



Board of Directors Meeting Minutes June 13, 2015

(approved by Executive Committee July 9, 2015)

President Barbara Reniak at 9:00 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 10 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	A
Betty Bellarin	A	George Carter	P	Eileen Furnari	P
Dennis Julian	P	Jim Price	P	Barbara Rayner	P
Kim Schulz	P	Tom Seibold	P	John Shifflett	P

Good of the Association:

- Samuel Marchiano, 607 Oyster Lane: Proposed a bocce ball court located in the area of the shuffleboard court on Oyster Lane. Mr. Marchiano proposes to contact three builders to see if any of them would build, at their cost (the Association will pay building permit costs), a bocce ball court that would display the contractor's name (similar to "adopt a highway" sign). If no contractor will donate the court then Mr. Marchiano will obtain the costs for building a court and present that to the Board. The Board found the proposal to be favorable and, if necessary, to build one (with the Association paying for materials and volunteers the labor, depending on costs). The Board was in agreement of putting in one court to determine interest for additional courts. The Board encouraged Mr. Marchiano to explore the proposal he made and to return to the Board with a recommendation and costs. The Treasurer pointed out that a bocce ball court was not included in the budget and if there are any costs to the Association. The cost will have to be considered. The President pointed out that if there is Association money involved, such as for maintenance, adding an amenity to the budget would have to be approved by the General Membership.
- Sam Marchiano also proposed a pickle ball court on the former basketball court by the Office Pool. He proposed painting the pickle ball court lines and players will bring their own equipment and, after playing, will remove all the equipment. There was no objection from the Board to proceed with the one pickle ball court. The Board, at this time, did not approve painting pickle ball court lines on the tennis courts. Because the pickle ball court, as proposed, would not cost the Association any money, there was general agreement by the Board that Mr. Marchiano could proceed with that request.
- Charlie Herbert, 100 Sandy Hill Drive: Mr. Herbert asked for the Board's position on the R-1A residential district that the Town of Ocean City is proposing. Mr. Herbert described a R-1A designation is by request of a community. In R-1A zones can only have yearly rentals. The President responded that the issue has not yet been discussed by the Board.
- Cathy Dory, 108 Seabreeze Drive: Mrs. Dory requested the Board consider going back to having two membership cards per property. The Board agreed to consider her comments and discuss options that may be available such as issuing a temporary pass for a refundable fee once the card was returned and that the temporary card would expire a set number of days after it was issued. Mrs. Dory proposed that a second card could be purchased, on request, for the non-refundable \$125 fee.
- 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
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President's Report:

- We are far into June and June is the month where we usually have problems with vandalism to the light head and poles. So far, we have had only minor damage. Please keep your eyes and ears open for the rest of the season..

Secretary's Report:

- The Executive Committee carried out approving the minutes of the April 11, 2015, Board minutes on May 3, 2015. The minutes were shared with the Board on May 5, 2015, and they were posted on the web. No further comments were received.

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

Treasurer's Report:

Motion: Monica Cofiehl Seconded: Linda Herzberg	Approve the end of year 2014-2015 budget report.	Passed
Voted in Favor: 10	George Carter, Monica Cofiehl, Eileen Furnari, Linda Herzberg, Dennis Julian, Jim Price, Barbara Rayner, Kim Schulz, Tom Seibold, John Shifflett	
Abstained: 0		
Voted Against: 0		

DISCUSSION:

