

**MBCA General Membership Meeting
St. Peter's Episcopal Church
April 16, 2011
Agenda**



GENERAL MEMBERSHIP MEETING AGENDA

April 16, 2011

10:00am

Opening Remarks
Vera McCullough, President

Roll Call
Proof of Notice

10:15 am

Guest Speakers
“Storm Water Management”
Chesapeake and Coastal Program
Maryland Department of Natural Resources
Carrie Decker & Megan Hughes

Megan Hughes is a Program Manager at the Univ. of MD Environmental Finance Center. She holds a MS from Duke University and has over ten years of experience working with local communities on financing strategies including storm water and other environmental management programs and activities.

Carrie Decker is a Natural Resource Planner with MD DNR for the last six years. She holds a MS in Environmental Management from UMD and has eight years of experience working in watershed planning and water quality management.

10:25 am

Approval of Minutes
President's Report

10:30 am

MBCA Reserve 2011-2012 Budget
“Saving for the Future” or “How to Avoid an Assessment”
Bill Trumpler, Chairman, Advisory and Strategic Planning Committee

11:00 am

Operating Budget
Sandy Kvech, Treasurer

11:30 am

Reports of Committees
Old Business (none)
New Business
Other Business “As May Arise”

12:00 noon – Adjourn

**GENERAL MEMBERSHIP MEETING MINUTES
April 16, 2011**



**Pending approval
by the General Membership: August 20, 2011**

President Vera McCullough at 10:00 A.M, called the meeting of the General Membership of the Montego Bay Civic Association to order. The President led the Pledge of Allegiance.

President McCullough introduced the guest speaker: Megan Hughes, Program Manager at the University of Maryland Environmental Finance Center. Ms. Hughes has over ten years of experience working with local communities on financing strategies including storm water and other environmental management programs and activities. Ms. Hughes provided a fact sheet and a survey (available by request or on the MBCA website).

- Stormwater is rain water. It flows from streets, into storm sewers, and into the waterways without getting treated. The concern is that anything that it picks up along the way is pollution of our water. The pollutants do not have time to settle and naturally filter. Other things are in storm water, including pet waste.
- For Montego Bay, and Ocean City, the waterway that receives the untreated polluted stormwater runoff is our coastal bays. The sea level also inhibits the drainage of the coastal bays.
- The stormwater conveyance system through Ocean City is aging and there is no funding to maintain the system, there is only money for emergency repairs. The Department of Natural Resources has been meeting with the Town of Ocean City Council, the business community, the Economic Development Council, and a stormwater work group. They are also holding public meetings and putting together a list of the necessary funding to maintain the stormwater system. The final recommendations are expected to be made by this July or August.
- The annual amount estimated to maintain the stormwater management system is \$1.3 million.
- One recommended funding source is a stormwater fee, based on lot size, which all residences and businesses will pay on a monthly basis. This would be from \$2 to \$5 and would only be used for stormwater management. The stormwater management fee is separate from the water usage (flush tax) fee currently in effect. The flush tax is used to support water treatment services, not maintenance of the storm water system.
- Taxes currently collected are put into a general fund, which are used to fund a wide variety of projects and systems but there are no funds dedicated to stormwater management or maintenance of the system. That is why a designated stormwater management fund is needed.
- There is no recommendation to build a facility to treat storm water.
- In response to a question, Ms. Hughes stated that the Department of Natural Resources is not part of the Town of Ocean City government or county government.
- There is funding that may be available to private citizens or communities, such as Montego Bay, to help manage stormwater more effectively – such as replacing concrete driveways with permeable driveways. The grants are available through the Town of Ocean City government.
- A recommendation will be that when stormwater management processes are used by an owner or community, such as permeable pavers for driveways, rain gardens, rain barrels, etc., that their stormwater fee be reduced because they are not contributing as much to the run-off.

Roll Call of the Board of Directors and Officers: The President and 13 Directors and 3 Officers (of 17 of 18) were present. XX owners attended.

President Vera McCullough – Present					
P = Present		Voting Members		A = Absent	
Sue Frankowski, VP	P	Sandy Kvech, Treasurer	P	Tony Kendrick, Secretary	P
Eileen Furnari	P	Bill Hastings	P	Linda Herzberg	P
Larry Holdren	P	Dennis Julian	P	Bob McCluskey	P
John McDermott	P	Bill Neimiller	P	Barbara Reniak	P
John Shifflett	A	Alin Springer	P	Paul Svoboda	P
Bill Trumpler	P	Al Weber	P	(vacant through 8/2011)	X

Proof of Notice: By virtue of attendance, proof of notice was sent out. The notice was also provided in the newsletter, and on the website (in advance of 30 days).

