

CASA DEL SOL | BOARD OF DIRECTORS MEETING via Zoom
<http://www.casadel-sol-ocmd.com>
September 24, 2025

Call to Order: President Adele Bradley called the meeting to order at 8:01PM.

Board Members Present: Adele Bradley, Suzy Hartz, Bob Surette, Rick Stryjewski, Tom Bell, Lou Napoli, Bill Oldham and Igor Conev - representing Mann Properties.

Owners Present: Unit 770-D -- Kelly Barr

Board Members Absent: None

Kelly Barr attended to ask for reconsideration jet dock – %5 rule – jet dock can't exceed more than 10x20. (8x24 doesn't meet the standard of Port of Wardens) – attach to the bulkhead if possible. Tom asked for clarification about attaching to the bulkhead – which will attach to pylon.

1. APPROVAL OF THE MINUTES OF THE CDS BOARD Meeting on August 5, 2025:

Motion: Adele made a motion to approve the minutes. Bill seconded and it passed unanimously.

CDS FINANCIAL REPORT (Balances as of 9/17)

a. Checking (1011) \$65,836.33

b. Reserves

1. Schwab Treasury & Cash (1076,1084)	\$200,400.47
2. Schwab/Morgan Stanley CD's 1077, 1081, 1082, 1085, 1086, 1087,	\$695,000.00

Total Cash and Investments: **\$ 961,236.80**

c. CDS Reserves

Type	Investment	Interest rate	Maturity date	Purchase date	Purchase amount
CD	Morgan Stanley (Utah) (Schwab 1078)	3.8%	08/16/29	08/16/24	90,000
CD	American Express Bank (Schwab 1079)	4.25%	2/20/30	2/20/25	90,000
CD	EagleBank MD (Schwab 1081)	4.25%	2/24/26	2/9/23	90,000
CD	Celtic Bank UT (Schwab 1077)	3.9%	2/24/27	2/9/23	90,000
CD	UBS (Schwab 1082)	4.5%	06/01/2028	05/24/2023	106,0000
CD	Morgan Stanley (1085)	4.65%	05/30/2029	05/22/2024	100,000
CD	Wells Fargo (Schwab - 1088)	4.3%	06/09/2026	05/29/2025	129,000

Assessments Receivable (Condo Fees)

\$ 5,800.00

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Discussion ensued about investing (150K) some of the money long term. Looking into locking up 150K in a five year. 3.75 2 years for 75K – 5 years at 75K Think about upcoming projects. 3.6% - lock up 2years – Insurance appraisal not in yet – but could be an increase of 50%. Further talk about the car ports.

Motion – Tom made a motion to invest 150K at 3.75 – bank of India out of new York. Bill seconded the motion, and it passed unanimously.

Bills Paid (07/16/2025- 09/8/2025)

- 07/31/2025 172168 - 43.79 Delmarva Power Chk # 5088
- 07/31/2025 172168 - 144.49 - Delmarva Power Chk # 5088
- 07/31/2025 172168 - 157.97 - Delmarva Power Chk # 5088
- 08/01/2025 173525 - 56.36 - Adele Bradley Chk # 5089
- 08/01/2025 173557 - 5,979.00 - Selective Insurance Flood Chk # 5090
- 08/01/2025 173557 - 9,719.00 - Selective Insurance Flood Chk # 5090
- 08/01/2025 173557 - 2,851.00 – Selective Insurance Flood Chk # 5090
- 08/15/2025 181447 - 140.86 - Fire Protective Services Chk # 5091
- 08/15/2025 181449 - 1,126.00 -Joseph Pasqualine, III Chk # 5092
- 09/02/2025 188219 - 572.25 Mann Properties, Inc. Chk # 5093
- 09/02/2025 188223 - 84.70 - Adele Bradley Chk # 5094
- 09/02/2025 188271 - 160.67 Delmarva Power Chk # 5095
- 09/02/2025 188271 - 45.65 - Delmarva Power Chk # 5095
- 09/02/2025 188271 - 216.07 - Delmarva Power Chk # 5095
- 09/02/2025 188277 - 813.10 -; Mid-Atlantic Truck & Equipment Chk # 5096
- 09/03/2025 190434 - 120,760.34; Nfp Insurance Chk # 5097
- 09/08/2025 192071 - 24.80 Town Of Ocean City Chk # 5098
- 09/08/2025 192071 - 508.40 Town Of Ocean City Chk # 5098
- 09/08/2025 192071 - 694.40 Town Of Ocean City Chk # 5098
- 09/08/2025 192071 - \$ 558.00 - 3901; Town Of Ocean City Chk # 5098

BUSINESS OF THE CONDOMINIUM

NEW BUSINESS:

A. Draft Budget:

Tom inquired with our CPA/Auditor as to how to properly handle the reserve interest income and income taxes associated with this income on our yearly budget. Our CPA/Auditor responded with following comments:

