

Casa Del Sol Condominium

DRAFT Minutes of the Casa Del Sol Annual Owners Meeting

May 3, 2014

Casa Del Sol Webpage: <http://www.casadelsol-ocmd.com>

President Joe Sheare called the meeting to order at 1:01pm.

1. Roll Call and Reporting of Proxies. A total of 38 unit owners were represented at the time the meeting was called to order (23 in person, 15 by proxy); thus a quorum was established. The following Board members were in attendance: Joe Sheare, Lou Napoli, John Foulkes, Joe Pasqualine, and Bob Surette. Board members absent were Mike Bufano and Tom Bell. Mann Properties was represented by Igor Conev.

2. Approval of the Draft Minutes of the May 18, 2013 Casa Del Sol Annual Meeting. *A motion to approve last year's annual meeting minutes was made by John Mattus (unit 654) and seconded by Vic Saville (unit 708). The motion passed unanimously.*

3. Financial Review. Igor Conev (Mann Properties) covered the financial review due to the absence of Treasurer Mike Bufano.

a. Operating Budget: Year-to-date Review. Igor read the following prepared statement from Mike to the attendees.

"Dear Members,

I am writing this letter since I am unable to attend. Ben is making his first Communion today. It's a day of celebration.

The focus of the letter is to update you on the Casa Del Sol budget. The current 2014 budget is the same as the 2013 budget = \$180,120. The budget covers both operating and future capital projects. It is broken down as follows: The amount spent annually for operating expenses is estimated at 108,800. Our biggest expense is insurance. The amount saved annually for the capital budget is 71,320. This amount exceeds the annual funding amount of 67,293 as published in the MAD Engineering Study of 2009 (see the last page of our Audit). This is our legal obligation as established by the State. Our Capital Reserve Cash as of 12/31/2013 was \$184,545.00. If CDS continues to contribute \$71,320 annually, then I project the following projected cash balances:

<i>Date</i>	<i>Annual funding</i>	<i>Project Capital Cash</i>
<i>12/31/2013</i>		<i>184,545.00</i>
<i>12/31/2014</i>	<i>71,320.00</i>	<i>255,865.00</i>
<i>12/31/2015</i>	<i>71,320.00</i>	<i>327,185.00</i>
<i>12/31/2016</i>	<i>71,320.00</i>	<i>398,505.00</i>
<i>12/31/2017</i>	<i>71,320.00</i>	<i>469,825.00</i>
<i>12/31/2018</i>	<i>71,320.00</i>	<i>541,145.00</i>
<i>12/31/2019</i>	<i>71,320.00</i>	<i>612,465.00</i>
<i>12/31/2020</i>	<i>71,321.00</i>	<i>683,786.00</i>

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This was the first time in 3 years that we have not raised the dues. The dues should remain unchanged in the future except for the following foreseeable impacts:

- 1. A new capital study will be completed this year. It will replace the 2009 MAD Engineering Study. The new capital study, when completed, will update the recommended annual funding amount for capital items.*
- 2. Operating expenses: Insurance is expected to increase with the redrawing of the flood zone. All Expenses are expected to increase over time. Inflation while low today, will increase dramatically in the future (most economists agree on this). The timing of the increase is what can't be predicted.*

Investments: *Presently the money saved for future capital items earns less than 1 % interest annually. The Reserve Fund receives deposits quarterly (from your dues) and the balance in the account is currently invested only in bank insured deposits, currently a high interest bearing savings account.*

As our Capital Cash savings continues to grow, my recommendation is for CDS to establish an investment committee which will work with an investment advisor group to increase the rate of return on our Cash in ways that match the New Capital Study. Once the investment committee is established, then an investment policy should be adopted by the CDS members. After the investment policy is established, our CDS investment committee should select an investment advisor group. Again this is just a recommendation, but an important step our members should consider. If we don't adopt a similar approach, then the rate of inflation on expense will erode our savings.

