



Board of Directors Meeting Minutes December 13, 2014

(approved by Executive Committee January 11, 2014)

President Barbara Reniak at 9:02 A.M, called the meeting of the Board of Directors of the Montego Bay Civic Association to order. The President led the Pledge of Allegiance.

Roll Call: The President and 9 voting members were present.

President Barbara Reniak – Present					
P = Present		Voting Members		A = Absent	
Linda Herzberg, VP	P	Monica Cofiell, Treas	P	Tony Kendrick, Sec	P
Betty Bellarin ¹	P	George Carter	P	Eileen Furnari	P
Dennis Julian	P	Jim Price	P	Barbara Rayner	P
Kim Schulz	P	Tom Seibold ¹	P	John Shifflett	P

Good of the Association:

- Neighborhood Watch Captain, Roger Bellarin: Absent. Co-Captain Betty Bellarin reported there have been various automobile break-ins throughout Ocean City and four within Montego Bay. The cars being broken into are those that never move, an indication that no one is present in the home and that the criminal(s) are monitoring the community to identify vacant properties. Mrs. Bellarin encouraged absent owners to install motion lights, leave them activated, and arrange having their parked car moved periodically. A general e-mail reminder and mention in the next newsletter was requested.
- Homeowner Tim Gates spoke regarding the rejection by the Association of his building request for exceptions to the community standards that limit homes to a height no-greater than 15-feet, that limit lots to have no more than one storage shed, and that prevent a dormer from breaking the continuous soffit line. His opinion is that the vote for updating the restrictions in 2012 demonstrated that 83% of those who voted were in favor of “using the Ocean City code as the driver for future home considerations in this development.” He said that he was aware the City was going to change the code to allow, “basically, a 2-foot higher house,” and he designed a 2-foot taller house and received approval and building permits from Ocean City. It is his belief that taller homes would enhance the value of homes and lots in Montego Bay. His question for the Board was, “Why do you not want to comply with city code?” He informed the Board that he had retained a local attorney “to find out what my options are.” Mr. Gates commented that the 2014 MBCA Declaration states, “the baseline for community standards and aesthetics are those that legally exist as of the date of this Declaration.” Mr. Gates pointed out that in November 2013 the city changed the code to allow 2-foot-higher homes. “So, it was legal at the time the Declaration was filed.” He claimed that the plans that he submitted that the Association rejected were the community standards. He stated that he and his attorney “are looking at that.” He also identified his attorney as “Joe Moore, and he knows Jim Almand, who is the attorney for the MBCA, and they are trying to have a discussion” about the height of homes in Montego Bay.
- No other owners wished to speak. The President then began the business portion of the meeting.

Business Meeting – Director and Officer and Committee Member participation only

President’s Report:

- The President commented that the Christmas party would begin at 2pm and invited everyone to attend.

Secretary's Report:

- The Executive Committee carried out approving the minutes of the September 13, 2014, Board minutes on October 1, 2014, and they were posted on the web.

Motion: Tony Kendrick Seconded: Monica Cofiell	Approve the minutes of the June 14, 2014, Board Meeting.	Passed
Executive Committee Voted in Favor: 5	Monica Cofiell, Linda Herzberg, Tony Kendrick, Barbara Reniak, Tom Seibold	
Abstained: 0		
Voted Against: 0		

DISCUSSION: None.

Treasurer's Report:

Motion: Monica Cofiell Seconded: Dennis Julian	Approve the May-November 2014 monthly budget report as presented.	Passed
Voted in Favor: 13	Betty Bellarin, George Carter, Monica Cofiell, Eileen Furnari, Linda Herzberg, Dennis Julian, Tony Kendrick, Jim Price, Barbara Rayner, Kim Schulz, Tom Seibold, John Shifflett	
Abstained: 0		
Voted Against: 0		

DISCUSSION:

- There was a general discussion regarding purchasing a police scanner for the Neighborhood Watch. Homeowner, Steve Genua, donated a police and emergency scanner to the Neighborhood Watch. [Applause.] That scanner will belong to the Neighborhood Watch and not to the Association since the Association is not purchasing it, and the Neighborhood Watch is a community-run committee and not a Board-funded committee.
- It was mentioned that equipment purchased by the Association should not be kept at an individual's home but kept in the office. However, depending on the purpose the purchase was made there could be a "transfer of custody" and the Association would have the signed transfer document. If the equipment is not returned then the person who checked it out will be charged replacement costs. The Board agreed.
- Dennis Julian recommended hiring a QuickBooks expert to review and make any necessary adjustments to make it easier to manage and track the various accounts. The Board did not raise an objection to this recommendation.
- Monica Cofiell provided a status to arrange for an audit as soon as possible. Auditing funds are proposed for the budget year that begins on May 1, 2015.
- The President called for the vote. Passed.

