

**Antigua Condominium Association**  
**Minutes of the Meeting of the Board of Directors**

February 21, 2024

The meeting of the Board of Directors of the Antigua Condominium Association was called to order by Mike Falkner, president, on February 21, 2024, at 7:00 p.m. The meeting was held via Zoom. All directors were present: Mary Dischinger, Randy Ditch, Mike Falkner, Kat Ilkhani, Mike Keenan, Robert Mayer, Sheri Miller, Ellen Schweiger and Rosey Whittaker. A quorum was present.

The following owners were present via Zoom: [Thirty-nine units were in attendance in addition to the nine directors.]

**Coating Project**

Kirk Parsons, the consulting engineer from ETC was introduced. He prepared the specifications and the bid package for the coating project.

Kirk described the project. The exterior walls of the building are concrete. To protect the concrete, a texture is applied over the concrete and then a coating is painted over the texture. In the past, the coating has been an acrylic-based coating. When water passes through the coating and the texture, it can damage the concrete. Cracks and spalls (areas where the concrete breaks) develop over time. The acrylic coating used in the past has a useful life of 7 to 10 years. In order to apply the coating, the contractor must hang swings from the roof and work down each stack.

Ev-Air-Tight recently repaired leaks into three units. The three units were located on three different stacks. All of the texture was removed in the panel, that is, the area between the master bedroom windows on the two floors. Kirk went up on the swings to look at the exposed concrete. He found that the concrete behind the texture was deteriorating. There were cracks and spalls in the concrete. The texture had detached from the concrete in places. He felt that one cause was that the concrete was too smooth. The concrete should be somewhat coarse. The texture adheres to it better than to smooth concrete.

The debonding is not something that, generally, can be seen. It can be heard. This is called sounding. The contractor hits the surface with a hammer. There is a different sound between texture that is firmly attached to the concrete and texture that is coming loose. The debonded areas need to be repaired. But, neither all of the debonded areas nor the cracks and spalls can be identified without removing the texture.

The exterior walls are the most critical walls because they are the ones that are most exposed to weather. Kirk recommended that the texture be removed and the concrete cracks

and spalls be repaired. A new layer of texture would then be applied to the concrete. Once it has been applied, it needs to be coated. An acrylic coating has a 7- to 10-year useful life. A silicone coating has a 15- to 20-year useful life. While the silicone coating costs more, it lasts longer and reduces the frequency of applications. It is less expensive over time.

It is possible to leave the existing texture on the walls and apply a silicone coating over the existing acrylic coating, but this does not expose the underlying problem with the concrete underneath texture.

The walls in the rotunda are not in the same condition as the exterior walls because they are more protected. The walls on the unit side of the rotunda are not concrete. They are a cement panel. There are not as many problems with them and it is reasonable to clean and repair them. They can be coated with silicone over the existing acrylic. The remainder of the walls going down the hallways to the stairwell exits and into the elevator lobbies are concrete, but they are in areas fairly well protected from the weather and do not show significant damage. They too can be coated with silicone without removing the texture.

In addition to the coating, the sealants should be replaced. They are presently a urethane sealant, and should be replaced with a silicone sealant. There are joints around the windows and doors; between the parapet walls and walkways; and between the balcony parapets and the balcony floors and walls. A silicone sealant has a longer useful life, 15 to 20 years, than the urethane sealant that has been used. The urethane sealant has a useful life of about seven years.

The design package also includes re-coating the balcony floors and the walkway floors.

The entire project — the exterior walls and the rotunda walls — could be done as one project in a single season. It can also be broken into phases: the exterior and the rotunda. Doing the project in two phases would not unduly expose the building to damage.

At the conclusion of Kirk's presentation, he took questions from the owners. Linda Garcia (1002) asked about applying silicone over acrylic. Kirk said that silicone can be applied over an acrylic coating, but an acrylic coating cannot be applied over a silicone coating. He does not recommend applying a silicone coating over the existing acrylic without removing the texture. There is no significant benefit if the concrete is not exposed and the problems in it are not remediated. When he viewed the three areas that were repaired, he found very dramatic damage to the concrete. It was worse than he had originally expected.

With respect to the finish on the texture, Kirk recommended that a smoother finish on the texture be applied. The present finish is rather coarse and provides a greater opportunity for algae to grow and dirt to accumulate. A smoother finish mitigates against this. An entirely smooth finish on the texture tends to show more lines after the coating is applied.