That concludes my prepared comments. I hope that the summarized information was helpful. I apologize for not being able to attend and thank you for allowing me to have served you as Treasurer for the past year. Please call or email if you have any questions."

Michael Bufano, Treasurer.

Email : jmbuffy@live.com/ 302-893-1313 cell

5/3/2014

b. Account Balances. Igor Conev reported the following account balances, current as of May 2, 2014:

i. Checking Account (1012)	\$ 79,485
ii. Money Market Improvement Fund (1060)	\$ 220,481
iii. Assessments Receivable	
a. Condo Fees (1310)	\$ 4,587

c. Review of Annual Audit for Year Ending December 31, 2013. Igor Conev stated that he will mail a copy of the audit to any unit owner upon request.

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d. IRS Resolution to Carry Over Funds from Past Budget. Igor Conev referenced page 7 of the meeting package calling for a vote on the resolution to carry into the current year excess income over expenses on the operating side of the budget. *A motion to carry over the excess funding was made by C.J. Brzezinski (unit 658), seconded by Kris Wolf (unit 770D), and passed unanimously.* A form recognizing the owners' approval of the carry over, prepared by Mann Properties, was signed by the President Sheare and Secretary Foulkes.

4. BUSINESS OF THE CONDOMINIUM

a. New Capital Reserve Study. Joe Sheare summarized the status of the new capital reserve study. Planning began with the recognition that an engineering firm needed to be engaged to assess the needs of the buildings and property. As a first step, the following list was developed and provided to prospective offerors:

The New Study Needs:

- *"Real Life" estimates of costs.*
- *Projections of costs based on time and on more than one type of product. For example, the common deck replacement projection should be given for two separate products, one made of composite/synthetic materials vs. pressure treated wood.*
- *The study should have more breakdowns such as:*
 1. *Bulkhead and differentiated materials.*
 2. *Common Deck Walkway and differentiated materials.*
 3. *Finger Peers and differentiated materials with New Posts.*
 4. *Finger Peers and differentiated materials without New Posts.*
 5. *Fire Alarm – Whole System*
 6. *Fire Alarm – Just Box, or just Bells, or just Wiring or combinations.*
 7. *Replacement of the East & West-side fences and differentiated materials.*
 8. *Creating a Garbage Container solution to minimize truck damage to containers, damage to the fences, and protection from wind and storms.*
 9. *Rear Decks repaired/replaced with which material – composite or pressure treated?*
 10. *Sealing all rear common and individual unit decks.*
 11. *Repair/replace side walkway gates and differentiated materials.*
 12. *Replacing Heat Tapes?*
 13. *Replacing Exterior Lighting?*
 14. *Carport Repainting – How often?*
 15. *Carport Cubby hardware replacement?*
- *How do we know when a parking lot needs replacement verses repair?*

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A subcommittee (Joe Sheare, Lou Napoli, Mike Bufano and Bob Surette) reviewed the proposals and selected the three most viable ones. Further analysis resulted in an initial selection of Miller-Dodson Capital Reserve consultants. A follow-up list of more detailed questions (below) was subsequently provided to Miller-Dodson. Joe stated that a meeting will be scheduled within the next few weeks to review the responses to the questions.

➤ *Parking Lot Questions*

1. *When we replace the parking lots, will we be required to put in Dry Wells for Run Offs or will we be grandfathered in?*
 2. *What would be the cost to replace the lots if a) grandfathered in and b) If we had to put in the Dry Wells?*
 3. *What would it cost if we used Pervious Concrete?*
- *What is the life expectancy of the Front Piling Supports? Would this be included in your study?*
- *Alarm System – Should we replace it by parts breaking or the whole system? If the whole system, will we have to put in sprinklers or will we be grandfathered in? What would be the cost for each action?*
- *Will you give us individual pricing on all materials Natural vs Synthetic used to replace*
1. *The Bulkhead?*
 2. *The Common Decks?*
 3. *The Raised Unit Decks?*
- *Will you go under the buildings and thru the crawl spaces?*
-
- *We will want to join you when you do the site evaluation.*

b. Update of the CDS By-Laws. C.J. Brzezinski reported that he and Anne Giannelli, who have been working on updating the By-Laws, have received the new Maryland condominium regulations and are checking to ensure our laws are compliant. They have done some preliminary work, but they would like to engage an attorney before proceeding with the update. As a result of the effort to determine what changes need to be incorporated, all except one (the date for the Annual Association Meeting) were approved by owner vote earlier in the year.

