

Antigua Condominium Association

Minutes of the Meeting of the Board of Directors

February 19, 2025

The meeting of the Board of Directors of the Antigua Condominium Association was called to order by Randy Ditch, president, on Wednesday, February 19, 2025, at 7:02 p.m. The meeting was held via conference call. The following directors were present: Mary Dischinger, Randy Ditch, Mike Falkner, Kat Ilkhani, Mike Keenan, Robert Mayer, Bonnie Medford and Ellen Schweiger. Sheri Miller was absent. A quorum was present.

The following unit owners were present: Daniel Crerand (1006); Robert Rosner (1007); Cindy Frederick (901); Pat Haskins (306); Wanda Ditch (706); Randee Baumohl (1102); Jane Preble (107); Robert Fitzgerald (806); Rosey Whittaker (302); Helen Vallone (904); Don Brown (108); Ingrid Miller (1302); Patty Brann (301); Steven Hessenauer (1203); Bill Reineberg (1107); and Elizabeth Ebersole (1206).

Guest: Jeffrey M. Hugney, P.E., Restoration Engineering, Inc.

Guest Speaker

Randy introduced Jeffrey M. Hugney, a professional engineer with Restoration Engineering, Inc. Mr. Hugney was invited to speak about the height of the balcony parapets. They are about 36 inches and complied with the building code when built. The building code was amended to increase the height requirement to 42 inches. Mr. Hugney's principal office is in Fairfax, Virginia. He has 35 years of experience with projects in Ocean City.

Mr. Hugney addressed the building code matter. The building code was amended before 2000 to raise the height requirement for balcony rails from 36 inches to 42 inches. It is a life/safety issue to prevent additional falls. When the building code is updated, it is not required that existing structures be updated, but it is recommended. If work is done on the item, it must meet the new code requirements.

The Antigua balconies have several configurations. Those with operable windows are compliant because the requirement is 36 inches from the sill to the floor. The units with hurricane shutters are not in compliance with the current code.

There are several designs to extent the height of the balcony. They could be simple additions; decorative additions; or a glass system. The extensions can be mounted on the top or on the side.

Mr. Hugney recommends, as an engineer, that clients comply with the building code standard. It is a life/safety issue. He did not offer a legal opinion and had not done research on how many falls there were with railings at 36 inches rather than 42 inches or how many falls there had been in Ocean City or at the Antigua.

Mr. Hugney discussed the effect of drilling into the concrete parapets. The balcony railings can be mounted horizontally or vertically, that is, from the top or the side. Epoxy is used as a fastening

agent and as a sealant. It provides a good seal for both top and side mountings. A side mounting has the advantage that water will run past the mounting. Epoxy is closer to the make-up of concrete and provides a better seal than a sealant.

The distance between vertical bars and between the bottom of an extension and the top of the parapet should be no more than four inches.

In Mr. Hugney's opinion, the 36 inch parapet issue should be addressed. There is no requirement that it be done immediately, but if there is repair work on the parapets, they would have to be raised to the 42 inch height. He recommends railings be raised to the 42 inch height when he is consulted about railings.

The process would be for a design to be developed that would be the approved installation throughout the building. The design would have to account for the hurricane shutters, the manner of attaching to the parapet, and the appearances. The selection of the materials is important because the Antigua is in an ocean front environment.

An engineer should be involved to assure that any installation meets the specifications. In particular, there should be pull tests on the fasteners to assure that they are sturdy enough to withstand the environment and meet the specifications. It is difficult to estimate the costs because the different designs can vary greatly in cost. The design phase could run from \$7,000 to \$10,000.

With the present coating project, the balcony railing extensions could be done after the project is completed. There are advantages to doing it in conjunction with the coating project, primarily access. If done later, the railings would likely be installed from the inside and not from swings on the outside of the building.

If a design is developed, the building code does not require the railing extensions be installed on all units. Mr. Hugney recommends it, but it is a board decision. Balconies with enclosed windows would not need railing extensions to comply with the 42 inch requirement.