With removal of the texture and application of a silicone coating, the next re-coating would not include removal of the new texture that is being applied during this project, but only applying a new silicone coating. This would be in about 15 to 20 years. Without removing the texture there will be constant repairs. If the concrete problems known without removing the texture were repaired, it is not certain that all areas needing concrete repairs would be found. New areas will delaminate over time. New repairs will be necessary. By removing the entire texture and applying a new texture, there will be a new, consistent bond between the new texture and the concrete and, the need for further repairs will be minimized.

Steve Penyak (1205) asked if the work could be done in two phases. The work can be done in two phases. Phase 1 would consist of the exterior and should be done as soon as possible. There are quite a few existing issues that allow water and salt to penetrate the coating and texture and get to and damage the concrete. Phase 1 could begin in the fall of 2024 and be completed, at the latest before Memorial Day, 2025. Phase 2 can wait until the 2027–2028 construction season without adversely affecting the building.

Ingrid Miller (1302) asked if there are any companies that could do the entire building. Kirk said that a larger company would be necessary to do the entire building in one season. Ev-Air-Tight, for example, could field up to 300 workers. The bid proposal asks for contractor's expected starting date and the estimated length it would take to complete the job. Depending on the competitive prices, there may be a reason to do everything in one year. The actual bids have to be reviewed.

Linda Garcia (1002) asked how companies were selected to receive the bidding package. Kirk said that he had worked with a number of companies in the past and from that group he selected the ones that could reasonably be expected to do the work and can do the work on an occupied building. There are five on his bid list.

Dan Sheer (406) asked about the disruptions that would be likely to be encountered during construction. Access to the balconies would be limited for 30 to 45 days in the stack that is being worked on. There would be noise from grinding which may extend beyond the immediate area. The contractor will control the dust, but there may be instances of dust dropping.

Patty Brann (301) asked about subphases on the exterior work. One factor in doing the exterior in multiple-year phases is the extent of noise and other disruptions over a longer period of time. If it is done in one year, the disruptions and noise would be limited to one year. If it were broken into several phases over several years, the same noise and disruptions would occur over multiple years. Construction noise and other disruptions from the construction are a factor to consider.

Patty Brann (301) asked about the effect on renters and the use of the pool. Kirk said that if construction started in September, it could begin on the 04 and 05 stacks. This would minimize any impact on the pool which are on the opposite side of the building. September,

October, and November are the best months for work of this nature. March, April and May are the least favorable. These are weather-driven issues. When the wind comes from the west to the east, there are fewer problems working on the building texture. However, when the wind comes from the east to the west, that is, off the ocean, fog is more likely to develop and there is additional moisture. The texture and coating should not be applied if it is too damp, such as where there is a fog. He saw a project where the texture was applied and fell off when the fog came in. He recommends that the work begin as early in September as possible to avail us of the best weather conditions for the work.

Ingrid Miller (1302) asked about the interior of the elevator structure in the rotunda, and whether it was part included in Phase 1. The interior wall and the exterior wall of the tower are included in Phase 1.

Chris Vallone (904) asked about the shutters. Kirk said that it is best to ensure a good product for the building that the shutters be taken down. The texture behind the shutters can be removed, replaced and coated with silicone. The primary function of shutters, he said, is to prevent wind-driven debris from breaking windows which, when broken, allow water to come into the unit during the storm. He said that there are not many companies in Ocean City that do shutter work. A decision on this needs to be made and he will look into the shutter issue further.

Bonnie Medford (1202/1305) asked where the shutters would be stored during construction and whether they could be left on the building and caulked around. The contractor removing the shutters and reinstalling them would have to make arrangements for their storage. The shutters could be caulked around. The risk in leaving the shutters up is that the texture underneath the shutters will not be removed. Any defects in the concrete there — cracks and spalls — would not be repaired.

John DeGraw (1306) said that he felt removing the texture was a better option. If the shutters are left up, the joints have to be caulked. It then becomes a question of how well the joints hold up. This is particularly important where two different types of finishes or materials intersect such as a metal and the texture. They expand and contract at different rates. He thought it was best to take the shutters down.

Linda Garcia (1002) asked how long contractors had to bid on the package. Bidders generally have 30 days within which to respond. He would hold a pre-bid meeting for the contractors to go over the specs and show them the building so that they could better prepare their bids.

Jim Landicho (1208) asked how many buildings have been done in Ocean City using a silicone coating. A good number have used a silicone coating.