Old Business: None.

Committee Reports:

[Kim Shultz departed the meeting at 10:12am during the budget discussion and did not vote on any further motions.]

Advisory and Strategic Planning, Bill Trumpler, Chairman: There was a joint meeting of the Advisory and Strategic Planning and the Budget and Finance Committee on November 22, 2014.

- Bill Sexton from Best Aquatics provided a presentation on the status of the two pools. Several areas need attention as soon as possible, such as plastering the Oyster pool, replacing some of the skimmers, and other issues that will be discussed later in this meeting.
- Steve Genua, Chairman of the Parks and Pond Committee, gave a report to the committees on pond issues.
- Eileen Furnari, Chairman of the Pools and Recreation Committee, gave a report to the committees on the pools and putt-putt course.
- There was a discussion about updating the cost to replace the Association's amenities such as the pools, office, tennis courts, pond, and the walking path. Such an update will help determine what the Reserve Fund limit should be.
- He then turned the report over to Kathy Trumpler, Chairman of the Budget and Finance Committee to present the proposed 2015-2016 Budget for the Association.

Budget and Finance, Kathy Trumpler, Chairman.

Motion: Dennis Julian Seconded: John Shifflett	Approve the proposed pro-rated Officer salaries for 2015-2016.	Passed
Voted in Favor: 8	Betty Bellarin, George Carter, Eileen Furnari, Dennis Julian, Jim Price, Barbara Rayner, Tom Seibold, John Shifflett	
Abstained: 3	Monica Cofiell, Linda Herzberg, Tony Kendrick	
Voted Against: 0		

DISCUSSION:

- A reason for raising the dues was the cost of Officer salaries. The incoming President in August may want to accept the \$8,400 annual salary and the pro-rated amount for the remainder of the budget year would be \$5,600. (The current President has never accepted a salary.) The incoming Secretary in August may want to accept the \$2,520 annual salary and the prorated amount was \$1,680. The Board removed the Vice-President's salary of \$3,000 because the Vice-President declined compensation. That reduced the proposed salary amount by \$3,000.
- The President called for the vote. Passed.

Motion: Dennis Julian Seconded: John Shifflett	Approve the proposed 2015-2016 budget including a \$10 annual dues raise and the changes as discussed.	Failed
Voted in Favor: 5	Monica Cofiell, Jim Price, Barbara Rayner, Tom Seibold, John Shifflett	
Abstained: 0		
Voted Against: 6	Betty Bellarin, George Carter, Eileen Furnari, Linda Herzberg, Dennis Julian, Tony Kendrick	

- The proposed budget was provided and discussed.
 - The proposed operational budget included a \$10 increase in the annual dues. Various comments in favor of increasing the dues included:
 - The cost of Officer salaries.
 - \$2,500 for the financial review/audit line to cover the cost of an audit next year.
 - \$4000 increase in the pool management contract. [However, the pool furniture account was decreased by \$5,150.]
 - The shuffleboard court provided another \$2400 for maintenance. [However, the Board removed the \$2,400 because that amount remains in the current budget for the same shuffleboard maintenance.]
 - Because of these adjustments requested by the Board, the overall Amenities expense is \$3,925 less than proposed.

