

**Caswell Cove Marina Association
Annual Unit Owner's Meeting**

**Saturday – November 9, 2013
Minutes of Meeting
(Draft)**

1. Call to Order – Roll Call

- a) Board members present: David Brickley-Commodore, Tony Faresich – Rear Commodore, David Crowle - Secretary and Paul Viscount–Treasurer. A quorum of the Board was present. The meeting was called to order @ 9:10 AM.
- b) Determination of Quorum: A total of 31 unit owners were represented at the meeting, 19 unit owners were in attendance, 12 units were represented by proxy. A quorum of the unit owners was represented.
- c) David Phillips of SMS Property Management was present as the marina manager.

2. Introduction – Purpose of Meeting

Dave Brickley introduced the members of the Board present at the meeting and noted that the Notice of the Annual Meeting had been sent to all unit owners in advance of the meeting. He outlined the purpose of the meeting as:

- a) Review last years finances relative to the approved 2013 budget
- b) Review and ratify the 2014 annual budget
- c) Elect new officers to the Board of Directors
- d) Review the 7 year capital projects expense plan developed by the Board
- e) Answer any other questions from the unit owners.

Dave Brickley noted that the marina experienced another very good year. Almost all of the available rental slips were filled. The marina held several Friday night and other party events that were successful. This year's commissioning party was a huge success and he expects the de-commissioning party to be held on October 19 to also be great! Some major accomplishments this year included the replacement of the sliding doors on the lower level with windows and doors, additional replacement and upgrades of much of our bubbler system, underwater re-coating of the pilings supporting the clubhouse, and re-coating the EIFS cladding on the exterior of the building.

Dave B. noted some of the challenges facing the marina for the foreseeable future including continued maintenance and improvements, steps to improve the overcrowded parking issues, replacement of the wooden walers that hold together the docks, replace pilings with longer pilings to accommodate future storm surges and setting aside reserves for future dredging.

3. Approval of Minutes of 2012 Unit Owner's Meeting – all unit owners present were provided a copy of the minutes from the 2012 annual meeting to review. A

motion was made by John Cervone to approve the minutes as presented. The motion was seconded by David Crowle. The motion was approved unanimously by the members present.

4. Annual Financial Report

Dave Brickley and Dave Phillips provided a synopsis of the expenditures in 2013 vs. the approved 2013 annual budget. It was noted that, except for a few instances, total expenditures were less than the budget. The total operating costs were \$148,277 as compared to the budget of \$160,525. Income was slightly more than expected due to the sale of one of the slips gained through foreclosure in past years and slip rental fees. During 2013, a total of \$97,925 was transferred to reserve savings, a total of \$14,110 more than originally anticipated. Dave B. noted that in almost all categories, expense were lower than projected. Capital expenditures were also less than originally anticipated at \$49,301 spent vs. \$112,200 budgeted. This was despite slight overruns on the costs of the new windows in the lower level of the clubhouse. However, the main reason the expenditures were less than originally budgeted was due to the deference of several projects, which are now in the budget to be completed in 2014. At the close of FY 2013, there was approximately \$257,181 in the reserve accounts to be set aside for future capital and maintenance projects. There were no further questions from the unit owners regarding the expenditure for 2013.

5. FY 2014 Budget Ratification

Dave Brickley and Dave Phillips reviewed the proposed 2014 annual budget. No increase in common charges are proposed for the 2013 budget but a special assessment is proposed for the coming year. Upcoming costs for the marina maintenance and other capital improvements such as improved and anticipated repairs and modifications to the clubhouse are included in the budget. Each of the proposed budget line items was reviewed briefly and differences between FY 2013 and FY 2014 noted. Generally, the operating expenses for the marina are expected to be similar to those in 2013 with the exception of collection/foreclosure costs and marina maintenance labor costs. The 2014 budget estimates \$172,080 in anticipated operating expenditure as compared to the \$160,525 originally budgeted for 2013. Capital expenditures proposed for 2014 total \$141,200, which includes repairs to the clubhouse, painting of the clubhouse pilings, painting of the clubhouse interior, possible development of new parking areas and the start of waler replacements.