Dan Sheer (406) asked about the delamination. Kirk said that areas where the bond between the texture and the concrete is failing is not generally apparent visibly. However, some

areas can be located by sounding which is striking the texture with a hammer. The delaminating or debonding texture sounds different than texture that is firmly attached. Kirk also noted that during repair work he had seen insulation protruding.

Pat Haskins (306) asked how he had computed the square footage and the allowances for repairing damaged concrete. Kirk said that he used the three locations where Ev-Air-Tight repaired leaks and extrapolated to the entire building for the estimated linear feet of cracks and the square footage of spalls. The contractor will only be paid for the cracks and spalls that he repairs and documents. If there are more cracks and spalls than estimated, there will be additional charges. If, however, there are fewer cracks and spalls, the condominium will not be charged for them. The contractor will be required to document all repairs so that an accurate calculation will be made. All windows and doors will be caulked with a silicone sealant. Existing sealant will be removed, the area cleaned, backer rods installed as necessary, and a new silicone sealant applied. The balcony floors require a different material with different characteristics. The joint between the floor of the balcony and the wall will also be sealed.

Jim Landicho (1208) asked about the balcony floors as an additional alternative. The coating on the balcony floors will not be removed. The old coating will be cleaned and, if any has debonded, it will be removed and repaired. Once the old coating has been cleaned and repaired, a primer will be applied and the balcony floor resealed. There is generally a primer, a basecoat sealant, and a topcoat sealant. If the basecoat does not adhere, the contractor has to go back and fix the problem.

Pat Haskins (306) asked about the wall on the balcony. It does not appear to be included in the removal provisions, but only to be cleaned and finished with a silicone coating. A discussion followed. There is bubbling on some of the balcony walls. The blistered areas need to be repaired. John DeGraw (1306) noted the difference in textures — the difference in materials between the floor and the new texture on the exterior of the building. The current proposal is to coat the existing wall texture. Kirk recognized that this was an issue and would look into it. It is likely that in reviewing this that the balcony wall will also be stripped to the concrete and new texture applied and coated.

Vickie Hayden (1301) asked about the exposed wall on the 13th floor to the 14th floor. This, Kirk said, will be treated as part of the exterior and will be stripped to the concrete with a new texture and new coating.

Dan Sheer (406) asked about the balcony ceilings as an add-on task. Kirk said that the material for the balcony ceilings was different than other materials. It needed to be breathable. An acrylic coating is a breathable material and a better product for this function. Silicone does not provide the same characteristics for this area.

Patty Braun (301) asked about access to the balconies. She did not want the contractor to walk through the units to get to the balconies. The work should be done from the exterior from scaffolding and the contractor's workers should not be traipsing through the units.

Dan Sheer (406) asked about whether the texture removal could be delayed. Kirk said that it was a question of the lifecycle cost. Dan also asked about the difference in the cost between two alternatives relating to the prior cost of coating with acrylic and the current estimated cost. There is the additional cost included than only re-coating with acrylic or silicone which is to repair the debonded texture. This is why the comparing this cost to the last coating is higher. There is much more repair work to be done than before.

Mike Falkner (305) asked whether there was asbestos or lead present. Kirk did not think there was lead because of the dates when the building was finished. With respect to asbestos, a test would be appropriate.

Kat Ilkhani (1005) asked if texture had been removed during the 1999–2000 work. Dennis Marsalek (408) said that work was not exterior wall coating but was the floors and ceilings in the rotunda.

Linda Garcia (1002) asked if the texture needed to be removed now. Yes, Kirk said. This was based on what he saw when the leaks were repaired and the old texture removed. Bonnie Medford (1202/1305) thought that the texture had been done in 2000. Kirk said that if it was, it was not a particularly good job because the concrete is too smooth. His recommendation is to remove the texture. This is not based on the age of the texture, but on the present condition of the texture. The present condition is based on what he saw during the Ev-Air-Tight leak remediation. He felt that it was the better decision.

Photos of the condition of the texture were included in the owners' package that was sent to all owners. They are attached to Kirk's letter describing the project.

Dan Sheer (406) asked if there was a question as to the structural integrity of the building. Kirk said, no, there was no structural integrity issue. There was no extreme movement of the building.

At the conclusion of the question and answer period, Mike Falkner thanked Kirk for attending the meeting, describing the project and answering the owners' questions.

