

CASA DEL SOL CONDOMINIUM

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

BOARD OF DIRECTORS MEETING via Zoom

Wednesday, February 22, 2023, 8:00PM

Meeting called to order by Mike Bufano at 8:04pm via Zoom.

Participants: CDS Board members Mike Bufano, Adele Bradley, Lou Napoli, Tom Bell, Doug Rollins and Russ Hartz. Also participating was Igor Conev from Mann Properties (Casa del Sol's property management company). Bob Surette (CDS Board member) was not present at the meeting.

1. APPROVAL OF THE MINUTES OF THE CDS BOARD MEETING of 1-25-2023

Motion: Tom Bell made a motion to approve the draft minutes of the CDS Board Meeting on 1/25/23. The motion was seconded by Doug Rollins and was passed unanimously by the Board.

2. CASA DEL SOL FINANCIAL MATTERS

a. Financial Report. Tom Bell delivered the following financial report with figures as of February 17, 2023:

Checking (1012)(1013)	\$118,126.05
Reserves	
i. Money Market Improvement Fund (1060)	\$20,246.79
ii. Charles Schwab Accts (1074, 1075, 1076)	\$223,573.91
iii. Farmers Bank CD (1090)	\$105,729.22
iv. Charles Schwab CDs (1077, 1078, 1079, 1081)	\$360,000.00
Reserves Total:	\$709,554.92
Assessments Receivable	
Condo Fees (1310)	\$3,011.89

Mike Bufano asked that all CDS Board members be provided with a schedule of the Reserves CDs, including the applicable interest rates and maturity dates, and recommended that the CD schedule be included in the Board meeting agendas and minutes going forward. Tom Bell asked Igor Conev from Mann Properties to also circulate to the Board members shortly before each Board meeting a copy of a current

CDS balance sheet together with the CD schedule.

Per Mike's suggestion, below is a current schedule of the CDs that are part of CDS Reserves:

Type	Investment	Interest rate	Maturity date	Purchase date	Purchase amount
CD	Northeast Bank ME (Schwab 1074)	4.65%	6/14/23	12/07/22	100,000
CD	PNC Bank, Ntrl Assoc PA (Schwab 1075)	4.8%	12/15/23	12/07/22	123,000
CD	Celtic Bank UT (Schwab 1077)	3.9%	2/24/27	2/9/23	90,000
CD	Customers Bank PA (Schwab 1078)	4.7%	8/16/24	2/9/23	90,000
CD	Raymond James Bank FL (Schwab 1079)	4.55%	2/18/25	2/9/23	90,000
CD	EagleBank MD (Schwab 1081)	4.25%	2/24/26	2/9/23	90,000
CD	Farmers Bank (Farmers 1090)	0.65%	4/29/23	4/29/21	104,703.24

Mike noted for the Board minutes that the following funds were used to purchase the four CDs purchased on 2/9/23 which are reflected in the CD schedule above (\$360,00 in total; \$90,000 for each CD): approximately \$246,825 came from the CDS Taylor Bank Money Market Account (which was subsequently closed) and approximately \$113,175 came from CDS's Bank of Ocean City cash account.

Bills Paid (January 23, 2023 - February 17, 2023):

Tom asked the Board members to take a few minutes during the meeting to review the following list of bills paid since the January CDB Board meeting 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.

02/01/23	AP4920 1015	2,709.15	BEACH BROTHERS, INC. 2022'S WEEKLY MAINTENANCE
02/01/23	AP4920 1016	448.86	DELMARVA POWER 5500 8705 018
02/01/23	AP4920 1017	1,422.00	EHRlich MONITOR BAITING
02/01/23	AP4920 1018	148.99	THE FARMER'S BANK OF WILL REIMBURSE - REVO PAY INV.
02/01/23	AP4920 1019	1,276.39	KAREN DEAN REFUND OVERPAYMENT
02/01/23	AP4920 1020	1,218.00	MANN PROPERTIES, INC. MANAGEMENT FEE 02/23
02/07/23	AP4923 1021	1,638.00	EHRlich ACCT 1530363 BAITING SRVC
02/15/23	AP4945 1022	711.00	BLF ENTERPRISES AZEK REPLACEMENT
02/15/23	AP4945 1023	150.00	PIGG, KRAHL, STERN & CO., PREPARE 1099 FORMS
02/15/23	AP4945 1024	90.00	TOWN OF OCEAN CITY INSPECT FIRE ALARM SYSTEM

