

Casa Del Sol Condominium

DRAFT Minutes of the Casa Del Sol Annual Owners Meeting

May 30, 2015

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

President Joe Sheare called the meeting to order at 10:00am.

1. Roll Call and Reporting/Recording of Proxies. Secretary John Foulkes reported a total of 35 unit owners represented at the time the meeting was called to order (21 in person, 14 by proxy); thus a quorum was established. The following Board members were in attendance: Joe Sheare, Lou Napoli, Mike Bufano, John Foulkes, Tom Bell, and Joe Pasqualine. One Board member, Bob Surette, was absent. Mann Properties was represented by Buck Mann and Garrett Moeller.

2. Approval of the Draft Minutes of the May 3, 2014 Casa Del Sol Annual Meeting. *A motion to approve last year's annual meeting minutes was made by Nancy Marsh (unit 680) and seconded by C.J. Brzezinski (unit 658). The motion passed unanimously.*

3. Financial Review. Treasurer Mike Bufano provided the financial review.

a. Account Balances. Mike Bufano reported the following account balances, current as of May 29, 2015:

• Checking Account (1012)	\$ 111,940
• Money Market Improvement Fund (1060)	\$ 275,505
• Assessments Receivable	
➤ Condo Fees (1310)	\$ 5,800

Mike reported that there are 6 unit owners in arrears of quarterly condominium fees and thus are not eligible to vote in the election of new Board members. However, none of these unit owners were present (or represented by proxy) at the meeting.

Curt Smith (unit 620) asked a question concerning the availability of historical financial data for both the operating account and the improvement fund (reserves), and is there a spreadsheet available. Mike explained how the two accounts are used and how inputs and expenditures are recorded. Buck Mann (Mann Properties) added that he can provide the monthly General Ledgers at any owner's request which itemizes the workings of the 2 accounts.

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Mike stated that during 2014, there were no expenditures taken from the reserve account, and that cost of the canal-side boardwalk, balconies and finger piers power washing and staining currently underway is provided by the operating account.

b. Operating Budget: Year-to-date Review. Mike Bufano provided the review, going into additional detail concerning the CDS budget (operating and reserve). Referencing the balance sheet and statement of income and expenses that were part of the handout, Mike reported that the budget for 2015 is \$180,020, with \$108,800 for the operating account and \$71,320 for the reserve. This budget has not changed for the past 3 years, and thus no adjustment in quarterly dues was made, remaining at \$790 per unit per quarter. Mike also stated that as a result of the forthcoming analysis on execution of the Capital Reserve Study, there may be an adjustment made (could be more or less) to the quarterly dues.

c. Review of Annual Audit for Year Ending December 31, 2014. Mike reported that PKS continues to be our auditor, and as of the fiscal year ending December 31, 2014, we have an unqualified (i.e., clean) opinion. Mike explained that the association requests an audit every year, although the requirement is just one every three years. Mike summarized the audit and explained some of the points, mentioning that "pre-paid assessments" are pre-paid insurance, which we pay in advance.

d. IRS Resolution to Carry Over Funds from Past Year's Budget. Buck Mann (Mann Properties) referenced page 8 of the meeting package handout, which called 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 Conlan Register (unit 734), seconded by C.J. Brzezinski (unit 658), 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.

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4. BUSINESS OF THE CONDOMINIUM

a. Canal-Side Boardwalk, Balconies and Finger Piers Power Washing and Staining. Charles Kinelski (Beach Brothers, unit 648) provided a summary of the effort to date. Due to the late start last fall and the exceptionally cold and snowy winter, the project should be completed by the end of June, weather permitting. Charles stated that all of the flat surfaces have been stained as well as the balcony partitions. All that remains to be stained are the balcony railings.

b. New Capital Reserve Study. President Joe Sheare and Treasurer Mike Bufano summarized the work done during the past year to commission a new Capital Reserve Study. A request for bids was sent out and the association received three bids, along with sample products from each. A subcommittee (Joe Sheare, Lou Napoli, Mike Bufano and Bob Surette) reviewed the proposals and based on additional follow-up meetings plus a determination on what would be best suited for the association, Miller-Dodson Capital Reserve consultants was selected. The study was commissioned for a fee of \$3,690 and the original report was submitted in September 2014. After evaluations by the subcommittee and with the help of Curt Smith (unit 620) and meetings with Gregory Gilbert, the Miller-Dodson engineer, a final report, with numerous changes and additions, was submitted in January, 2015 for a final cost approaching \$5,000. The report was very detailed, consisting of over 60 pages, and it is available on our website. The report priced the items in multiple ways, breaking the items out year-by-year. Many items were staggered (e.g., one building's decks to be done in one year, followed by another building's decks the following year). It also indicates what needs to be addressed in the near term (5-10 years) and in subsequent phases. Joe Sheare stated that he plans to form a committee to act on the items to be addressed in the next 5-10 years and solicit bids. Joe stated that there were numerous exclusions (such as caulking and painting), so the association will need a written plan for these items as well. One exclusion noted in the report was for the windows and doors, which are the responsibility of the individual owners.

b. Vote on the Update of the CDS By-Laws. Buck Mann (Mann Properties) reported the results of the voting received via the mailing of the ballots. The update to the CDS by-Laws did not pass. (Passage requires a 75% affirmative vote from the full ownership; thus 43 affirmative votes would have been required). Joe Sheare proposed that a committee of unit owners be formed to review the email traffic that transpired regarding the update and determine what needs to be changed. A special meeting of the association can then be held to execute another vote.

