

Club Ocean Villas
Board Meeting Minutes
February 18, 2023
Art League of Ocean City

Officers and Directors Present: John Bobel, Steven Vas Rees, Jim Russell, Keith Ludka, Shirley Gorwick, Mike Sereikis, Perry Causer, Chris Bowersox. Paul Richter

Guests present: Connor Braniff, Bob Baker of Baker and Associates & Kirk Parson (engineer from ETC).

Treasurer Report:

Jim Russell reviewed the Audit Report and Recommendations. The Board approved that the Sect/Treasurer will be paid fees for the approval of the annual budget, for the website maintenance and Treasurer/Sect duties.

The Board also approved to increase the mileage reimbursement from .40 a mile to .50 cents a mile. Collection of condo fees continues to be a challenge. Units #49 & 56 are currently in collections with the Association's attorney. January financials were e-mailed out prior to the Board meeting. A discussion ensued concerning the boat slip fund, (current balance \$10,392). The question came up as to what does the Slip fund cover? It was agreed that this fund covers the finger piers and the pilings. Discussion of this was suspended in order to start the review of the siding project.

Additional Treasurer Report items: Unit #5 has an outstanding balance of \$5,142 and should be paid by the Insurance company. Units # 49 / 56 - our attorney is handling these collections.

Siding Project: As of January 31, 2023 our total cash balance was \$244,991.00

R & M estimated costs continue to trend above the budget due to continued issues with the siding and the lack of owners proper maintenance.

Jon Bobel will serve out his term as President through the annual meeting on April 22, 2023.

Mike Sereikis, Shirley Gorwick and Paul Richter terms on the Board end on April 22, 2023. It appears that all three will stay on as Board members subject to unit owners vote. The Board currently has no replacement for the position of President.

The Board was reminded of items to address on the Braniff monthly management report. Of concern, was not knowing the situation with unit #73 & 74. A copy of the Mad Design report is attached.

Crawl Space project: The projected completion date for this project is December of 2023. Included Marlin Restoration e-mail as part of the minutes.

Presentation by Kirk Parson of ETC concerning the siding project:

The Board noted to Mr. Parson that our buildings contain 12 units and 8 units - he will make the change in his presentation for the April General meeting.

Decision was made to go with vinyl siding with a horizontal accent color. Life expectancy of this product is 25 /30 years. ETC will finalize the warranty.

ETC projected a 10% contingency budget for unknown issues such as hidden structural damage. ETC is also looking into a thicker siding product.

Windows, doors, sliders and sheds would be the responsibility of each owner. It is recommended that all these items be replaced at the same time the siding project takes place.

ETC will create a detailed scope of work as part of the bid package. Concerns were raised concerning the availability of professional licensed contractors and possible delay in the supply chain of materials. The Board would like to schedule a pre-bid meeting located on site at COV 1.

Questions came up concerning unit owners that just recently replaced doors, windows and sliders, etc. The engineers will determine if these recent replacements will meet current codes and the warranty needed for the whole project.

Based on the conditions of the most recent work done on some units siding repairs, the Board voted to increase the contingency budget from 10% to 60%. It was discussed that we need enough funding to complete the project on time. But most important, we want to avoid going back to all unit owners for additional funding. Subject to ETC reviewing the cost and list of materials needed to complete the project, the estimated cost could be between \$25,000 and \$30,000 per unit owner. Board question to Mr. Parson: "Do we need more than one contractor to complete the project in 6 months?" ETC to provide answers at our next meeting.

Funding Options for the Siding Project:

- Special assessment - to do this, 66 2/3 votes are needed by owners. There are concerns that if there are not enough votes to go forward, it will delay the project.
- Increase dues and or Reserve funds to handle a bank loan for the total cost of the project. Jim Russell is to reach out to the bank of Ocean City and other banks in the region.
- Try to do a special assessment for 50% of the project and secure a bank loan for the remainder of the balance.
- Funding options based on \$30,000 per unit = \$2,400,000. With an \$800,000 down payment with 6% interest on debt for 10 years, the monthly payment would be \$17,764 which equals \$213,000 annual payment. (Debt service per unit / per year is \$2,665.)

Legal Updates: Unit 9's new owner has filed suit against the old owners and COV for \$15,000. (the amount needed to do the repairs in their bathroom). Nationwide attorneys are handling the case for COV.

New Business: The Board requested (and it was agreed) to have 4 meetings per year, February, April, August and October.

Meeting adjourned 12:30pm

Next Meetings:

Board Meeting: Saturday, April 22, 2023 8:00am Location: Art League of Ocean City

Saturday, October 21, 2023 8:00 am Location: Art League of Ocean City

General Meeting @ 10:30 to follow the Board Meeting

Respectfully Submitted,

James Russell - Secretary/ Treasurer