

**Cowpet Bay West  
Board of Directors Meeting  
March 6, 2012**

**Present:** Ed Wardwell, Bill Canfield, Rosie Wells, Sharon Koehler, Max Harcourt, Herb Horwitz, Doug Rebak, Jon Cassidy, Louanne Schechter

Owners present: Al Felice and by phone Lance Talkington

Comments from the President: Ed asked the Directors to come prepared, be on time, and serve the best interest of all the owners at Cowpet Bay. He asked that Directors leave their personal bias at the door and treat each other with respect as elected individuals of the Association.

Sharon requested conference phone be activated for owner participation. No one knew the conference number. Louanne was to locate the number and activate the call.

Each Board Meeting will be an open Directors meeting for any owner to attend. There will be a closed Executive session following the Board meeting with Board members only. The purpose of this session is to discuss legal and fiduciary matters to be discussed and protect the privacy of all owners.

**Approval of Minutes of February 7, 2012 meeting:** Max stated he had sent correction to Louanne. The corrections from Max are: Also present were: Judi Kromenhoek, Doug Rebak and (by phone) Lance Talkington and Al Felice. Treasurer report last sentence add: (\$21K), and Letter to Owners, change *owner* to neighbors. Motion to adopt as amended was made and 2<sup>nd</sup>. All were in favour, motion carried.

Sharon requested that Louanne send out the minutes, with amendments to all the Directors. Louanne replied she would send them out as soon as the Secretary had made the changes and forwarded them to her. The amended minutes are to be made available to the Directors by March 12, 2012.

**Treasurer's Report:** Sharon reported the current bank balance is approximately \$13,000 in our general funds. We have not reimbursed our operating accounts for capital expenditures so far this year. Our First Bank Account has \$445,900. We have approximately \$11,000 in uncollected owner fees which are 60 days or over. This does not include the fines that are approximately \$8,000.

Sharon continued that transfers of money have to be made. As discussed last month there is a concern regarding the FDIC and the amount it insures which is \$250,000 per account. We could have 6 accounts each would be covered. The current interest rate is .05% Banco Popular interest is .02% and Fidelity is .021%. Her recommendation is we should open a second account at First Bank. The current account at First Bank has no checking account; a current signatory on the account must sign a withdrawal slip. There is a time lag between obtaining funds from First and moving them to our operating account at Banco.

Herb suggested using Navy Federal Credit Union that utilized electronic banking. Sharon said she would be interested in exploring that option

Ed asked what was involved to immediately get the new signatories on the First Account. Sharon stated we need to have a copy of the minutes of the Annual Meeting that shows the elected officers, the new signatories need to go in person to the bank with a driver's license and sign the signature cards.

The conference phone was activated at this time.

The conference phone dropped the call. The number was redialled

Ed asked when the Annual Meeting Minutes would be available. Max stated his comments had been sent. Ed asked Rosie when she would complete the changes by Max. Rosie asked Max to resend. Ed requested Rosie complete the Annual minutes by March 15.

Ed asked Bill and Sharon to meet him at the office at 2:00pm tomorrow. They will go to First Bank to make the changes on signatories which will be: Ed, Bill, Sharon, and Rosie. Ed is currently on the account.

**Employee Severance package:** Jeanne Brennan was unaware we had a severance package. Four employees, Steve, Arlington, Marcellus, and Joey have letters that state they are entitled to 4 weeks of vacation and they would receive 1 week of pay at current rate of pay for every year if they were let go, if they retired they would receive 1 week of pay, at current rate for every year after the third year of employment. Jeanne suggested we begin funding for it and include it in the budget as a line item of liability. The letter of engagement to Jeanne was revised as well as the financial statement to include this item.

Budget vs. Actual: Sharon stated we have used 44% of our current capital improvement fund and we have 56% of our funds to last us through the remainder of the year. She cited the purchase of the hardware for the stairs at \$14,000 and the continuation of the masonry projects as the items utilizing most of the capital funds.

Doug asked when funds are expended what is the protocol. Sharon stated the Property Manager reviews the checks and signs the weekly report. The Treasurer then signs off the checks. She stated when she was Treasurer 3 years ago checks were not released until the Treasurer signed the form except for certain circumstances. Ed tabled the discussion at this time.

### **Managers Report**

Systems: The gray and fresh water distribution system filters were changed today. They are changed every month on the first Tuesday of the month approximately 10 am. All the rest of our infrastructure systems: the RO, WWTP, GenSet, Fresh and Gray water Distribution systems have no problems to report since last Board Meeting.

