

CASA DEL SOL CONDOMINIUM

<http://www.casadel-sol-ocmd.com>

BOARD OF DIRECTORS MEETING via Zoom

Wednesday, January 25, 2023, 5:30PM

Meeting called to order by Mike Bufano at 5:32pm via Zoom.

Participants: Board members Adele Bradley, Lou Napoli, Tom Bell, Bob Surette, Doug Rollins, Mike Bufano and Russ Hartz. Also participating were Igor Conev and Ed Broderick from Mann Properties (Casa del Sol's property management company) and two CDS unit owners: Joe Torchia (unit 770C) and Ben Pugh (unit 770D)

In his opening remarks, President Mike Bufano asked the CDS unit owners participating in the call to announce themselves, at which time Joe Torchia (770C) and Ben Pugh (770D) introduced themselves. Mike thanked them for attending the meeting and opened the floor to Joe and Ben to raise any discussion points they may have. Joe inquired about the potential approval of boat lifts at the 770 units and the related topic of changing the boat slips/finger docks at the 770 units from Common Elements to Limited Common Elements. Mike responded that this topic was included on the meeting agenda and deferred further discussion until later in the meeting.

1. APPROVAL OF THE MINUTES OF THE CDS BOARD MEETING of 11-09-2022

Motion: Adele Bradley made a motion to approve the draft minutes of the CDS Board Meeting on 11/09/22. The motion was seconded by Bob Surette and passed unanimously.

2. CASA DEL SOL FINANCIAL MATTERS

a. Financial Report. Tom Bell delivered the following financial report with figures as of January 23, 2023:

Checking (1012)(1013)	\$103,637.21
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Reserves

i. Money Market Improvement Fund (1060)	\$133,305.65
ii. Charles Schwab (1074, 1075, 1076)	\$223,311.66
iii. Farmers Bank CD (1090)	\$105,729.22
iv. Taylor Bank Money Market (1213)	\$246,825.73
Reserves Total:	\$709,172.26

Assessments Receivable

i. Condo Fees (1310)

\$18,549.12

Mike stated that the Board would not specifically name or discuss during the meeting general session any owners in arrears on condo fees due to privacy reasons given the attendance of non-Board member CDS owners at the meeting. Such discussion was deferred to Executive Session of the Board at the end of the meeting.

Bills Paid (November 8, 2022 – January 23, 2023):

Tom asked the Board members to take a few minutes during the meeting to review the following list of bills paid from 11/8/22-1/23/23 and raise any questions. Tom himself raised the only question regarding these payments, which was whether the last item listed related to his unit. Igor Conev from Mann Properties responded that it did not and the reference to "Bell" likely referred to the fact that an alarm bell triggered the FirePro investigation.

11/08/22	AP4840	1000	15,000.00	CASA DEL SOL CONDO ASSOC. TRANSFER TO BOC OPER ACCT
11/11/22	AP4849	1001	123,242.00	CASA DEL SOL CONDO ASSOC. TRANSFER TO SCHWAB
11/15/22	AP4855	1002	4,322.00	RUPPERT FENCE & DECK INSTALL FENCE
11/15/22	AP4855	1003	930.00	WILLIAMS,MOORE,SHOCKLEY&H ZOOM MEETING, REVIEW LAWS
12/01/22	AP4862	1004	547.29	Ed Patchett, Inc REPLACE LIGHT FIXTURE 600
12/01/22	AP4862	1005	1,160.00	MANN PROPERTIES, INC. MANAGEMENT FEE 12/22
12/14/22	AP4873	1006	819.16	MANN PROPERTIES, INC. ADM CHARGES
12/15/22	AP4874	1007	280.00	D & B SERVICES CHECK HEAT TAPE
12/15/22	AP4874	1008	301.73	DELMARVA POWER 5500 8705 018
12/15/22	AP4874	1009	878.40	TOWN OF OCEAN CITY 12/01/22
01/03/23	AP4883	1010	506.01	DELMARVA POWER 5500 8678 124
01/03/23	AP4883	1011	69.12	EHRlich PEST CONTROL
01/03/23	AP4883	1012	125.10	FirePro SERVICE CALL-PULL STATION
01/03/23	AP4883	1013	1,218.00	MANN PROPERTIES, INC. MANAGEMENT FEE 01/23
01/16/23	AP4894	1014	268.40	FirePro LEAK INVESTIGATION (BELL)

b. Discussion of Investments and CDs.

