**+Blue Water Condominium and Marina Board Meeting**

**February 24, 2016**

Present: BOARD OF DIRECTORS:

 Chris Burba, Director

 John Hatfield, Treasurer

 Dan Rozko, President and Secretary

 John Shuleva, Director

 Mike Troncin, Director

Tom Wylie, Director

Dave Zielinski, Vice President

**Call To Order:**

The Teleconference Board Meeting was called to order at 7:03 PM by President Rozko.

Rozko said he wanted to amend the February 3, 2016 Minutes regarding the condo association and marina budgets. He explained the five (5) Budget Related Motions (points) are required under condo law. They allow remaining funds in both condo and marina operating funds at the end of the year to be rolled over into reserves. The language is required to be in approved Board Minutes. Discussion followed.

**Rozko made a motion to approve the 2016 Budget language for the Blue Water Condominiums. Wylie seconded. The motion passed with Zielinski abstaining.**

Rozko entered an amendment to the February 3, 2016 Minutes to include a copy of the approved 2016 annual Blue Water Marina budget with inclusion of the required Budget Related Motion language.

**Rozko made a motion to approve the 2016 Budget language for the Blue Water Marina.** No second was entered. Discussion followed.

Based on the discussion, Wylie suggested point 2 be changed to read “…$46,030 minus rental income be assessed …” Following considerable additional discussion, the following motion was made:

**Rozko made a motion to approve the 2016 Budget language for the Blue Water Marina, and include the words minus rental income in point 2. Point 2 will then read as follows:**

**2. I move that $ 46,030 less rental income be assessed to all owners of record in accordance with their individual percentages of ownership, noting deletion of reference to H.B.135. Such assessment shall be due on January 1, 2016 and payable in four equal quarterly installments on the first day of each quarter commencing on January 1, 2016.**

**Hatfield seconded. Motion passed, with one (1) abstention by Zielienski and one (1) no by Rozko.**

Both motions include all five (5) of the items as listed.

**Financial Report:**

Hatfield presented the December 2015 financial report for Board review.

**Hatfield made a motion to approve the December financial report. Troncin seconded. Motion passed unanimously.**

Hatfield presented the January 2016 financial report for Board review.

**Hatfield made a motion to approve the January financial report. Burba seconded. Motion passed unanimously.**

**Committee Reports:**

* Building Claims Committee – We are working on the revision of the first claim submitted. We are having trouble getting the invoices for the materials used for the first phase of the project. Bryan Baugh has some of that information and he is working on this. We believe the material was purchased from Carter Lumber. We hope to have those invoices within the next week or so. Discussion was held regarding how payment to Blue Water is to be made, and it was confirmed that the payee would be the Blue Water Condo Association Board of Directors, or the director(s) that the Board so specifies.

Rozko said he called and talked with a claims representative at CertainTeed about the first claim that was filed. This was because Dave Truett filed the first claim, and he (Truett) is shown as the person to receive the payment on that claim. The CertainTeed Representative (Kim @ 855-332-3413) confirmed Truett is on Building 1 paperwork. She said to remove him from receipt of any funds we should send a letter to CertainTeed requesting he be removed from the paperwork for Building 1. We are to state why he is not to receive the funds and who is replacing his name on that paperwork. She said a second letter should be sent with our other submittals saying the same thing. I could send it or ask that you send it.

Burba clarified that as the communications lead, the submissions for the claims will take care of Building 1 and all the other buildings. The funds on the paperwork will all be directed to the Blue Water Board of Directors. Truett will be removed from the paperwork for a Building 1 and the Blue Water Board will replace his name on that paperwork. Burba stated Truett’s submission was incomplete, and when the submission is complete, his name will have been removed and replaced with whoever the Blue Water Board designates.

Rozko asked that Burba continue to share 100% of the information with his entire Building Claims committee.

* Communications – Website and Docks. Troncin’s flyer information has been added to the BW website. Content can be changed as we choose. If we get our sign out and get our website on it, that would be a good marketing tool for us.

What happens when a caller calls the general number on the sign and gets an answering machine at Northcoast Property Management was discussed. and there is nothing about renting a dock. We may be losing a renter for a dock. Discussion followed about modifying the sign to update the information.

* Newsletter – under New Business
* Landscaping – Spring planting is being lined up to replace the trees that were removed and replace the shrubs that got run over on Holliday Drive. Planning to do a walk around to access what happened over the winter, and planning for Earth Day.

Zielinski will talk with Wylie about who caused the Holiday Drive damage. He also said the lawn was badly damaged between the pool and Jim Pecl’s condo, needing repair. Wylie will have Choice Lawn and Landscape look into this.

