

Casa Del Sol Condominium

DRAFT Minutes of the Casa Del Sol Annual Owners Meeting

April 22, 2017

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

President Joe Sheare opened the meeting at 10:25am.

1. Roll Call and Reporting/Recording of Proxies.

Secretary John Foulkes reported that all Board members were in attendance: Joe Sheare, Lou Napoli, Mike Bufano, John Foulkes, Bob Surette, Adele Bradley and Joe Pasqualine. Mann Properties was represented by Igor Conev and Christina Whitwell.

Secretary Foulkes reported that a total of 29 unit owners were represented at the time the meeting was called to order (21 in person, 8 by proxy). A total of 29 owners is required for a quorum.

2. Welcoming Remarks from President Sheare.

President Sheare asked each member of the Board to introduce him/herself and then asked all association members in attendance to introduce themselves.

3. Approval of the Draft Minutes of the July 30, 2016 Casa Del Sol Annual Meeting.

A motion was made by Lou Napoli (unit 668) to approve the draft minutes of the July 30, 2016 Casa Del Sol Annual Meeting (pages 2 – 6 of the meeting handout). The motion was seconded by Nancy Marsh (unit 680), and passed unanimously.

4. Financial Review – Treasurer Mike Bufano delivered the financial review.

(a) Account balances as of April 19, 2016:

| | |
|---|-------------------|
| Checking (1012) | \$ 89,119 |
| Reserves | |
| i. Money Market Improvement Fund (1060) | \$ 71,189 |
| ii. Farmers Bank CD | \$ 100,000 |
| ii. Discover Bank CD (1071) | \$ 76,057 |
| iii. Discover Bank CD (1072) | \$ 75,974 |
| iv. Discover Bank CD (1073) | \$ 75,933 |
| Reserves Total: | \$ 399,153 |
| Assessments Receivable (1310) | |
| i. Condo Fees (1310) | \$ 17,240 |

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Mike Bufano reported that a new CD was purchased at Farmers Bank by transferring \$100,000 from the money market fund (which had been approved by board members earlier in the month). This is a 24-month CD earning 1.3%. The transfer was necessary to avoid exceeding the FDIC (federally insured) limit of 250,000 per banking institution. Mike also stated that all banking transactions were done in person or by telephone; no online methods are used. Casa Del Sol policy does not support online banking methods as the board and Mann Properties believes there is not presently a proper internal control.

(b) Operating budget: Year-to-date review. Mike reviewed the operating budget for 2017. This was included in the supplemental handout of the meeting package. In addition, Mike discussed some additional items not included in the handout. The annual budget is \$220,300 and reflected the quarterly dues increase. The increase was necessary to pay for the driveway sinking and foundation repairs. His reasoning was based on using the only credible proposal received for the repairs; taking 75% of the estimated cost and then dividing by the 57 units. Funds for the other near-term projects in the reserve study have already been accounted for. He also stated that it is possible to reduce the quarterly dues once the projects are completed and all costs accounted for.

(c) Review of Annual Audit for year ending December 31, 2016. Mike reported that even though our annual meeting was held a month earlier than usual, we did receive the audit. Mike reported that we again received an unqualified (i.e., clean) opinion, and Mike subsequently signed the Management Representation Letter. Any unit owner desiring a copy of the audit should contact Mann Properties.

(d) IRS Resolution to Carry Over Funds from Past Year's Budget. Mike Bufano referenced page 7 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 was made by CJ Brzezinski (unit 658) to carry over the excess funds. The motion was seconded by Tom Bell (unit 712) 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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5. Insurance

(a) Insurance Summary. Igor Conev (Mann Properties) summarized the association insurance policies contained in pages 8-12 of the handout. Briefly, he stated that the association is insured to 100% of the replacement cost. The deductible is \$5000 (\$25,000 for wind damage). The association has \$1,000,000 in in law and ordinance coverage, which we had increased to cover repairs to rebuild up to the current code. He also stated that we will have to increase crime coverage from \$300,000 to \$600,000. He also reminded the unit owners that the association insurance covers rebuilding to the original specifications at the time of construction.

Individual unit owners will need to cover anything above and beyond the original specifications. If a covered loss originates from a unit, the unit owner is liable for the \$5,000 deductible. Unit owners should have a minimum of \$5,000 loss assessment coverage on the HO6 policy.