Hi Tom,

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I've copied below a response I typed up for similar questions related to paying income tax from the reserve or deciding to operate on reserve interest income. I'd be happy to discuss this with you further, but thought the below may provide some good perspective:

We generally recommend against this and believe it to not be a best practice. Most reserve studies do not anticipate drawing down on the accumulated reserve balance to pay tax, so in that event once you pay out the tax, you've unfunded the reserve and probably should make it whole again. Reserve studies often will include an inflationary factor for cost increases, but often these are not set high enough to cover what the true increase in costs will be over time. So, any interest earning on the reserve, even if it's greater than anticipated in the study, can serve as a protection against the other cost increases that aren't identified in the estimates of the reserve study. Funding income tax from this, lessens this benefit. Possibly, the newer MD law requiring Associations to fund according to the reserve study would also discourage a decision to pay the tax from the replacement fund as well.

The IRS has some defined standards that indicated that replacement fund cash should be used only to pay for capital expenses. Income tax does not meet this requirement. However, I suspect we could explain this away to the IRS if it ever really came up.

A policy of paying the replacement fund portion of tax adds an additional layer of complexity to the accounting, particularly when the operating fund has taxable interest as well. An allocation would need to be calculated. Also, the amounts would need to be identified and then transferred between the correct bank accounts to reimburse for the tax paid by the operating fund. This would need to be calculated and would be reflected as a due to/from in each fund at the end of each year. There is an allocation of expenses to offset some of the taxable interest, so a policy would need to be set on how to correctly determine the portion of tax that is really the responsibility of the replacement fund. So, this increases administrative burden as well.

Can the Association elect to do this? In relation to GAAP rules, yes, they can. It's a change in accounting policy. They'd need to formally document their decision in meeting minutes, and it would be best to have a defined policy documented and included in the minutes as well. I would advise against this.

- B. **Exterior Outlet** – Unit 634 – does appear to be installation of vehicle charger (pictures). No request came through.
Motion: Lou made a motion to have 634 remove until proper permission is granted from board (this must include a certified electrician to perform work). Tom seconded. Motion passed unanimously. Igor to contact.
- C. **Water Damage** – Unit 722 – reported after the fact. After a covered loss – unit owner is responsible for first 10K deductible of the master policy. Late reporting is cause for denial. Igor will contact the homeowner.
- D. **Post lifting in canal** between Units 666 and 668 – Benny's Marina said nothing is loose. Front of pier foot and half higher than the back end. Igor to contact and share that the front of the finger pier is the problem.
- E. **Boardwalk Maintenance** – bubbling, peeling on some of the decks / docks. Adele spoke with Joe who recommended to get Sherwin Williams out – as there is another product that can go over that.

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OLD BUSINESS:

- A. **Insurance Appraisal** – waiting on that.
- B. **Sinking Electrical Box / Trash Receptacle Replacement** – dirt washed away underneath the box. Delmarva came out right away.
- C. Unit 614 – Paperwork for jet ski ramp. Paperwork sent to Port of Wardens.
Motion: Adele made a motion to approve the jet ski ramp. Lou seconded the motion, and it passed unanimously
- D. Fire Pro Meeting – Options are being considered.
- E. Approval of resubmission of Jet Dock ramp 770D with measurements of 10x20
Motion: Tom made a motion to approve a 10x20 (pending permit). Suzy seconded the motion, and it passed unanimously.

REMINDERS:

Dear Homeowners, we are fortunate to be part of a wonderful community where mutual respect and consideration make all the difference. To ensure we continue enjoying a peaceful and friendly neighborhood, we kindly ask that all homeowners practice courtesy in daily interactions and shared spaces. Whether it's respecting quiet hours, keeping common areas clean, or simply greeting neighbors with kindness, small actions contribute to a positive living experience for everyone. Thank you for your commitment to fostering a welcoming and respectful environment for all!

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- **Dogs:** In Ocean City, Maryland - Dogs must be always kept on a leash in public spaces, including the beach and boardwalk. This includes any common or limited common property at Casa Del Sol which includes parking lots and the canal side boardwalk.
- **Construction:** Please be mindful of construction work. Sawdust, caused by excessive wood cutting, can damage HVAC systems in the surrounding area. The fine particles can easily clog filters, accumulate in air ducts, on coils as well as the motor, fan and drainage system. If excessive sawing is to be done, we ask that you connect to a dust collection system.
- **Gasoline Storage** – Please do not store gasoline on CDS property.
- **For everyone's safety**, please no ball playing or scootering in the parking lot due to limited visibility and moving vehicles.
- **Please keep carports free of excess storage** – Carports are intended for vehicle parking and should not be used for extended periods of time for storage of personal items, furniture, or debris.
- **Please - call in emergencies!** There is 24-7-365 live answering service (emails are not monitored in this manner).
- **Annual Meeting scheduled for April 18th, 2026**
- **Next CDS Board Meeting: October 29th, 2026**
- **ADJOURNMENT:** *Suzy made a motion to adjourn the meeting at 8:58PM – Bill seconded the motion, and it passed unanimously.*