

ORLEANS COURT CONDOMINIUM
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ANNUAL OWNERS MEETING MINUTES
Saturday, May 19, 2018

I. CALL TO ORDER

President Neal Jarvis (320) called the meeting to order at 10:08 at St. Peter's Lutheran Church, 10301 Coastal Highway, Ocean City MD. There were 62 proxy/in-person attendees. Directors present were Mary Ellen Morris (206), and Andi Hutt (101); Brett Staley of Mana-Jit Property Management was also in attendance. Craig Smith (224) and Susan Ackerman (315) were unable to attend but had submitted proxies. Meeting packets included a Meeting Agenda, a copy of the May 20, 2017 Annual Owners Meeting Minutes, and an alpha/numeric unit owner list. Owners signing in were Andi Hutt (101), Cathy Kelis (116), Bonita Seaton (119), Bob Strauss (122), Regina McCoy (126), Mary Ellen Morris (206), Marie Torosino (208), Dennis Jones (209), Keith Warner (218), Perry Stutman (219), Keith Remaly (305), Kathy Nuzback (308), Yvonne Faucher (313), Neal Jarvis (320), and Joe Mezzadra (325). Leon Rickards (326) was present, but refused to sign in

II. APPROVAL OF PREVIOUS MINUTES

The meeting minutes from the May 20, 2017 Annual Owners Meeting were reviewed. Marie made a motion to approve the minutes, and Kathy seconded the motion; the motion carried unanimously

III. REPORTS

A. President's Report

Neal read his report, which included the following highlights:

- The Board of Directors (BOD) met on 9/15/2017, 11/5/2017, and 3/17/2018; minutes are on our website. Unit owner attendance is minimal at these meetings
- Neal emailed Jim Almand, our attorney, on various topics such as units in default and our outdated bylaws
- Washing machines and dryers were replaced in 2017 and have an increased cost of operation per our agreement
- A few plumbing repairs were necessary to replace drain lines under units 108, 109 and 110
- On 7/25/2017, there was a fire on the balcony of unit 324. The fire damaged some of the outside of the building, and there was smoke/water damage to the inside of the unit. All of the attic insulation in the East building had to be replaced due to water. There were no injuries reported
- After the fire in unit 324, Neal met with the Fire Marshal to discuss findings. They said that some units did not have properly working smoke detectors, and some had outlived their lifespan. The Fire Marshal recommended that all fire detectors be replaced, and noted that they should all be replaced again in 10 years, and that the 2027 budget should account for that. Brett and the Mana-Jit team coordinated the restoration of the building to its pre-fire state
- In August 2017, the fire department was called for a sound and smell coming from the pool machine room. It was determined that the heat caused the lid to blow off a chlorine container
- Brett negotiated with our insurance company to continue with the same coverage with a minimal increase, even after two claims in 2017. The minimal increase in premium will negate the insurance company's plan to increase our deductible to \$25,000
- The courtyard wall was painted
- We continue to remind unit owners not to use flushable wipe products, as they clog the pipes
- Our landscape contractor will continue to provide spring cleanup and planters, and Resorts to Us will continue to clean the pool and walkways. This past year, we had Resorts to Us handle a couple of staircase power washings, which was done cost-effectively. This year is a year of partial building power washing; we will use the same company as last year, which uses an eco-friendly soft scrub detergent power wash combination
- We approved the 2018 budget and voted not to increase annual assessments; however, we might expect an increase in 2019
- Letters of instruction were sent to unit owners who are not full time residents to winterize their units by December 1, 2017
- PKS conducted an annual audit and provided a copy; PKS states that we may have to adjust the annual assessment based on past expenditures, but we have no large maintenance items pending
- Secretary Mary Ellen Morris continues to maintain the website and emails items of interest or concern
- We have continued to treat the property for mice
- We will monitor and service the sump pumps in the north building basement, as this seems to be an ongoing issue due to poor design
- Treasurer Susan Ackerman has made arrangements for owners purchases of approved HVAC winter covers
- About half a dozen unit sales have occurred since September 2017
- We have received bids to repair coatings in four staircases. Neal has asked Brett to receive bids to repair several steps that have rust
- Over fall and winter, there were three break-ins, two into the same unit
- It is the responsibility of each unit owner to keep Mana-Jit and the BOD with up to date contact numbers and email addresses, as these are crucial when we need to send out important information like the recent fire and break-ins.
- The BOD will not take action or reply to any letter, email, or phone call where a threat is made or implied to the BOD
- The legal cost included in the 2018 budget reflects a need to cover legal costs that are above other Ocean City HOAs
- The BOD would like to thank and recognize outgoing Vice President Craig Smith, who has invested a lot of time over the years. Our property reflects well because of his vision and service to us all

