

## **Blue Water Condominium and Marina Board Meeting June 27, 2015**

PRESENT: BOARD OF DIRECTORS:  
Chris Burba, Director  
John Hatfield, Treasurer  
Dan Rozko, Secretary  
Mike Troncin, Director  
Dave Truett, President  
Tom Wylie, Director  
Dave Zielinski, Vice President

Also Present: Mike Hanthorn, North Coast Property Management

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### **Call To Order**

Truett called the Board Meeting to order at 9:45 AM.

Truett stated he researched the history of the Code of Ethics. He stated he would sign the sixteen (16) point version of the document, asking the Board to consider also signing that version. Zielinski stated point # 2 states:

“Each new board member will be given a copy of this document and will be asked to acknowledge that they received it, read it and agree to abide by it” should not be in the Code of Ethics.

He also stated that point # 4 should be modified as follows:

From: “No gifts of any type worth \$50.00 or more per year will be accepted from any owner, resident, contractor or supplier.”

To: “No gifts of any type will be accepted from any owner, resident, contractor or supplier.”

Point 4 was changed as suggested, and Board members signed the revised Code of Ethics (Attachment 2).

### **Contractor Report**

Hanthorn presented and reviewed the NCP Property Management Report effective May 15, 2015 (Attachment 3). Discussion followed about # 22 (Front Entrance Sign) on that report. Truett recommended a construction sign identifying caution around the construction at the front Blue Water entrance. NCP was asked to place signage as appropriate in all work areas where there are resultant hazards in the work area.

Regarding the old BW sign at the entrance, Rozko commented he thought that sign had been stored. Others on the Board were of the same opinion.

Regarding # 25 (Sand Filter for Pool) on that report. Truett stated he talked with Ottawa County Sanitary Engineer staff to resolve this issue.

Zielinski reminded NCP that they pointed out the need for the two railings to be placed on the concrete stairs going from the lawn to the marina walk. NCP advised that they are working on the pricing and will advise. In addition, Zielinski asked about the fire extinguisher mounts and spill pad containers. NCP is also working on getting something more suitable. Zielinski asked if NCP could select a more suitable storage location for the dead fish retriever. They said they would. Missing dock post cover tubes are also to be replaced.

### **Approval of Minutes**

The Board received and reviewed the 4-25-15 minutes. As stated under New Business in those Minutes re: the tennis court, Wylie requested an amendment to clarify the Motion as stated in his e-mail dated 5-17-15 at 4:00 PM, adding the following:

“This would be included with a re-vote on the amendment to the Declarations and Bylaws that would allow the board to remove the tennis court.” The Motion would then read: Rozko made a motion that Wylie

draft a memo to owners to include the costs of the three (3) options with full explanations of each option for Board review. This would be included with a re-vote on the amendment to the Declarations and Bylaws that would allow the Board to remove the tennis court. Truett seconded. Motion passed six (6) votes For, one (1 - Galvin) opposed.”

**Troncin made a motion to approve the amended 4-25-15 Minutes. Wylie seconded. Motion passed unanimously.**

Rozko then addressed several concerns about how the Minutes are taken on behalf of the Board and BW ownership, stating:

1. Open forum comments should be included in the Minutes. While they are not a part of the Board Meeting, they do represent owner input. This is especially important given the current division of ownership as represented by a difference of only two (2) votes in the election for Board members.
2. This Board has said transparency is important. Detailed Minutes help address that transparency.
3. From a legal perspective, greater detail should be helpful to the Board for what was said in the meeting.
4. Sending out Minutes on the basis of completing a draft in one week, allowing one week for Board input, then sending them out to BW owners before formal approval is both very difficult from a timing perspective, and a questionable practice from an approval perspective.
5. Robert's Rules say how Minutes are taken, but do not preclude other ways of taking minutes. This is how I (Rozko) have taken minutes and documentation for more than thirty (30) years; on the basis of who, what, where, when and why.
6. If this Board is in session for four (4) hours for BW matters, reading four or five pages of meeting Minutes should not be an issue. If it is an issue, NCP can provide a synopsis of the meeting. There would be a charge, and the synopsis could take up to a month to distribute.
7. If the Board prefer a different approach for the Minutes be taken, NCP or another Secretary could be appointed.

Discussion followed. Burba strongly objected that Open Forum comments be included in the Minutes. Why NCP should be paid to send out a brief overview of Minutes was also discussed.

**Burba made a motion that an unapproved version of the Minutes in the form of a synopsis be sent out to BW owners. Zielinski seconded. The Motion failed.**

**Zielinski made a motion that Open Forum information not be included in the Official Board Meeting Minutes, between the Call to Order and the Adjournment. Burba seconded. Motion passed six (6) votes For, one (1 - Rozko) Against.**

The May 18, 2015 Minutes were presented for Approval. Burba objected to inclusion of the Open Forum commentary.

