

Antigua Condominium Association

Minutes of the Meeting of the Board of Directors

August 21, 2024

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

The following unit owners were present: Robert Rosner (1007); Pat Haskins (306); Cindy Frederick (901); Randee and Harry Baumohl (1102); Rosey Whittaker (302); John/Barbara Emden (403); Steve Karlow (1204); Don Brown (103); Patty Brann (301).

Property Manager: Cindy Mooney, Shore Management

Owner Comments and Concerns

There were no comments or concerns from owners.

Approval of Minutes

Robert presented the draft minutes for the board meetings held on July 17, 2024 (regular board meeting); August 7, 2024 (insurance renewal); and August 14, 2024 (2025 budget). Robert noted three changes on the July 17, 2024 minutes suggested by Rosey Whittaker (302) before the meeting and were highlighted on the revised minutes sent to the board members.

Pat Haskins (306) raised a question about the paragraph in the July 17, 2024 minutes about his question about the negative \$52,275.94 entry for Accounts Receivables in the Assets section of the Balance Sheet. The minutes stated that Mary had sent an email to Pat about his question in which she verified that the March 2024 numbers were correct. Pat expressed that he was not satisfied with the response; that the numbers were erroneous; that he was not getting answers; and felt that the minutes should be more detailed in stating who said what on particular issues. He felt that all board meetings should be recorded.

Kat agreed that dealing with the other board members was like “talking to a wall.” She questioned the accuracy of the minutes and the financial records. She said that there was a

total lack of transparency and accountability for the board; that the board is withholding the 2023 audit¹; and that the board is breaking the law.

Mary moved and Mike Keenan seconded that the minutes of the board meeting of July 17, 2024 be approved with the three changes suggested by Rosey Whittaker (302) and submitted to the board before the meeting. On a voice vote, the motion was passed and the minutes approved. Kat and Bonnie announced that they had voted against the motion.

Robert moved and Mary seconded that the minutes of the board meeting of August 7, 2024 be approved as submitted. On a voice vote, the motion was passed and the minutes approved. Kat announced that she had voted against the motion.

Robert moved and Ellen seconded that the minutes of the board meeting of August 14, 2024 be approved as submitted. On a voice vote, the motion was passed and the minutes approved. Kat announced that she had voted against the motion.

President's Report

Randy reported that there was for a water leak in the domestic water supply. There was no water for one day while the problem was repaired. There were no other major events.

The pool attendant resigned in favor of a better paying, more permanent job. She had done a good job and we were sorry to see her leave. Cindy (Shore Management) quickly found a replacement. Mike K. said that the new pool attendant was friendly and doing a good job. Sheri also noted that he is a lifeguard although that is not his function at the Antigua.

The office will be transitioning to the off-season schedule. Cathleen's last day will be October 5, 2024. She would like to return next year, which we would also like to see. She will also be available to fill-in for Jeff during the winter, if needed. Starting October 7, 2024 Jeff will work only weekdays. The office will be closed on weekends.

There were favorable comments about the office operations this year. Jeff was appreciative of owners who came in and introduced themselves. He found this helpful in handling owner matters that arose during the summer. He also was appreciative of the positive comments from owners about the condominium and its positive aspects. He would appreciate owners making sure that contractors know to check in at the office when they arrive.

Cindy reported that pizza boxes were being left next to the trash chute doors or were being put down the trash chute which causes blockages in the chute. She also reported that mice were still present in the office. The ceiling tiles will be removed and the area cleaned up.

Rosey stated that she had seen gnats by the elevators and in the trash rooms. There were trash bags on the floors next to the trash chute door. She asked if the trash rooms were

¹ The draft audit was sent to all owners on June 15, 2024. The accounting firm also submitted a draft Management Letter which the board is reviewing and will release when its review is completed.

being checked by the custodial contractor. Randy relied that they should be checking the trash rooms as they do a walking inspection of the building. It is, however, hard to know when the trash bags are left. Resort to Us, the custodial contractor, comes in the morning and leaves within several hours after their work is completed.