- Kathy Trumpler pointed out that in the past the Reserve Fund did not have enough funds and the Association had to take out loans.
 - The President remarked that the reserve funds got as low as \$20,000.
- Various comments against raising the dues included:
 - George Carter questioned with annual dues going up to \$214 a year; why today, after four years of reducing dues to \$190 a year, there is almost 20 times the amount in the reserve fund – and that is after funding (from the Reserve account) more than \$113,000 in capital improvements and upgrades since 2011. Mr. Carter compared \$20,000 in reserves (during the period when annual dues were over \$200) to the balance in the reserve account today, even without adding in the \$113,000 already expended, and said, “What was the problem? The problem appears to me to have been management.” He continued, “And good management is exactly what this team has accomplished. It appears to me that at this point in time we can leave the dues as they stand and still be financially secure.”
 - Eileen Furnari described an option to close the pools and have a pool sweeper operate throughout the closed months and that would save money in opening costs, the frequency an acid wash would be required, and extend the plaster life of the pools. The sweeper is electric and does not require the pool water to be circulated. It has its own independent collection system. The pool cover would still be in place and the pumps and lines would still be winterized. The Board agreed that was a cost savings idea and did not object to implementing that option when the pools are closed in 2015.
- The Board agreed to:
 - reduce the amount designed for the shuffleboard court to \$245.
 - zero out the \$3,000 salary of the Vice President (because the Vice President declined accepting a salary for 2015-2016).
 - pro-rate the salaries of the President and Secretary (who have declined accepting a salary) to the amount needed from September 2014 to April 2015 in the event the next elected President and Secretary accept the salary.
 - transfer the Light Bulb Changer contracted services out of Payroll Costs and reflected in one of the maintenance accounts.
 - increase the Neighborhood Watch amount by \$50.
- The President called for the vote. Failed.
- The Board agreed that a new proposed budget based on no increase in the annual dues will be developed with the agreed upon changes. The Board agreed to receive the revised proposed budget and vote on its acceptance via email or telephone without calling a special meeting of the Board.
- The proposed expenditures from the Reserve account during 2015-2016 are for three new pond fountains, resurfacing the Oyster pool, and new pumps for the Office pool. The total of these expenditures will be \$63,000 and the amount is covered, as planned, by the Reserve account.
 - There was agreement that the existing pond fountains are no longer economically serviceable, are not suited for the harsh beach/bay weather extremes, and new fountains are expected to last longer and be more robust.
 - There was agreement to resurface the Oyster pool because the plaster has worn through to the aggregate and to stop further erosion. Additionally, it is uncomfortable when in contact with swimmers and could cause injury. The Office pool was resurfaced in April 2013 and it is now time for the same maintenance to be carried out for the Oyster pool.

- There was a wide-ranging discussion regarding the limit that should be set for the Reserve Account.
 - John Shifflett gave an estimate based on his experience and knowledge managing other Associations with amenities, that the Association should maintain a Reserve balance within \$800,000. Tony Kendrick mentioned that the light system in the community is an amenity and a previous estimate was that it could run more than \$1 million if it needed to be replaced. Mr. Shifflett amended his estimate because he did not take into account the street light system replacement costs.
 - The expected costs needed for capital improvements and determining the useful life of Association property and amenities (pools, tennis courts, bulkhead, pond, walkway, and the 1,600+ streetlights and more than 18 miles of associated wiring) is needed to help establish a maximum amount that should be in the Reserve account.
 - Each amenity will not reach the end of its useful life at the same time. There should also be a projection of what the minimum threshold goal for the reserve account will be.
 - The issue of the amount the Reserve account should have was discussed in the context of how to rebuild the community after a catastrophic event, which may not be covered by insurance. Not only will the funding base (home ownership annual dues) be affected but perhaps which amenities to restore (first or if at all) will also be affected.

Architecture and Permit Review, Tony Kendrick, Chairman: Presented three items for discussion:

- The Board accepted the guidelines (provided in advance of the meeting) that approve homes to have entry porches, and awnings.

Motion: Tony Kendrick Seconded: Dennis Julian	Approve the window awning and entry porch guidelines be adopted.	Passed
Voted in Favor: 11	Betty Bellarin, George Carter, Monica Cofiell, Eileen Furnari, Linda Herzberg, Dennis Julian, Tony Kendrick, Jim Price, Barbara Rayner, Tom Seibold, John Shifflett	
Abstained: 0		
Voted Against: 0		

DISCUSSION: The handouts used are attached to these minutes and will be posted to the web in the Architecture section of the Director’s Manual.