Igor also stated that the association has a \$5 million umbrella liability policy, and some members questioned whether that was sufficient. Several members asked what the increase in premium would be to raise the umbrella liability coverage to \$10 million; Igor stated that is was not very much. *Lou Napoli (unit 668) made a motion to increase the umbrella liability coverage to \$10 million; the motion was seconded by Kris Wolf (unit 770D) and passed unanimously.*

6. Business of the Condominium

(a) Updated Rules and Regulations. Adele Bradley reported that the updated Rules and Regulations, developed by the Committee and recently approved by the Board of Directors, had been distributed to the association membership for review prior to the annual meeting, and opened the floor for comment. A copy of the updated Rules and Regulations was included as page 13 of the handout.

Adele thanked the Committee for its hard work and dedication in reviewing the history of the rules and for coming up with a set that would hopefully be accepted by the membership. She stated that the update was reviewed by the association attorney, who made a few minor changes. Adele, in response to a unit owner's request for a minor change to Rule #4, stated that the request was to change the existing language to read "trailers of any type, campers, etc." In addition, Adele stated that a change to Rule #6 was requested to prohibit charcoal grills from the Casa Del Sol properties. After some further discussion, *Adele Bradley (unit 678) made a motion to approve the updated Rules and Regulations with Rule #4 and #6 modified as stated above; the motion was seconded by Nancy Marsh (unit 680). The vote was 16 in favor, 5 opposed. The motion carried.*

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(b) Capital Reserve Study Update. Bob Surrette stated that the next project to be executed is the partial milling and repaving of the parking lots. He believes that this should be incorporated with the foundation erosion repair around the buildings. This would entail sealing and painting the foundation boards where they join with the asphalt. This will be an intrusive operation, involving the temporary displacement of the air conditioning units in front of the units. He believes that a good time to start would be early next year.

(c) Canal-Side Repair of the Crawl Spaces. Bob deferred to Charles Kinelski (Beach Brothers), who reported that the canal-side repairs are just about completed. The 770 and 600 buildings need to be backfilled; otherwise, everything is finished.

(d) Update of the Owners' Directory. Igor Conev (Mann Properties) stated that the current owner's directory was included in the meeting handout, and any changes should be forwarded to Mann Properties.

Reminder: Each unit owner must place a current, working set of keys (front door, storm door (if present), and front cubby door) with the Mann Properties office personnel.

7. Old Business

(a) Pier Tax Increase. Adele Bradley reported that things are progressing quite rapidly regarding this issue. Attorney Joe Harrison says it looks like we can beat the increase and he would like to prepare a submission to the Assessment Office. His belief is that he can do this without having to obtain written authorization from each unit owner. Joe Harrison estimates that the total fee for his efforts (including the \$1000 already paid to him) would be between \$3500 and \$4500. At its April 20, 2017 meeting, the Board approved a motion to authorize additional expenditures up to \$3500 for Joe Harrison to proceed.

Adele then reported that on April 21, she received an email from Joe Harrison that answered several questions the Board had. In short, Joe stated that *"it is a moving target. However, the way the city would react to a substantial drop in assessments would generally be to adjust the tax rate. The city has no ability to alter assessments. That is the role of the independent State Department of Assessments and Taxation."*

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8. New Business

(a) Painting of the Louvers on the 600 Building. Bob Surrette reported that he received a proposal from Ocean Towers and had some follow up questions. Ocean Towers responded that their proposal was initially created based on the assumption that the louvers were made out of metal. Only after submitting the initial bid did they learn that they are made out of Styrofoam. Therefore, they added the type of material in the estimate and did not change the scope of work since they will still be using primer but not the rust inhibitor.

Bob stated that the proposal from Ocean Towers was reasonable and credible, and the cheapest. He is still waiting on one more proposal.

(b) Election to the Board of Directors. The election to fill three positions on the Board of Directors was conducted. Nominations from the floor (as required by the by-laws) were requested. Mike Bufano, whose name was not on the ballot, was nominated by John Foulkes. *A motion was made by Adele Bradley (unit 678) to close the nominations. The motion was seconded by Joe Pasqualine (unit 662) and passed unanimously.* As a result of the voting, Joe Sheare, Lou Napoli and Mike Bufano were elected.

(c) Other New Business. No other new business was reported.

9. Adjournment. With all business concluded, President Sheare adjourned the meeting at 11:55am.

After adjournment, a brief meeting of the New Board was convened to elect the new officers. The officers of the new Board are as follows:

President: Joe Sheare (unit 710)

Vice President: Lou Napoli (unit 668)

Treasurer: Mike Bufano (unit 652)

Secretary: John Foulkes (unit 716)