**Burba made a motion to delete the Open Forum commentary, then approve the May 18, 2015 Minutes. Zielinski seconded. The vote was equally divided. The tied vote was broken by Truett, and the Motion passed.**

### **Financial Report**

Hatfield reported the snow last winter negatively affected the budget, that Kaman and Cusimano billed twice in error, and that the President and Treasurer are to see bills before NCP pays any bills. He also confirmed electronic review is available. Marblehead Bank is to send information to Hatfield to see checks that were written. Automatic withdrawal is also being investigated.

About \$25K has been spent for pool repair. This year, an estimated \$9K will have to be funded from Reserves. Wylie expressed concern we are spending more than we are taking in; spending an estimated \$12K for building washing that wasn't budgeted. This will need to be monitored continuously.

**Zielinski made a motion to approve the Financial Report (Attachment 4). Troncin seconded. The motion passed unanimously.**

### **Committee Reports**

- Maintenance Committee - Zielinski

Zielinski provided an updated Handout (Attachment 5). He complimented Owners for attending the Board meeting, and Hanthorn for his work on behalf of BW. Specifically that NCPM has done a good job bringing new contractors to our bidders list.

Re: # 1 – Tennis Court Repairs. Bids were opened June 18<sup>th</sup> and are being reviewed. It appears Holcomb Paving will be awarded the bid. Zielinski was able to negotiate a bid of \$24K plus taxes, estimated to be \$4K less than the Spend Ceiling. Truett asked that the firm bid be in writing. NCP will follow up and award the contract.

Hatfield made a motion to award the bid to Holcomb to a maximum of \$25,680.00. Burba seconded. Wylie expressed concern about the durability of the repair to the Court. Truett stated drainage can be installed at a later date.

**Hatfield made a motion to award the bid to Holcomb to a maximum of \$25,680.00. Burba seconded. There were five (5) votes For, and two (2) Abstentions (Troncin and Wylie). The motion passed.**

Re: # 2 – Basketball Backboard and Hoop on Tennis Court. This is modified to add a Bocci Ball court and a basketball backboard. The location is to be determined. Two BW owners have offered to pay for the Bocci and basketball backboard additions.

Re: # 3 – Wash Condo Buildings. No activity to date.

Re: # 4 – Refasten and re-caulk siding. No activity to date. Zielinski recommends the immediate repair needs be satisfied first including refastening and recaulking where needed and building washing. Then the buildings be put on a 10 year budgeted rotation to once again keep them all looking new. This may include siding refastening as well as recaulking, and paint touch up every ten years; much like we do with the marina docks.

Re: # 5 – Repair Gas Lights. NCP is addressing this issue.

Re: # 6 and 7 – Safety Lights, Electrical Service. Gill provided a budgetary estimate; \$4,975.00. Wylie asked if this is a capital improvement, and Truett stated our responsibility is to keep all BW residents (and visitors) safe (Article IV, Section 12, i, of the Bylaws). Hatfield stated that according to Jennifer Meinke at NCP, expenses are viewed as ongoing expenditures, Occasional improvements, and Capital Reserves.

Re: # 8 – Reseal Asphalt. Zielinski suggested we tackle the roadway issues in logical steps. The failed roads must be repaired, then the cracks should be properly filled then as a last step the seal cote should be addressed. We may only get to the first two tasks this year due to time and budget. The seal cote can wait if we do a good job on the repair and cracks.

Re: # 9 – Repair roads and speed bumps. This is a Capital Reserve repair. . Bids have been received and opened June 18<sup>th</sup>. . The low bidder, who did not come to the bid walk, is \$4,900.00 plus taxes. The bidder has non responsive. Zielinski is prepared to award a contract to the next lowest bidder which is \$6800.

**Hatfield made a motion to cap the expenditure at \$6,800.00 plus taxes. Burba seconded. The motion passed unanimously.**

Re: # 10 – Repair RipRap on West end of Marina. The electric portion is estimated at \$2,950.00. Bids are out for the rock portion of the work. This project will be done later this year. Zielinski will work on ingress and egress issues in anticipation of the work to be done.

Re: # 10 – Marina Walkway. This is for future discussion. Hatfield believes this would require a vote of the residents.

- Marina – Troncin

BW received a good review from the Clean Marina personnel. We need to attach their Clean Marina sign in the marina area.

They like the oil containment equipment location. We need to post the EPA phone number to call within thirty (30) minutes of an oil spill, and establish a location for a sign with the EPA number on it. They also gave us oil containment equipment for a boat, with handouts. NCP will include the handouts with their next billing.