- An owner requested an exception to allow him to build habitable space 7-feet from the side lot line instead of the required 10-feet on that side of his home. They wanted to enclose an existing screened in deck, which is under a roof attached to the main roof. When their builder submitted the original request to get an initial assessment, he was advised that it would likely be rejected because it would increase the width of the home to 28-feet on a 40-foot-wide lot. A meeting was held with the owners to discuss their request and the following day members of the Committee shared their opinions. It was determined that the request to build habitable space in the 10-foot setback would be rejected. Among other reasons, it was pointed out that a deck is personal property and the home is real property. Converting the deck to be habitable becomes part of the realty and the Town code prevents real property from extending into the required setbacks. Instead of the owner extending their foundation out an additional 12 feet, they can extend it out 9 additional feet and for that area of their home the home will be 25-feet wide. The aggregate of 15-foot side setbacks is the Town code. The Board agreed to reject the request.
- A set of plans were submitted that did not provide sufficient measurements to calculate the finished height of the home. In addition, a dormer was designed to break the soffit. And, there was no indication that the dormer window was egress size. The committee members determined the height of the home was greater in height than the 15-foot from the crown of

the road allows. The request was rejected until other information is provided regarding the height and the issues with the dormer. The Board rejected the request.

- On November 4, 2013, the Town of Ocean City passed an emergency change in the code that the height of a home is calculated starting from 2 feet above the crown of the road. Mr. Gates, as he presented earlier, submitted a set of plans on October 20, 2014, to build a home that would end up being 17-feet from the crown of the road to the top plate of the wall where it joins the roof. In addition, he requested an exception from a single-shed not to exceed 100-square-feet and build two sheds that together do not exceed 100-square-feet. And, to build a dormer that broke the continuous soffit. On October 24, 2014, the Association formally rejected the plans. Mr. Gates has accepted the rejection except for the height being measured from the crown of the road.
 - Dennis Julian remarked that one of the purposes for updating the Declaration of Restrictions (in 2012, which passed without change in 2014) was to align the Association with the Town of Ocean City codes to avoid conflicts. Mr. Julian asked if that has changed.
 - Tony Kendrick (Secretary, and Chairman of the Bylaws and Declaration Committee and Chairman of the Architectural and Permit Review Committee) responded that in 2012 the proposed restrictions update document was aligned with the Town code regarding building height measured from the crown of the road. A majority of the general membership did not pass the revised restrictions until 2014. The 2012 text of the revision was not changed in order to avoid further delay by conducting another 8-month community education campaign. And, the accepted community standard and practice was, and continues to be, the height of a home is measured from the crown of the road.
 - Mr. Kendrick addressed the interpretation of Mr. Gates and his attorney that the community standard was what “legally existed” at the time the majority of owners approved the updated Declaration of Restrictions. Mr. Kendrick said that the intent and context of that phrase referred to what “legally existed in the community” and was not intended to go beyond that context and give up the rights of the Association to establish community standards.
 - Additionally, previous and subsequent to the Town code change the decisions of the Board and discussions were consistent that the measurement is from the crown of the road.
 - The Board agreed to adhere to the rejection letter (provided to the Board earlier), after consideration of a letter from Mr. Gates (provided to the Board earlier, which included personal information not discussed during the meeting).
 - Mr. Julian questioned whether the Association should be “in the code business” and that he thought the Association was phasing out of that.
 - Mr. Kendrick agreed about phasing out. That was one of the goals for updating the Declaration of Restrictions. The proposed 2012 Restrictions aligned with the Town codes establishing the width of homes, driveway locations, and habitable upstairs. The proposed 2012 restrictions did not address the height issue because there was no reason to expect such a well-established limit would ever be increased. However, the 15-foot height limit policy and practice would prevail over any change in height.
 - Because no one anticipated that the Town would start changing codes that the community had relied on for decades, the community needs to consider establishing rules and guidelines to retain aspects of the Town code for the good of the Association.
 - Mr. Julian concluded that he did not think we should be in the code business. He concluded that the Association should only manage amenities and the common property.

- Mr. Kendrick introduced the “Crossroads” handout (previously provided to the Board) as relevant to the discussion regarding changes and possible changes to the Town code that the community may wish to address by inserting language into the Declaration of Restrictions document. It would also serve as a means to factually document the majority preference of the community and preclude decisions and appeals based on unverified assumptions.

