

ORLEANS COURT CONDOMINIUM
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BOARD OF DIRECTORS MEETING MINUTES
Saturday, November 8, 2014

I. CALL TO ORDER

President Neal Jarvis called the meeting to order at 9:02 at Mana-Jit offices, 4100 Coastal Highway, Ocean City MD. Board members present were Neal Jarvis (320), David Wessels (305), Andrea Hutt (101), and Mary Ellen Morris (206). Craig Smith attended about ¾ of the meeting via conference call. Brett Staley of Mana-Jit Property Management was also in attendance. Membership packets included a Meeting Agenda, a copy of the September 26, 2014 BOD Meeting Minutes, the Treasurer's Report, the 2015 Proposed Budget, a President's Report, written communication from a homeowner and our attorney, and an updated Owner's List. Owners present were Leon Rickards (326), Joseph Gary Bennet (121), and attending later were Barry and Judy Bleiweiss (113).

II. APPROVAL OF PREVIOUS MINUTES

The meeting minutes from the September 26 Board of Directors Meeting were reviewed. Leon said that the minutes were incorrect because they did not include a reference to the closed meeting that was held after the regular BOD meeting. Andrea made a motion to amend the previous meeting's minutes and Neal seconded the motion, which carried unanimously. Andrea then made a motion to approve the minutes from last meeting as amended, and Dave seconded the motion, which carried unanimously. The minutes will be amended with the referenced notation.

III. REPORTS

A. President's Report

1. Neal read his report. There was brief discussion about the following points:
 - a. Cost to Orleans Court for attorney's responses to homeowners' correspondence
 - b. Foreclosure of unit 318
 - c. New lockboxes in laundry rooms
 - d. Winterization of homeowner units
 - e. Other items were discussed more fully during the remainder of the meeting

B. Treasurer's Report

1. Andrea read the Treasurer's Report
Balances in bank accounts as of November 7, 2014:
Special Assessment Account: \$14,043.87
Operating Account: \$33,994.81
Reserve Account: \$144,922.49
2. We received an invoice from our attorney for services rendered during 2014. The total was for \$7,067.72, of which \$6,380.22 was related to the parking space issue and \$687.50 was for legal work related to water damage in unit 313
3. On 10/2/2014, Andrea transferred \$6,380.22 from the Special Assessments account to the Operating Account to cover the parking space issue portion of the invoice from our attorney. Brett then wrote a check for the full amount owed from the Operating Account
4. Fourth quarter payment to reserve account of \$9,965.25 transferred on 11/7/2014
5. Accounts receivable is \$117,004.37

C. Management Company

1. Brett said that Orleans Court is looking good based on his walk-through. He noted that there was a floormat and an abandoned umbrella that would be discarded
2. Brett said that he received only one response about the proposed budget to be discussed later in the meeting
3. Brett said that the parking committee members were finalized and would be discussed later in the meeting

IV. OLD BUSINESS

A. Elevator

There was robust discussion regarding the written proposal for elevator repairs from Delaware Elevator Company. The discussion centered on the ordered phasing of elevator repairs, particularly whether the elevator cab doors, rails and sliders should be repaired first, or whether the system controller should be repaired first. There was discussion about how long it would take for the controller repairs, and it was determined that it could be anywhere from a few days to several weeks, depending upon availability of parts. After discussion with the two unit owners present, it was suggested that we obtain two more bids for the elevator overhaul. The timeline for repairs was also discussed, and suggestions were made that we may want to begin work in early 2015. Andrea made a motion to have two elevator companies evaluate and make recommendations for a functional elevator, and Neal seconded the motion, which carried unanimously. The final decision about repair priorities and timelines will be made after receiving and reviewing the additional proposals.

B. Insurance Coverage

Brett said that, per the suggestion made at our last meeting, he tried but could not find an "Insurance Advocate" to review our insurance needs and contract. Craig volunteered to source an advocate, and he and Neal would work on the project together. Brett noted that we just had an independent appraiser review the property, upon which our insurance contract is based.

