,000 and is budgeted for in the reserves.

Pending activities for 2014:

1. Update Dreux Isaac study.
2. Complete tennis courts refurbishment and fence repairs.
3. Pool restrooms renovation.
4. Clubhouse kitchen renovation.
5. Bids for asphalt repair/resealing/restriping.

6. Questions raised by members

Several owners raised questions during the progress of the meeting rather than saving them to the end. Owners expressed appreciation for this procedure which allowed them to feel more engaged and to raise queries while the topic was being covered by a Board member.

A couple of owners asked whether it would be possible to have their monthly dues auto-deducted from their bank accounts as was customary in the past. This manner of payment is more convenient than writing checks and mailing, or bringing them to, the front office. The Board replied that this matter is under discussion with the Association's accountant.

An owner expressed a concern that our maintenance person, Louis, may be performing work in units without the owner being billed. This also may apply to rental units handled by an outside agency. The CAM manager and front office personnel will be more vigilant on this matter. The procedures for billing owners for work done on their past has apparently been haphazard in the past. Several owners know to employ the services of Louis after hours.

The issue of degraded COMCAST cables was raised by several units. Some of the cables outside units are in the process of being replaced so that television and internet service improves. However, some cable wires may have corroded inside the walls of units; the Board will investigate where the responsibility lies in such cases.

An owner expressed concern with the manner in which Valley Crest trims the inside of hedges around A/C units because some wire and/or pipes have been damaged. The CAM manager will contact the landscaping contractor regarding this issue.

7. Adjournment

The meeting was adjourned to Executive Session for the discussion of personnel matters at 10:37 AM.

Respectfully submitted,

Nigel Smith, Secretary