

**HACIENDA DEL SOL I ASSOCIATION
BOARD MEETING MINUTES
February 9th, 2010**

In attendance:

Phil Wentzel – President
Kurt Arthur - Vice President – via conference call
Bob Smith – Secretary – via conference call
Joe Breig - Treasurer
Mark Carney – via conference call
Charles St. Pierre
Larry Mabrey – via conference call

Bringing The Meeting To Order: The President, Phil Wentzel, brought the meeting to order at 7:02 pm and sufficient board members were in attendance to represent a quorum. The meeting was moved to unit 206 due to a function in the cabana.

Proof of Notice of Meeting: Bob Smith advised that the meeting was posted on both bulletin boards at Hacienda del Sol 1 on Jan 31, and a notice was emailed to all owners on February 1st.

Reading and Disposal of Unapproved Minutes: Bob Smith made a motion to waive the reading of the board meeting held on November 30th, 2010, and accept the minutes as issued. Kurt Arthur seconded the motion & the motion passed unanimously.

Date of AGM: As the regularly scheduled date of the AGM is the 2nd Sunday in May, a motion was made by Bob Smith to change the date to Sunday May 2nd, Kurt Arthur seconded it and the motion passed unanimously. Mark Carney advised that he would be unable to attend, but felt the meeting should go ahead on the May 2nd date.

Expanded Wireless Capacity: Phil Wentzel advised that the wireless internet service had been expanded to cover all units in the building and commended Charles St. Pierre and Ron Abel for the work they did in putting it together. Charles has put together some instructions for the owners and tenants and had them distributed to the people on premises by Donna Abel. Bob Smith committed To forward the instructions to all owners via email, and Kurt Arthur posted them on our website.

Roof Replacement: Phil explained that despite the poor weather, much of the air conditioning and electrical work has been completed. The new roof is completed up to the seam between the buildings, and the roofers are working on the waterproof housings for the wiring. We have paid everything except the final two payments totaling \$55,521. These payments have not been requested yet. Phil advised that we have received a construction lien letter from one of the suppliers of Wayne's Roofing advising that we would be responsible for any money that was not paid to them by Wayne's. He also advised that this has become standard practice, in large contracts as suppliers protected themselves against non-payment by contractors. He also advised that we would hold back any further payments until this lien notice is satisfied. Bob Smith asked that

Wayne's be reminded of their commitment to provide pictures of the roof construction in progress for posting to the web site. .

Building Repairs & Schedule: Phil advised that Flores Contracting was finished with the repair work around the building but that there are a few items outstanding to be followed up on. The engineering company provided a report on January 19th in which they identified an area on the common walkway on the north side that had some concrete spalling that must either be repaired now or be protected by plywood to avoid the possibility of concrete falling off and causing possible injury. As the cost of the work done to date is less than expected, Phil will have the work on the 4th floor walkway done as soon as Flores can get some people to do it. Joe Breig also identified that during the heavy rains in the summer, there was water coming through the eastern walls in their unit. This had been brought to Flores attention earlier but nothing was done. There is also a large crack on the walls near the 4 units that has been repaired but not properly painted. Phil Wentzel has contacted Peter Flores and will meet with him on the 11th of February to discuss the discrepancies. He will also ask for a quote on a problem with the garbage room and some cracks near the elevator on the 1st and 4th floors where there is future work to be done.

Resurfacing The Parking Lot: In an effort to update the reserve figures for the auditors, Ron Abel has been asked to get quotes from contractors for the condition and useable life of reserve categories such as the elevator and the parking lot. We have up to date data on the other reserve items. We have received two quotes on the parking lot. Neither of them is identifying any immediate concern, but quotes of \$15,488 and \$19,300 would put a 1" surface on the whole parking lot along with necessary striping. The board feels this can wait until we have sufficient funds in the reserves to cover it. One contractor was also asked to quote on the cost of leveling the parking lot around the drain in the lot nearest the road to eliminate the standing water. This quote came in at \$29,000 for the parking lot including the leveling of the depression. The board will seek other options to get rid of the standing water, as we are not ready to have the lot re-done at this time.

Elevator: As indicated above, the elevator is another reserve account that must be brought up to date for the auditors. To this end we have requested a quote from GESS Elevators our current service provider. We received a document identifying a 1 to 20 year plan for maintaining the elevators. We currently pay GESS \$640 per quarter for service. GESS identified repairs ranging from replacing the "Heavy Duty Door Operator" for \$4,000 in year one to replacing the existing power unit with a new submersible pump in year 5 for \$12,000. They also recommend in years 15 to 20 replacing the Controller and Machine Room Wiring for \$35,000 along with a potential ground jack at some undetermined time at an estimated cost of \$40,000. GESS had earlier given us a quote for a device to bring the elevator back to the main floor and open the doors in the event of a power failure. As the managers and some board members have been dissatisfied with the service from GESS in recent times, another local elevator company "Elevator 911" has been contacted for similar quotes. Early quotes and suggested repairs from this company are considerably lower, including their maintenance agreement, which is \$190 less per quarter. Elevator 911 did a review of the elevator and gave Phil Wentzel a list of service deficiencies in our equipment, but stated that the elevator is in reasonable shape overall considering the age. Our contract with GESS expires in September but they must be notified of a cancellation by June 1st. The Board did not feel that there is

enough time after the May election for the new Board to deal with this issue and that we should explore our options and make a decision before May. Phil will get complete quotes from Elevator 911 and references from local companies and the board will make a decision as soon as possible.