- The Treasurer reported:
 - This year the Association is closing on a good note.
 - There were unexpected expenses since April 30th and the unobligated funds were used:
 - The pool pump at the Oyster Pool failed and it was approximately \$2,000 to replace.
 - Also, the ladies room at the Office Pool had water leaks and the walls had to be opened up to repair the water pipes that were within the cinderblock walls.
 - These repairs were not in this year's budget. The Treasurer reported that instead of transferring the end-of-year funds to the Reserve Account, she has withheld the 2014-2015 end-of-year unobligated funds to pay for these repairs, after discussing it with the Budget and Finance Committee and the Advisory and Strategic Planning Committee.
 - The Treasurer reported the 2014-2015 funds would be held onto for a while longer to pay for any additional unexpected things.
 - The President reported that there is a problem with an aerator in the pond that will cost \$3,200 to fix and Steve Genua, the Park and Pond Committee Chairman says it has to be fixed now and cannot wait until next year's budget.
 - It was not budgeted for. The President said that since it was not budgeted for the 2014-2015 funds withheld will be used.
 - The Treasurer responded that instead of going into the new budget to pay for these items, "we do still have this pocket of money that could be used for things like that until we decide to move it into the Reserves."
 - The Treasurer stated that because it wasn't known whether the Board thought using the end-of-year funds was a good idea or not, that is what was decided. And that continuing to withhold the 2014-2015 funds out of the Reserves will be looked at again by the Committees in July.
 - The Treasurer stated that the 2014-2015 funds would not be used for anything frivolous, and
 - it will be used "strictly for things that we have to have and things that we didn't budget for. I talked to the accountant about this and he suggested that it was a good idea rather than dumping it into the Reserve because then if something happened we'd have to have a meeting and decide whether we can do this out of the Reserves and then pull it back out of Reserves. And Reserve is very specifically budgeted. That is the only thing I wanted to say about this."

- The budget handout and indicated that some expenses for the 2014-2015 year went into the red and would need to be considered when developing the 2015-2016 budget to, perhaps, allocate more money.
- The accountant and auditors said that the \$44,500 budgeted for 2015-2016 should be deposited into the Reserve account should be transferred into the Reserve as soon as possible rather than wait to transfer it later in the year. The \$44,500 budgeted for 2015-2016, will be transferred into the Reserve Account “in the next couple of months.”
- The Treasurer reported that 29 properties had not paid their annual dues and have been turned over to the attorney for collection.
 - Not only will they be required to pay the annual dues amount and the penalty amount but they will also pay interest on the unpaid balance and all attorney fees associated with collections.
 - There are approximately 10 owners who refuse to pay the late fee. Annual dues were due by April 1st. A 30 day grace period ended on April 30th. Therefore, on May 1st a 10% late penalty was applied to all outstanding accounts. Those who have not paid the penalty have had their membership cards turned off and they cannot access the pools or tennis courts. That is the beauty of the electronic card.
- The President called for the vote. Passed.

Old Business: None.

Committee Reports:

Advisory and Strategic Planning, Bill Trumpler, Chairman: There was a joint meeting with the Budget and Finance Committee on April 20, 2015. The topic was replacement costs if the Association-owned property experienced a catastrophe. The handout [attached] was prepared by Tony Kendrick and is an excellent replacement cost estimate. We went through these replacement costs and the Reserve Fund as to where the necessary money will be put for the future. Mr. Trumpler then turned the report over to the Chairman of the Budget and Finance Committee, Kathy Trumpler.

Architecture and Permit Review, Tony Kendrick, Chairman: No report.

Budget and Finance: Kathy Trumpler, Chairman, reported:

- that a lot of time was spent reviewing and discussing the replacement costs. We were much appreciative of what Tony Kendrick prepared regarding replacement costs of the Association-owned buildings.
- The balance of the Reserve Account today is \$407,000. Another \$44,500 will be transferred into the reserve Account as soon as possible. And the remainder of the \$39,000 end-of-year money will be transferred in after it is used for paying for the pond aerator, plumbing repairs to the ladies room at the Office Pool, and other items that may come up unexpectedly that weren't budgeted for 2015-2016.
- Of the Reserve Account categories, only two were changed from the original estimates: (1) the estimate to replace the pool and the equipment of \$129,000 is not realistic. It would take every bit of \$500,000 to replace both pools and equipment. (2) We have a keypad system for the gates, and the Committees added that because, over time, the system will rust out.
- We will be contacting the insurance carrier to get from them that if a catastrophic event happened, what would our insurance cover? I don't think it would cover much unless we have a specific rider on the policy, because 'acts of God' are usually not covered by insurance.
- In the Reserve Account budget withdrawal – we put in \$30,000 for new pond fountains but we are not going to do that this year. We found out we can repair them and get them working. So, we will not be taking that out of the Reserve budget this year.
- We are looking to get up to \$1,000,000 into the Reserve Account.

Bylaws and Declaration: Tony Kendrick, Chairman: No report.

Communications: Tony Kendrick, Chairman: No report.

Parks and Pond: Steve Genua, Chairman, absent: No report.

Pools and Recreation: Eileen Furnari, Chairman:

- Everything's fine. No complaints.
- Palm trees were added to the putt-putt course.
- We definitely need a light around the tennis court and putt-putt course. There have been attempts to scale the fence around those areas.