* Maintenance – Zielinski
* Re: the tennis court net post installation, Zielinski will get Lee from NCP to help with that installation. Rozko said his only concern was that given the history over the last three years, it needs to be ready for owners to enjoy by spring.

Discussion followed about paying contractors, how soon the work can be finished, and sealing the area once the posts are installed.

* Marina Dock Rental – Hatfield’s email 12-22-15 to Jennifer Meinke and the Board covered the calculation for charging docks. Considerable discussion followed about dock rental rates, and raising dock rates over time. Zielinski reviewed his recollection of the various rates over time, and voluntarily chose to work with NCP to review and recommend dock increases going forward.
* Marina docks touch up painting – Zielinski bought the paint and would like to have NCP do the touch up of the docks. He asked about spending the money. Both Hatfield and Burba said that once a project is approved and is in the budget, it is closed. Zielienski clarified the touchup isn’t an approved project that was discussed and voted on.

**Zielienski made a motion to buy two part epoxy paint to touch up the docks.**

At this point, Rozko mentioned concerns expressed to him earlier (not this meeting) about financial oversight of the budget, and said he (Rozko) would be presenting a lot of information later in the meeting on budgetary matters and items where money was being spent but not attached to line items in the budget. Discussion followed. There was agreement that if something is in the budget and approved it’s not an issue. Regarding the painting, how would that be done? To unilaterally start spending without the Board understanding is the issue…” Considerable discussion followed. To approve the dock painting now means we are working against the approved $6,000 budget.

Following discussion, Zielinski rescinded the motion.

* Marina fire extinguisher and throw ring stands – The history on the fire extinguisher issue was reviewed; not enough sites and that they be located 75 feet from each boat. Zielinski designed a “stand” which Truett approved be built. Seven (7) were built, are not a budgeted item, but are ready to be installed.

Discussion followed about where these stands would be budgeted and installed. Costs for each stand are $175 each plus installation, compared to $630 each quoted by NCP. Additional discussion followed regarding these falling under the general maintenance category in our budget.

Zielinski said he would “…move forward and get that problem fixed.”

* Water Line Landscape Repair – A 1” copper line was backfilled with rock. Vibration caused a hole in the line, and he would expect more of these problems. Discussion followed about whether or not this was identified in our Reserve Study, and if a lot of questionable underground work was done at BW.
* Water Line to Sign – Considerable discussion about completing the connection for water to the BW sign. Estimated cost to complete the connection is under $2,000. Zielienski will follow up and present the Board with estimated costs to complete the connection. Funds would come from the Reserve account.
* Dock Ramp Repair – Located by the toilets at the Marina, the dock has been an ongoing problem. Zielinski explained the problem, and discussion followed. Estimated repair time is one day, at about $1,000, under the existing maintenance budget..
* Gas Light Repairs – Gas lights are in disrepair. If we want to repair them with comparable components, estimated material cost is $1,000 per light plus labor to install it. There are 18 of them on the property. Through the winter Zielienski has been investigating solar lighting. The fixture cost $99.00. Doubling up on the fixture would provide comparable light to the gas fixture, with no gas cost going forward. A solar light will be mounted near the Hatfield’s condo as a pilot project. The supplier Company is looking for a brighter solar light as an alternative.

Discussion followed. The Board was reminded about the earlier lighting proposal from a couple of years ago and that owner voting was required. Board direction was sought about proceeding to test the solar option, with approval to spend “…a couple hundred bucks to do this.” Testing to validate the plan, location of the solar light, and funding were also discussed.

* Continental Siding Repair/Damages – There are two (2) locations that we had to have fixed for which Continental Management (CM) was responsible. One has been invoiced. Once the other invoice is received, CM will be sent a letter with the charges.
* Punch List for NCP – Rozko talked with Zielinski about a punch list many weeks earlier. This was an idea where when NCP was at BW and saw something as a matter of a routine nature, they would make note of it and get it fixed on the spot or very quickly (within a few days), without a huge delay and a lot of paperwork; like fixing a gas mantle for example – Management by walking around. Discussion about work flow followed.
* Marina – Troncin

A flyer was developed for the BW website. Suitable for posting at Ray’s grocery, West Marine and other locations, it is designed to stir dock rental interest. Following Board discussion, one renter will be given use of dock 45.5 at no cost for services rendered to BW Marina. This is in keeping with past practice for this renter. Considerable discussion followed about the charges that went out to all dock renters, how to recover costs that may be incorrect, time to respond (72 hours maximum) and the need for full Board input on dock rental fees.

