

CASA DEL SOL CONDOMINIUM

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

BOARD OF DIRECTORS MEETING via Zoom

Wednesday, March 22, 2023, 8:00PM

Meeting called to order by Mike Bufano at 8:05pm 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 February 22, 2023

Motion: Adele Bradley made a motion to approve the draft minutes of the CDS Board Meeting on February 22, 2023. 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 March 17, 2023:

Checking (1012)(1013)	\$125,602.49
Reserves	
i. Money Market Improvement Fund (1060)	\$20,272.55
ii. Charles Schwab Accts (1074, 1075, 1076)	\$223,578.91
iii. Farmers Bank CD (1090) (due April 29, 2023)	\$105,729.22
iv. Charles Schwab CDs (1077, 1078, 1079, 1081)	\$360,000.00
Reserves Total:	\$709,554.92
Assessments Receivable	
Condo Fees (1310)	\$960.50

Tom Bell directed a question to Mike Bufano as to whether all the Charles Schwab CDs (shown in (ii) and (iv) above) should be combined into one line item for purposes of the Board minutes. Mike responded affirmatively and noted that all Board meeting agendas and minutes will include a table detailing relevant information for each CD, including maturity dates. When the annual financial statements are completed each

year, the CD info table will also show the book value of each CD including recorded interest.

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, Ntnl 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

Bills Paid (February 17, 2023 – March 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 February CDS Board meeting and raise any questions.

02/20/23	Check #1025	26.86	BEACH COPY FEDEX CHARLES SCHWAB DOCS
03/01/23	Check #1026	18.51	BEACH COPY FED EX CHARLES SCHWAB DOC
03/01/23	Check #1027	216.00	BLF ENTERPRISES REPAIR TWO SETS OF STEPS
03/01/23	Check #1028	259.03	DELMARVA POWER 5500 9769 211
03/01/23	Check #1029	1,218.00	MANN PROPERTIES, INC. MANAGEMENT FEE 03/23
03/15/23	Check #1031	396.55	TOWN OF OCEAN CITY 7291-53582

Doug Rollins asked what the BLF charge was for, to which Tom responded that it was the urgent repair of the two loose steps discovered on a CDS common element dock in February. Doug also asked about the Town of Ocean City payment, and Igor Conev from Mann Properties confirmed that it was for the quarterly water bills for the three CDS buildings.

Mike noted that, going forward, the check number should be shown on the presentation for each of the bills paid in the Board meeting minutes.

Tom raised that he would like to review Mann Properties' procedures around property management to confirm internal controls, and potentially review CDS's books and records for receipts and expenses. Igor advised Tom that, although such review is rare among Mann Properties' other clients, Igor would be happy to arrange for such review and advised Tom to call Mann's office to schedule a time for review.

b. Discussion of Overdue Owner Assessments. The CDS Board discussed overdue owner assessments in Executive Session to preserve the privacy of the CDS owners discussed.

3. OLD BUSINESS:

a. Potential policy for approving CDS HOA expenses / engaging contractors. At its February 22, 2023 meeting, the Board discussed the possibility of adopting a formal policy for procurement of goods/services, including specific dollar thresholds for when the Board would be required to seek multiple bids from contractor, service providers and vendors, and Mike Bufano recommended that the Board revisit the topic at a future meeting.

Igor Conev from Mann Properties confirmed that Maryland Condo law does not include any specific requirements related to when multiple bids must be sought, unlike some other states that have such requirements. For example, certain states require multiple bids for expenses if the expenditure exceeds 5% of the total annual budget including reserves. Igor informed the Board that Mann Properties has updated many of its contracts with its property management clients to specify that Mann is authorized to make expenses up to a specified dollar amount, typically in the range of \$1,500-\$2,000. This affords Mann the flexibility needed to efficiently serve its clients when minor expenses are required. In addition, Igor informed that Board that many HOA Boards for Mann Properties clients have adopted procurement policies that permit the Board to authorize and incur expenditures up to a certain dollar threshold amount, above which the Board is required to seek multiple bids.

A lengthy discussion ensued among the Board members regarding the detailed parameters of a procurement policy that specifies when bids from multiple contractors, service providers or vendors must be sought.

Motion: Mike Bufano made a motion to adopt a policy that requires the CDS to request at least three bids when a potential individual expenditure on behalf of CDS exceeds 5% of the annual expense budget then in-effect. For illustrative purposes, the current annual expense budget is \$215,000, so expenses for the procurement of specific goods/services that exceed approximately \$10,750 under the current budget will require the Board to seek three bids. This policy will specify exceptions from the three-bid requirement for expenses related to (1) emergency repairs, (2) legal fees incurred to defend the CDS HOA in actual or potential lawsuits, (3) property management company fees, and (4) CDS HOA insurance coverages. Under this policy, the CDS Board will not be required to seek multiple bids for an individual expenditure that does

not exceed 5% of the annual expense budget. The motion was seconded by Tom Bell and was passed unanimously by the Board.