b. Discussion of Investments and CDs. Tom Bell reviewed a proposed internal control memo for adoption by the CDS Board. The internal control memo is a Board administrative governance document that specifies requirements and processes related to investments of the CDS improvement funds designed to ensure proper handling of CDS improvement funds. In response to questions from several Board members regarding the specific provisions of the internal control memo, Tom explained that the provisions were drafted based on his research and experience related to financial governance procedures and best practices. The Board agreed that, if approved, the internal control memo would be posted to the CDS website.

Motion: Doug Rollins made a motion to approve the proposed CDS Board internal control memo. The motion was seconded by Lou Napoli and was passed unanimously by the Board.

c. Discussion of Overdue Owner Assessments. Igor Conev provided an update to the Board on responses to overdue assessment letters that were sent to the applicable CDS owners since the last Board meeting. Igor reported that both he and Tom Bell have taken several steps to clean up overdue assessments beyond sending the overdue assessment letters, including follow-up phone calls and emails to unit owners. As of the 2/22/23, the overdue assessment balance \$1,905, which is the lowest it has been in several years.

3. OLD BUSINESS:

a. Request for Board appeal of decision to award boardwalk repair to Pelican

Facting. At its January 25, 2023 meeting, the CDS Board unanimously approved hiring Pelican Painting to repair damage caused to the 600 building boardwalk by a contractor for Unit 666. The owner of Unit 666 sent an email to Igor Conev of Mann Properties requesting an appeal of this Board decision and asked for additional quotes to be obtained, including from the unit owner's contractor.

Motion: Lou Napoli made a motion to deny an appeal of the Board's prior approval of hiring Pelican Painting. Tom Bell seconded the motion, which was passed by a majority vote of the Board, with Doug Rollins opposing the motion.

A discussion ensued among the Board members around the process for engaging contractors to perform work on CDS property under several different circumstances, including larger and smaller jobs and emergency situations such as when work is required to address an issue that presents safety concerns. Igor Conev discussed how other Mann Properties HOA clients operate with respect to contractor bidding. Igor discussed how it is common practice due to practical and efficiency considerations for HOA Boards to hire contractors for small smaller jobs involving relatively low dollar expenditures (for example, \$1,500-\$2,000) without having to go through a process for obtaining multiple bids. Obtaining multiple bids for all HOA work is not required by the law.

Mike Bufano suggested that the Board adopt a formal policy for approval of expenses, including specific dollar thresholds for when a bidding process and potentially other formalities are required. Adele Bradley pointed out that condo laws in certain states only require multiple bids for expenses when the expenditure exceeds 5% of the total annual budget including reserves (although no such requirement exists under Maryland Condo Law). The Board discussed the appropriateness of an expense similar to this "5% rule." Doug suggested that any policy adopted by the Board should require multiple bids to be obtained when the expense will ultimately be charged back to a unit owner, including when the expense is below the 5% rule.

Regarding the decision to hire Pelican Painting for the 600 building boardwalk repairs, Adele clarified that bids were sought from three contractors and that Pelican Painting was the only contractor that submitted a bid. Tom Bell noted that Pelican Painting was particularly qualified to make the required repairs to the boardwalk given their prior experience with painting and repairing the CDS boardwalks and with the specific paint product that is used on the boardwalks.