B. Treasurer's Report

Andi read the Treasurer's Report on Susan's behalf:

- Balances in bank accounts as of December 31, 2017:
 - Operating Account: \$38,050.57
 - Reserve Account: \$135,965.39
- Interest earned on accounts for 2017 was \$723.84
- Balances in bank accounts as of May 19, 2018:
 - Operating Account: \$73,662.90
 - Reserve Account: \$153,601.76
- Activity since last annual meeting on May 20, 2017 through May 19, 2018:
 - Four quarterly payments of \$8674.75 were transferred from the Reserve Account to the Operating Account totaling \$34,699.00
- Accounts Receivable as of May 19, 2018 are \$59,838.52
- Attorney's fees paid from May 20, 2017 through May 19, 2018 are \$620.00

C. Management Company Report

Brett read the Management Company Report:

- Brett managed ongoing bookkeeping responsibilities
- Mana-Jit hosted BOD meetings
- Mana-Jit responded to owner inquiries and acted as liaison between unit owners and BOD
- Brett coordinated repairs resulting from fire in unit 324
- Brett coordinated the annual audit with PKS and mentioned that hardcopy audit reports are available after the meeting or they are available electronically
- Brett worked with all contractors to ensure the property is ready for summer use, including an upgraded irrigation system
- Brett worked with the police department in the squatter issues in 115 and 108 (squatter was the same in both instances)
- Brett coordinated the replacement of all smoke detectors, which have 10-year batteries
- Brett is working with contractors on the upcoming stairwell welding repairs

IV. OLD BUSINESS

HVAC Covers

- HVAC covers to replace unsightly tarps are available through Susan for \$90/pair

Front Wall Painting

- The front wall was painted, but lime wicking is an ongoing problem on the wall

V. NEW BUSINESS

By-Law Amendment Vote

- Neal said that unit owners have had a year to review the proposed amended bylaws that were presented at last year's Owners Meeting and another month for the revised amended bylaws presented today
- Neal asked unit owners if there were questions or comments about the bylaws. Leon (326) raised his hand, but Neal said that he would not recognize him because he refused to sign in. Leon said that there was no requirement for him to sign in. Andi asked Leon why he objected to signing in, and he responded that he didn't want to, and that there was no requirement for him to do so. Neal gave Leon the floor, and Leon listed his concerns:
 - Leon said he read what he is about to say to the BOD, but the Secretary failed to put it in the minutes because they put their own spin on it
 - Leon said that the Assistant to the MD Attorney General says that you are not required to change bylaws
 - Leon said there is an issue with predatory bylaw revision and that an attorney should not do a complete rewrite on bylaws
 - Leon stated that in the past, there has been a special meeting or a committee for bylaws only
 - Leon advised that owners shouldn't vote unless every line is explained
 - Leon said that it doesn't matter how old bylaws are because the MD Condominium Act takes precedent
 - Leon stated that this rewrite is ridiculous
 - Leon stated that everyone should read "Happy Homes," available online
 - Leon said that the BOD for several years did not have authority to approve a budget, only the Council of Unit Owners, and said that he has told them this before, and he has told them that they don't do it correctly
 - Leon said that sometimes he reads the meeting minutes and asks himself "Was I at that meeting?"
 - Leon stated that in the future, there will be a website for owners to reflect what really happens at meetings
 - Leon advised that owners should vote "no" on the bylaw change because it wasn't done right
- There were no more questions/comments from the floor. Andi made a motion to approve the proposed bylaws as written; Kathy seconded the motion, and the motion carried. Ballots were passed out for vote
- Brett counted the bylaws proxies, and Kathy was the count observer. There were 57 votes in favor of the proposed amended bylaws, and 2 against. The new bylaws were accepted

2017 Excess Funds Transfer

- As a result of 2016 excess, \$4886.00 was moved from Operating Funds to Reserve (Replacement) Funds in order to eliminate interfund borrowing. Neal said that we could 1)keep it in Reserve Funds, 2)move it back to Operating Funds