**Wylie made a motion to leave the rental information as was already mailed. The motion failed for lack of a second.**

* Nominating Committee – Hatfield

Two members are on the committee; Ryan Olney and John Hatfield. A third member has not yet been found. Two (2) three (3) year terms and one (1) one year term are to be filled. Shuleva said he intends to run for a three year position. Rozko is considering the one year opening.

**Old Business**

* Discussion of Overall Association Financial Health – Rozko asked Burba for his comments as he expressed concerns to Rozko about the need to be mindful of BW finances and having a meeting on finances at a later date. He said we need to look at the cost of living, why we were over budget, and to understand the reasons we were over budget; like insurance. We shouldn’t have to go to reserves. And we shouldn’t have to expect our annual budget to be the same for years in a row. We need to think about a dues increase going forward. An emergency line item in the budget might be something to consider. Whether or not to be a well maintained condo association or to develop a vision of what we want to be in the future was also suggested. It was thought best to discuss this later when the Board meets in person.
* Accounting Firm Update –
* Meinke and Rozko talked with Schwartz and Associates. They have decided not to work with BW, saying their decision followed almost one year of issues working with BW.

Names of six (6) accounting firms were presented and will be reviewed.

During the discussion, the Board was reminded an extension of our taxes needed to be filed by March 15th, then vetting the accounting firms needed to follow. There was considerable discussion about selecting an accountant, which status we are as a marina (1120 vs. 1120H), where copies of our taxes can be quickly obtained, and how best to proceed.

* Rozko’s Procedural Changes and Statement

Rozko reminded the Board he had been working on financial questions from a core group of BW owners since last November-December. He said those questions led him to multiple conversations with NCP, Marblehead Bank, and CM. Based on those extensive discussions and the time involved, and in order to improve the financial accountability of our Blue Water Board, help insulate our Board from the potential of personal or collective lawsuits, provide greater fiduciary protection to the Board, and maximum transparency to BW owners and outside financial persons (lenders), Rozko drafted and was implementing the following procedures, effective 2-25-16, which he had reviewed with both NCP and Marblehead Bank. As he reviewed them, he said they address how things are done (procedural), not what Board members are required to do (functional) for the Board.

1. Remove liability off of John Hatfield in decisions he has to make, particularly when there is a difference of opinion with Northcoast Property Management (NCP).
2. Remove NCP from the middle when there is a difference of opinion and let them redirect the decision to the BW Board for discussion and final decision.
3. Protect the Board with the addition of Northcoast Property Management as cosignatory for reserve funds; one Board Member and one NCP representative. That is the way many condominium associations have set up their finances, adding a level of security for Board members and owners.
4. Improve record transparency and accuracy by these procedural changes. Assure the financial community looking at our records of the absolute accuracy of our records; auditors and lenders, affect the value of our properties for resale.
5. Keep us from going over our budget numbers.

Rozko continued by saying he believed the Board needed to be more aware of our budgets. Chris suggested a financial Board meeting might be a good idea. Worth considering. One thing is for sure, Rozko commented: “It is imperative that the trust the BW owners have placed in us as their Board is above reproach, particularly in the financial area. We can do better.” These procedural changes will help us achieve that objective. This, like setting up the Building Claims Committee and the Quarterly/Semi-Annual Voluntary Audit Committee is another way to help the Board and BW owners work together and resolve any ill will that exists.

* Audit 2016 – Rozko

This Board has dealt with many changes; changes in leadership in 2015-6, overspending issues in calendar 2015, that we will have a new accountant 2016, and that our last audit was in calendar 2014, Rozko suggested the Board consider returning to an every other year audit and every other year review schedule as had been our past practice.

**Rozko made a motion to have an audit by the Annual meeting for the new Board, and that the new Board could decide about the schedule going forward for how often audits and reviews would be conducted. No second was made.**

Considerable discussion followed. The estimate for the audit was $2,500.00. Based upon the further discussion, Rozko rescinded the motion.

**New Business**

* Annual Meeting May 14, 2016 – Rozko reviewed details very briefly. Wylie offered assistance to communicate the meeting information. Details to follow.
* Winter Spring Newsletter – Attachment – The Board was asked to review the attached and add their input. Burba suggested adding a financial update.

**Next Meeting**

The next Board meeting is to be determined based upon John’s discussion with the accountant in Archbold, Ohio.

**Adjournment**

**Wylie made a motion to adjourn. Troncin seconded. The motion passed unanimously.**

The meeting was adjourned at 10:20 PM.

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

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