Treasurer's Report

Monthly Financial Report

The T-bill reinvestment yields have been steady at 5.27% to 5.26%. We have two larger T-bills that mature in late September: a 13-week T-bill (\$135,000) which, if reinvested, would mature on December 26, 2024; and a 26-week T-bill (\$135,000) which, if reinvested, would mature on March 26, 2025. Mary recommended that we let the two T-bills reinvest. If rates drop this fall, as some have predicted, we will have \$270,000 locked in at a higher rate.

Mary moved that the two T-bills be reinvested with the 13-week and 26-week maturity dates. Sheri seconded the motion which passed on a voice vote without opposition.

There is \$34,379.94 in the PNC Operating account. This is the account into which building fees are deposited. Mary recommended that we transfer the September reserve contribution from this account. The PNC Operating account is not an interest-bearing account while the reserve account is interest bearing. There was no objection to the transfer.

We received the AT&T check for electric reimbursement for the first half of 2024. It was \$1239.18 and was deposited in Bank of Ocean City Operating account on August 5, 2024.

Mary reported that she opened a new account at PNC Bank on August 19, 2024 for the special assessment payments. It will have a fixed interest of 4.05%. The initial deposit was \$59,625. The second deposit of \$29,837.50 was made on August 20, 2024. Shore Management will deposit special assessment receipts on Mondays. The balance is \$89,462.50.

Mike Falkner completed the Workers Compensation audit and submitted it on August 18, 2024.

Alternative Formats for Budget Presentation

At the August 14, 2024 budget meeting a question was raised about the format of the budget at the end of the meeting after the 2025 budget had been approved. It will be presented to the owners at the October 5, 2024 meeting. It was well after 10:00 p.m. and too late to go into the matter in any depth. Mary worked with Robert during the intervening week to develop a more readable, more easily understood budget. Mary asked Robert to describe the revised format.

Robert noted that while we have used the current format for years, it is not fully intuitive and could be made easier to read. The objective of the alternative formats is to make the budget easier to read and provide information that is not present today that will permit an

owner to evaluate the sufficiency of the Reserve Fund. There are two documents presented as alternatives to the current format: The Operating Fund Budget and the Reserve Fund Analysis.

The first is the Operating Fund Budget. The budget numbers are the same as were adopted on August 14, 2024 and in the current format, except that the Coating Project Special Assessment income is added to the Reserve Fund, half 2024 and half in 2025 (line 27). The expenses are those approved by the board (lines 33 through 169). The Total Operating Expenses are on line 171.

The entire Reserve Fund Income is transferred to the Reserve Fund (lines 28 & 173, respectively). Unlike the current format, the transfer is not the net reserve contribution. On the current format, the Reserve Contribution is shown on line 176 at \$141,192. This is the net amount of the Reserve Fund Income (\$275,192 on line 29; this does not include the Special Assessment income) and the projected Reserve Fund expenses (\$134,000 on line 206; again, without the Coating Project expenses). The sum of the net Reserve Fund transfer and the projected expenses equals the total Reserve Fund Income (141,192 plus \$134,000 equals \$275,192). This calculation is not explained in the budget and is not intuitive. The revised format transfers the entire Reserve Income to the Reserve Fund. The Reserve Fund can then be analyzed.

The Net Income and Transfers on line 174, highlighted in blue, is the Total Operating Expenses, highlighted in pink, and the Total Transfer to Reserve Account, highlighted in pale green, less the total income (line 30) which results in a balanced Operating Budget. An additional line could be added between lines 173 and 174 restating the total income (line 30). It would simply make the math clearer.

The Reserve Fund Analysis complements the Operating Budget. It shows the balance forward at the beginning of the year in the Reserve Fund and the contributions transferred from the Operating account during the year (and in this case, also the Special Assessment). The total is the Reserve Fund available in 2025. The Projected Reserve Expenses are listed on lines 10 through 38. These are projected project for 2025, including the Coating Project. The Reserve Fund Analysis ends on line 41 with the projected balance at year end. This is analogous to a check register: Opening balance, income, expenses, closing balance.

