

Townhomes of Bayshore Condominium Association, Inc.
Minutes of April 25, 2019 Regular Council Meeting

April 25, 2019

Call to Order: 7:09 PM

Roll Call of Council: Quorum Present JD, JH, HW, JB JS, (via conference bridge)

Proof of Notice: Proof of April 10, 2019 Notice recognized by the Secretary and Executed

Changes to the Agenda: JD added the subjects, of Audit,

ADD Council Resolution to ratify past acts since last Council Meeting of Jan. 26, 2019.

ADD Council Resolution to pass Individual Dispute Resolution process and procedures.

Acceptance of Minutes: Waive reading, JS motion to accept 1/26/19 minutes, JD 2nd motion carries Unanimously.

Acceptance of Self-managing report: JD, Website will be a work in progress, it is up and running. Website Bayshorecoa.org announced password. Not published here. General Review of work completed, (see topic list attached). JH motion to accept, 2nd JB no discussion, motion carries unanimously.

Treasurer Report: JH Reviews 4/25/2019 Budget vs Actual (attached) references line items over budget. Defers topic of investing monies held for reserve to Finance committee, KD provides summary of funds over FDIC limit at M&T, review options and various rates. Credit Unions are giving better rates than banks and online is the best rates. RT from Committee gave best rate at Fulton Bank. Must disclose as a related party transaction on next audit. It is the best rate. Recommendation: Close M & T account withdrawing \$240, 000. Purchase Del One CD 3.4%-5yrs. Open MM with Fulton Bank, @ 2.05%. Pen Federal CR Union using online accounts. Discussion council prefers staying local at this time.

Motion: HW to purchase \$150,000 5 Yr CD at Del-One at 3.4% 2nd JB, no discussion, carries unanimously.

Motion: HW to purchase \$ 60, 0000 5 Yr CD at Del-One at 3.4% or the highest we can get using proceeds of maturing CD at del-one on 7/26/19 2nd JH no discussion carries unanimously.

Motion: HW to closing M& T savings account 4770 and open MM at Fulton current rate 2.05% 2nd JH no discussion carries unanimously.

Motion: JH purchase 2 \$45,000 CD's at Fulton Bank, 13month @2.28% and 25 months at 2.38%, 2nd HW carries unanimously.

KD reports working on update of Collection Policy, recommends faster collection and sending reminder notices 10 days prior to last date due.

Motion: JS allow bookkeeper to send reminder notice 10days prior to the end of the quarter to all members whose dues remain unpaid 2nd JH carries unanimously.

Motion: JS update collection policy to be ready by Annual Business Meeting 2nd HW carries unanimously.

KD reports on Reserve study has received final study including garage doors, needs approval for Whayland to add. Study recommends average 3-year increase of \$1,100. Currently paying \$500. Recommends increase of \$600 per year. Further recommendation to accomplish funding, increase 2019 reserve portion of dues \$345 to be assessed ½ or \$172.50 in 3rd quarter 2019 and ½ or \$172.50 in second quarter 2019. This can be done by amending the current budget and at the same time recommend taking surplus of \$5,000 from snow removal and moving it to Landscaping. JD discussion about legal fees being over budget and gives details of challenges by 2 homeowners causing Council to get legal advice, especially because we were still in litigation. JD suggests moving the

\$5,000 surplus \$3,000 to landscaping (for bushes that are dying, current estimate \$400 for 5 locations.) and \$2,000 to legal to cover coverage an stop going attorney since the litigation has been settled.

Motion: By JH, to amend budget by taking the \$5,000 surplus not used in the snow removal and allocate \$3, 000 to the landscaping and \$2,000 to legal 2nd JB motion carries unanimously.

JS leads discussion on reserve underfunding. After receiving legal and reserve study we are underfunded and Council can let it continue. Certain components did "fall" out of the prior study and we inherited the issue and are required to take steps to correct.

Motion: JH to increase the reserve portion of the assessments for the next two quarters by \$172.50 per quarter and then for the next 2 years and 2 quarters increase the total reserve portion of the dues to \$258.75/quarter 2nd JB carries unanimously.

Motion: HW to accept Treasurers report, 2nd JB carries unanimously.

Motion: JB to accept Finance Committees Report 2nd JS carries unanimously.

Motion: JH finalize the Whayland Reserve study as present to date 2nd JS carries unanimously

JD 32333 Turnstone- structural damage repaired by Dry Zone after 3 engineer opinion, piers went further in ground than thought, 90ft. Extra cost, warranty for 25 years. letter sent to Ryan to set meeting hoping for some kind of reimbursement.

JD update Fire Damage, reopened claim hoping to get something from the insurance Policy.

Motion: JB create a committee to look at seal coating for guest parking and driveways to prepared for work in 2020.