When completed, the policy will be posted on the CDS owner website. Mike pointed out that a future CDS Board is free to decide to amend or repeal this policy.

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. On January 30, 2023, CDS Board members Mike Bufano, Lou Napoli, Tom Bell and Adele Bradley, and Igor Conev from Mann Properties, met with Chris Woodley (CDS HOA counsel) via Zoom regarding Joe Torchia's (owner of unit 770C) request to the CDS Board on January 25, 2023 to change the boat slips from general common element to limited common element and grant Mr. Torchia 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 the CDS Board with this information and additional information regarding his request to install a boat lift on common property.

At the March 22 Board meeting, Igor advised that Mr. Woodley has not yet drafted the letter to be sent to the CDS Board and that he was advised that Mr. Woodley is on vacation. Igor agreed to follow up when Mr. Woodley returns from his vacation in two weeks and request that the letter be produced before the CDS Annual Owner's Meeting on April 22.

c. 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. Lou Napoli subsequently contacted GMB Architects/Engineers in Salisbury, Maryland about submitting a proposal for design/drawings for replacement sliding doors and window (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.

At the March 22, 2023 CDS Board meeting, Lou reported that the updated quote from GMB is \$4,600 (plus expenses) and now covers the third-floor windows for units with no third-floor decks and the small windows near the front doors. All measurements have been completed, and the next steps if for GMB to produce drawings and make recommendations for replacement specifications. Mr. Holland from GMB mentioned that the bottom bayside windows on the 3rd floor are no longer up to code, so the new

specs for replacements will likely give an entirely different look to units where replacements are installed. GMB will also identify suggested contractors for replacement installations, which will be revisited and potentially amended periodically. If a unit owner wants to use a contractor not on the then-current GMB list of recommended contractors, GMB would be engaged to perform post-installation inspections compared to the specs.

d. Discuss fence behind trash cans at west end of 600 parking lot. The fence owned by the neighboring Seagrass property at the west end of the 600 building parking lot is falling over. Igor Conev from Mann Properties has been in contact with Ed Ackerman (Ocean City Inspector) about contacting the adjoining Seagrass owner. On March 13, Mr. Ackerman informed Igor that he has not been able to identify the adjoining Seagrass owner and asked Igor to provide contact information for the owner when the owner is identified.

On the March 22, 2023 Board meeting, Igor reported that the city will contact the Seagrass property owner by letter if CDS provides the city with the name and address of the Seagrass owner. Doug Rollins offered to talk with the 94th Street postman to get the exact addresses for each of the units at Seagrass or to make contact with certain of the unit owners.

e. Request for approval by Unit 730 to install floating boat lift. By email dated February 22, 2023, Steven Pacobit, the son of the owner of Unit 730, requested approval to install a floating boat lift in the boat slip behind his unit. The floating lift is made by Dock Blocks and will approximately 4.8 feet wide by 14.4 feet long). Mr. Pacobit plans to install the floating boat lift himself and is in the process of obtaining permits from the state of Maryland and the town of Ocean City.

On February 25, Tom Bell discussed the following potential options for installing the floating boat lift with Mr. Pacobit:

- Option One: Utilize the boardwalk using the necessary drop cloths to protect the boardwalk paint and PVC poles as rollers to roll the floating lift off the boardwalk into the water.
- Option Two: Assemble the floating lift at a local boat ramp and tow it by boat to its final destination.
- Option Three: Utilize Tom's floating lift located at unit 712 to assemble the floating lift and roll it off into the water.

At the CDS Board meeting on March 22, Tom described his concerns with assembling the floating boat lift on the CDS boardwalk and advised the Board that he supports option two or three. The Board discussed all of the options proposed for floating boat lift constructions and installation and the ultimate consensus of the Board members was that the floating lift should not be constructed on nor launched from CDS common property.

Lou Napoli recommended that we alert the actual owner of unit 730 via email that this request has been made by the owner's son to confirm that the owner is aware of the request since the cost of any damage to CDS property would be borne by the unit owner. Tom noted that if the CDS Board approves installation of the floating lift, all proper permits for the dock must be obtained from the town of Ocean City and the owner of unit 730 should sign a document acknowledging the exact terms and conditions of the Board's approval.