Dave Brickley briefly reviewed the 7 year capital expenditure plan presented to the unit owners. He noted that the plan is an update to the 7 year plan presented at last year's meeting. Over the past year the Board and Manager worked to update the list of anticipated improvement and major maintenance projects that could be anticipated over the next 7 years, as well as long term planning for future dredging. Dave B. noted that a major expense facing the marina, in addition to the possibility of future dredging is the replacement of the wooden walers. The total cost of this work is estimated at \$279,000. The work is planned to take place

over 6 years starting in FY 2014. The plan also strives to assure that maintenance reserves are maintained at high enough levels as a contingency to cover unforeseen costs. Dave B. also noted that a reserve set aside each year for future dredging has been provided for. In order to cover the costs of the walers and maintain reserves for maintenance and dredging, a special assessment will be needed starting in FY 2014 through FY 2019 (6 years). This assessment would be at \$32,624 ea year. The proposed special assessment per slip is as follows:

<u>Slip Size</u>	<u>Common charges</u>	<u>Special Assessment</u>	<u>Total Monthly</u>
30 foot slip	\$157.54/mo	\$22.46/mo	\$180.00/mo
40 foot slip	\$210.00/mo	\$30.00/mo	\$240.00/mo
50 foot slip	\$262.61/mo	\$37.39/mo	\$300.00/mo

It was also noted that as a result, 2014 summer slip rental rates would also be increased from \$75/foot of dock to \$85/foot of dock.

There were several objections to the idea of a special assessment. Several unit owners suggested that the special assessment be put off until such time that funds were actually needed, particularly in regard to dredging. Since the date we will have to dredge is some time into the future, the current reserves could be used for the walers and dredging costs could be covered with a special assessment at the time it was needed. Dave Brickley noted that the Board felt it was a more prudent approach to make sure we had sufficient reserves on hand to cover the future costs of dredging and to also assure we are covered for unknown expenditures. The Board, in doing its long range planning, felt that it would be poor planning to subject the unit owners to a huge special assessment in the future to cover the costs of dredging and that a small increase spread out over time would be a better approach.

Dave Brickley, on behalf of the Executive Board, voted all the proxies assigned to the Executive Board in favor of the budget. After ballots were collected, a total of 18 unit owners voted in favor of the motion, and 12 voted against the motion. As it takes 51% of all the unit owners (53 votes) to defeat the proposed budget, the budget was ratified as presented.

6. Election of Executive Board Members

- a) Dave Brickley noted that the terms of himself and Paul Viscount have expired. Nominees for the Board of Directors included Dave Brickley (C-24), Paul Viscount (C-23), James Connors (D-11) and Peter Pappas (D-10) for the 2 open positions. There were no other nominees from the floor. Each of the nominees presented a little about themselves and reasons they wish to be on the Board.
- b) Questions from the Floor to Nominees - There were no questions from the floor toward any of the nominees.
- c) Unit Owner’s Vote – Ballots were cast for each of the 4 nominees present at the meeting for the 2 open positions on the Board. Dave Brickley, on

behalf of the Executive Board, voted any proxies assigned to the Executive Board. With all ballots entered and the proxies voted, the results of the voting were as follows:

Dave Brickley	22 votes
Paul Viscount	17 votes
James Connors	11 votes
Peter Pappas	10 votes

- e) The Executive Board members for FY 2014 are therefore as follows:
Dave Brickley, Paul Viscount, David Crowle, and Tony Faresich.

8. Unfinished Business/New Business:

There was no old business or new business to discuss so Dave Brickley opened the floor to discussion and questions from the unit owners:

There was no additional new business or additional questions raised by the unit owners present.

- 11. Adjourn** – With no further business or discussion brought forth by the unit owners present, a motion to adjourn was made by John Cervone and the meeting adjourned at 11:10 AM

The new Board members elected to have their 1st meeting to elect officers on Tuesday, January 14 at 7 PM.

Prepared By: SMS Property Management.

Date: 12/30/13