Randy thanked Mr. Hugney for coming to the meeting and addressing the issue.

Approval of Minutes

Robert presented the draft minutes for the board meeting of February 12, 2025. Robert moved and Mary seconded that the minutes be approved with the deletion of a typographical error on page 3, the words "that were". The motion was passed on a voice vote. Kat stated that she had voted against the motion. Bonnie was not present for the entire meeting. Randy was absent. Both abstained.

Robert presented the draft confidential minutes of the board meeting held in executive session on February 12, 2025. Robert moved and Mary seconded that the minutes be approved. The motion was passed on a voice vote. Kat stated that she had voted against the motion. Randy was absent and abstained.

Robert presented the redacted draft of the confidential minutes of the board meeting held in executive session on February 12, 2025. Robert moved and Mary seconded that the redacted minutes

be approved and released. The motion was passed on a voice vote. Kat stated that she had voted against the motion. Randy was not present at the meeting and abstained.

President's Report

Randy reported that in transitioning the bookkeeping from Shore Management to CG Accounting that Shore, in addition to paying CG's fee also agreed to pay the cost of Gusto, the payroll service CG uses. When looking at it further, the condominium had been paying Intuit for payroll services. It was not intended to shift the payroll service fee, but to continue the existing practice. The Gusto payroll service fees will be paid by the Antigua, not Shore Management. Intuit's payroll service is no longer being used. The fees are comparable.

Owner Comments and Concerns

Rosey Whittaker (302) commented on a recent fire alarm. The fire alarm was activated by painters on the fourth floor sanding and painting a common door. They had not covered the smoke detector to prevent a false alarm while they were working. Rosey noted that only about six owners left the building in response to the fire alarm. Others did not. They were told that it would take about 45 minutes for the dust to settle so that they could return to their units. It took more like 90 minutes and there were no updates. During a second false alarm, there were no announcements to owners.

Randy will follow-up with the painting company and Shore Management on the safety issues and responses to fire alarms. He will also seek to obtain compliance with owners and residents to evacuate the building when there is a fire alarm. Rosey volunteered to assist.

Randy was asked if Shore Management charged for responding to fire alarms. He has not seen it on Shore's invoices. If there is a charge by the Fire Department for a false alarm, it should be paid by the painters who caused it.

Patty Brann (301) asked about Jeff's fall. Jeff, the office staff, slipped on the snow and was injured. Mike Falkner filed a Worker's Compensation claim. The incident occurred after a recent snow storm where the Town had left a large pile of snow on 85th Street near Coastal Highway. It obstructed part of 85th Street. Jeff was taking pictures of it. The Town was told of the obstruction.

Treasurer's Report

Owners Meeting Venue The venue for the Owners Meeting on October 18, 2025, from 9:00 a.m. to 1:00 p.m. was confirmed and the rental fee was paid. The meeting will be held at the Knights of Columbus, located at 9901 Coastal Hwy, Ocean City, MD 21842.

1099s and W-2s The 1099s and W-2s have been completed and distributed.

T-bill Reinvestments The yields for T-bills have remained steady over the past few weeks. The February 18, 2025 4-week T-bill yield was 4.25%. We have two T-bills, each valued at \$135,000 (one with a 13-week term and the other with a 26-week term), maturing on March 27, 2025. In preparation for the special assessment, Mary proposed changing the terms of these two bills to a 4-week period. The most recent auctioned rates were 4.225% for the 13-week bill and 4.220% for the 26-week bill. The recent 4-week T-bill was reinvested at a rate of 4.250%. This change would not materially affect the interest we earn.

Mary moved and Bonnie seconded that the two T-bills be changed to 4-week T-bills. On a voice vote, the motion passed without opposition.

Invoices Mary presented several invoices for approval by the board.