- Tony Kendrick responded to an observation by Joan Kutcher that the notice of the meeting did not go out 30 days in advance of the meeting. Mr. Kendrick reported that at the last meeting of the Board it was discussed and the Board agreed that future notices of the April General Membership Meeting will be included in the mailing of the annual dues notice and future notices of the August General Membership Meeting will be included in the mailing of the election ballots.

Secretary’s Report:

Motion: Bill Trumpler Seconded: Larry Holdren	Waive the reading of the August 2010 minutes and accept them as written, with changes discussed.	Passed by show of hands
Voted in Favor:	General Membership	
Abstained: 0		
Voted Against: 0		

DISCUSSION: Harriett Pilert, owner, noted two grammatical errors. Those were corrected.

President’s Report:

- I am very proud of the people doing the work in the community and they deserve to be recognized.
 - We probably have a better lighting system in Montego Bay than we’ve ever had. Even with lines being cut by construction and posts coming out of the ground, more lights have been on because of the people who go around day and night doing what needs to be done to keep the lights on. I want to thank Barbara Reniak, and she has people helping her like Bernie and Linda Herzberg, Steve Berkowitz, Tony Kendrick, and Dennis Julian.
 - Bill Trumpler, member of the Board, remarked that the Neighborhood Watch writes down the addresses of properties with the lamp post light out and turns the list over to Barbara Reniak and he wanted the Neighborhood Watch to be recognized as well.
 - We received calls from a few owners who couldn’t do their yard work because the condition of their yard after the running of new electric lines. And Bernie Herzberg and Barbara Reniak loaded dirt in Bernie’s pickup truck and filled in the holes in the yards and planted grass seed because we didn’t know when the company would come back to repair the yard.
- Police Horse Patrol: Police horses do come into Montego Bay, and it is to our benefit. The officer and his horse can go into areas where police cars cannot. The mounted police are going to be in Montego Bay all through the summer. They will be up and down the communities at night. If the police officer is aware of horse droppings they will pick it up. If they do not know and you see it, please be a good neighbor and dispose of it.
- I know we have some problems but Montego Bay is still a wonderful place to live.

Presentation of the 2011-2012 Reserve Budget [NOTE: Because the minutes are made public on the MBCA website, specific budget numbers are being omitted from the written minutes. The amounts have been converted to percentages whenever possible. They are available, upon request, from the MBCA]:

- Bill Trumpler, Chairman, Advisory and Strategic Planning Committee, introduced the subject of the 2011-2012 Reserve and Operational Budget. He thanked his committee members: Ann McDermott, John McDermott, Sandy Kvech, Kathie Kendrick, and Barbara Reniak. And he thanked the President and Vice President, Sue Frankowski, for sitting in on those meeting. He also cited the Finance and Budget Committee members: Bill Hastings, Dennis Julian, Kathie Kendrick, Sandy Kvech, and Kathy Trumpler. He thanked them all for putting the budgets together. These two budgets were recommended by the accounting firm that conducted the MBCA audit. “We worked very hard to set up good budgets so that the amenities will be taken care of for years to come,” he said. He then turned the presentation over to Kathie Kendrick to show the items the committees talked about and what will be addressed in the coming years.
- Kathie Kendrick: “We have had a reserve budget for many years. But it has been a general fund reserve budget. As we needed things we would take money out. The accountant in the last audit recommended that we do what other Associations of our size do and that is to go through our assets and look at each one and try to determine what assets we have, how many years the asset has before we need to replace it, and then calculate the cost. This is an annual review because prices change. I am going to talk today about the Reserve Budget that we just developed – which is an update of the Reserve Budget I presented to the General Membership last April. The Committee’s goal right at the beginning was we don’t want to raise fees and we don’t want to do a special

assessment. So that we don't have to do either of those things – what do we have to do? We tried to take a very careful look and came up with this Reserve Budget.”