Mike asked the Board members to further consider the possible terms of an expense policy that includes terms for the engagement of CDS contractors and recommended that the Board revisit the topic at a future meeting.

b. Request to consider changing 770 boat slips and finger docks from Common Elements to Limited Common Elements to enable boat lift installation in the 770 boat slips. In an email to Igor Conev of Mann Properties received on January 25, 2023, Joe Torchia (owner of unit 770C) requested CDS Board approval to reclassify the four boat slips behind the 770 units as "Limited Common Elements." The reason for this request is to enable the 770 unit owners to install boat lifts in the slips behind their units in an attempt to limit damage to their boats caused by keeping them tied to the finger docks, which are in close proximity to the open bay. If this action were to be approved, the 770 unit owners would bear all expenses related to boat lift installation and maintenance, as well as all costs associated with updating the CDS by-laws as needed to reflect this change. At its January 25, 2023 meeting, the Board concluded that reclassifying the four slips behind the 770 units as Limited Common Elements requires further investigation to understand the impact to the CDS pier tax basis and insurance policies as well as other implications and the relevant requirements for taking such action. The Board asked Igor to contact the attorney for the CDS HOA for consultation on the matter.

On January 30, 2023, Igor, Mike Bufano, Lou Napoli, Tom Bell and Adele Bradley met with Chris Woodley (CDS HOA counsel) via Zoom regarding Joe Torchia's request to change the boat slips from general common element to limited common element to give him exclusive use of his boat slip. Adele reported that Mr. Woodley advised changing the boat slips from common to limited element would only give Mr. Torchia exclusive right of usage not ownership. All common elements, whether limited or general, are still owned by the entire membership and the same letter of the law would need to be followed for individual assignment/ownership of common property. Mr. Woodley indicated he would draft a letter to Mr. Torchia with this information and additional information regarding his request to install a boat lift on common property.

At the February 22 Board meeting, Igor advised that he must follow up with Mr. Woodley regarding the status of the letter to be sent to Mr. Torchia.

c. Extension of "no parking zones" at 94th street curbs in front of the 600 and 700 parking lot exits. At the 2022 Annual CDS Owner's Meeting, a unit owner suggested that the Board consider installing mirrors at the CDS parking lot exits to improve visibility when pulling out of the parking lots. Adele Bradley discussed this matter with the Ocean City Engineering Department at City Hall, which confirmed that installation would require city approval and stated that such approval was unlikely because there is no precedent for it in Ocean City. As an alternative, at its January 25, 2023 meeting, the Board resolved to request that an Ocean City engineer evaluate the potential extension of the 94th street "no parking" areas at the street curbs near the 600 and 700 parking lot exits. At the February 22 Board meeting, Adele reported that Joe Kurtz, an engineer from the Ocean City Engineering Department, committed to send a worker out to evaluate the situation.

Update: Since the February 22 Board meeting, an Ocean City engineer came out to CDS to evaluate the parking lot exits at the 600 and 700 buildings. According to the

engineer, in his professional opinion, the current no parking area at the curb in front of the 600 building exit is sufficient. Adele subsequently followed up about the matter with Ron Humphress from the City, who advised that without hard data to prove that exiting the parking lot is unsafe, there is nothing to support that a larger no parking area near the exits would solve the problem and that installing a mirror on city property is out of the question. In response to Adele mentioning that the 700 building exit does not have any red curb "no parking" area, Mr. Humphress stated that "the whole town can't be painted red." He further advised that, within the next two months, the City will conduct a traffic flow survey which includes 94th Street. He indicated that, depending on the outcome of the survey, there may be some changes occurring on 94th Street that would help the situation.

d. Replacement sliding door and window design/drawings. At its November 2022 meeting, the Board agreed to contact an engineer to assist in developing a document that will be sent to owners requesting to replace doors, sliders and windows. The document will include samples of brands and models that can be used for CDS units, as well as suggested contractors to perform the installations. Lou Napoli contacted GMB Architects/Engineers in Salisbury, Maryland about submitting a proposal for design/drawings for replacement sliding doors and windows (south side only) for CDS units. On January 24, 2023, Roland Holland from GMB submitted a proposal that included a scope of work statement and a fee quote of \$3,200 plus expenses (estimated to be \$100).