There are several purposes for the Reserve Fund Analysis. One is to set out potential projects for the year so that they can be prioritized and decisions can be made on which ones to pursue. The information about the potential projects comes primarily from the Reserve Study. The Reserve Study is a planning document that sets out when various projects should be anticipated and their potential costs. The Reserve Study includes the 37 building components enumerated in the Reserve Study. In addition, there are projects that are not included in the Reserve Study. The most obvious is the Coating Project. A coating project is included in the Reserve Study, but because of the condition of the building and the coating and also because of

newer silicone coatings and sealants, the Coating Project exceeds the cost estimate in the Reserve Study.

The Reserve Fund Analysis takes the Reserve Study balance, adjusts it for inflation (the Reserve Study is based on 2% per annum), and for projects either deferred or unscheduled. One thing that is not in the Reserve Study is a contingency. The last line (line 57) shows a projected balance over the balance projected in the Reserve Study of \$132,768.

We can then take that bottom line and estimate whether the Reserve Fund is fully funded. The mere fact that there is a surplus does not answer that question. When the Coating Project is completed, we can get an updated Reserve Study and make a better determination of the Reserve Fund's adequacy. As noted above, the Reserve Study only projects 37 building components. There is no contingency built into the Reserve Fund.² The purpose today, is not to analyze whether the Reserve Fund will be fully funded, but to set out a revised format that will enable a discussion of this matter.

There were no questions about the revised format.

Secretary's Report

Robert presented the form of proxy. The meeting location was changed from the Worcester County Library where it was held in the spring to the Elks Club where it was held last fall. The spring meeting was well attended. The Elks Club provides additional space.

Randy suggested that both the current budget format and the revised budget format be included in the owners' packages for the fall meeting which it will be.

Maintenance Committee Report

Mike Keenan presented the Maintenance Committee Report.

Unit Water Leaks and Repairs Water leaks into units were repaired and we are undertaking the repairs to the damages inside units caused by the water leaks. The repairs in units 502 and 1007 are completed. Schedules for repairs in 906 need to be coordinated to schedule the work. East Coast Contracting will repair the leak in unit 808 and repair the interior damage. They will make the leak repair as part of the Coating Project and will do the interior repairs afterwards. We are waiting on a proposal for the repairs to 702.

Randy asked Alayne Rosner (1007) about the repairs to her unit. She felt that the workers did a great job. She cannot tell where the damage was. The area was patched and

² The Reserve Fund Income will be affected by changing interest rates. Since the board's August 21, 2024 meeting, AT&T has advised us that they will take their antennas down during construction, but will also suspend lease payments. This will reduce antenna lease payments by about \$24,000 which, in turn, will affect the Projected Balance at the end of the year.

painted. The blinds were removed to complete the repair and reinstalled. She was really happy with the work.

Cindy Mooney, Shore Management, asked the unit owners of 502 for their evaluation of the work. They were very happy with it. It took three days to prepare the walls, install the new dry wall, let it dry and then finish it. They highly recommend the drywall contractor.

Mike Keenan saw both when completed and was satisfied with both.

Pool Deck Repair and Pool Leak Investigation and Repair The pool leaks and requires additional water daily. After the pool is closed for the season, we will have to find the leak and repair it. After it is repaired, we will address the deck coating.

Booster Pump (Environmental Mechanical Services) The domestic water system has two pumps that should alternate. In addition, if one fails, the other can continue to operate and provide the building with water. The switching is controlled by an electronic part which has failed. Presently, only one pump is operating. They are not switching as they should. If the pump that is operating failed, the second pump would likely not come on and there would be no water to the building. This failure is not specifically linked to the recent plumbing leak.

EMS provided a proposal to replace the water flow transmitter. The cost will be \$3,585.00. The transmitter costs \$2,535.00. There are six hours of travel time in the quote. The water to the building will be off for about 20 minutes while the repair is made.

Mike K. moved and Mary seconded that the EMS proposal be accepted. The motion passed on a voice vote without opposition.

The ladder to the cooling tower was repaired. Cindy inspected the work. She is also looking into the repair or replacement of a dumpster. The bottom has rusted out of one and will likely need to be replaced.

Coating Project Report

Robert reported on the status of the Coating Project. Preparations for construction are underway. A mock-up of the finish was completed on the poolside of the building. Owners should look at them so that we can decide on the finish.

The Navy antenna will be moved to another location on the roof on September 9, 2024. We are waiting for AT&T's plan. It is expected by Friday.