C. Signage

Brett shared the three signage options that he secured. Mary Ellen made a motion that we choose the least expensive, which would be retaining a sign similar to the one in the bed in the parking lot, but that would be higher (for visibility reasons), would be a color to coordinate with our new siding, and would have the same lantern logo as the current sign. The motion was seconded and was carried unanimously. It was suggested that we would save the old sign, and possibly give it to Hash or Mary Ellen.

V. NEW BUSINESS

A. 2015 Draft Budget

1. Brett said that he received one written response from Christina Lockhart (202), which he read. The letter stated that she believed that a 10% budget increase is excessive, that 3% would be better. Andrea said that she talked to Ms. Lockhart on the premises, and explained to her that our goal is to build the reserve so that we avoid future assessments. Barry agreed that another 10% assessment wasn't needed, that we could phase in the building of the reserve account, and that his sister Marge (103) felt the same way. Neal's response was that our past expenditures bear out a 10% increase, and if we don't do it, we'll need to have another assessment if another unplanned expense occurs. He also noted that if we have damage due to storms, and need to file insurance claims, our insurance rates will increase and we would need to pay for that. In addition, he noted, the costs of utilities are increasing substantially.
2. Leon said that he was responding also. He said that he had a problem with the following items: the format of the budget, which he said should have fixed expenses grouped together; the management company getting a 1.7% increase when they received "an unsatisfactory review by PKS" and that we should go out for bid; that the BOD has failed to provide reports in the correct format (cash, not accrual); that we are required to have footnotes in our budget explaining rationale; that we should consider having our internet and TV services bundled together; that we should bid out our power washing; that we should eliminate tropical plants and annuals in our landscaping; and that the adoption of the budget should be in front of unit owners. The Board responded to Leon's points, and Neal said that we would look into the possibility of bundling TV and internet services.
3. Brett mentioned that in his experience, none of his other clients similar to Orleans Court has ever had a line item for legal expenses as high as ours, that his other clients generally designate a small amount for document reviews, etc.
4. Andrea made a motion to approve this budget as it is written. Mary Ellen seconded the motion and the motion carried unanimously.

B. Website

1. Mary Ellen stated that to her knowledge, we have not received a 2014 bill for website services
2. The September minutes will be amended and will be posted as approved minutes
3. It was agreed that we will pursue the new website design that will allow the BOD to update the site as needed, without a third party's assistance. Mary Ellen made a motion to terminate the current website and use Charles (one of two recommended vendors we researched) as our website vendor in 2015. Dave seconded the motion and the motion carried unanimously.

C. Bike Racks

1. Gary suggested that we put bike racks by the dumpster, but there was general concern that our parking footprint would be compromised, and that we should just put additional racks in the two areas that we have designated currently. Neal made a motion to purchase two additional galvanized bike racks similar to the ones we have not, and Mary Ellen seconded the motion, which carried unanimously.

D. Rules

1. There was concern that some unit owners disregard HOA rules; some examples were floor mats in walkways, removed louvers on air conditioning units, items left outside the unit doors on walkways, etc. It was agreed that we will remove the floor mats ourselves and store them in the basement for one month, and notify the unit owner that we did that and that they have thirty days to collect the floor mat or it will be discarded. Neal made a motion to give the unit owner who removed the air conditioning louvers two weeks from today to remedy that violation, and if not done, we will contact the vendor ourselves and bill the homeowner. Mary Ellen seconded the motion and it carried unanimously.
2. Lockboxes have been installed in all three laundry rooms, as agreed at our last BOD meeting. Brett will send out a letter to all unit owners that will inform them of the lockboxes, remind them to winterize their units (and how to do that), encourage them to have a plumber install new water cut-off valves if they have not already done so, and remind them of the "no floor mats" rule.