### **Office Attendant**

Mike Falkner announced that Jeff was hired starting the day of the meeting, February 21, 2024. He thanked Ellen Schweiger for conducting the initial interviews and finding three very good finalists. Randy Ditch and Mike interviewed the finalists in person at Ocean City and selected Jeff. The intention is that there be a summer assistant so that the office hours can be extended. Jeff has a background in retail. He sold high-end furniture in upstate New York. He moved Ocean City for his retirement. He has previously worked in Ocean City at another condominium and did light maintenance.

## **Professional Management**

The next item on the agenda was consideration of whether to hire a professional manager or to continue with self-management. Mike asked the Management Committee to give its report to the membership.

Robert Mayer gave a brief history of the Management Committee. It was appointed by the Board of Directors with Mike Keenan as the chair. Randy Ditch and Robert Mayer are the other two members of the committee. The committee considered the current self-management and alternatives to it. It conducted a search for a suitable management company. It identified 13 potential management companies and sought information on what they do, how they do it, and how much they cost. The initial group identified was narrowed down to four, each of whom was interviewed. All of the interviews were in person with all three committee members present and participating. After the interviews were completed, each management company was asked for a proposal.

One of the central issues was custodial and light maintenance. This is presently being done by 1 Stop Property Management. The committee reviewed the present maintenance tasks and developed a new schedule of tasks that the custodial/maintenance company should perform. The schedule was sent to each of the four prospects so that it could be included in their proposal as an estimate of the custodial/maintenance services requested.

After the proposals were received, the Board of Directors met in executive session on February 4, 2024, to review the professional management companies, and their proposals and the option of continuing with self-management. The Board voted, 7-2, to proceed further with the professional management search. One of the four, Shore Management, was selected for further discussion and reference checks. Randy and Robert interviewed the presidents of four condominiums represented by Shore Management.

Randy picked up the committee's report. He focused on the custodial/maintenance aspects and the interview results. All but one management company subcontracts out the custodial/management functions. All contract out pool maintenance. Shore Management, the prospect that the Board selected to follow-up, actually sat down with a custodial/maintenance company and worked through the requirements. It came up with an estimated cost for the custodial/maintenance contract.

Robert reviewed a chart comparing the estimated costs of the four finalists and the estimated cost of Antigua continuing with self-management. The estimated cost of Antigua continuing with self-management with \$192,015. The cost of two management companies were \$169,212 and \$114,729. A third management company proposal was \$106,236, but did not include a custodial/maintenance element. The fourth prospect had three options. The three options ranged from a full-time administrator in their office, a part-time administrator also in the property manager's office, and an on-site manager located at the Antigua. The three

options were \$168,670 (full-time administrator); \$135,000 (part-time administrator); and \$186,042 (on-site manager).

The spreadsheet added to all four proposals (and the three options of the last one) — at the same cost — a summer office assistant, a summer maintenance assistant, a summer pool assistant, and security for the estimated total operating costs of the condominium. All the positions would be condominium employees and be paid directly by the condominium. These costs were the same for all managers and included in each company's total. Antigua's self-management option, which also included these positions, had an estimated cost of \$192,015. Antigua's full-time office administrator's salary and benefits was estimated at \$87,743 and the on-site maintenance manager at \$65,896. The on-site maintenance manager was in lieu of a custodial/maintenance subcontract.

Antigua's on-site manager's and on-site maintenance manager's expenses included the base salary, benefits, and employer taxes. The summer employee's calculations contain the same items but without benefits. The on-site manager's salary was taken from Karen Burton's last salary in 2016 increased by the cost of living to the beginning of 2024. The on-site maintenance manager's compensation was the last salary of Ryan Lewis, also increased by inflation. His hourly rate would be \$23.50 according to this calculation. During the summer of 2023 Antigua paid the summer administrative assistant \$20.00 an hour and the summer pool assistant \$15.00 an hour.

There was a discussion about self-management. There was general satisfaction with Karen Burton and Ryan Lewis. After Karen resigned, Robyne Zynn was hired after another office manager had worked there for a short period. Since Robyne Zynn left in February 2023 there has been no full-time office administrator. She was replaced for the summer with two office attendants. At the end of the summer one left, and the other continued through January when she resigned to move to Florida.

