

**ORLEANS COURT CONDOMINIUM
ANNUAL OWNERS' MEETING MINUTES
Saturday, May 16, 2015
DRAFT**

I. CALL TO ORDER

President Neal Jarvis (320) called the meeting to order at 10:10am at St. Peter's Lutheran Church, 10301 Coastal Highway, Ocean City MD. Board members present were Neal Jarvis, Craig Smith (224), Andrea Hutt (101), Dave Wessels (305), and Mary Ellen Morris (206). Brett Staley of Mana-Jit Property Management was also in attendance. Board of Directors' (BOD) packets included a Meeting Agenda, the President's Report, the Treasurer's Report, and the 2014 Annual Owners' Meeting Minutes. Unit owners' packets included the Meeting Agenda, the 2014 Annual Owners' Meeting Minutes, and an alphabetized unit owners' list.

II. ROLL CALL

A quorum was present. Neal Jarvis reviewed the agenda and explained that election of board members would be discussed later in the meeting.

III. APPROVAL OF PREVIOUS MINUTES

The meeting minutes from May 17, 2014 Annual Owners' Meeting were reviewed. Paul Schnitman (207) made a motion to approve those minutes. Marie Torosino (208) seconded the motion and the motion carried.

IV. REPORTS

A. President's Report

1. Neal read a detailed and lengthy report about Orleans Court BOD activities since the last annual meeting. Of note were the following:
 - The BOD has met five times since the annual owners meeting last year
 - Craig resigned as president, and Neal succeeded him in that role. Craig was then elected as vice-president
 - Discussions were held with Orleans Court attorney Jim Almand regarding the Maryland Commission on Civil Rights and the complaint filed by Sid King and his wife requesting handicapped parking. Both Neal and Brett met with Atto Commey of the Commission to discuss best ways to proceed. Final plan is to have four handicapped parking spaces: one will be nearest the Orleans Court sign, one will be behind unit 128, one will be nearest the dumpster, and one will be labeled van accessible and will be behind unit 101
 - The Parking Committee should continue to meet to discuss ideas important to the committee and then submit a report to the board when they had a plan for the good of all unit owners at Orleans Court. Neal has told John Bleiweis, Parking Lot Committee chair, to proceed in any manner required to come to a proposed plan
 - We have foreclosed on unit 318
 - New bike racks and lockboxes have been installed
 - Letter about the need for unit winterization were sent to all unit owners
 - Brett obtained three elevator maintenance proposals for our review; Delaware Elevator was the best overall proposal
 - Mark Swift of PKS, our accountants, conducted an annual audit in April
 - A new website has been designed and will soon be launched
 - The rotted wooden Orleans Court sign outside our building was replaced and was subsequently lowered due to a complaint lodged by Leon Rickards (326) to city code enforcement that the sign might impair a driver's vision turning onto Coastal Highway
 - The building was power-washed, with attention paid to the north side of the property
 - Neal reiterated once again, that no response will be provided to any letter, email, phone call, etc. received by the Board where a threat is made or implied. Any such action will be responded to via our legal counsel. The few owners who continually threaten the members of the board cost each of us as unit

owners, and the subsequent legal costs make our annual assessment fall short of its intended purpose. The legal costs in our budget are above what many HOAs in Ocean City include in their budgets

B. Treasurer's Report

1. Andrea Hutt reviewed the condominium finances. As of May 16, 2015, there was \$42,817.01 in the Operating Account, and \$164,192.37 in the Reserve Account. The Special Assessment account was closed on February 23, 2015, and a \$10,059.63 balance was transferred to the Operating Account to cover owner credit for a regular quarterly assessment.
2. 2014 tax documents were prepared by PKS, signed by Andrea, and returned to the IRS and the State of Maryland. There was no payment or refund due to or from the IRS. There will be a \$2,429 refund from the State, which will go into our Operating Account.
3. PKS prepared financial statements for 2014 with no significant findings. Our audit procedures are in compliance with the Maryland Condominium Act.
4. Segregation of financial duties was discussed. Mana-Jit has no access to the reserve account (only the President and Treasurer have that access). Mana-Jit has \$100,000 bond for our HOA, and we have a crime policy/bond in place as well.
5. Accounts Receivable as of May 16, 2015, is \$107,582.00.