Tom Bell reviewed the results of his research on CD ladders, rates and investment strategy. He also discussed his rationale for a proposal to use funds held in CDS money market accounts to purchase four CDs with varying maturities (18 month, 2 years, 3 years, 4 years) and asked the Board members for their opinions and comments. In response to a question from Doug Rollins about any downside of this proposal, Tom responded that the only significant downside was tying up funds for multiple years but noted that, according to the CDS Reserve Study, CDS should not need to access these funds during the CD maturity periods. In response to a question from Russ Hartz regarding his interpretation of the analysis, Tom confirmed that the primary rationale for the proposed CD ladder approach was to spread CDS investments prudently across multiple instruments with guaranteed rates and to avoid guesswork or hunches as to where market rates may move over the next several years, particularly given the current

macroeconomic conditions and market volatility.

Motion: Tom Bell made a motion to utilize reserves totaling \$380,000.00 to invest in four CDs as follows (all rates stated below for illustrative purposes are as of 11/25/23):

- \$95,00.00 in an 18-month CD (4.65% interest rate)
- \$95,00.00 in a two-year CD (4.5% interest rate)
- \$95,00.00 in a three-year CD (4.25% interest rate)
- \$95,00.00 in a four-year CD (3.85% interest rate)

Lou Napoli seconded the motion. The motion was passed unanimously.

c. Request for payment from Beach Brothers. Mike Bufano reported that Beach Brothers has requested (1) final payment of \$17,200 for the power wash and staining project of rear decks, balconies and 3rd floor partitions, and (2) payment of \$2,709.15 for 2022 maintenance. Adele updated the Board that, upon recent inspection, the staining project has not yet been completed and that the Beach Brothers are aware of all areas on the rear decks, balconies and 3rd floor partitions that remain unfinished.

After discussion about weather conditions, the Board acknowledged that the staining project will not be resumed and completed until June and agreed that final payment for the staining project will be withheld until the project is completed to the Board's satisfaction.

Motion: Mike Bufano made a motion to pay \$2,709.15 to Beach Brothers for 2022 maintenance. Lou Napoli seconded the motion. The motion was passed unanimously.

d. Audit Engagement. Tom Bell reported that he signed the audit engagement letter with PKS for an estimated cost of \$4,500, subject to final assessment when the audit work is completed. The Board discussed that this cost estimate is consistent with PKS's audit estimates in recent years.

3. OLD BUSINESS:

a. Request from Owner of Unit 666. Mike Bufano briefly summarized the situation with respect to boardwalk damage caused by a contractor hired by the owner of unit 666 (Fagan) to install a sliding door on the north side of the unit. Specifically, in September 2022, the contractor dragged the new slider encased in wood along the boardwalk and significantly scraped the specialized boardwalk paint in a line extending from the west end of the boardwalk to the back of unit 666. The Board subsequently advised the owner of unit 666 that they are responsible for the cost of the repairs to the boardwalk.

Adele Bradley reported that that she received a quote and proposed contract for the repairs from Pelican Painting in Ocean City. The quote is \$1,150.00 for painting and prep work, plus the cost of supplies/materials, which includes 10 gallons of specialized paint to match the existing boardwalk paint. The total job cost, including materials/supplies, is estimated to be \$1,600.

Motion: Adele Bradley made a motion to accept Pelican Brother's proposal to repair the damages to the boardwalk with the work to begin in the Spring when the weather conditions are appropriate. Tom Bell seconded the motion. The motion was passed unanimously.

b. Unit 720 Balances. In an email dated August 30, 2022 to Mann Properties, the owner of unit 720 stated that they have not received a bill, invoice or any other communication from Mann Properties regarding an outstanding balance and requested copies via email so that payment can be made. Igor Conev from Mann Properties reported that an invoice has been provided but payment has not yet been received. Tom Bell recommended that any further discussion on this topic be deferred to the meeting executive session when unit accounts receivable would be discussed.

c. Request for Approval of Boat Lift Installation at the CDS 770 Units. As background, Mike Bufano reminded the Board that Joe Torchia, the owner of unit 770C, attended a Board meeting in August at which he discussed his desire, and the desire of other unit 770 owners who own a boat, to install boat lifts in the slips behind their units due to the damage to their boats caused by keeping them tied to the finger docks. This damage primarily results from the water and weather conditions experienced at the west end of the 94th street bay channel where the 770 boat slips are located given the proximity to the open bay. At the August meeting, the Board explained to Joe the implications and challenges associated with installing boat lifts for CDS units given that the slips and finger docks are designated as CDS common elements. The Board then suggested that Joe speak with an attorney about the legal implications of installing a boat lift on CDS common element property and potential options to address the concerns of both the 770 unit owners and the CDS condo owners association.