Nominating: Alin Springer, Chairman, announced:

- The candidates for the 2015-2017 term year.
 - President: Mike Donnelly
 - Secretary: Write-in
 - Directors: Johanne Crafton, Tim Gates, Rich Gracey, Dennis Julian, and Barbara Rayner
- The Board agreed that election ballots will go out with a return envelope.
- The Board agreed

Teller: George Sellers, Chairman, absent. No report.

New Business:

Closing Comments: None.

Adjournment:

Motion: Linda Herzberg Seconded: George Carter	Adjourn	Passed
Voted in Favor: 10	George Carter, Monica Cofiell, Eileen Furnari, Linda Herzberg, Dennis Julian, Jim Price, Barbara Rayner, Kim Schulz, Tom Seibold, John Shifflett	
Abstained: 0		
Voted Against: 0		

DISCUSSION: The President called for the vote. Passed.

The meeting adjourned at 9:52 a.m.

Submitted By:
Tony Kendrick, MBCA Secretary

Building Replacement Cost Estimate (prepared May 1, 2015, by Tony Kendrick)

It looks like construction costs around the Ocean City – Fenwick Island run from \$86 to \$117 per square foot. These estimates include framing, siding, exterior doors and windows, and a shingle roof. It includes some minimal electrical and plumbing work but, for the most part, these estimates are for a “shell” of a building on a foundation.

So, it works out as:

MBCA Office, 42x42 feet or 1764 square feet.

Low: \$152,000

High: \$206,000

Insured for: \$160,000

Office Pool restroom/storage closet/'electrical' shed, 14x80 feet or 1120 square feet.

Low: \$96,000

High: \$131,000

Insured for: \$107,500

Oyster Pool restroom/storage-office, (various) total 922 square feet

Low: \$79,292

High: \$107,874

Insured for: \$107,500

(Reminder: the cost to repair the Oyster Pool restrooms was \$120K)

So, taking the high estimate – replacing the buildings would require about \$450,000.

The cost of building replacements does not support an increase of dues.

- (1) it is unlikely the “Big One” will occur within the next 10 years
- (2) in 10 years an additional minimum of \$450,000 will be transferred to the Reserve account
- (3) in lieu of an Act of God, any damage to the buildings are likely covered by our insurance policy, and
- (4) the Committee and the Board need to be reminded that we are not self-insured and shouldn't try to be.

As for the pond shack and the garden shed by the office – probably \$35,000 to buy two of those Mennonite big sheds and hook it up to electricity.

Summary of Insurance

Prepared: 1/30/2014

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For: **Montego Bay Civic Association**
Monica Cofell
101 West 130th St
Ocean City, MD
21842 410-250-3080

Insurance Management Group Inc
P.O. Box 3609
Ocean City, MD
21843 410-524-5700

Coverage	Amount	Company	Policy No	Eff	Exp	Premium
Property		Harford Mutual	9127565	01/23/14	01/23/15	4,633.00
101 W 130th St						
Building 1	160,000					
Business Personal Property	15,000					
Building 2	107,500					
80% Coinsurance						
Replacement Cost						
Special Form						
\$500 Deductible EXCEPT						
1% Wind Deductible						
W Oyster Lane						
Building	107,500					
80% Coinsurance						
Replacement Cost						
Special Form						
\$00 Deductible EXCEPT						
1% Wind Deductible						
General Liability		Harford Mutual	9127565	01/23/14	01/23/15	Included
Hired/Non-Owned Auto						
General Aggregate	1,000,000					
Products/Completed Operations	1,000,000					
Personal & Advertising Injury	1,000,000					
Each Occurrence	1,000,000					
Damage to Rented Premises	300,000					
Medical Expense (Any One Person)	5,000					
Crime		Harford Mutual	9127565	01/23/14	01/23/15	Included
Employee Dishonesty	100,000					
Deductible	500					
Forgery or Alteration	100,000					
Deductible	500					
Glass and Sign		Harford Mutual	9127565	01/23/14	01/23/15	Included
* See Attached Glass Schedule						
* See Attached Sign Schedule						
Equipment Floater		Harford Mutual	9127565	01/23/14	01/23/15	Included
Limit	9,000					
Deductible	500					
* See Attached Equipment Schedule						