East Coast Contracting is finishing its schedule. When it is available, we will let owners know what they can expect and when.

East Coast Shutters & Awning rewrote their contracts for removal of shutters. The contracts are with the condominium association for the removal of the shutters as was agreed at the spring owners' meeting. The individual owners will contract with East Coast Shutters to

reinstall shutters that can be reinstalled or to purchase new shutters. Owners are not required to contract with East Coast Shutters. They may select any contractor. However, the Coating Committee was unable to locate a feasible alternative and East Coast Shutters will not service shutters that are reinstalled by another vendor. The shutters that will not be reinstalled will be removed and disposed of. Those that can be reinstalled will be stored in the units until they are reinstalled. The proposal with East Coast Shutters for the removal of the shutters was \$23,370 with a deposit of half due on signing.

Robert moved and Mary seconded that the East Coast Shutters proposals be accepted and the deposit be paid. The following directors voted in favor of the motion: Mary Dischinger, Randy Ditch, Mike Falkner, Mike Keenan, Robert Mayer, Sheri Miller and Ellen Schweiger. Kat Ilkhani and Bonnie Medford voted against the motion. The motion passed with 7 in favor and 2 opposed.

Robert presented ETC's invoices for May, June and July 2024. They total \$19,797.75. With invoices previously paid, the total for ETC's services through these invoices is \$26,780.75.

Robert moved and Mary seconded that ETC's invoices be approved. The motion passed on a voice vote without opposition.

Robert raised the matter of the payment protocol East Coast Contracting and ETC. East Coast Contracting will submit monthly invoices at the end of the month. Kirk Parsons of ETC will review them. If he approves them, he will submit them to the board for payment. Because of the anticipated size of the monthly invoices, Robert inquired whether the board should vote to approve each check for payment. This may require special meetings to approve the invoices.

Robert moved and Mary seconded that checks to East Coast Contracting and ETC be approved by the board. The motion passed on a voice vote without opposition.

Patty Brann (301) asked if items on the balconies that are enclosed with windows, but with the sliding doors still in place, needed to be removed, and if so, by when. Robert replied that everything on all balconies needs to be removed. He will check to see if the removal date, presently October 6 for the first 12 floors, can be extended for these units.

Sheri asked if the enclosed balconies would be cleaned. All balconies will be recoated. This includes the floors, ceiling, and sides unless the sliding glass door has been removed and the balcony effectively made a part of the unit. These will not be recoated. Robert said he would ask about Sheri's concern.

Alayne Rosner (1007) asked if the windows would be cleaned. Robert said that he understood that East Coast Contracting would clean up after they complete their work which should include the windows. He will seek confirmation of this.

Finally, Raintree, the condominium's roofer, is aware of the project. Robert spoke with Chris Wood directly. Raintree makes semiannual inspections of the roof and will make one

before East Coast Contracting commences work. Robert spoke with both Chris and Kirk about protecting the roof if the antennas are moved. They were in agreement as to how this should be done.

Old Business

Security Camera Proposals Rosey Whittaker (302) presented information she obtained about security cameras. She spoke with two retired police officers, one from the State Police and the other from Ocean City. They told her that the videos are admissible into evidence at a trial if they are stored properly. They are also a valuable deterrent. There is a deterrent effect whether the cameras are working or non-working cameras. We need to be aware of false accusations and privacy rights. They can be helpful, but are not necessary. There is a difference between monitored systems and non-monitored systems. Rosey noted that police officers do not have an automatic right to access video recording. There are procedures for access to video recordings through the courts, e.g., search warrants.

Rosey then asked about wandering children or individuals with dementia. They said that the condominium is not responsible for monitoring them. The responsibility rests with the custodial parties such as parents.

Rosey noted that there should be appropriate procedures. This includes access to the cameras and videos, who has access, under what circumstances, and why the access is appropriate. Records should be maintained on its use and any police reports that are filed.

Visible signs stating that the area is under surveillance are helpful and have a deterrent effect.