Mike then read an email sent by Tom to Igor Conev of Mann Properties less than one hour before the start of the January 25th Board meeting which summarized the advice Tom received from an attorney regarding installation of a boat lift. In summary, Tom's email stated that his attorney recommended that the 770 boat slips be listed as "Limited Common Elements" instead of the current "Common Elements" designation, which would give each 770 unit owner the exclusive use of their respective boat slip. In such case, all boat slips would still be owned by the CDS condo owners association and would be subject to Board and owner approvals, as applicable, for changes to the boat slips. Tom's email stated that, in this circumstance, he would be able to install a boat slip with permission from the Board, but he would be responsible for installation, maintenance, and removal. In his January 25th email, Tom requested a Board vote on reclassifying the four slips behind the 770 units as "Limited Common Elements" and, if approved, stated that the 770 unit holders would cover all costs associated with updating the CDS by-laws as needed to reflect this change.

The Board briefly discussed that any such change to designation of Common Element property would impact the CDS pier tax basis and insurance policies. The Board also discussed that this latest proposal regarding the 770 boat slips and installation of boat

lifts was received just prior to the Board meeting and that an informed conversation and decision on the matter will require the Board to first consult with an attorney to understand all relevant requirements and implications. Furthermore, Adele Bradley noted that approval of the change in designation of the boat slips and docks from Common Element to Limited Common Element would require the approval of 100% of the CDS owners and their mortgage companies, separate from the 60% ownership approval to change the CDS Bylaws.

Motion: Adele Bradley made a motion to table the discussion regarding changing the designation of the boat slips at the 770 units until after the Board consulted with its attorney. Tom Bell seconded the motion. The motion was passed unanimously.

d. Installation of mirror at CDS 600 and 700 buildings. Adele Bradley provided an update on her research into the possible installation of a mirror at the exit of the 600 and 700 building for visibility when pulling out of the parking lots, which was suggested by an owner at the 2022 Annual CDS Owner's meeting. The OCMD police department referred Adele to the Ocean City Engineering Department at City Hall. In order to be effective, a mirror would need to be installed close to the street on or over public property and, therefore, the Engineering Department confirmed that installation would require city approval. The Engineering Department stated that approval for mirror installation was unlikely as there is no precedent for it in Ocean City. As an alternative, the Engineering Department recommended that CDS seek approval to extend the length of the red paint on the street curbs denoting "no parking" areas at the west-end exits of the CDS parking lots to prevent cars from parking near the exits where the view of street traffic is obstructed.

Motion: Adele Bradley made a motion to contact an Ocean City engineer to evaluate the potential extension of the 94th street "no parking" areas at the street curbs right before the 600 and 700 parking lot exits. Lou Napoli seconded the motion. The motion was passed by majority vote (Tom Bell, Bob Surette, Mike Bufano and Russ Hartz voted in favor; Doug Rollins opposed.)

e. Replacement sliding door and window design/drawings. Lou Napoli presented a proposal by GMB Architects/Engineers from Salisbury, MD for design/drawings for replacement sliding doors and window (south side only) for CDS units. This proposal was solicited by the Board following its meeting on 11/8/22 where it agreed to contact an engineer to assist in developing a document for distribution to CDS owners that will include the brands and models approved for CDS units as well as approved local contractors for installations. Lou described GMB's work statement and fee quote of \$3,200 plus expenses (which are estimated to be approximately \$100).

Doug Rollins stated that it sounded like GMB was essentially delivering measurements for windows and doors and, if that is the case, he questioned the value of their work. Doug also pointed out that the primary goal the Board is trying to achieve by the document to be delivered to owners is to ensure consistency in the windows and doors installed by owners. Lou clarified that GMB will also be expected to make specific proposals for

model numbers for the windows and doors and to recommend local contractors for the work. Mike Bufano noted that GMB's proposal only includes a reference to the windows on the south side of the CDS units and that the work must be expanded to include the north side windows.

Lou agreed to contact GMB to have them update their proposal to expand the scope of work to specifically include the north side windows and the deliverables by GMB, which should include recommendations for model numbers and contractors for installation.

4. NEW BUSINESS:

a. Request for Approval: Unit 650 Replacement of unit main entry door and storm door. Mike Bufano briefly summarized the request for approval by owner of unit 650 (Farabaugh) to replace the unit's main entry door and storm door, and Adele Bradley confirmed that all documentation required for approval was submitted to the Board.

Motion: Adele Bradley made a motion to approve the request of the owner of unit 650 to replace the unit's main entry door and storm door. Doug Rollins seconded the motion. The motion was passed unanimously.

b. Request for Approval: Unit 672 Replacement of unit main entry door, front and rear sliders and front windows. Mike Bufano briefly summarized the request for approval by owner of unit 672 (Breedon) to replace the main entry door, front windows and sliders of the unit, and Adele Bradley confirmed that all documentation required for approval was submitted to the Board.