E. Disbursement of Special Assessment Account

1. Andrea created a spreadsheet for the tracking of unused Special Assessment funds. Brett will provide Andrea with a list of the unit owners (including past owners who are due refunds) and the amounts each unit owner is due based on the percentage of ownership according to the Master Deed. The refunds will be in the form of a credit for first quarter payments or for past due accounts. Leon said that he has an issue with the consent decree and the disbursement of funds. He challenged the BOD to read the "consent order" carefully so that they "don't get charged with misappropriation of funds." Members of the board were confused as to what he was referring to, and after much frustration on both sides, and at Leon's insistence, Andrea read the 12/4/2013 *Consent Order of Reformation* aloud. Mary Ellen told Leon that he should just voice his specific concerns so that we don't have another [of his] lawsuits to deal with. His concern was that legal fees should not come out of the remainder of the Special Assessment account. Andrea reminded him that we spent roughly \$25,000 on legal fees related to the parking dispute, and if we take those legal funds from the Operating Account instead of the Special Assessment account, then we would need to have a Special Assessment to the owners for legal fees. Neal said that we will run our recommended plan (to include legal fees in the calculation of Special Assessment disbursements) by our attorney one more time. Brett also pointed out that if we don't proceed with our original plan, we

will not have the funds needed to pay our flood insurance premium on time. Leon continued to challenge the BOD regarding the calculation of the Special Assessment funds. Neal made a motion to have our attorney review the Special Assessment disbursement plan again, asking for his opinion within two days, so that we can follow the attorney's advice and move forward with issuing the credits. Mary Ellen seconded the motion and the motion carried unanimously. Andrea made a motion to run the plan by PKS as well, and the motion was seconded and carried unanimously.

F. Unit 112 HUD Complaint

1. Sid King sent a letter to the BOD, stating that Orleans Court should provide reserved parking spaces for all handicapped persons occupying Orleans Court condominium units. Our attorney responded in writing, saying that since Orleans Court is a primary residence for some owners, a second home for other owners, and a rental property for many owners, it would be impossible for the Board to provide reserve spaces "for all handicapped persons" since the Board has no way of knowing what handicapped person may be present on the property at any given time" and with a closing statement that "the Association does not have "rules, policies, practices or services" that deny individuals with a disability equal opportunity to use and enjoy a unit at the condominium."

G. Unit 324 Air Conditioning Unit Louvers

1. Discussed previously

H. Unit 318 Foreclosure

1. Unit 318 will be foreclosed on Tuesday (there is a large first mortgage and a second mortgage on the property)

I. Parking Lot Committee

1. Brett said that the Parking Lot Committee members have been finalized: Sid King, Carol Morganstein, and Catherine Nusback will represent the claimants, and John Bleiweiss, Barry Bleiweiss, Jim Mills, and Steve Turnbaugh will represent the defendants. Neal said that their mission is simple and clear: to recommend a plan to maximize parking at Orleans Court. The BOD has final approval authority.
2. Neal said that the designation of a chairman is up to the committee, and that he would be happy to be on the chain of email discussion. Barry said that he would be happy to hear Neal's suggestions.

VI. Recognition of Unit Owners

A. Unit 113 (Barry and Judy Bleiweiss)

1. Barry noted that his condo, which had been water damaged, has been rebuilt, that he is satisfied with the renovations, and that the final payout that Mana-Jit is holding can be paid out
2. Barry requested that Mana-Jit inspect the unit above him to ensure that the unit has been winterized so that there is no threat of future water damage. Brett said that they cannot do that for liability reasons, and added that it is the individual homeowner who is responsible for their own unit.
3. Barry asked if there was any standing water in the basement because they have noticed an odor in their unit. Brett and Neal said they would check the basement.

B. Unit 326 (Leon Ricards)

1. Leon said that the Orleans Court Condominium Owners List that was sent out last month was "wrong" because it was not in alphabetical order. Mary Ellen said that she would re-sort the list and it would be sent out again.
2. Leon said that he feels that the BOD has been aggressive towards him. Neal stated that we are all neighbors and need to work together.
3. Leon challenged the notion that the BOD is comprised of volunteers, as they accepted a nomination to the Board. Neal responded in turn, saying that he volunteered to be nominated, is not paid, and is therefore a volunteer.

VII. Adjournment

At 11:47am, Andrea made a motion to adjourn this meeting and to move into a closed session for discussion of individual unit owner matters. The motion was seconded and carried unanimously. After the adjournment, Judy Bleiweiss approached the Board and thanked them for their service and for listening to homeowners.