Emergency Lighting: During a recent power outage late at night, the board received some complaints about the lack of emergency lighting on the stairwells. Ron Abel, Charlie St. Pierre and Phil Wentzel did some investigation and found that we can properly equip the building with new exit lights and emergency lighting for all stairwells and another by the cabana entrance for a cost that will fall inside our budget. Ron Abel has offered to install them for a lower rate than we would pay for an electrician. Charles St. Pierre made a motion that we purchase and install new exit lights and emergency lighting for the stairwells, including installation, for a cost not to exceed \$1,500. Joe Breig seconded and the motion passed unanimously.

Officer's Reports:

AGM Mail-Outs: Bob Smith advised that the first mail-out package has been prepared and will go out on time with the minutes of this meeting. Our deadline is 60 days prior to the AGM and we should have no difficulty meeting this requirement. Bob asked Phil Wentzel if he would send out a notice to the owners asking for new candidates for the Board. There will be several openings on the board this year and people are encouraged to get involved. Phil and Bob will work on a notice and include it with these minutes.

Web Site Report: Phil Wentzel asked Kurt Arthur if any significant activity had occurred with the web site. Other than adding a new item for the winter people to post information, nothing much has occurred. Kurt has also added the information about the WI-FI signal. Phil indicated that use of the web site should grow over time.

Treasurer's Report: Joe Breig reported on the state of the budget and advised on the state of the roof assessments, as well as noting that some questions arose from board members about some budget entries:

- ❑ **Roof Assessments:** Joe advised that we have received full payments on the roof assessment from all but three owners. Two have made partial payments but one has made no payments at all, despite promising to do so by February 1st. The Board voted to have a letter sent out advising this owner that non-payment in 30 days would result in a lien being placed on the property. Any legal costs regarding this process will be added to the amount of money owed.
- ❑ **Contingency Fund:** Bob Smith queried the entries on the contingency fund to determine which items we had spent the largest amount on and how they had exceeded the budget in this account. Joe asked Donna Gentile to provide details of the spending on the contingency fund and a report was shared with the board. It appears that several items were misdirected to the contingency fund, such as the Manager's mileage costs and the replacement of the pool furniture. When these items are correctly categorized, the contingency fund will be under-spent, allowing us to fund the emergency lighting from this account. The Board agreed that we should add some

new categories to the budget to accommodate the Manager's mileage etc. Joe Breig will work on this with Donna Gentile.

- **Maintenance Fee Receivables:** Mark Carney requested a clarification of a budget item for \$13,350.98 on the balance sheet under receivables for maintenance fees. He stated that this figure had climbed by \$4,000 since last month and he didn't understand it. Joe Breig will investigate with Donna Gentile and have the balance sheet item corrected.

The 2010 Budget: Phil Wentzel determined that all board members had the preliminary budget information provided by Donna Gentile. He advised that he had worked out some preliminary numbers for the various accounts and that we would work down the list item by item. For those budget items for which suppliers have established definite costs, those numbers would be used. For other standard budget items, Phil added 5% to existing costs.

Reductions in Insurance rates both in the current budget and next will allow us to accommodate increases in such items as pool gas, (caused by a very cold winter)

Flood Insurance: Charles St. Pierre stated that he felt we are wasting our money on flood insurance. He indicated that he felt it was impossible for our building to be flooded. He further stated that he called every bank along the beach and found that none were insisting on flood insurance in this area to issue mortgages. Phil Wentzel rebutted that any water washed over the seawall by hurricane winds, such as a tidal surge would be covered by flood insurance not wind insurance. This could result in water undercutting our shuffleboard court, cabana or, as it did on some cases down the beach, the building itself. Kurt Arthur stated that having flood insurance at a cost of \$122 per year per owner is well worth it for the peace of mind it offers. After a lengthy discourse, rather than continuing with the discussion, Bob Smith made a motion that we continue to fund flood insurance. Kurt Arthur seconded the motion and it passed by a vote of 6 to 1.

Telephone Costs: Bob Smith suggested that we take a serious look at the cost of our telephone service. We have an owner who is in the business, and if requested, Bob would approach him to see if he could assist. The Board asked Bob go ahead and request the assistance.

Reserves: Phil Wentzel indicated that while we are working towards collecting the reserve data required for the auditor we are not currently in position to suggest any major alterations. He stated that some changes identified at our last AGM by Bob Smith, in the amounts that we contribute toward the roof and building reserves, were not made as voted upon. This will be corrected with the accountant.

After a lengthy review, it was determined that the board could present a budget for 2010/2011 with no overall increases and leave the incoming board with some room to accommodate unusual expenses.

The proposed budget will be adjusted and presented to the board for final approval by email.

Next Meeting: As it is anticipated that we can finalize the budget over the Internet, no further meetings are scheduled.

Meeting Finale: To confirm the Board's approval of all the decisions made between meetings, Bob Smith made a motion that it be resolved that the operations of the condo's business and the activities of officers of the condo association since the last meeting (Nov 30th, 2009) were discussed, and the Directors unanimously approved, ratified and confirmed all lawful actions of the officers of the condo association during that period. These topics include the replacement of the printer in the office, purchasing the antenna to extend the wireless network and the painting of the railings and shuffleboard court. The motion passed unanimously.

Next Meeting: No future meeting date has been established at this time.

Adjournment: Phil Wentzel asked for a motion to adjourn, Joe Breig made the motion and Kurt seconded. The board approved unanimously and the meeting was adjourned at 8:40 p.m.

Bob Smith – Secretary
Board of Directors,
Hacienda Del Sol I