There was a discussion of security cameras. Randy questioned whether non-working cameras were a liability for the condominium by creating a false sense of security or for negligently maintaining the security system. He elaborated on an incident in Ocean City where a woman obtained a significant settlement from a condominium because the security cameras were not working. Sheri inquired about the practices in other buildings in Ocean City. Pat Haskins (306) said that for a security camera system to be effective, there has to be an on-site presence or at least a presence close by so that immediate intervention would be available to disrupt a threat or criminal activity. Sheri raised the issue of women alone in an elevator and the concerns they have. Randy raised the issue of our year-round residents, particularly in the off-season when the building is very quiet and almost deserted. Kat discussed the liability issue for the condominium if there are security issues. Patty Brann (302) asked if the proposed cameras were vandal-proof and whether any additional insurance would be required. Mike Falkner replied that no additional insurance would be required. The cameras are covered under our current policies, but the cost of a camera is likely less than our deductible. Kat spoke

about the cameras some owners have installed on their door bells and the effect they could have as a deterrent.

Kat reported that Bill Mastromanolis of MastroVision would need more information to fully respond. He would need to know the scope of the project. Elements are the age of the DVR, the cable connections and their reliability, and the need for a monitoring system.

Randy concluded the discussion. The board will look for further information. The Community Association Institute may have additional information and well as our property manager. The matter will be carried over to next month.

Landscape Designs Ellen reported that she had sought proposals from three landscaping companies suggested by Cindy and that Sheri had a fourth. The proposals are from Sposato Landscape Co., and Classic Lawn Care. The Sposato Landscape proposal is for the beachfront area. It was a very detailed landscape plan with a patio area, a pathway to the foot wash-off stations, a firepit and plantings around the entire beachfront area. The quote was \$59,379.94. The second quote from another company for the beachfront was about \$100,000. A quote for sand only was \$18,000.

Classic Lawn Care submitted a quote for the parking lot area. It covered all three sides of the parking lot. It proposed digging up and removing the existing trees and bushes, installing extra garden soil as needed and planting 41 new bushes and shrubs and 10 trees (7-gallon size). The beds would be edged and mulched. The quoted cost was \$15,975.

The proposals and landscaping in general were discussed. Steve Karlow (1204) liked the pine trees around the parking lot and would like to keep them. Pat Haskins (306) commented that without the pine trees, people would have more access to walk across the parking lot. Rosey Whittaker (302) thought that the dunes on our block were smaller than those in the vicinity and asked if the city could build them up. Kat thought that the dunes were flatter and had less vegetation. Robert commented on the parking lot. We will need to repave it shortly. It is on the Reserve Study list for this year but has been deferred. He noted that the tree roots are damaging the asphalt and felt that this should be taken care of before the repaving. He also noted that on his last visit, the two sides of the parking lot looked like bowling alleys. No one was parking next to the pine trees on either 85th Street or 86th Street because the pine trees and bushes obstruct getting in and out of cars and can scratch cars that get too close to them. He also noted that the timbers around the perimeter needed attention as part of the landscaping plan. Some have been pushed onto the sidewalk and impede pedestrian traffic.

Kat and Pat thought that the pine trees and bushes could be trimmed back and trained. Kat also thought that during the asphalt repaving, the roots that are causing the asphalt to buckle and crack could be dug up and removed and the asphalt repaved.

Randy brought the discussion to a conclusion. He suggested getting the town involved. They could give valuable guidance on the dunes, vegetation and the town's requirements for replacement trees. He would like to see a proposal for the October 5, owners' meeting so there can be, at least, further discussion.

Steve Karlow (1204) volunteered to serve on the Landscaping Committee.

Bathroom Renovation Mike Falkner presented his survey for the renovations of the poolside bathrooms. There were three basic questions: Whether there should be a single unisex bathroom or two separate bathrooms; whether the saunas should be removed; and whether the showers should be removed. There were 55 replies since Tuesday afternoon when the survey was sent to the owners. Forty-six of the 55 respondents (84%) preferred two bathrooms. Removal of the saunas was favored by 74% and removal of the showers was favored by 72%. Six respondents favored an outdoor sauna.

There was a discussion about the owners doing the renovations themselves as was done with the office. The mouse problem was discussed. The renovation will want to address that issue as well. Ventilation was also raised.