Motion: Tony Kendrick Seconded: Dennis Julian	Develop and issue a referendum ballot regarding architecture standards within Montego Bay. Ballots would begin to be counted on April 18, 2015, and will continue to be received and counted for one year or when a majority is received.	Passed
Voted in Favor: 10	Betty Bellarin, George Carter, Monica Cofiell, Eileen Furnari, Linda Herzberg, Tony Kendrick, Jim Price, Barbara Rayner, Tom Seibold, John Shifflett	
Abstained: 1	Dennis Julian	
Voted Against: 0		

DISCUSSION:

- If the community adopts the 2-feet above the crown of the road standard, then the peak of roofs in Montego Bay will be 2-feet higher.
- It appears in all likelihood that the Town is going to propose and pass a change that would allow 9/12 roof pitches in Mobile Home Residential Districts – such as in Montego Bay. Changing the roof pitch would raise the peak of the roof 2-feet.
- A combination of a 9/12 roof pitch and a 17-foot tall home, the result would be the peak of the roof of those homes or remodeled homes could be 4-feet higher than it is today in Montego Bay.
- There is also discussion of allowing garages in Montego Bay as long as they fit within the foundation allowed on the lot.
- There is also the exception to the required setbacks that the Town has approved, but the Association has rejected, when the lot happens to abut a non-buildable lot or city-owned property.
- Structural and architectural issues the Board agrees should be decided by the general membership and not by a “7 or more” majority of the Board. Therefore, the Board agrees there should be an architectural referendum.
- The President recognized Mr. Gates who stated that an increase of two feet in the height profile of a home is “not a huge impact on the look of the community.” Members of the Board pointed out that he was expressing an opinion and not a shared conclusion. Mr. Gates also said, “Depending on how you word [the referendum] you can make the outcome whatever you want.”
- Mr. Kendrick stated that a draft referendum ballot would be shared on line, via e-mail, and in the next newsletter, so that everyone in the community can have input into the drafting of it. “That will take care of your concerns.”
- George Carter addressed Mr. Gates’ concern by stating that the Board has to represent the community. “To infer that the outcome should reflect the Board’s opinion, that does not make sense because the Board could implement its opinion right now with 7 votes. One of the things that this Board, and President, started was to put as much transparency as possible out to the community. We did not have that transparency before. It bothers me when you infer collusion,” he concluded.
- Mr. Gates asked if the Board was apprised of his letter requesting reconsideration of the 17-foot height. Mr. Carter, and others, said that yes, the Board had received copies.

- Dennis Julian asked about the uninterrupted soffit requirement. Mr. Kendrick responded that when Montego Bay made the change to allow wider dormers, and requiring dormers to have an egress window, the uninterrupted soffit design was adopted to avoid creating the impression of a “Cape Cod” style upper level. Mr. Kendrick added that Planning and Zoning, as well as some Council members, are indicating that changing the roof pitch in mobile home communities would create opportunities to build Cape Cod types of homes.
- Mr. Kendrick also mentioned that the referendum ballots would include the membership card identification code. A list, without names, will be maintained and returned ballots will be accounted for. If a member comes to the office and does not have their ballot – their membership card number will be compared to the list and, if the ballot has not been received, the owner will be provided a ballot and can vote at that time. The Board agreed that was a good idea.

Bylaws and Declaration: Tony Kendrick, Chairman, reported that if the Bylaws are changed the Committee recommends:

- Change the way referendum ballots, including ballots to change the Bylaws or Restrictions, are counted. The proposed language would be along the lines of: “...requires a response by more than 50% of the General Membership eligible to vote and the majority of the responses received shall determine whether the referendum is approved or rejected.”
- Change the eligibility to be an elected member of the Board of Directors to members in good standing but not their representative (whether a Power of Attorney exists). In other words, to hold elected office the lot owner’s name is on the State of Maryland tax record.

Communications: Tony Kendrick, Chairman, reported:

- The 2014 Winter newsletter is being developed. All contributions and suggestions are welcome. Input should be received this month.
- Betty Bellarin requested a notice about the auto break-ins be included.
- Eileen Furnari requested notice that membership cards are issued once and that members need to keep the card and not throw it away. A new card is not issued without a fee of \$125.