C. Management Report

1. Mana-Jit continues its general bookkeeping and management responsibilities (collecting, disbursing funds, responding to owner issues addressed to Mana-Jit, compiling and managing meeting notices, and conducting monthly property walks in the winter and weekly property walks in the summer.
2. Projects this past year included handling bids for the new signage, obtaining elevator maintenance bids, installing unit owner lockboxes in the laundry rooms (call Brett to obtain/change codes), installation/inspection of bike racks, overseeing the power washing, and representing Orleans Court in Beauty Spot Award ceremony with the Mayor.
3. Current projects include looking into whether we would qualify for benefits from incandescent to LED lighting conversion.
4. We have finally removed the bikes that have gone unlabeled following the notices sent out requiring the bikes to be labeled with owners' unit number. The bikes will be donated to a charity or disposed of since the storage timeline passed and they have gone unclaimed.

V. OLD BUSINESS

Neal discussed our current WiFi situation, noting that it is generally reliable only in the courtyard or unit living rooms, due in part to the steel plating used in construction of the units. Other systems have been reviewed but are expensive; our current cost is \$15/year per unit. Barry Bleiweiss (113) said that he respects the Board's decision not to invest further in WiFi, but that there are products called WiFi Extenders that will pick up an additional 50 feet of signal. In a related conversation, Andrea said that we also need to set unit owners' expectations, that we don't have great bandwidth, which means that email and texting applications are usually fine, but not video/game streaming.

VI. NEW BUSINESS

- A. Elevator: We received bids from three vendors. Brett met with each, and Delaware Elevator was chosen as the vendor most suited to our needs and finances; in addition, they have been servicing our elevator for several years. Our elevator is about 45 years old, and some unit owners rely on it. Mechanics that have worked on it over the past few years have told us that it is outdated, and parts may be difficult to obtain. Delaware Elevator best fits our plans for a phased maintenance approach. Craig thanked Barry, who started an initial investigation into this project. Craig discussed the phased renovation approach; the first two phases would be to recondition the mechanics, with the second phase focusing on the controlling mechanism; the third phase would include the cosmetics and grab bars. Repairs will start in the fall of 2015. Andrea stated that we should be able to accomplish this without a special assessment, that we will take the funds out of the Reserve Account in phases. If we start now, we have ~\$164,000 in reserve; there will be one point after phase

two where we will dip under \$100,000, but by December 2017, we will have over \$117,000 in reserves. Sid said that in 2004, the machinery was moved to the pool room, and we should check with Delaware Elevator to see what they did then, and what the cost was. Andrea said that the pumping unit that Sid was referencing is not included in the current scope of work. Leon said that before we do anything, we should check with them to see what was contracted for in 2003. Neal asked for a general show of hands (not a binding vote) for whether attendees thought that we needed to do something. Susan Ackerman (315) asked what the service calls were for, and Brett answered that it was always the doors. Barry (113) commented that we should watch our downtime/repair trend, that the equipment is old, and that it's probably time to start looking at it before people start walking. Ed Chambers (Power of Attorney for Norma Rae Haller, 109): said that it is for the common good and property values will plummet if something happens to the elevator and owners try to sell their units, so we need to do it. Manuel Kellis (116) asked if there are current safety issues with the elevator, and Craig said no. Neal then discussed options for operating the elevator (key card, buttons, regular key, key pad, etc) and there was a discussion about kids playing on the elevator if it were too easy to operate. Sid (112) asked if we had other high ticket items that were needing attention (plumbing, paving, roof, railings) and the discussion then turned to railings. Sid (112) said that he believes that the railings haven't been properly maintained because they haven't been sealed, and that we now have mold "thanks to you [BOD]" and that if he had to choose, he would choose maintenance of the railings over maintenance of the elevator. Neal reminded Sid that his unit is on the north side so this is why he may see green on his railings. Leon said that the railings are solid, but that the top piece gives you splinters and that they need to be sealed every three years. Neal directed Brett to get bids for sealing the tops and caps of the posts, especially now that they're clean. Brett mentioned that the engineering reserve study said that the railings should be replaced in 2039. Getting back to the elevator topic, Neal again asked for a show of hands about who would be interested in moving forward with elevator maintenance, using reserve funds. 25 owners in attendance raised their hands, with Sid King (113) and Leon Rickards (326) abstaining, and no "nos." Craig clarified that this study has been in process for two years, and that we just wanted to ask you, the unit owners, if it's a priority. At this point, Neal interrupted the meeting to ask Ed Chambers (Power of Attorney for Norma Rae Haller, 109), who was sitting in front of and to the side of the table with the BOD, why he had a camera under the table pointed at the Board. Ed said that he was recording the meeting. Neal stated that the Board was not aware that Ed was recording the meeting and that no one had given him permission to do so. Neal asked him to turn off the camera and the audio recorder. Ed did so after objecting and stating he would leave, though Neal told him wasn't being asked to do so; he then walked up to Neal and handed him his attorney's business card, saying that we (the Board) would be hearing from his attorney, but Ed didn't say why.