The general observation was that while Karen and Ryan are remembered favorably there has been a decrease in the level and quality of services since their departures. Robyne did not initially provide the bookkeeping services which Karen had provided. As a result, Rusty Management was hired. Rusty Management was a bookkeeping service operated by Monica. Unfortunately, she died unexpectedly. The Board asked Robyne to take over the bookkeeping. Robyne did not have extensive experience using QuickBooks, particularly on the scale the Antigua required. There were difficulties with the bookkeeping and in February 2023 when Robyne left, Amy Oates was hired as the bookkeeper. All of the management companies have an in-house accounting staff. An outside bookkeeper will not be required and there is no separate fee for the accounting services by the management companies. It is included in their base rate.

Robert also noted from his experience since June 2023 when he became a member of the Board that Mike Falkner, Mike Keenan, Randy Ditch, and Mary Dischinger were performing a great deal of unpaid volunteer work for the condominium. Robert felt that this business

model was not sustainable. Bonnie Medford (1202/1305) noted that the prior board members also did extensive work for the condominium with which Robert agreed.

Questions were asked whether we would maintain the same bank accounts with a professional manager. The management companies indicated that we would keep our present accounts. There was discussion of the back-up of financial books and records, and key control for contractor access, particularly during the off-season.

The Management Committee will follow-up with Shore Management.

During the discussion, a question was raised about the names of the final management companies being considered. The search was done confidentially which is typical of such matters. Ocean City is a small town and it is easy for word to get out. For example, there is a danger that a prospect could change its proposal if it knew which other management companies were being considered or what they were offering. It could affect the outcome in other ways. Ordinarily, the identities of the finalists would remain confidential until a later date; however, with the interest expressed by those members present, Robert suggested that they be identified.

There was a discussion as to the appropriateness of disclosing the management companies' names at a well-attended meeting and the potential downside for the condominium. One member suggested that those present could keep the information confidential. The Board voted 6–3 to identify the four candidates. Those directors voting in favor of the motion were Randy Ditch, Mike Falkner, Kat Ilkhani, Michael Keenan, Rosey Whittaker and Robert Mayer. Those voting against the motion were Mary Dischinger, Sheri Miller and Ellen Schweiger. The four finalists were identified on the condition that they remain confidential.

### **Owners' Comments and Concerns**

Mike opened the meeting to owners for their comments and concerns.

Mary Crerand (1107) thanked the Board for its services and suggested that a timed agenda would help move the meetings along in an orderly fashion.

The pool was discussed. The pool has not been covered since it closed and algae has grown in it. Mike stated that Dave of 1 Stop had assured him that he would have it covered by a pool company the day after this meeting. It is necessary to replace the grommets that hold the pool cover down. Mike discussed his frustration that 1 Stop has not done this and has not been able to get its subcontractor to the property to install the grommets and cover the pool. 1 Stop had promised it would be done the Thursday before the meeting, but the pool company did not show up.

The plastering of the pool finish raised. It is included in the Reserve Study. It was projected to be done in 2023, but was not. It was suggested that the pool be converted to a saltwater pool. A saltwater pool is an alternative to adding chlorine to maintain a healthy pool. Steve Karlow and Pat Haskins felt that owners' consent would be needed to change it to a saltwater pool. Another member commented that if he wanted to swim in saltwater, he would go swim in the ocean.

Kat raised the question of removing some of the soffit on the ground floor to see what problems there might be that should be addressed. She raised the example of another condominium that had run into significant expenses when they started a project. When they removed the ceiling, they discovered that there was a lot of work to be done. She also said that the Schedule 40 pipes needed to be changed to Schedule 80 pipes. It is located in the soffit area.

### **Treasurers Report**

Mary reported on status of the T-bills and proposed that the March and April reserve contributions be made early. The funds are currently available. By prepaying the reserve contributions, she could purchase a \$40,000 T-bill and increase the rate of return. Robert moved that the transfer be made. Ellen seconded the motion. The motion passed on a voice vote.

### **Trash Room Drainage**

The 5 Star proposal to connect the trash room drain to another drain was discussed. John DeGraw questioned whether the surface drain from the trash room could be connected to a sewer/septic line. There was a potential building code issue. It was decided to look into the matter further before acting on the 5 Star contract.

### **Minutes**

Robert moved at the minutes of the executive sessions of the Board of Directors of February 4, 2024, August 16, 2023, and September 2023 be released. Mary seconded the motion. The motion passed on a voice vote with only Kat voting against it.

### **Adjournment**

Robert moved and Mike Falkner seconded that the meeting be adjourned. The motion was passed on a voice vote. Mike adjourned the meeting at 10:30 p.m.

Respectfully submitted.

Robert Mayer  
Secretary