

# Casa Del Sol Condominium

## DRAFT Minutes of the Casa Del Sol Annual Owners Meeting

### May 21, 2011

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

**President Joe Sheare called the meeting to order at 10:20am.**

**1. Roll Call and Reporting of Proxies.** A total of 29 unit owners were represented at the time the meeting was called to order (21 in person, 8 by proxy). A quorum of at least 29 is required. All Board members, with the exception of Tom Bell and James McDonald, were in attendance. Mann Properties was represented by Igor Conev.

**2. Approval of the Draft Minutes of the May 15, 2010 Casa Del Sol Annual Meeting.** A motion to approve last year's annual meeting minutes was made by CJ Brzezinski (Unit 658) and seconded by J. Schaub (Unit 656). The motion passed unanimously.

### **3. Financial Review.**

**a. Account Balances.** Treasurer Mike Bufano confirmed the financial amounts listed below, current as of May 18, 2011.

<b>i. Operating Account (1012)</b>	<b>\$ 42,087</b>
<b>ii. Future Capital Imp. Fund (1080)</b>	<b>\$ 30,764</b>
<b>iii. Assessments Receivable</b>	
<b>a. Condo Fees (1310)</b>	<b>\$ 3,904</b>
<b>b. Special Assessment (1330)</b>	<b>\$ 0</b>
<b>iv. Accounts Payable (3010)</b>	<b>\$ 945</b>

With respect to the condo fees, Mike indicated that the amount is reflective of those unit owners owing the April quarterly association dues. Mike also indicated that a new feature of the minutes of the Board meetings is to include recent bills paid by the association to improve transparency of the financial dealings of the association. Mike confirmed the following bills paid since 4-01-11:

04/01/11	AP0000	1191	160.40	Town of Ocean City 13827-54958
04/01/11	AP0000	1192	473.65	DELMARVA POWER 2114 0689 9990
04/01/11	AP0000	1193	600.00	FirePro SEMI ANNUAL ALARM TESTS
04/01/11	AP0000	1194	1,054.50	MANN PROPERTIES, INC. MANAGEMENT FEE 4/11
04/27/11	AP0000	1195	125.00	BLUE OX BAR & GRILLE MEETING ROOM
04/27/11	AP0000	1196	1,030.32	MR. AND MRS. SALVATORE A. REIMB-DUES PAID IN
ERROR				
04/27/11	AP0000	1197	210.00	C/W BUILDING SERVICES #634 REPAIRED BUCKLING PA
04/27/11	AP0000	1198	375.18	DELMARVA POWER 2144 1799 9999
04/27/11	AP0000	1199	325.65	MANN PROPERTIES, INC. ADM COSTS
04/27/11	AP0000	1200	3,200.00	PIGG, KRAHL, STERN & CO., FINANCIAL STMT TAX
RETURN				
04/27/11	AP0000	1201	171.66	ROBIN SHEARE ANNUAL WEBSITE RENEWAL
05/02/11	AP0000	1202	1,054.50	MANN PROPERTIES, INC. MANAGEMENT FEE 5/11
05/12/11	AP0000	1203	9,850.00	CASA DEL SOL CONDO ASSOC. 2ND QTR RESERVE
TRANSFER				

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**b. Operating Budget: Year-to-date Review.** Mike commented on the Association's operating budget for the current year. He stated that the increase in the condo fees was to increase the capital reserves. The only other change was a slight increase in the fees paid to Mann Properties.

**c. Review of Annual Audit for Year Ending December 31, 2010.** Mike stated that the annual audit for 2010 was completed, and copies were distributed to the Board members. Any unit owner can request a copy from Mann Properties. Mike stated that, as was the case for the previous 2 years, the auditors provided a clean opinion for the Association. One recommendation from the audit involved refunding the operating fund the amount of that was borrowed (\$14,900) and applied to the front-side piling repair. Mike reported that the association will absorb that payment rather than return it to the operating fund, which is allowed. This motion was made and passed during the March Board meeting.

Included in the audit was a review of the future capital investment study, which cited the major items (canal side decks and piers, bulkhead, parking lot, etc.) that were identified in the MAD Engineering report as needing replacement during the next 10 to 20 years. The audit is required to disclose an estimated amount for all common elements, and its estimate is \$2.3 million. Mike estimated that if we had been funding this all along from the time the initial study was completed, the association would need an annual contribution to the fund of \$67,293, and would have approximately \$971,000 today, so clearly we are in arrears. Mike noted that every prospective buyer of a unit for sale in the association would see this. As an association, this is an area that we need to deal with. More discussion followed (see paragraph 3f).