1. Ayres, Jenkins, Gordy & Almand, P.A. The first invoice was for services rendered with respect to East Coast Contracting (\$422.50) and drafting a proposed smoking rule (\$65.00). After discussion, Mary moved and Robert seconded that the invoice be approved for payment. On a voice vote, the motion passed without opposition. The East Coast Contracting portion will be paid from the Special Assessment Fund.
2. Ayres, Jenkins, Gordy & Almand, P.A. The second invoice was for services rendered with respect to the marijuana lawsuit. It was for \$2,110.78, \$1,690.00 for legal fees and \$420.78 for costs.

The matter was discussed. The suit was based on nuisance. Two units were directly affected by the marijuana smoke and discharge from a marijuana devise. There was also marijuana smoke in other units in the affected stack. The odor is pungent and persistent. Mr. Almand drafted a proposed consent order which, if accepted, would put an end to the litigation. The complaint requested that the Antigua's legal fees be reimbursed. Robert addressed awards of attorney's fees in general and in Virginia in particular.

Mary moved and Ellen seconded that the invoice be approved for payment. On a voice vote, the motion passed without opposition. The invoice will be paid from the Operating Account.

3. ETC. Mary presented ETC's invoice for work through January 31, 2025 for \$3,105.00. Pat Haskins asked if ETC would give a discount in light of any additional work on the second bid. The board is aware of the matter and will address it later. Mary moved and Robert seconded that the invoice be approved for payment. On a voice vote, the motion passed without opposition. It will be paid from the Special Assessment Fund.
4. Atlantic Refrigeration. Mary presented the 2025-2026 Preventive Maintenance Contract with Atlantic Refrigeration for the geothermal system and units. There is an increase of about 5% over last year. All quarterly payments will be made from the Operating Account. Mary moved and Mike Falkner seconded that the proposal be accepted. On a voice vote, the motion passed without opposition.

2024 Audit Proposals The three-year engagement with PKS expired with the 2023 audit. Mary received proposals from three companies for the 2024 audit and tax returns. The three are:

Wigglesworth Cindy of Shore Management recommended Wigglesworth, Layton, Moyers & Chance P.C. The proposed fee is \$9,250. Wigglesworth is a large practice which started in 1953. Mary received a number of positive references:

Cindy said, "We have had great service with this group."

Can't say enough good things about the Wigglesworth, Layton, Moyer and Chance team. They have done all the City's audits, UFR Reports, and examination reports for many years. Easy to reach, knowledgeable and great to work with. I routinely bounce questions off of them throughout the year and they are always able to clarify anything myself or our Council asks. Their services are a huge asset for the city and I'd absolutely recommend them.

Wigglesworth, Layton, Moyer & Chance started working for us in 2022. Matt and his team have been excellent, and I wouldn't hesitate to recommend them for your accounting needs.

We have been using them as accountants for over 60 years and they have been doing the audit for Assateague Pointe for 30 years. Very easy to work with and do a fantastic job. I would highly recommend them.

Amy, our prior bookkeeper, commented that she had no personal experience with Wigglesworth but knows they have been around a long time. Her cousin was a partner a long time ago.

CG Accounting said that Wigglesworth is a reputable company.

Vinson Cindy also suggested J. Eric Vinson. She said that Vinson was another one we could work with. It is the smallest accounting firm in Ocean City. Mr. Vinson is a sole proprietor. He started his practice in 2003. His proposed fee is \$5,200.

Coggins CPA, LLC The third proposal was from Coggins CPA, LLC. The audit fee would be \$9,000. Mr. Coggins does not do tax returns. CG Accounting would do the tax returns for \$800. CG Accounting recommended Mr. Coggins. CG refers a lot of their clients to Mr. Coggins for audits. Mr. Coggins has ten years' experience as a CPA and is also a sole proprietor.