Motion: Tom Bell made a motion that the Board approve the installation of the floating boat lift at unit 730 as requested by Mr. Pacobit provided that (1) the dock is not assembled on or launched into the boat slip from CDS property, (2) all proper permits for the dock must be obtained from the town of Ocean City and (3) the owner of unit 730 must sign a document acknowledging the exact terms and conditions of the Board's approval in advance. The motion was seconded by Lou Napoli and was passed unanimously by the Board.

f. Policy for installation of cameras at CDS units. Prior to the March 22, 2023 CDS Board meeting, Tom Bell circulated to the other Board members a draft policy related to the installation of monitoring cameras at CDS units/property, including where they can be placed and when Board approval is required.

The Board engaged in lengthy deliberations over the terms of the policy as a general matter and ultimately engaged in a drafting session to collectively revise the specific language of the proposed policy that Tom had circulated. Additions to the draft policy included specification of the exact location for the installation of cameras at the front and the rear of CDS unit and that stainless steel hardware must be used for installation.

The Board discussed that, if the camera policy is ultimately approved, it should be incorporated into the formal CDS HOA rules and regulations. As such, violations of the camera policy would be subject to fines in accordance with the fine policy in the HOA rules and regulations. Igor Conev from Mann Properties reminded the Board that, under applicable law, CDS unit owners must be provided with written notice of a proposed revision to HOA rules and regulations at least 15 days before the Board votes on the revision.

The Board members concluded that the draft camera policy would be circulated to CDS unit owners within a few days after the March 22 Board meeting and owner comments to the policy would be solicited in the open forum of the annual meeting on April 22. If there are no changes to the policy as a result of owner comments, the Board will adopt the camera policy in the form initially circulated to the owners. If changes are made as a result of discussion at the annual owners meeting, the Board will recirculate the camera policy after the annual meeting and vote on the policy at an appropriate time no less than 15 days following recirculation of the camera policy to CDS owners.

One aspect of the proposed camera policy that received much discussion among the Board members was whether the policy should permit cameras to be pointed at boat slips. Because the boat docks are common element property, certain members of the Board questioned whether there will be individual privacy concerns among unit owners and their families/guests. Doug Rollins was particularly vocal that the policy should permit cameras to be pointed at the docks. The Board agreed that when the proposed camera policy is circulated to CDS owners, the cover note would highlight to owners that the policy does not permit cameras to be pointed at the boat docks.

4. NEW BUSINESS:

a. Termite protection on 94th Street side of CDS buildings. On March 16, 2023, Lucas Jones from Ehrlich Pest Control informed Igor Conev from Mann Properties that the termite stations on the street side of all three CDS buildings were covered by asphalt when the parking lots were resurfaced last year. The Board has confirmed that this is the case. As a result, the buildings no longer have termite protection. Igor asked Mr. Jones for quotes to install new stations and, as an alternative, to treat the ground with a termite control chemical which, according to Mr. Jones, would last approximately 15 years.

At the March 22 Board meeting, Igor stated that Ehrlich recommended installing 68 termite traps, one for each unit. The Board discussed the pros and cons of the different types of termite treatment and of termite treatment in general. Igor shared that Mann Properties manages buildings that do not use any form of termite protection as well as buildings that use either monitoring stations or chemical treatments, and he has not seen significantly different termite incidents at any of those properties. He went on to say that many years ago, termite damage was discovered at CDS, and it only cost a few thousand to repair, while CDS has spent close to \$100k on termite treatments over the last 20 years. This suggests that an option for the Board to consider is not paying for any termite protection and, instead, rely on periodic termite inspections because the cost to remediate a termite issue if/when one is discovered could cost significantly less than the cost of termite protection. The Board agreed to gather more information on the cost of various termite treatment options and defer any action until a later meeting.

b. Proposal for minor property improvements. Adele Bradley shared that Charles Kinelski from Beach Brothers, with whom CDS has had a maintenance contract for several years, has requested an opportunity to submit a proposal to stain the fences around the CDS trash cans and install new gates to the boardwalk. Mike Bufano confirmed that the Board would accept Charles' proposal and offer him a right of first refusal for the work.

c. Caps on the Pilings. Doug Rollins noted that caps are missing on seven or eight pilings on bayside and suggested that we order new caps. Doug discussed how to procure the correct size caps and volunteered to assist with procuring them. The Board

agreed that if new caps are purchased, Charles Kinelski should be asked to submit a proposal to install them.

Motion: Doug Rollins made a motion that the Board authorize the purchase of new caps for CDS pilings that do not have them. The motion was seconded by Lou Napoli and was passed unanimously by the Board.

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 agenda for the CDS Owner's Meeting has been sent to all CDS unit owners. Russ Hartz (Board Secretary) will prepare an updated agenda in advance of the Owner's 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 10:21PM.

7. THE NEXT CDS BOD MEETING

The next BOD meeting will be scheduled following the CDS Annual Owner's Meeting on April 22, 2023.