JD reviews problem with continued emails and complaining and accusation the Council is doing something wrong. We are not going seek legal advice every time we have a criticism. We are going to follow the Procedures and process provided by the Ombudsman's office Title 29. Including procedures for subsequent CIC complaint.

Motion: JH Adopt the Individual Dispute Resolution process and procedures, to help Members with complaints or problems to Council going forward 2nd HW carries unanimously.

Resolution passed to ratify all past actions of directors and actions since the last Council meeting of January 26, 2019. Signed and dated by all Council unanimously.

Open Discussion:

Adjournment: JS, JB 2nd, Motion carries unanimously, meeting adjourned, PM.

SUBMITTED: --JEANNE BARTLETT--, SECRETARY
Electronically signed as above

Attached to Minutes

Amend Budget

4/25/2019

Townhomes of Bayshore Condominium Owners Association 2019 Proposed Annual Budget

Presented by Finance Committee at April 25, 2019 Council Meeting
Approved by

Condominium Dues		Annual Cost	
		Qtrly Cost Per Unit	Per Unit
Dues-Operating Budget	\$113,905.00	\$780.17	\$195.04
Dues-Operating Reserve	\$13,575.00	\$92.98	\$23.24
Dues-Capital Reserve	\$74,000.00	\$506.85	\$126.71
Dues-Reserve Spec Asst	\$50,370.00	\$345.00	172.50
Total Income	\$251,850.00	\$1,725.00	\$517.50

Notes

Dues Collected to Operate according to 2019 Budget
Dues Collected to Rebuild Operating Reserve
Dues Collected to Fund Capital Reserve- Includes \$4,000 Increase
Increase Assessment-Required by new reserve study assessed in 2 quarterly payments

Operating Expense

Accounting And Professional

Audit/Reserve Study	\$5,100.00	\$34.93	\$8.73
Tax Payments	\$75.00	\$0.51	\$0.13
Tax Return Prep	\$275.00	\$1.88	\$0.47
Legal	2,000 + \$2,500.00	\$17.12	\$4.28
Total Accounting And Professional	\$7,950.00	\$54.45	\$13.61

Audit at \$1700/Contract. Estimate of Reserve Study-Requires 3 Bids. Estimate
Estimate for Review of Self-Prepared 1099 and 1120H
Estimate Based on Prior Experience before Sept 2016

Administrative Expense

Office Expense	\$3,268.00	\$22.38	\$5.60
Office Supplies	\$1,932.00	\$13.23	\$3.31
Meeting Expense	\$300.00	\$2.05	\$0.51
Total Administrative Expense	\$5,500.00	\$37.67	\$9.42

Estimate of Expense for Self-Managing - See Supplement Below

Insurance

Business/Liability	\$14,531.77	\$99.53	\$24.88
Business/Property	\$29,409.70	\$201.44	\$50.36
Umbrella	\$1,508.67	\$10.33	\$2.58
Crime/Bonding	\$375.10	\$2.57	\$0.64
Directors and Officers	\$2,379.77	\$16.30	\$4.07
Total Insurance	\$48,205.00	\$330.17	\$82.54

Estimate based on current insurance Plus 10% increase for 4months
Coverage: 9/18-9/19
Coverage: 9/18-9/19
Coverage: 9/18-9/19
Coverage: 10/18-10/21: Annual for 3 year policy
Coverage 9/18-9/19. Deductible Inc. from \$1,000 to \$25,000

Maintenance and Repair

Irrigation	\$1,000.00	\$6.85	\$1.71
Landscaping	\$31,000.00	\$212.33	\$53.08
Buildings-Routine Maint	\$4,750.00	\$32.53	\$8.13
Buildings-Repairs	\$10,000.00	\$68.49	\$17.12
Snow Removal	\$0.00	\$0.00	\$0.00
Pest Control	\$4,500.00	\$30.82	\$7.71
Total Maintenance and Repair	\$51,250.00	\$351.03	\$87.76

Estimate Repair and replacement of Sprinkler heads
Maxwell Lawn Service 2yr Contract After Procurement of 3 competitive bids
Finish Painting of Front Doors/Based on Remaining Contract
Repairs, Roofs and Leaks Wind Damage, Power washing For anything Green
Moves Snow Removal to Landscaping, Trees and Shrubs
Termites Only-5 Warranties and 1 New Building Treatment

This shows all of the entire \$5,000 of unused Snow Removal being added to Landscaping. Council approved \$5,000 to be split to Landscaping \$3,000 / Legal \$2,000

Utilities	\$1,000.00	\$1,000.00	\$6.85	\$1.71
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Total Operating Expense	\$113,905.00	\$780.17	\$195.04
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Common Element Replacements and Repairs