The question was asked about PKS and why there was no proposal from PKS. An owner suggested that it was bad optics to change accounting firms. Robert said that there was no concern with the audit itself. He reviewed the draft audit and compared it to the prior two audits and compared the draft audit to the financial statements. The audit looked accurate. The other board members reviewed the audit and it was sent to all unit owners. No one raised any question about the financial aspect of the audit.

The issue was with the Management Letter. The process for the accountant to obtain information for the Management Letter began in the usual manner. However, a director made a telephone call to the supervising auditor which changed the usual process. When the draft Management Letter was submitted to the board, the accountant was asked for additional information so that the matters raised in the Management Letter could be evaluated and any changes be made. The accountant did not provide all the information requested. After reviewing the draft Management Letter there was a meeting with PKS to discuss the concerns. The meeting was unsatisfactory. The accountants appeared not to be cooperative and did not appear to want to seriously consider the concerns raised even though the Management Letter itself states that comments submitted to it had not been verified. A critique of the Management Letter was prepared and was sent to all owners. The manner in which the Management Letter was prepared, the refusal to provide all the information requested so that the matters raised in it could be fully evaluated and, if necessary, corrected, and the absence of a genuine discussion of the concerns about the Management Letter led most board members to conclude that they lacked confidence in PKS.

PKS did not offer to conduct the 2024 audit nor was it asked to submit a proposal.

The audit proposals were discussed further. The base cost for the 2024 audit with PKS was about \$4,500. Their work on the Management Letter was in addition to that. The original engagement was

part of a three-year engagement. Their rates have likely increased during the last three years. Mary recommended approving Wigglesworth. The cost of the audit and tax preparation would be \$9,250.

Mary moved and Mike Keenan seconded that Wigglesworth be engaged to conduct the 2024 audit and prepare the 2024 tax returns. It will be a single-year engagement. On a roll call vote the motion was approved with six directors in favor, two opposed and one absent. The directors voting in favor of the motion were: Mary Dischinger, Randy Ditch, Mike Falkner, Mike Keenan, Robert Mayer and Ellen Schweiger. The directors voting against the motion were: Kat Ilkhani and Bonnie Medford. Sheri Miller was absent.

Pat Haskins (306) asked about the accounts receivable entry on the balance sheet and about the reserve account ledger. The new bookkeeper may be able to provide the information requested. It will require a series of journal entries and is being looked into. The reserve account statements for the periods ending December 31, 2024 and January 31, 2025 both start with January 1, 2024. That was done to provide continuity.

Ingrid Miller (1302) asked several questions about the format of the check detail and several entries. The format differs from prior ones because the bookkeeping service uses QuickBooks online rather than the standalone version. It appears that the bookkeeper enters all of the transactions but that they are also downloaded directly from the bank resulting in duplicate entries. The ones from the bank feed are not "cleared." There was also a printer error. Some of the characters were not printing properly. A new copy will be downloaded to correct this printer issue. Other matters were discussed and addressed.

Coating Project

Robert reported on the coating project. The board selected Ev-Air-Tight. It was the low bidder although the difference between it and the next bidder was not a large amount. Ev-Air has worked on the building and most recently repaired water leaks into three units which required removing the parge coating, repairing the concrete, reinstalling the parge coating and applying the silicone coating. It also repaired other units which only required removal of and reinstallation of the sealant around windows. This is the work that will be done on the entire exterior of the building. The contract will not be signed until the owners approve a special assessment to pay for it.

There are two principal parts to the contract. The base contract is for the work to remove and replace the parge coating on the exterior of the building and apply only a silicone coating to the ground-level walls. The additional alternative, which can be accepted or rejected, is to treat the ground-level walls the same as the rest of the exterior of the building. The special assessment for the base contract is \$13,230 per unit. If it is elected to treat the ground-level walls in the same manner as the other floors, there would be an additional special assessment of \$2,000.