Parks and Pond: Steve Genua, Chairman, absent.

Pools and Recreation: Eileen Furnari, Chairman: No report.

Nominating: Alin Springer, Chairman, absent:

- Declare by June 5, 2015, to run for the 2015-2017 term year. Six director vacancies, including the Director position of President and the Director position of Secretary, are available.

Teller: (vacant)

New Business:

- The Board did not agree that voting at general membership meetings requires using the membership card.

Closing Comments: The next Board meeting is February 14, 2015.

Adjournment:

Motion: Tony Kendrick Seconded: Linda Herzberg	Adjourn	Passed
Voted in Favor: 11	Betty Bellarin, George Carter, Monica Cofiell, Eileen Furnari, Linda Herzberg, Dennis Julian, Tony Kendrick, Jim Price, Barbara Rayner, Tom Seibold, John Shifflett	
Abstained: 0		
Voted Against: 0		

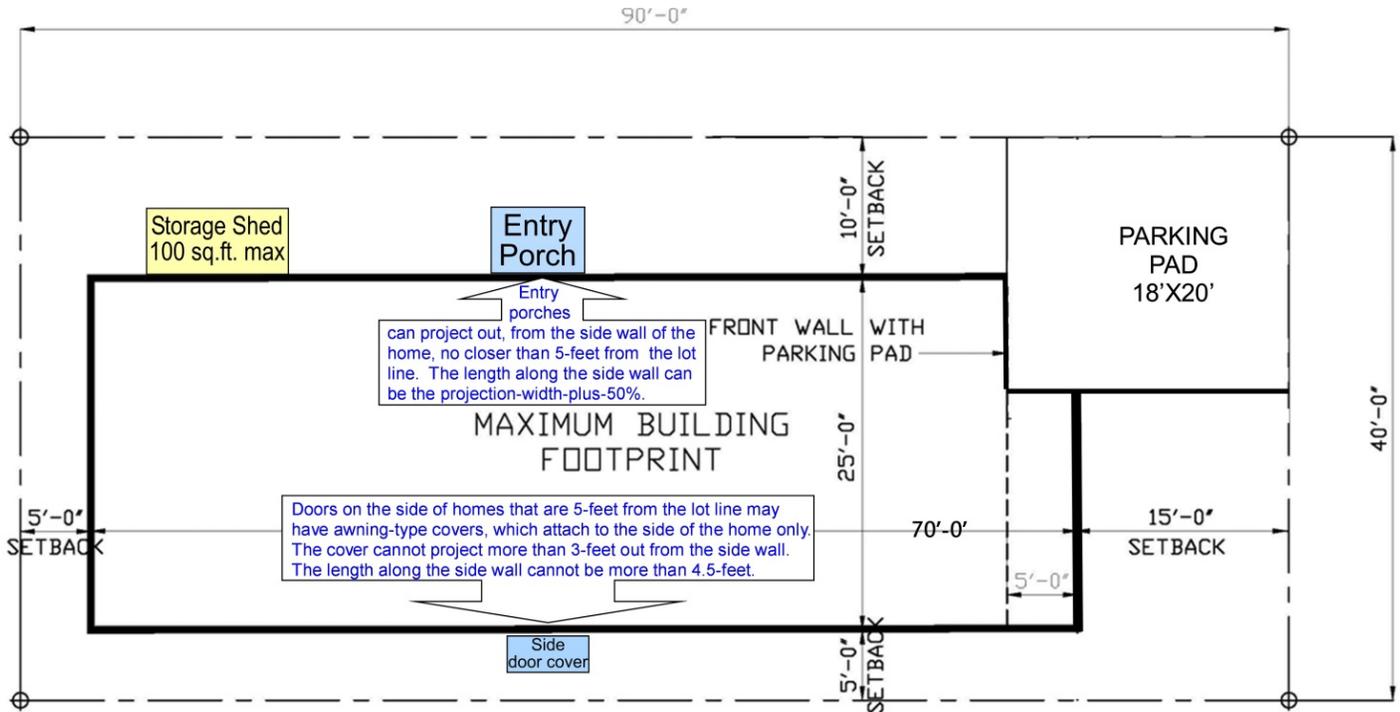
DISCUSSION: The President called for the vote. Passed.