- Leon said there was a third option, that we could refund it to unit owners. After discussion, Leon made a motion to leave it in Reserve Funds, and Kathy seconded the motion; the motion carried
- Andi wasn't sure that Leon's motion to leave the excess funds in Reserve Funds was "legitimate," given that Leon didn't sign in, so to be sure the vote was proper she restated the motion to leave the excess funds in Reserve Funds, Kathy seconded the restated motion, and the motion carried

VI. RECOGNITION OF UNIT OWNERS

Unit 219 (Perry Stutman)

- Perry wanted to know whether the Fire Marshal had determined the cause of the fire in unit 324. Neal said that the Fire Marshall typically gives open ended answers, but that the two insurance companies made their own assessments. The Fire Marshal said that the back wall switches were fine but they caught on fire; by elimination, cause was determined to be smoking on the balcony of the unit owner. Neal said that the unit owner's insurance policy covered our deductible
- There was discussion about smoking near the bicycle rack area, because mulch is combustible. Neal said one morning he picked up 23 cigarette butts, went on a bike ride, and by the time he came back, someone had emptied the contents of their ashtray on the mulch

Unit 305 (Keith Remaly)

- Keith wanted to know whose responsibility it is to maintain the railings. Neal said that we obtained bids based on different scenarios: seal or paint, seal partial or all, etc. The prices varied from \$30,000-\$50,000. Our Reserve Study states that there is a good amount of life left in the railings. Leon stated that they are good until 2039 but the maintenance has not been done by past Boards, that we should replace the top rails and seal them, and that they haven't been sealed since 2000; they were installed in 1996

Unit 218 (Keith Warner)

- Keith Warner asked how often Neal goes up on the roof. Neal said that he would go up on a flat roof but not this new roof. Neal said the gutters seemed to flow fine. Keith said that he looked at the down flush and it seemed pretty good. Dennis noted that there is a downspout sinkhole that is starting to form; Neal said that we could put a splash block there

Unit 209 (Dennis Jones)

- Dennis wanted to know what the process is for shutting down water in order to put a new main water valve in. Neal said that he should contact Brett, and that we use RYT Plumbing
- Dennis suggested getting a group together for cleanup, etc. Neal explained that the property used to be a self-managed. There was cleanup group annually, and Andi mentioned that we did away with it because it was always the same handful of people who did it. Mary Ellen said that we use Landscape Creations to manage our landscaping needs

Unit 122 (Bob Strauss)

- Bob wanted to know who handles the screens on the patio doors;
- Bob suggested changing the mulch to something non-flammable by the bike racks; Neal suggested getting prices for river rock or something similar

Unit 326 (Leon Rickards)

- Leon said that the city sent out forms for rental and noise licenses, and that there are also forms for Worcester County and the State of Maryland, so that unit owners who rent should take note
- Leon asked about foreclosures that have not been resolved. Neal noted that nothing has changed with unit 222 since their foreclosure, that he believes they are now current with assessments, but that our judgment on past due funds still exists. Neal said that unit 318 is bank owned and is currently being handled by our attorney, and that we'll collect when it is sold. Leon wanted to know what our attorney fees have been for the past 10 years, that the Association needs to know
- Leon wanted to know the amount of claims against our insurance. Neal said that the sewage backup in unit 117 was approximately \$35,000; Brett said that the mitigation of sewage was a large part of that expense. Neal said that the fire claim was approximately \$125,000, which included all cleanup. Leon asked if he wanted to see the documentation, could he get it from Brett, and Brett responded that he should call to make an appointment to review records
- Leon said that he will do research on past attorneys' fees, and has requested it, but did not get it

VII. ELECTION OF DIRECTORS

- Neal explained that Susan Ackerman, Keith Remaly, and Bob Strauss were running for two Directors positions, and that Craig Smith was not running
- Leon suggested that Keith and Bob tell the unit owners a little about themselves
 - Keith Remaly: Keith said that his wife and he were new owners, and they like the place, that it is beautiful. He said he was nominated last year, but declined because he wanted to see what it was like, and now he wants to help keep things moving forward. He said he likes that we won a beautification award, and that he wants to do what's right
 - Bob Strauss: Bob said that he and his wife are new owners, and that his story is similar. He said he likes it here, and wants to do what they can do. He is on another board at church, and he likes to be involved
- Ballots were counted by Brett and Kathy. Susan and Keith were voted in to the two Directors positions

VIII. ADJOURNMENT

At 11:47, Perry made a motion to adjourn and Kathy seconded the motion; the motion carried

Respectfully Submitted,

Mary Ellen Morris Secretary, Orleans Court Condominium Association