Kat said that the owners' approval was necessary in order to remove amenities but was unsure whether that was in the Declaration or the Bylaws. Robert suggested having a completed plan for the renovation before presenting it to the owners. That would, however, delay presenting anything to the owners and delay the project. The Reserve Study schedules the bathroom renovations for 2024. The use of the bathrooms for winter storage of the pool furniture was also discussed as part of the removal of the saunas and shower. It was discussed whether the storage would be temporary or off-season, whether an additional stall could be installed and the impact of the Americans with Disabilities Act on any work proposed. The existing sprinkler system, pipes and cables were raised. Steve Karlow (1204) would like to see the renovations proceed as soon as possible. It was the sentiment of the board that the saunas and showers be removed and that the renovations to be undertaken in the bathroom be determined.

Robert moved and Mary seconded that the removal of the saunas and showers in the poolside bathrooms be placed on the agenda for the fall owners' meeting to be held on October 5, 2024, with the board's recommendation that they be removed. On a voice vote without opposition, the motion was passed.

New Business

Chute Master Environmental Services Randy presented the proposal from Chute Master Environment Services to clean the trash chutes. The proposal is for \$1,495.

Randy moved that the proposal be accepted. Mary seconded the motion. The motion passed on a voice vote with no opposition.

Trash Compactor Preventive Maintenance Contract Randy raised the subject of a preventive maintenance contract for the trash compactor. It was last serviced three years ago and should have a full service at least every three years. Randy will ask Cindy to obtain a proposal.

Request for Locksmith Reimbursement Randy presented an owner's request for reimbursement of a locksmith expense of \$185 that was incurred because the deadbolt lock was locked and the owner's renters could not get in. Randy reported that the owner told him that Charlie entered the unit to close the balcony window and on leaving, locked the deadbolt. The unit has an electronic lock which renters use to get into the unit. The deadbolt lock is not used and the renters do not have a key to it. The owner says that the owner did not request Charlie to enter the unit to do anything. The renters arrived after the office was closed and a locksmith was necessary for them to get into the unit. The owner requested reimbursement for the locksmith fee.

The matter was before the board at a previous meeting. It appears that the sentiment of the board was not to reimburse the fee, but that no formal vote was taken. The owner requested that Randy present it to the board again. There was discussion that the standard operating procedure when a unit is entered for maintenance or otherwise, that the deadbolt be locked on leaving. It was also suggested that owners who do not want the deadbolt to be locked can tape over the deadbolt lock and it will not be locked.

Kat said she would abstain. Robert asked if there was something he should be aware of that would cause him to abstain or otherwise affect his vote. Kat replied that she did not have enough information.

On a motion made by Sheri and seconded by Randy to not reimburse the owner for the locksmith expense, the motion was passed with seven votes in favor of not reimbursing the expense; one abstaining; and one absent. The directors voting in favor of the motion were: Mary Dischinger, Randy Ditch, Mike Falkner, Mike Keenan, Robert Mayer, Sheri Miller and Ellen Schweiger. Kat Ilkhani abstained. Bonnie Medford was not present.³

³ Bonnie's Free Conference Call connection was lost before the vote and not reestablished during the rest of the meeting. Sheri's connection was also lost but she reconnected. Steve Karlow's connection was also lost and he was not able to reconnect.

Executive Session

Robert moved and Kat seconded that the Board go into executive session pursuant to Sec. 11-109.1(a)(8) of the Maryland Condominium Act for a discussion of an individual owners' assessment account. The owner requested the waiver of a late charge. The motion passed with eight in favor and one not present. The directors voting in favor of the motion were Mary Dischinger, Randy Ditch, Mike Falkner, Kat Ilkhani, Mike Keenan, Robert Mayer and Ellen Schweiger. Bonnie Medford and Sheri Miller were not present due to conference call issues. Sheri's conference call connection was re-established and it was agreed, without objection, that the vote would be amended to reflect her vote in favor of the motion.

The board went into executive session at 10:05 p.m.

Adjournment

At the conclusion of the executive session, Mary moved and Mike K. seconded that the meeting be adjourned. The motion was passed on a voice vote without objection. Bonnie was not present. The meeting was adjourned at 10:10 p.m.

The next regular board meeting will be held on September 18, 2024, at 7:00 p.m.

Respectfully submitted,

/s/ Robert Mayer
Robert Mayer
Secretary