When Zielinski asked what information has been provide to renters and owners about the Clean Marina program, Troncin suggested it could be put in the renter's agreement. Truett suggested there should also be a statement that renters and owners are prohibited from boarding another person's boat in the Marina without the boat owner's knowledge.

Considerable discussion followed about back flow preventers. If taken off pedestals, the County will fine BW after August 2015 if they are missing during a County inspection. This should also be incorporated in the BW Marina rules. If a person is caught removing a back flow preventer, a fine of \$50.00 was suggested.

In addition, Truett stated 110 volt extension cords are being used on boats in the Marina. This is absolutely not allowed, and should also be communicated to owners and renters. Breakers to the Marina area are being turned off on Building 3. This too, should not be happening.

Discussion followed. Hatfield expressed concerns about the reserves on the Marina, and Troncin questioned how we advertise our docks for rent. Zielinski will email a proposal for Marina rules, asking how they should be communicated to current owners and renters as well as new owners and renters. Wylie suggested communication electronically, and that he will send a copy he has to NCP and Truett. Truett suggested notification be sent out with the next billing statement.

Zielinski said the latest Marina license expired in 2010. Troncin will verify if a Marina license is required each year.

Fire extinguisher locations are required where docks are greater than 25 feet, with back up locations, per NFPA, 28.1.6.1.1.1.1. Troncin will check, verify, and advise what the requirements are.

- Landscape – Wylie

The Landscape committee did a walk-around with Choice Landscape. Choice will do a "hard prune" in the fall. Truett asked that three (3) quotes are obtained for the tree trimming, to keep tree branches from scratching buildings and scratching the paint. This will be addressed in the next Board meeting. Rozko stated there are different areas; common vs. limited common areas. Owners have the option to plant in their limited common areas.

Wylie thanked the Landscape committee members who removed old and dead bushes and dead rose bushes. The committee can do some landscaping at no cost, stretching the budget (Attachment 6).

- Communications - Burba

Burba is working on combining two (2) web sites from owners Olney and Patten for Board review. How to dovetail with the NCP Newsletter and BW information was raised. Burba suggested the BW Welcome Packet could include related information. He will discuss with Jennifer Meinke at NCP re: joining our Blue Water newsletter to their quarterly Northcoast mailing to Blue Water residents.

## **Old Business**

### Siding

Truett talked with the architect and the general contractor about the CertainTeed Siding issue. They recommend filing a claim. Truett has been in contact with CertainTeed's adjuster, Chris Almondson. Almondson said a separate claim must be filed for each building. There are strict time requirements. Claims must be filed by 9-1-20, then there is a ninety (90) period to correct the problem(s). The claims are settled with a six (6) month period.

Burba questioned the CertainTeed adjuster's recommendation to file separate class action claims building by building, and spread out over time, instead of all at once. He made contact with the Pennsylvania firm that filed the class action, and discussion was held regarding filing a warranty claim in addition to, and separate from, our class action settlement participation.

### Committee Responsibilities

Truett referenced his earlier handout on committee responsibilities, and asked for input. This topic was tabled.

### 4-25-15 Minutes - Reserve Advisory Report (RAS)

The Minutes of the 4-25-15 Board meeting referenced the RAS and included the Motion as follows:

**Galvin made a motion to adopt the December 15, 2014 RAS Report allocation of reserves set forth in the Executive Summary for the Condominium Association, and that the Marina matter be subject to further review to assure funds will be available. Truett seconded. Motion passed unanimously.**

Confusion about how this was intended was clarified. Rozko explained the intent of the Motion was to reduce owner quarterly assessments, following the RAS study recommendations (Attachments 7 and 8).

Burba said the RAS is a recommendation to the Board. The Board is free to accept, reject, or modify their recommendations.

**Burba moved to vacate and nullify the 4-25-15 Motion (as stated above). Hatfield seconded. Motion passed six (6) votes For, one (1 - Rozko) Against.**

The Reserves are to be retained at \$60K.

### New Business

#### Marina Tax Issue

Hatfield provided an overview of this issue. He said there could be \$10K in back taxes and \$4K in interest, based on which tax form we used. He talked with Bruce Swartz (CPA), who talked with Jay Cusimano, and then with a third CPA/Lawyer. All three are comfortable that the Home Owners Association controls the Marina.

In discussion, it was noted that the three (3) sources would not put their opinions in writing, stating it is a very complicated issue. However all three said Form 1120H, not 1120 should be used. The question of whether or not the Marina should be "Not For Profit" was raised.