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Conlan Register (unit 734) stated that the process used to get an updated set of by-laws passes is awkward. Specifically, he stated that the existing by-laws date to 1977, and are not in compliance with current Maryland condominium law and code. The association's attorney (Chris Woodley) was paid by the association to ensure that the update was compliant with current law and code, and that this was the most critical aspect of the update. To reconcile the disagreement among the owners on the other items in the by-laws, Conlan suggested that the follow-on effort be divided into two parts: the first part to confirm that the update is compliant with law and code; the second part to resolve the other items.

C.J. Brzezinski (unit 658), who worked on a previous effort to update the by-laws, asked if he could see the attorney's edits in bringing the existing by-laws up to code. Buck Mann (Mann Properties) stated that this new committee can have access to all the information directly from Mr. Woodley.

Conlan Register added that not having legally-current by-laws might deter prospective buyers of units for sale, or may result in the sellers not getting the best price for their units.

Joe Sheare asked if anyone present would like to serve on such a committee. Affirmative responses were received from Barbara Siskind (unit 644), Adele Bradley (unit 678) and Amy McDonald (unit 636). Joe stated that committee formation will be an agenda item at the next Board of Directors meeting. According to the existing by-laws, the President has the authority to establish committees.

c. Insurance update. Buck Mann (Mann Properties) covered the insurance update, which was included in pages 9-13 in the meeting package. As of June 1, 2009, if a covered loss originates from a unit, the unit owner will be held liable for the \$5,000 deductible. (Buck stated that it is now required by the Maryland condominium law that this must be announced at the condominium's annual owners meeting). Unit owners should have a minimum of \$5,000 loss assessment coverage on their H06 policy.

d. Update of the Owners' Directory. Buck Mann (Mann Properties) stated that the current owner's directory is contained in pages 14-21 in the meeting package, and any changes should be forwarded to Joe Sheare of John Foulkes.

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5. NEW BUSINESS

a. Status of the 94th Street Canal Dredging. Joe Sheare recounted the problem that was first identified over the winter, with material forming at the entrance to the canal which could impede the passage of boats, kayaks, and similar marine items. After checking with the city engineer, it turned out that the canal was not scheduled for dredging until 2017. With the help of the other condominium associations on 94th Street and Buck Mann of Mann Properties, Joe was successful in obtaining a dredging permit for this spring. Dredging commenced in April and the canal is now cleared of the debris and safe for marine passage.

b. Installment of New Signage. At the 2014 Annual Association meeting, the membership voted against purchasing the signs whose specifications had been obtained, believing that the quoted price of \$14,000 was excessive. Subsequently, Joe Sheare and Igor Conev (Mann Properties) identified other vendors who might be able to provide quality signage at a much lower cost. Joe reported that he was successful in locating the individual (Jack Curry) who did many of the county signs, including the new Art Center signs. Joe discussed the specifications of these signs at this meeting, and reported that the cost for these signs for all three buildings is \$1,200.

c. New Business Items from the Floor. Conlan Regester (unit 734) reported that the owners of the residence on the west side of the 700 building continue to use the 700-building CDS trash containers for their trash. Buck Mann (Mann Properties) stated that if any CDS owner witnesses an occurrence, notify Buck and he will inform the Ocean City Director of Public Works.

d. Election to the Board of Directors.

Buck Mann (Mann Properties) stated that two Board positions were up for election (John Foulkes and Bob Surette), and that the ballot included these two names as well as Anne Giannelli's. Per the Association By-Laws, Buck asked if there were any nominations from the floor; there were none. *Conlan Regester (unit 734) made a motion to close nominations, seconded by Timothy Fagan (unit 666), and passed unanimously.*

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The ballots were handed out by Garrett Moeller (Mann Properties) to the attendees and collected. The ballots were scored a committee consisting of Adele Bradley, Buck Mann, and Garrett Moeller, the latter two being representatives of Mann Properties. The final result was attested to as correct by Board member Joe Pasqualine, and resulted in John Foulkes and Bob Surrette being re-elected to the Board.

6. ADJOURNMENT. Having concluded all business on the meeting agenda, *a motion was made by C.J. Brzezinski (unit 658) to adjourn the meeting, seconded by Adele Bradley (unit 678), and passed.* The meeting was adjourned at 11:45am.

7. MEETING OF THE NEW BOARD. At 12:00pm, 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.

a. Business Item: Request from Unit 734 for New Front Door and Storm Door. At this meeting, a formal request was made from the owner of unit 734 for a new front and storm door. The request was supported by a written specification, which was reviewed by the Board members, and approved.

8. NEXT CDS BOD MEETING – Thursday, June 18, 2015, at 8:00pm via teleconference.