A proposed payment schedule was presented and discussed. Pat Haskins (306) suggested that the special assessment could be reduced if the 10% contingency factored into the proposal was reduced to 5% and if an additional \$100,000 was withdrawn from the Reserve Fund. He proposed that the additional \$100,000 be repaid from the monthly contributions to the Reserve Fund. Robert said that all of the 2025 and 2026 Reserve Fund contributions were already included in the calculation of the special assessment. There are no additional funds to replenish a further withdrawal from the Reserve Fund. If

there is money not expended, it would be refunded to the owners. It is hoped that the full contingency is not expended, but that cannot be known until the job is completed.

Ingrid Miller (1302) asked if the three panels that Ev-Air repaired needed to be redone. The answer to that depends on the final texture that is selected for the building. If the texture used on the rest of the exterior building is the same as or is a close match to the texture Ev-Air used on the three panels, they will not have to be redone.

The decision of whether to simply coat the ground-level walls with the silicone coating or to remove the coating to the concrete is a decision that the board has left to the owners. Kirk Parsons says that it is not necessary to do that work. It may not be necessary to do it for as much as ten years. He recommended monitoring the condition of the ground-level walls and doing the work if it becomes necessary. There are other considerations to doing the work, such as, the different textures between the exterior walls and the ground-level walls, the first impressions when owners and guests enter the condominium and having all the work on the same schedule.

Robert moved and Randy seconded that (1) the board recommend a special assessment for the base work of \$13,230 per unit and, if the owners choose to do the ground-level walls, and additional \$2,000; (2) the work start in the spring; and (3) the payment schedule presented be recommended to the owners with the board having the authority to alter or change the payment schedule as the work schedule is developed.

On a roll call vote the motion was approved with six directors in favor, two opposed and one absent. The directors voting in favor of the motion were: Mary Dischinger, Randy Ditch, Mike Falkner, Mike Keenan, Robert Mayer and Ellen Schweiger. The directors voting against the motion were: Kat Ilkhani and Bonnie Medford. Sheri Miller was absent.

The special owners meeting to consider the special assessment will be held on March 10, 2025 via conference call. Kat asked that it be an in-person meeting because of the difficulties with conference call meetings and knowing who is voting. Ellen noted that the telephone number of owners speaking are seen on the host's screen. It was also noted that it will not be possible to hold an in-person meeting before the spring owners meeting now scheduled for April 26, 2025. Ev-Air would not have enough time to do any significant work on the building before Memorial Day if approved that late. Waiting for the annual meeting would effectively be a decision to start the work in the fall.

Maintenance Matters

Mike Keenan presented the maintenance report.

Geothermal tank replacement Mike reported that the geothermal air-separation tank replacement was postponed due to the cold weather. The work will be rescheduled.

Trash compactor preventive maintenance and trash chute cleaning The trash compactor preventive maintenance was completed and the trash chute cleaning is being scheduled.

Atlantic Refrigeration HVAC Preventive Maintenance The work was completed. It was a filter change. The regular full preventive maintenance will be done in May. All four dates for the 2025 services are on the calendar.

Keys The replacement of the keys on the pool room, domestic water room and storage rooms has not been done.

Door painting The common doors are being painted. The deadline for unit doors to be painted was discussed. It had previously been discussed as before Memorial Day but no motion was made to set the deadline. Bonnie moved and Ellen seconded that the deadline be May 18, 2025. On a voice vote, the motion was passed. Kat stated that she had voted against the motion.

Owners may paint their doors or hire a painter. If they paint their door, there is paint available in the office. All doors must have doorknockers that are the same as those originally on the doors with the unit numbers on them.

Pool leaks The pool will be opened early so that the pool company can evaluate and address the leak.

Waste water lines Preventive maintenance will be done on the water lines. Work is being scheduled to remove and replace a pipe in the waste water line and complete the inspection of the line.

Fire Inspections The fire inspection is being scheduled.

Office Renovation The office renovation was discussed. Ingrid Miller (1302) asked about the \$5,800 valuation on the building permit and whether the Town needed to be notified if we went over that amount. Pat Haskins (306) asked about the duct work and the electrical work. Randy reported that the Town was consulted on the permit and was told what the work would be. It determined that this permit was appropriate and issued it.