Fund Held for Operating Reserve	\$13,575.00	\$92.98	\$23.24
Fund Transfer to Capital Reserve	\$74,000.00	\$506.85	\$126.71
Fund Special Assessment Capital Reserve	\$50,370.00	\$345.00	\$172.50
Total Common Elements Replacements and Repairs	\$137,945.00	\$944.83	\$322.46

Total Expense	\$251,850.00	\$1,725.00	\$517.50
Net Income	\$0.00	\$0.00	\$0.00

Statement on Reserves- DUCIOA 81-324

- 2014 Reserve study has no projected Annual Replacements for 2019.
- 2014 reserve study projected \$25,000 of replacements for 2018. There were no Capital Reserve expenditures for 2018.
- The Reserve Fund has not been completely funded 2018. There remains \$22,000, that needs to be transferred from the Operating account to the Reserve account.
- The Reserve Assessment is calculated based on the current Reserve study, which calls for an annual contribution of \$69,080. The current council recognizes this may be insufficient and has increased the reserve assessment to \$74,000 pending the completion of a New Reserve study.
- The Current Council believes that the funding of the reserves should occur at the end of each month.
- The Reserve Study has been completed. The Current study requires Annual Contribution of \$1100.00
- The Total Annual Assessment will be increased to \$1725/unit- \$851.85 will be the Reserve fund portion.
- Grey Highlights indicates lines change from Original Budget Ratified 1/26/2019.

Estimate Based on Prior Experience

Last study was completed 11/2014. Documents are silent on frequency of reserve study.

DUCIOA requires 3-5year. Study Completed. Requires Annual Contribution per unit of \$1100.

Townhomes of Bayshore Condominium Association 2019 Budget			
Supplemental Detail for Administrative Charges			
		Annual	Per/Unit
Office Exp: Answering Service		\$396.00	\$2.71
Mail Box		\$75.00	\$0.51
Lockbox Service		\$1,560.00	\$10.68
Lockbox Plus Acce:		\$120.00	\$0.82
Lockbox Extra Che:		\$355.00	\$2.43
QB Plus		\$432.00	\$2.96
Webpage		\$180.00	\$1.23
Conf Bridge		\$150.00	\$1.03
Total Office Exp		\$3,268.00	\$22.38
Office Sup Paper	1 Case	\$35.00	\$0.24
Ink	12 Cart	\$420.00	\$2.88
Envelope:	1 Mail/M'	\$60.00	\$0.41
Printing	1 Mail/M'	\$420.00	\$2.88
Postage	1 Mail/M'	\$997.00	\$6.83
Total Office Supplies		\$1,932.00	\$13.23
Meeting Exp			
Refshmt	4 Meets	\$150.00	\$1.03
Exp for Election		\$150.00	\$1.03
Total Meeting Exp		\$300.00	\$2.05
Total Administration		\$5,500.00	\$37.67

Townhomes of Bayshore Condominium Association

COMBINED BALANCE SHEET

As of April 25, 2019

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
M&T Checking XXXXX8484	56,094.47
Savings-Reserve Fund	
Community Bank CD XXXXX3018	78,281.57
Community Bank CD XXXXX8010	79,461.01
Community Bank CD XXXXX9010	79,006.74
Del-One XXXXX0101	77,563.01
M&T Savings XXXXXXXXXXXX4770	240,146.90
Total Savings-Reserve Fund	554,459.23
Total Bank Accounts	\$610,553.70
Other Current Assets	
Due from Operating	43,883.06
Undeposited Funds	1,725.00
Total Other Current Assets	\$45,608.06
Total Current Assets	\$656,161.76
TOTAL ASSETS	\$656,161.76
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Due to Reserve Fund	43,883.06
Working Capital-Operating	4,272.96
Total Other Current Liabilities	\$48,156.02
Total Current Liabilities	\$48,156.02
Total Liabilities	\$48,156.02
Equity	
Opening Bal Equity	164,419.28
Retained Earnings	399,300.23
Net Income	44,286.23
Total Equity	\$608,005.74
TOTAL LIABILITIES AND EQUITY	\$656,161.76

Note

*****This is a Combine Reserve and Operating Balance Sheet*****
For the Period Ending 04/25/2019

Net Income ** Operating**\$ 27,403.99
Net Income ** Reserve** \$16,882.24
Combined Net Income** \$ 44,286.23