c. Insurance update. Igor Conev covered the insurance update, which was included in pages 8-12 in the meeting package. The association increased the law and ordinance to \$500,000, which covers damage repair when city ordinances require complete building upgrades. As a reminder, Igor stated that the interior of the units are insured as originally built. The owner should purchase insurance to cover any upgrades. If a loss originates within an owner's unit, the owner is responsible for the first \$5,000. This is usually covered if the owner has purchased Loss Assessment coverage.

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d. Update of the Owners' Directory. Igor Conev stated that the current owner's directory, including any recent updates as a result of the recent request to the unit owners, was contained in pages 14-21 in the meeting package. Igor also mentioned that if an owner has changed keys to the unit doors, a copy of the new keys should be sent to Mann Properties.

e. Installment of New Signage. Joe Sheare stated that new signage for the 3 buildings was included as part of the front-side renovation budget. However due to cost increases of the actual front-side building work, the budgeted money for the signage was allotted to cover those costs. Joe stated that new signage is still an approved item, and directed the attendees to a display of the proposed design in the meeting room. Some owners recently have shown an interest in revisiting the issue of purchasing new signs.

Joe asked for comments about the signage. Some attendees believed the cost, estimated to be about \$14,000, was excessive. *After some further discussion, a motion was made by Timothy Fagan (unit 666) to reject the currently approved sign. The motion was seconded by C.J. Brzezinski (unit 658). The motion carried.*

The Board noted that the approved motion rejected the currently approved sign, but not the action to purchase signs for installation.

5. NEW BUSINESS

a. Winterization Issues. Joe Sheare stated that as a result of the very cold winter, a number of water pipes froze or burst in the units. The Board solicited an estimate from the association plumber, D&B Services, for a cost to a unit for insulation and heat taping the water main. The estimate was provided on page 13 of the meeting agenda, and serves only as an option for owners to consider if they desire to have the plumber do the work.

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b. New Business Items from the Floor. Anne Giannelli mentioned the need to inspect and repair if necessary the wooden entrance doors at the rear of each owner's unit underneath the lower deck. Charles Kinelski stated that there are major encroachment issues all around the buildings, including gaps between the asphalt in the front of the buildings and the base of the foundation. These issues lead to significant wind flow through the foundations, which could be a major contributor to the frozen and burst water pipes.

c. Election to the Board of Directors. Igor Conev stated that three positions were up for election (Joe Sheare, Lou Napoli and Mike Bufano), and announced that the ballot included these names as well as Adele Bradley, names Glenn Bogarde, Nicole Cantagallo, and Chris Durchanek. Per the Association By-Laws, Igor asked if there were any nominations from the floor; there were none. *C.J. Brzezinski (unit 658) made a motion to close nominations, seconded by Anne Giannelli (unit 622), and passed unanimously.* The ballots were handed out and scored, resulting in Joe Sheare, Lou Napoli, and Mike Bufano being re-elected to the Board.

6. ADJOURNMENT. Having concluded all business on the meeting agenda, the meeting was adjourned by Joe Sheare at 2:41pm.

At 2:42pm, Joe Sheare convened a brief Board meeting to elect officers to the Board. The results were: President: Joe Sheare; Vice President: Lou Napoli; Treasurer: Mike Bufano; Secretary: John Foulkes.

7. NEXT CDS BOD MEETING – Thursday, June 19, 2014, at 8:00pm via teleconference.