**d. Insurance Update.** Igor Conev (Mann Properties) summarized the Association's insurance posture, which was included in the meeting package. Igor stated that the association is properly insured. With respect to individual unit owner insurance, Igor again reminded the owners that they should contact his or her insurance agent and ask for recommendations on what the interior coverage should be. Igor also stated that the loss assessment coverage, if taken by the unit owner, will cover the unit owner's portion of the Association's deductible, which is \$5,000, with regard to any damage of property covered by the Association's policy.

**e. IRS Resolution to Carry Over Funds from Past Budget.** Igor Conev (Mann Properties) discussed the details of the resolution, which is required to carry over excess funds from the previous year's budget without tax penalty. The resolution requires acknowledgement in the annual meeting, plus a recording in the meeting minutes. A motion to carry over the excess funding was made by CJ Brzezinski (Unit 658), seconded by Nancy Cook (Unit 680), and passed unanimously. A form recognizing the owners' approval of the carry over, prepared by Mann Properties, was signed by the President, Joe Sheare, and Secretary John Foulkes.

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**f. Capital Improvement Update.** Mike Bufano led the discussion. He stated that the association needs to come to a decision on where it wants to be with regard to the capital replacement estimate. Based on the MAD Engineering estimate, the biggest expense in the next 10 years is the canal side decks and piers, estimated to cost \$927,000. To put this expense into perspective, Mike stated that without an increase in the association dues, we could amass only about \$39,000 this year. So should the association increase the dues in an attempt to cover this? What about other line items in 10-20 years? The approach is to try and avoid major special assessments similar to the ones assessed a few years ago. After some spirited discussion, Mike agreed to send a copy of this study to the membership. Mike also agreed to develop a spreadsheet to bound the options, and develop estimates out to 20 years.

#### 4. BUSINESS OF THE CONDOMINIUM:

**a. Front Side Piling Repair – Update.** Joe Sheare reported that the repair project has been completed. He summarized the work done by the contractor in repairing the pilings.

**b. Parking Lot Repair and Resealing – Update.** Joe reported that the parking lot repair and resealing project has been completed. Joe stated that if any unit owner believes some repair or resealing that should have been done wasn't done or done improperly, to inform Joe.

**c. Update on Repairs to Carport Ceilings.** Joe reiterated that the voting of the unit owners at last year's annual meeting concerning the repairs needed for the carport ceilings resulted in the drywall option (repairing only those carports in need of repair, but repainting all). This would be the next project to undertake, and the amount needed would need to be placed in the budget. Joe stated that new bids would have to be received, and he would like to start with the project later this year, no sooner than fall.

#### 5. NEW BUSINESS

**a. Updating the Owners' Directory.** A current version of the owner's directory was distributed to the members attending today's meeting. Joe requested that each member review the content for accuracy, and provide any changes before leaving the meeting.

**b. Miscellaneous.** Joe asked if there were any new business items. Board member Anne Giannelli (Unit 622) reported that during the Easter weekend, a third raccoon had been caught. This was believed to be the last of the raccoons; however she stated that there had been another report recently. She also mentioned that some units are isolated in pairs by blue boards underneath (her unit and 624, and also units 626 and 628), and that this should be kept in mind when a unit owner is looking to deter entrance by the raccoons. Any unit owner believing there is a raccoon infestation should call Ocean City Animal Control at 410-723-6602.

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**c. Election to the Board of Directors.** Igor Conev (Mann Properties) stated that three positions were up for election (Joe Sheare, Lou Napoli, and Mike Bufano), and that each had agreed to be nominated again. Per the Association By-Laws, Igor asked if there were any nominations from the floor; there were none. Nancy Cook (Unit 680) made a motion to close nominations, seconded by Bob Siskind (Unit 644). Bob Siskind (Unit 644) made a motion to elect the Joe, Lou and Mike; seconded by Gene Miese (Unit 770C). As a result, Joe, Lou and Mike are elected to the Board, each for a three-year term of office.

**d. Annual Meeting Party.** Joe stated that it has been an Association tradition that the President hosts a small picnic immediate following the annual meeting. Joe stated that the picnic would commence at 1:30pm on the canal side behind his unit (Unit 710).

**6. ADJOURNMENT.** Having concluded all business on the meeting agenda, a motion was made by CJ Brzezinski (Unit 658) to adjourn the annual meeting, seconded by John Russell (Unit 726). The motion carried unanimously, and the meeting was adjourned at 12:13pm.

**7. Follow-On Meeting of the New Board.** A brief meeting of the new Board members occurred shortly after the adjournment of the annual meeting to elect officers. It was decided that the officers would be as follows; President: Joe Sheare; Vice President: Louis Napoli; Treasurer: Mike Bufano, and Secretary: John Foulkes.

**8. NEXT CDS BOD MEETING (proposed) – Wednesday, June 22, 2011, at 8:00pm via teleconference.**