Townhomes of Bayshore Condominium Association

BUDGET VS. ACTUALS: COA BUDGET-RATIFIED 01/26/2019 - FY19 P&L

January 1 - April 25, 2019

	ACTUAL	TOTAL		% OF BUDGET
		BUDGET	OVER BUDGET	
Income				
Condo/Owner Dues	224.35		224.35	
Dues Capital Reserve	31,478.61	37,000.00	-5,521.39	85.08 %
Dues Operating Reserve	5,751.40	6,787.50	-1,036.10	84.74 %
Dues-Operating Budget	48,270.64	56,952.50	-8,681.86	84.76 %
Total Condo/Owner Dues	85,725.00	100,740.00	-15,015.00	95.10 %
Resale Certificates	200.00		200.00	
Unapplied Cash Payment Income-1	1,094.90		1,094.90	
Total Income	\$87,019.90	\$100,740.00	\$-13,720.10	86.38 %
GROSS PROFIT	\$87,019.90	\$100,740.00	\$-13,720.10	86.38 %
Expenses				
Accounting & Professional				
Accounting				
Audit/Review		5,100.00	-5,100.00	
Tax Payments	25.00	75.00	-50.00	33.33 %
Tax Return Prep		275.00	-275.00	
Total Accounting	25.00	5,450.00	-5,425.00	0.46 %
Legal	1,026.03	1,000.00	26.03	102.60 %
Total Accounting & Professional	1,051.03	6,450.00	-5,398.97	16.30 %
Administrative Expenses				
Meeting Expense				
Office Expenses		150.00	-150.00	
Lockbox	682.70	524.00	158.70	130.29 %
	628.75	650.00	-21.25	96.73 %
Total Office Expenses	1,311.45	1,174.00	137.45	111.71 %
Office Supplies	247.93	190.00	57.93	130.49 %
Postage	292.40	332.32	-39.92	87.99 %
Printing/Reproduction	439.91	300.00	139.91	146.64 %
Total Office Supplies	980.24	822.32	157.92	119.20 %
Total Administrative Expenses	2,291.69	2,146.32	145.37	106.77 %
Insurance				
Bonding				
Building Insurance	326.00	0.00	326.00	
Liability Insurance	11,420.25	11,420.52	-0.27	100.00 %
Umbrella	5,624.89	5,625.04	-0.15	100.00 %
	588.46	604.00	-15.54	97.43 %
Total Insurance	17,959.60	17,649.56	310.04	101.76 %
Maintenance and Repair				
Building-Repairs				
Landscaping	5.00		5.00	
Shrubs/Plants	1,990.00	3,320.00	-1,330.00	59.94 %
	8,550.00	8,550.00	0.00	100.00 %
	150.00	350.00	-200.00	42.86 %
Total Landscaping	8,700.00	8,900.00	-200.00	97.75 %

	ACTUAL	TOTAL BUDGET	OVER BUDGET	% OF BUDGET
Painting		1,187.50	-1,187.50	
Pest Control		2,250.00	-2,250.00	
Snow Removal		5,000.00	-5,000.00	
Total Maintenance and Repair	16,695.00	26,657.50	-9,962.50	-51.77 %
Utilities				
Electric-Irrigation	-72.19	80.00	-152.19	-90.24 %
Total Utilities	-72.19	80.00	-152.19	-90.24 %
Total Expenses	\$31,925.13	\$46,983.38	\$-15,058.25	67.95 %
NET OPERATING INCOME	\$55,094.77	\$53,756.62	\$1,338.15	102.49 %
Other Expenses				
Hold Operating Contingency	4,272.96	6,787.50	-2,514.54	62.95 %
Transfer - To Reserve Fund	23,417.82	37,000.00	-13,582.18	63.29 %
Total Other Expenses	\$27,690.78	\$43,787.50	\$-16,096.72	63.24 %
NET OTHER INCOME	\$-27,690.78	\$-43,787.50	\$16,096.72	63.24 %
NET INCOME	\$27,403.99	\$9,969.12	\$17,434.87	274.89 %

27,403.99

Townhomes of Bayshore Condominium Association

BUDGET VS. ACTUALS: COA BUDGET-RATIFIED 01/26/2019 - FY19 P&L

January 1 - April 25, 2019

	TOTAL			
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
Income				
Total Income			\$0.00	0.00%
GROSS PROFIT	\$0.00	\$0.00	\$0.00	0.00%
Expenses				
Total Expenses			\$0.00	0.00%
NET OPERATING INCOME	\$0.00	\$0.00	\$0.00	0.00%
Other Income				
Reserve Income				
Interest	1,820.17		1,820.17	
Transfer - Reserve Income	23,417.82	37,000.00	-13,582.18	63.29 %
Total Reserve Income	25,237.99	37,000.00	-11,762.01	68.21 %
Total Other Income	\$25,237.99	\$37,000.00	\$-11,762.01	68.21 %
Other Expenses				
Reserve Expense				
Capital Repair Replacement	8,355.75		8,355.75	
Total Reserve Expense	8,355.75		8,355.75	
Total Other Expenses	\$8,355.75	\$0.00	\$8,355.75	0.00%
NET OTHER INCOME	\$16,882.24	\$37,000.00	\$-20,117.76	45.63 %
NET INCOME	\$16,882.24	\$37,000.00	\$-20,117.76	45.63 %

16,882.24