Action Items from last meeting:

- Striping and Parking sign along the Leeward wall were reinstalled

- The letter for W-47 was completed by Sharon and sent to owner. Jon gave his original notes to Sharon for documentation purposes. Sharon stated W-47 had sent a letter last night refuting the facts sent by Sharon.
- Installation of the Manual Gate is not complete, the pad is completed and the support in place, two brackets ordered from the states have not arrived and the vendor has placed a second order. The gates are on property and the installation will be completed once the brackets arrive. Ed asked for a completion date, Jon stated 3/15/12
- Bids on security cameras. Kevin Cogan, of First Alert, sent bid. He suggested put a remote video recorder in the workshop which will hold up to 4 cameras and if we also want the yacht club area monitored, place another video recorder in the last break room in the end. Ed instructed Jon to forward a copy of the bid to Bill. Bill will have the security committee review and report back to the Directors. Doug suggested that any placement of video recorders should be a secure area.
- No Dog Signs are completed and placed. Sharon said the placement is too far back on the lawn. She would like them placed on the property line of the grass area and add more. Sharon stated at least 4 were necessary along the property line. To be completed by 3/9/12
- Road Sign not complete the base was not budging. Doug suggested leaving it as a safety barrier. Put a new base in front of the old and install the sign.
- Steps & Rail Paint: Steps painting is complete with the exception of 2 on Leeward, 28 and 30, due to renters. Will be completed this week. The rails are just now beginning. Step repair: we have had one contractor do several of them to come up with a firm bid and his price is \$225 to remove the old brackets, prime, and drill through and install. He is asking for \$100/hr for any additional work. Doug stated the contractor's work, in his opinion, look terrible. He is also concerned the brackets are shorter.
- Owner workshop: Scooter has been removed, the carpet is removed. A treadmill is there. Sharon wants everything removed other than the inventory. Sharon stated the owners' closet also has a scooter and kayak in it.
- L-6, L-10, W-26 Jon is looking for drip edge that will span the difference between the gutter and the roof. The roofs that were replaced in Marilyn were not lined up with the appropriate overhang. The seamless gutter doesn't meet. Jon is looking for drip edge to repair the problem. He has asked Chris Thompson's assistance in obtaining the material.
- L-1 Had a water leak, while chipping the wall away, we found the source of the leak was a modification that L-3 had done to the plumbing.
- W-7 Crack repair. Charleson Burton has completed the Association's responsibility below the window.

#### **Chairperson Appointments:**

**Committee's** The five standing committees and their respective chairpersons are:

- Nominating – Doug Rebak
- Landscape – Judi Kromenhoek
- Insurance – Doug Rebak
- Security – Bill Canfield
- Property and Planning – Max Harcourt

Ed intends to, in his letter to owners today, identify chairpersons and contact information for any owner interested in serving on these committees

**Insurance Committee Report:** Doug reported that he along with Bob Cockayne and Herb Horwitz have selected 7 brokers to go out with a request for proposals with our bid specifications being made to them. Our objective is to pick ones that are reputable ones that understand that we are trying to reduce our insurance cost and also get it to the first quarter of the year being March 29<sup>th</sup> for our renewal date. We told them we would like to reduce our cost and we are prepared to increase our risk. We have sent to Tunick, Executive Insurance, Marshall and Sterling, Topa, Guardian, Specialty Brokers (Mapfre) and Red Hook Agency. Six have expressed an interest. The Specifications we sent out included a total property agreed value of \$25,916,000, no co-insurance, replacement cost insurance, bid on a windstorm sublimit of both 1 and 2 million dollars with a 3% deductible by building. Earthquake and sublimit of 12.5 Million, with a 5% deductible on earthquake which is standard in the VI, Flood sublimit 3 Million with a deductible of \$ 10,000, all other perils 12.5 Million with a sublimit deductible of \$250. The target date for vendors to return proposals is March 15.

The date is critical in the sense that Insurance carriers have more available capacity before hurricane season so obtaining a policy in the first quarter may save some expense.

Doug stated they only asked for 1M & 2M with the thought process that during Marilyn, CBW took a full frontal hit and sustained a \$3,700,000 bill. Of that \$700,000 went to the adjuster, 1M was for the brand new doors, 1M was for shutters, and \$300,000 went to the seawall, leaving \$700,000.

Herb said he did several scenarios with none of them going over our reserve fund.

Doug mentioned that improvements and betterments were covered in the Mapfre policy. This coverage lowers the cost of a HO6 policy.

Doug stated the strap downs, the tie downs, the shutters, and the hurricane rated doors are all improvements allowing us to take more risk.

Ed recessed the Directors Meeting at 9:45.

The Directors meeting reconvened at 11:00 with Louanne and Jon present.

**Owner Inquiry Policy:** Ed stated it is self explanatory and his intention is to recall the owners attention to the policy that there is a procedure and the staff is prepared to respond in accordance to the policy.

Sharon stated that when letters are sent to the Board, there is no Director that is responsible for responding. Ed stated he would be responsible for responding to each and every letter that requires a response. Ed will bring the letters to the Directors that are in conflict with the manager's decision. Max stated Sharon had developed a form. Sharon stated the owner should sign off on the form. Ed requested Sharon supply him with the form.

**By-Law Amendments:** Ed stated we did get approval for over 2/3rds to adopt the amendments. Some owners have replied to Ed regarding the legal status of the By-Laws. Following discussion, the Board decided to go forward with the will of the majority of the owners. Max made a motion that Maria Hodge have the By-Laws registered with the condition that another retainer is not requested. The motion was 2<sup>nd</sup>, all were in favour. Max will contact Ms. Hodge. Ed provided Max with a letter from Ms. Paiewonsky that outlines her legal opinion on the By-Laws.