**Hatfield moved to leave the Marina filing on Form 1120H as currently filed. Troncin seconded. Motion passed unanimously.**

#### Back Flow Preventers

Truett has been in contact with the Ottawa County Sanitary Department. He read a letter from David Griggs, stating he would shut down BW water if this issue was not resolved by the end of August this year. Truett estimated \$7,500.00 to install back flow preventers. Starcher Enterprises will submit a bid to NCP soon. Griggs advised Brian Baugh that NCP is in charge of property management for BW.

#### Donations

Hatfield stated we have not made a donation to the fire department for several years.

**Hatfield made a motion to donate \$400.00 to the Danbury Fire Department, in two (2) equal payments. Burba seconded. Motion passed unanimously.**

**Hatfield made a motion to donate \$60.00 to the Gravel Bar Yacht Club for use of their meeting room. Burba seconded. Motion passed unanimously.**

#### Vulpitta Patio

Zielinski suggested conditional approval pending no utility issues arise, and that the Vulpitta's provide a proposal that will satisfy the requirements of the landscape board members, that their contractor meets all BW specifications, and working within BW guidelines. Truett said the patio is to have no color, as all BW patios are uniform in color now. Zielinski will follow up with Vulpitta.

#### Social Events

Linda Truett would like to head up an events group. Helpers are needed. The following has been suggested:

- 9-5 or 6-15      Fall Barbeque on the point (Weather permitting).
- 12-5-15          Christmas Party.
- 5-14-16          Annual Meeting to be held at Ritzski's Lighthouse Restaurant.

#### Legal Representation

Burba reviewed the BW agreement with Kaman and Cusimano (KC). BW pays KC \$600.00 annually, plus \$190.00 per hour when retained by BW for legal assistance. KC provides legal assistance to Board members for Board related matters at no charge for the first fifteen (15) minutes, and free seminars to Board members on pertinent issues for our Association management. Brian Falkowski, the KC CFO, indicated no flexibility re: this arrangement, as it applies to all of their clients.

Burba then presented an overview of Ott and Associates Co., LPA (Ott). He reviewed his 6-23-15 email that overviews Ott's services and fees.

**Burba moved to terminate KC's representation to BW, and replace them with Ott, effective upon notification. Zielinski seconded. The vote was three (3) For, and three (3) Against. Truett broke the tie, and the motion passed.**

#### Pool Filters

Hatfield stated that it takes NCP three (3) hours to clean the pool filters. A more cost effective way is with a canister and silica sand.

**Hatfield made a motion to have a canister with silica sand installed at a cost not to exceed \$675.00. Burba seconded. Motion passed unanimously.**

#### Spider Spray

Zielinski advised Hanthorn owners' need a notice before the Spider Spray is done so that windows and doors can be closed prior to the spraying.

#### Owner Project/Approval Request Form

There was discussion about finalizing an Owner Project/Approval Request Form. Rozko said that type of form was developed about two (2) years ago. He will provide a copy for the Board at the next Board Meeting.

Zielinski said the Standard Project Bid format is ok and ready to be used. The Board agreed to use that Standard Project Bid format.

#### Pets

Based on discussion about how to address pets and their" nature calls", and the lack of attention by some pet owners of this issue, the following motion was made:

**Zielinski made a motion to bar pets from the central grass area. Dogs are to be walked in the outer perimeter grass areas.**

Rozko recommended the motion be amended to include grass areas immediately in front of any residence as well. The amended motion was entered as follows:

**Zielinski made a motion that owners and their guests are barred from walking their pets with the intent to satisfy their bodily functions only in the central grass area and grass areas immediately in front of a condominium. Rozko seconded.** Discussion followed. There was no differentiation made in the discussion about allowing pets in the central grass area when not doing their business. Pets should be walked on the perimeter of the property for their nature calls. Fining offenders was mentioned. Violators will be sent a letter. **The motion passed unanimously.**

#### Miscellaneous Items

Hanthorn expressed concern there are no wind sensors on awnings. He recommended owners install wind sensors on their awnings. He also recommended owners install frost proof faucets. Zielinski would have to provide specifications so the siding warranty would not be voided. Estimated owner cost is \$75.00 - \$100.00 for frost proof faucets.

NCP can set up a conference call for any future Board meetings when necessary.

**Next Meeting**

The next Board meeting will be held at the Gravel Bar Yacht Club or another location to be determined, beginning at 9:00 AM, 8-15-15.

The annual budget meeting is scheduled for 10-3-15. The location is to be determined.

**Adjournment**

**Zielinski made a motion to adjourn. Troncini seconded. Motion passes unanimously.**

The meeting was adjourned at 2:15PM.

Submitted By \_\_\_\_\_ Date \_\_\_\_\_