VII. RECOGNITION OF UNIT OWNERS

- A. William Gill (225): William was called by DelMarva Power because they have a missing 5th lug that holds the meter to the building. Brett gave him the number for Beacon Electric.
- B. Keith Warner (218): Keith stated that one of the two courtyard stone columns has had water/salt get behind the stones. Brett will take a look at it.
- C. Neal Jarvis (320): Neal said he had hoped that the pool would be open today but they are having trouble with the filtering system. Scott at Resort to Us said that they hope to have it repaired by next week and it will cost about \$1500.
- D. Steve Turnbaugh (301): Steve said that we need to replace the rubber tips on the courtyard chairs; Brett said that he will order them. Brenda Wolfe (301) noted that the fabric on the chairs is dirty and Neal mentioned that some umbrella bases needed to be replaced. Brett asked if someone would volunteer to do an inventory, and Craig and Kathy Nuzback (308) volunteered. Ed (Power of Attorney for Norma Rae Haller, 109) suggested that we need to buy some new plastic chairs.
- E. Ed Chambers (Power of Attorney for Norma Rae Haller, 109): Ed said that when the paver guys dropped a load of bricks in the west parking lot, they put divots in the parking area claiming he had previously taken photos of them and almost stepped in one the other night. Neal asked why he would step in a slight divot that he was completely aware of being there.

- F. Barry Bleiweiss (113): Barry asked if the Board anticipated any increases. Neal said that he doesn't yet know, because the Board bases financial decisions on the budget, which is based on past expenditures. On a different subject, Barry said that he would like the Board to investigate possible savings on cable costs.
- G. Neal Jarvis (320): Neal said that we are investigating LED lighting, and the subject turned to solar panels. Brett said that our square footage on the roof isn't sufficient for solar panels, and Neal said that the breach of the roof wouldn't be worth the risk.
- H. Ed Chambers: (Power of Attorney for Norma Rae Haller, 109): Ed said that there is a pool of water that gathers on the cement. Neal responded that the area in question is caused by building imperfections that sometimes cause condensation.
- I. Leon Rickards (326): Leon challenged the bookkeeping that was used for the Special Assessment. Neal and Andrea explained the process that was used.
- J. Jim Mills (223): Jim made a motion to move forward to the part of the meeting dedicated to elections to the Board. Michael McCoy (105) seconded the motion and the motion carried.
- K. Sid King (112): Sid made a motion to have seven members on the Board of Directors. Neal said that he appreciated the motion, but that he was not accepting the motion.

VIII. ELECTION OF DIRECTORS

A. Vote

- 1. Neal said that there were three nominees for the two positions on the Board, Leon Rickards, Susan Ackerman and Craig Smith. Neal called for any nominations from the floor. Ballots were distributed and counted. Susan and Craig won by a large margin. Neal congratulated them; both will serve for 3 years terms.
- 2. Neal said that he appreciates everyone who participated, and noted that Leon has much information and is always willing to share.

B. Other Discussion

- 1. Barry stated that last year, it was unfortunate that in order to settle a lawsuit, we had to pay large sums to our attorney. He said that he would like to see our ByLaws amended to state that we will not pay attorney fees for any other disputes submitted prior to a binding arbitration. Barry said that we have set a bad precedent for payment of legal fees. Further discussion ensued.
- 2. Ed Chambers (Power of Attorney for Norma Rae Haller, 109): Ed stated that Norma is having plumbing issues. They were addressed when Atlantic Plumbing was called to investigate the issue and the issue was resolved.
- 3. Kathy Nuzbach (308): Kathy pointed out that when someone sues the Association, they sue themselves.

IX. ADJOURNMENT

John Bleiweiss (103) made a motion to adjourn the meeting at 12:30, and Carolyn Remington (111) seconded the motion. The motion carried.