At the Board's February 22, 2023 meeting, Lou reported that he will follow up with GMB to have them update their proposal and 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 by owner of Unit 672 to apply late fee related to first quarterly assessment to future assessments. On February 1, 2023, the new owner of Unit 672 advised that his agent paid a late fee on his first quarterly assessment because it was paid after the 15th of the month due. However, the unit owner's agent did not realize that the owner had not received his coupon booklet until after the 15th due date. The owner of unit 672 requested that the late fee be credited towards his next quarterly HOA assessment. \$94.50 credit on the owner's account. At its February 22nd meeting, the Board agreed to refund the payment to the unit owner.

b. Discuss fence behind trash cans at west end of 600 parking lot. On February 17, 2023, Doug Rollins alerted the other Board members via email that the fence owned by the neighboring property at the west end of the 600 building parking lot is falling over. Igor Conev from Mann Properties emailed Thomas Hughes, Senior Building Inspector for the Town of Ocean City, for assistance with the matter. Mr. Hughes suggested getting in touch with the property owner before contacting the City inspector for the area (Ed

Ackerman). Igor discussed with Mr. Ackerman on February 22, who said he would inspect the property and either contact the Seagrass owners or provide Igor with contact information for the owner so the CDS Board can contact the owners directly.

c. Request for approval by Unit 730 to install floating dock. By email dated February 22, 2023, the owner of Unit 730 (Pacobit) requested approval to install a floating dock in boat slip behind their unit. The floating dock is made by Dock Blocks and will approximately 4.8 feet wide by 14.4 feet long). The owner is currently filling permits with both the state of Maryland and the town of Ocean City.

Tom Bell shared his personal experience with the floating dock in the boat slip behind his unit (which was installed many years ago), including important considerations to avoid damaging the CDS boardwalk, docks, bulkhead and pilings during and following installation. The Board discussed that Mann Properties would ask the owner of Unit 730 to clarify how it will be attached to the bulkhead and/or tied to the pilings given that it was attached to common element and who is doing the installation. Defer approval to future meeting.

Installation of cameras at CDS units. Tom Bell reminded the Board that he will be working on a written policy for Board review and approval related to the installation of monitoring cameras at CDS units/property, including where they can be placed and when Board approval is required.

Tom noted that voice recordings via cameras are not legal in Airbnb properties in the State of Maryland, and that there seems to be very limited camera models that do not have an option for voice recording. Igor Conev shared a story about an Ocean City owner from another HOA who recorded voice on a camera in a criminal incident, and the owner may be exposed to legal liability. Igor recommends against establishing a CDS policy that allows cameras, but if a policy is adopted, it should explicitly prohibit recording on any CDS common element property. For example, the policy should only permit recording directly in front of the owner's own property on an angle such that it doesn't capture the parking lot on the streetside.

The Board discussed that any policy should specify exactly where on the outside of a unit that a camera is permitted to be installed. No installation would be permitted on CDS drywall or siding (i.e., installation in timber both in both the front and back of the units). Cameras may not be pointed at boats or boat slips because they are on CDS common elements. If the Board is going to consider adopting a camera policy, it should communicate the proposed policy no less than 30 days before an open Board meeting to discuss the policy before it is formally adopted.

Tom committed to draft a proposed camera policy and present it at a future Board meeting.

5. CDS ANNUAL OWNER'S MEETING

The CDS Annual Owner's Meeting will take place on April 22, 2023 at 9am in the upper classroom of the Ocean City Art League located at 502 94th St, Ocean City, MD 21842.

A draft of the annual owner's meeting agenda will be circulated by Russ Hartz (Board Secretary) to all Board members for review prior to the March Board meeting, and the Board will discuss and finalize the agenda at the March Board meeting. The Board expects to receive a draft of the CDS HOA annual financial statements for review prior to the annual owner's meeting.

6. ADJOURNMENT OF BOARD MEETING:

The BOD meeting was adjourned at 9:38PM.

7. THE NEXT CDS BOD MEETING

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