Rosey Whittaker (302) asked about why work had stopped. It stopped so that Mike Keenan could approve the work done before the drywall was put up. Concrete by the generator was opened for the installation of electrical power and camera connections in the pool and parking lot areas. It is a part of the security camera project, not the office renovation.

The furnishings for the office that were postponed until this meeting were postponed so that additional information can be obtained.

Randy reported that the disinfectant safety information was provided. It is plant based and does not have other chemicals in it. The contractor regularly uses it and is certified to do remediation. It is not a mouse repellent. Its purpose is to disinfect the premises. The contractor got ahead of himself and applied the disinfectant and the seal coat before he was given approval to do that. Randy spoke with the contractor and Cindy about it so that we have better controls in the future.

The cost of the disinfectant was raised. It was thought that a gallon could be purchased for less than the \$300 price agreed to. It was also suggested that because the contractor proceeded before he had board approval, he should not be paid for this work. Randy noted that we do not know how many gallons of disinfectant were used and the price includes labor. The work was done and was in the contract.

Robert moved and Ellen seconded that the contractor be paid for the work done even though it was done prematurely. On a voice vote, the motion was passed. Kat and Bonnie stated that they had voted against the motion.

Bathroom Renovations Mike Falkner reported on the bathroom renovations. Ingrid Miller (1302) and Bonnie have looked at the bathrooms and the work. Wanda Ditch (706) and Mike Falkner will also look at it.

Secretary's Report

Smoking Rule Robert presented a draft smoking rule that includes marijuana. The Maryland Condominium Act requires notice and an opportunity for owners to comment on proposed rules and to be able to comment at the meeting at which the proposed rule will be considered. Bill Reineberg (1107) raised the issue of grandfathering conduct that was already allowed. Kat raised the issue of medical use of marijuana. The text of the proposed rule was modified. It will be put on the agenda for the next meeting. Robert will send a notice to owners of the proposed rule and ask for written comments.

Time Schedule for Spring Meeting Robert reviewed the dates that notices and actions needed to be given or taken so that all materials are in the owners' packages. For the spring owners meeting the dates are:

February 24	Send out request for nominations
March 17	Nominations due Owner's motions due
March 24	Notice of meeting and nominations Meeting Package
April 26	Spring Meeting

For the special meeting, the dates are:

February 21	Notice and Meeting Package Proxy/Ballot
March 10	7:00 p.m. Teleconference Meeting

The deadline for owner's motions to be added to the spring meeting is necessary so that the motions and descriptions can be included in the owners' meeting package. Robert moved and Mike Keenan seconded that all owner motions be submitted in writing to the secretary on or before March 17, 2025. They will be distributed to all board members. On a voice vote, the motion passed without opposition.

Robert presented a draft Proxy/Ballot for the special assessment meeting on March 10, 2025. The Proxy/Ballot was discussed and amended. The purpose of having a default proxyholder to vote as directed is to make sure that all owners who submit a Ballot will have it counted. There is usually at least one owner who does not name a proxyholder. Without a proxyholder named, there is no one to vote or act and the proxy is not valid. This assures that all ballots will be counted even if there is a mistake and no proxyholder is named. The completed Proxy/Ballot should be emailed, mailed or delivered to Shore Management.

Robert moved and Ellen seconded that the Proxy/Ballot form be approved. On a voice vote, the motion passed. After the vote, Kat and Bonnie stated that they had vote against it.

Adjournment

There being no further business, Robert moved and Ellen seconded that the meeting be adjourned. The motion was passed on a voice vote without objection. The meeting was adjourned at 11:40 p.m.

The next regular board meeting will be held on March 19, 2025, at 7:00 p.m.

Respectfully submitted,

/s/ Robert Mayer
Robert Mayer
Secretary