The meeting adjourned at 11:27 a.m.

Submitted By:
Tony Kendrick, MBCA Secretary

Window Awnings and Entry Porches

Board Approved December 13, 2014

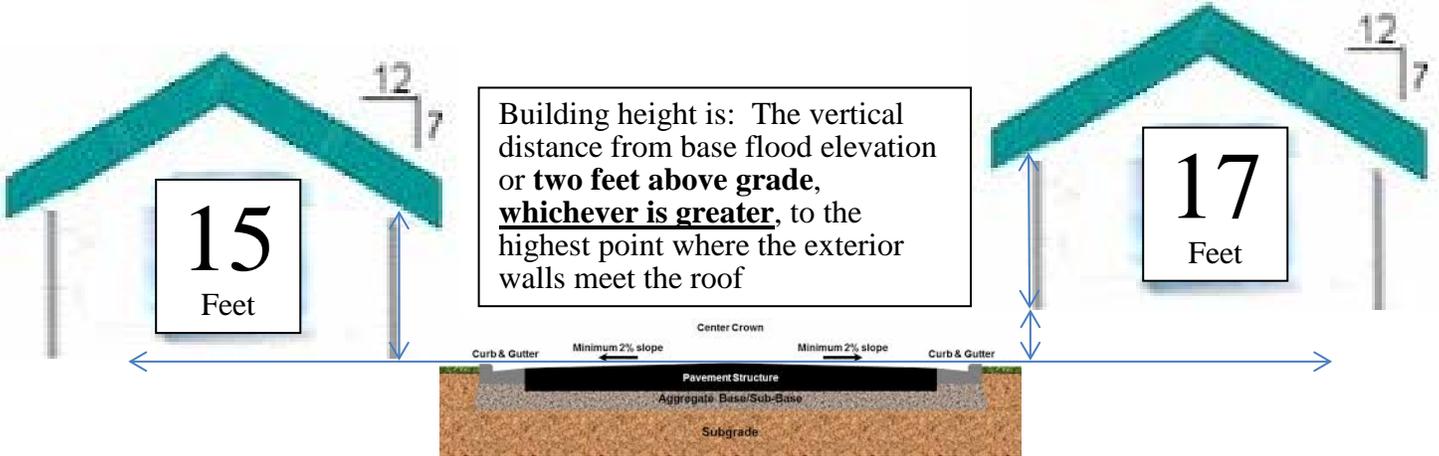


The side of a home that is the furthest from a lot line can have an entry-covered porch. The porch cannot project out any closer than 5-feet to a lot line. The porch length along the sidewall of the home can be the projection-width-plus-50%. Support posts to a deck or to the ground can support such a porch roof. An entry porch cannot be fully enclosed. The entry roof style should be in keeping with the style of the home.

The side of a home that is 5-feet from a lot line can have an entry cover. The cover can only be attached to the side of the home and cannot come into contact with a stair stoop or the ground. The cover, typically referred to as an awning-type, cannot project more than 3-feet from the sidewall of the home and cannot be longer than 4.5-feet. Such an awning-type cover can be used over any other entry door as if that side of the home was 5-feet from a lot line. Awning-type coverings over windows should be the width of the window using the typical attaching methods and cannot project more than 3-feet from the side of the home.

CROSSROADS

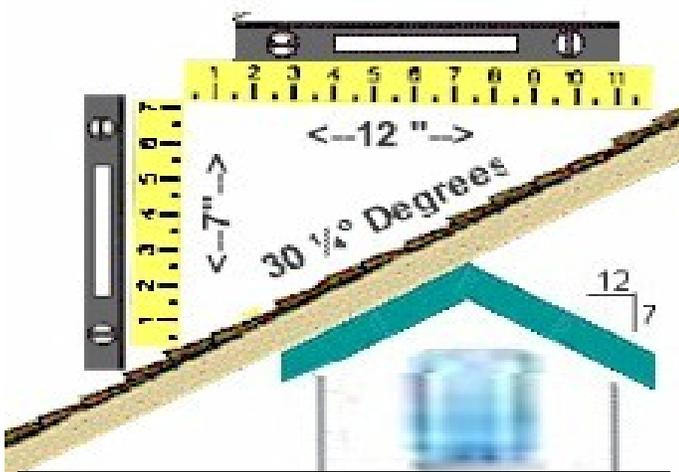
Who will decide? Owners or a "7" Board Majority?