Motion: Adele Bradley made a motion to approve the request of the owner of unit 672 to replace the main entry door, front windows and sliders of the unit. Doug Rollins seconded the motion. The motion was passed unanimously.

c. Request for Approval: Unit 672 Installation of mini-split AC/heat pump unit with fans. Mike Bufano briefly discussed the request of the owner of unit 672 (Breedon) to install a mini-split AC/heat pump unit with fans on the exterior of the unit. Lou Napoli pointed out that a similar request was made in 2017 by the owner of unit 676 but the owner ultimately decided to install an alternative heating/cooling system inside his unit. The Board agreed that installing a mini-split system on the exterior of the unit will cause noise and obstruction issues for neighboring unit holders. Adele offered to contact the owner of unit 672 and recommend that he reach out to the owner of unit 676 to discuss what system he installed inside of his unit.

Motion: Tom Bell made a motion to reject the request of the owner of unit 672 to install mini-split AC/heat pump system on the exterior of the unit. Doug Rollins seconded the motion. The motion was passed unanimously.

d. Request for Approval: Unit 658 Installation of sliding glass doors Mike Bufano briefly summarized the request for approval by owner of unit 658 (Dorman) to install three new sliding glass doors and Adele Bradley confirmed that all documentation required for approval was submitted to the Board.

Motion: Adele Bradley made a motion to approve the request of the owner of unit 658 to replace the sliders of the unit. Tom Bell seconded the motion. The motion was passed unanimously.

e. Damage to Unit 670 deck overhang related to Unit 672 move in. In November 2022, a CDS Board member noticed damage to unit 670's 94th street side deck overhang caused by a U-Haul truck being used for unit 672 move-in. On 11/22/22, Igor emailed the owner of unit 672 (Breedon) to advise that repairs to the unit 670 overhang would be made and the invoice for the charges would be sent to the unit 672 owner.

Motion: Lou Napoli made a motion to []. Bob Surette seconded the motion. The motion was passed unanimously.

f. Inquiry from Unit 666 regarding natural gas installation. In December 2022, the owner of unit 666 (Fagan) inquired about installation of natural gas/gas meter at his unit. Shortly thereafter, the owner withdrew his inquiry to the Board stating that the energy company informed him that the Casa del Sol does not meet the permitting requirements for gas installation. The topic was included on the Board meeting agenda in case there was any need for follow-up discussion on the topic of natural gas installation. The Board members agreed to skip the topic without discussion in light of the unit owner's withdrawal of their inquiry.

5. VIOLATIONS:

Igor Conev of Mann Properties confirmed that the \$250 fine assessed to Unit 732 for keeping a trailer in the parking lot had been paid.

6. ADJOURNMENT OF GENERAL SESSION:

The meeting general session was closed at 6:42PM, at which time the participating CDS owners (non-Board members) were excused, and the meeting was continued in executive session.

7. EXECUTIVE SESSION AND ADJOURNMENT:

Accounts Receivable

Igor Conev from Mann Properties reviewed the CDS unit Accounts Receivable report, specifying the units that are in arrears for their CDS quarterly fees and assessments. The Board discussed units that are behind on fees for multiple quarters, and Tom Bell agreed to contact those owners about making their payments.

Motion: Lou Napoli made a motion to refer to a collection agency one owner who is significantly behind on fees and has been contacted multiple times in the past. Tom Bell seconded the motion. The motion was passed unanimously.

Discussion regarding fines imposed on unit owners

Adele Bradley pointed out that there may be some confusion based on statements in recent meetings related to new condominium laws in Maryland. She noted for the record that the CDS Board of Directors may impose fines on unit owners for violation of the CDS Rules and Regulations as long as the procedures in Title 11-113, Dispute Settlement Mechanisms of the Maryland Condominium Law are followed. This law became effective October 1, 2022.

Discussion regarding Board meeting agendas and minutes

Adele Bradley recommended that there be a cutoff for Board members to submit comments and proposed revisions to meeting agendas and meeting minutes to avoid a flurry of last-minute changes. She suggested that all comments and revisions be submitted within one week after drafts of agendas and meeting minutes are sent to Board members. There was general agreement among Board members to try to adhere to this informal guideline.

The executive session portion of the meeting was adjourned at 6:49PM.

8. THE NEXT CDS BOD MEETING

The next BOD meeting is scheduled for February 22, 2023 at 8pm via Zoom video conference.