**Invoices for fines:** Fines were removed from the statement and transferred to an invoice. The invoice allows for description of fines, the statement does not.

**Mailboxes:** The budget does not allow for new mailboxes. Jon will have maintenance reshingle the roofs over the mailboxes and repaint. To be done by next Board meeting.

**W-47:** Ed will respond to their reply.

**L-03:** Max forwarded the letter to Board members regarding the enclosure. The Directors agree this is not an issue

**Increasing fees when owners enclose common areas:** The Directors decided this is not an issue.

**Owner Workshop:** Jon will have treadmill removed.

### **New Business**

**Staff Parking:** Sharon stated with her company and other 2 car families in her area there is not enough guest parking. She suggests Employees Park next to the dump truck. She suggested the pick-up be parked in front of the maintenance shop.

Max suggested we have diagonal parking spaces due to the difficulty of backing out.

Sharon wanted to know when her area would be pressure washed: Jon stated it was done recently

Doug asked if the parking lot was going to be striped: Jon said the numbers would be done over the next week.

**L-3 Water Leak:** Herb Horwitz had water leaking in his unit. The source of the leak was from a pipe in the wall that had been modified by L-3 to accommodate a water line to his icemaker. Jon informed L-3 the damage was his responsibility as the leak was on the unit side of the modified valve. The invoice for the plumber was sent to the owner. The owner refutes the issue. Herb Horwitz took pictures of the alterations to the original water line and distributed them to the Directors. Following discussion, the Directors agreed it is the responsibility of the owner. Ed will contact the owner.

**L-01** Needs the wall patched and painted.

**L-06** Needs a wall patch from the water leak repair done 2 weeks ago.

Herb asked for clarification regarding rebar "pops". Subject was tabled.

**Automatic Gate:** Approximately 3:30am this morning, a renter at CBW rammed the gate and damaged both hydraulic arms and bent the gate. The renter has given Jon his information and accepted responsibility for the accident. The police will be contacted to complete a report.

**Employee shirts:** Rosie said the staff requested new shirts. Rosie made a motion to purchase new employee shirts; the motion was 2<sup>nd</sup> all were in favour. Louanne will order them.

**W-12:** The owner has had problems with condensation on his floor over the last 3 years and submitted multiple requests for the Association to assist in the repairs. The owner was informed on each occasion that this problem is between owners and he should contact the owners of W-11. Ed will inform the owner of W-12 this is not an Association issue.

**W-27:** The owner lost power to the unit and requested the Association investigate. The main breaker was tripped and reset. Jon suggested the owner have his electrical panel checked as the breakers inside shut have tripped first. The owner was charged a service call and now refutes the bill. Ed stated the responsibility was that of the owner. Ed will speak with the owner. The Directors decided to remove the charge.

**L-06:** Sharon stated the cats are now a non-issue. And the other issues were resolved during the meeting.

**Letter to GE:** Bill would like a letter sent to GE regarding their proposals on RO and Waste Water. Bill will draft a letter and Ed will send it.

**Solar Energy:** Herb suggested we follow-up on solar energy. Max stated there is a new company on island that leases a system to offsets the cost. Max will obtain information and incorporate into the long-term planning committee.

**April Meeting:** Wednesday April 11, 2012 at 7:45am. The call in number will be 712-775-7000 the code is 106376

### **Action Items**

Amend February Minutes by 3/12/12	Rosie
Resend Amended Minutes to Board Members	Louanne
Change Signatories on First Bank Account	Sharon, Ed, Bill, Rosie
Open additional accounts to maintain FDIC coverage	Sharon
Transfer of funds from First Bank to operating account	Sharon
Organizational Minutes	Max
Annual Minutes with Amendments completed by 3/15	Rosie
Provide protocol for release of funds	Sharon
Add employee severance to budget as a liability line item	Sharon
Installation of Manual Gate completion date 3/15/12	Jon
Security Committee Review of Bid from Alert 1	Bill
Adjust placement of NO DOG signs and add 2 by 3/9/12	Sharon
Rails painted –starting this week	Jon
New Base on roadside sign	Jon
Step & Bracket Replacement; evaluate recent work	Jon
Owner Workshop	Jon
Drip Edge on L-6, L-10, W-26,	Jon
Contact Chuck Waggoner re: By-Laws	Ed
Contact Maria Hodge re: By-Laws	Ed
Mailboxes: Replace shingles and paint by next Board meeting	Jon
Assign employee parking	Jon
Repaint numbers on parking spaces next week	Jon
L-3 re: Discuss owner responsibility	Ed
L-01 Patch and Paint area used to repair water leak	Jon
L-06 Patch and Paint area used to repair water leak	Jon
Entry Gate: obtain police report/begin repairs	Jon
Employee Shirts	Louanne
W-12 Condensation issue	Ed
W-27 Suggest electrical inspection	Ed
Letter to GE	Bill
Solar Energy Company research	Max