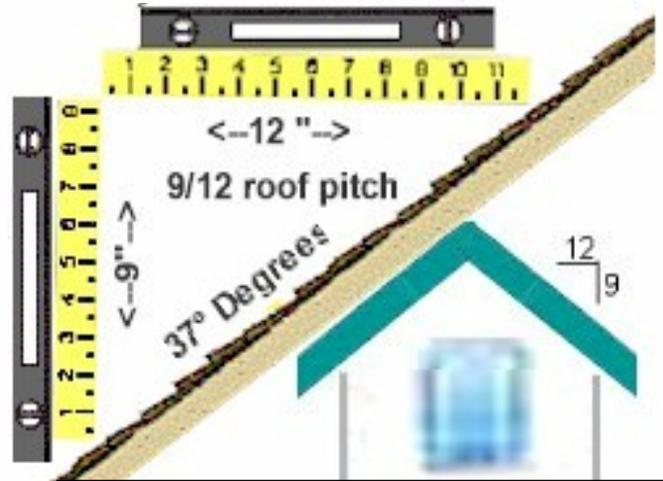
November 28, 2014

The Dispatch/Maryla

... Council To Revisit Roof Pitch



7/12 Roof Pitch 30 1/4° Degrees



9/12 Roof Pitch 37° Degrees



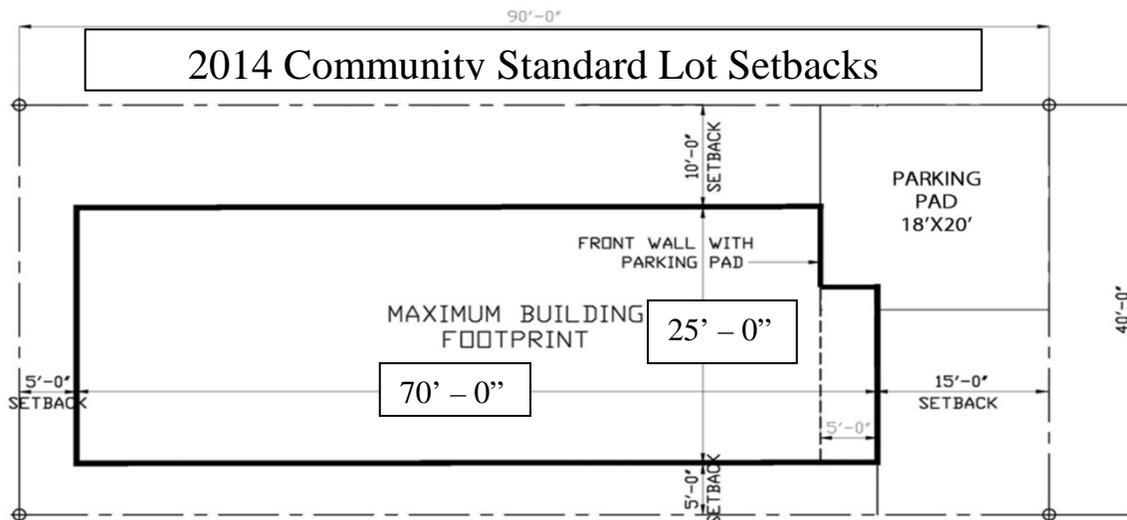
CROSSROADS

Who will decide? Owners or a “7” Board Majority?

April 12, 2014, DECLARATION OF RESTRICTIONS - The Facts:

- Section 3, subsection a: “All homes must adhere to the Town of Ocean City published code for MH Residential Districts.”
- Section 3, subsection a: “The Board of Directors has the authority to enforce the written code or if the City grants an exception, to follow suit.
- Section 3, subsection b: “The baseline for community standards and aesthetics are those that legally exist as of the date of this Declaration.”
- Section 3, subsection b: “Adding anything unique to the community standard, even if allowed under the Town of Ocean City code, must receive written approval by the Board of Directors.”

What will they think of next?!



“OC COUNCIL CONSIDERS REMOVING SETBACKS FOR LOTS NEXT TO NON-BUILDABLE PROPERTIES”