- Definitions used to determine what would go into the Reserve Budget and what things would go into the Operational Budget.
 - **In the Reserve Budget are capital expenditures.** Capital expenditures are those that are non-recurring (annually). They are special things. They are not routine maintenance. It is tiling the pools when they need it or plastering the pools when they need it. It is expenditures like replacing the computers, copy machine, tennis courts, pond equipment, shuffleboard courts, bulkheads, etc. The Reserve Fund (Budget) is established to fund major repairs and replacement of common areas including the amenities and the buildings and property of the Association. It is in the Reserve Fund for a specific reason and it cannot be moved back and forth between the Operating Budget and the Reserve Budget, except for that specific purpose.
 - **The Operating Budget is routine maintenance.** These are things that need to be done every year. For example, doing the things to get the pools ready for the season such as getting pool furniture and umbrellas and stocking the bathrooms with paper towels and toilet paper. That goes into the Operating Budget.
- In previous years that distinction was not clearly made. This year we tried to make it very clear.
- We allocated what we identified as the current amount in the Reserve Budget. We divided it up by categories of what we own. We then researched and determined what we thought it would cost if the asset had to be replaced today.
 - We took the amount currently in the Reserve Fund and divided it to the next two items that are going to need to be replaced in the next 3 to 4 years. We knew we needed to get a jump start on collecting and obligating that money.
 - What is not calculated in this year's Reserve Budget, but will be in next year's Reserve Budget, is the replacement costs and maintenance costs for the Putt-Putt Course and the Office because they both are undergoing some renovation. The replacement costs will be determined after those renovations are completed.
- Also included is an unrestricted line in the Reserve Budget. A few years ago the pool house had a problem – that turned into a big problem. Things like that probably aren't going to happen but, just in case it does, it would be good to have a line in the Reserve Budget that could cover any contingency.
- We calculated how much we needed to save every year to get to the amount we need to cover all of the items in the Reserve Fund. Instead of waiting until the end of the year, which we have done in the past, to transfer whatever operating funds were left over, this year you'll see that the budget shows that we are planning for the Reserve Fund (like a Savings Account) and put an amount of money into the Reserve Fund at the start of the year, and it cannot be touched. We know then that we'll have the money in 3 to 5 years when we expect that the money will be needed to replace an item or amenity.
- The Reserve Budget is not fully funded.
 - We took a look at what we would need if everything fell apart today. That amount is \$<omitted>. With the amount of money coming in from annual dues and what we already have in the Reserves, we have (equivalent to 38%). At the end of this fiscal year, next April it appears that there will be approximately (equivalent to 11%) operating funds left over to transfer into the Reserves. So, by this time next year we will have saved approximately 49% of the total of what is needed. If we are careful with our budget and expenses, we expect the Reserve Fund to be fully funded by 2014 or 2015.
- To further answer the question, the Committee also looked at what we would need to save every year so we are sure we can keep planning. The chart shows what the Committee expects will be needed to take OUT of the Reserve Budget over the next six years. We took a look of when we expect things to need attention.
 - Because of the investment we made this year to bring our amenities up to speed, we do not think we will need to take anything out of the Reserve Fund for the 2011-2012 budget.
 - In the 2012-2013 budget we expect to resurface the shuffleboard courts and the walkway around the pond. Those are both fully funded by the money that was put in this year and allocated to those projects.
 - Plastering the pools and replacing the copier are in the out-years.
 - The biggest expense year is going to be 2015-2016. That is why we have planned for a few years of savings for these projects – plastering both swimming pools.
 - We have spread out the costs so we can continue to save and you won't hear us say we ran out of money – because we won't.

- Bill Trumpler remarked, “By doing this we’re hoping that future dues raising won’t happen. We’ll stay where we are. Or we could go backwards – probably not!”
- Eileen Furnari, member of the Board, extended her thanks to the group who worked on the Reserve Budget and worked the hours that were necessary.
 - “I don’t know if anyone realizes how strong your budget has to be in order to sell property or buy property in Montego Bay. Your Association has to be financially strong and it is the first thing that people look at. And we are well on our way to getting this all straight and Kathie I thank you for all the hours you worked on this.”

Presentation of the 2011-2012 Operational Budget [NOTE: Because the minutes are made public on the MBCA website, specific budget numbers are being omitted from the written minutes. The amounts have been converted to percentages whenever possible. Or, for purposes of discussion amounts may be used if they do not reveal a total overall amount of the MBCA budget. Specific numbers are available, upon request, from the MBCA]:

- Bill Trumpler, Chairman, Advisory and Strategic Planning, introduced the Treasurer, Sandy Kvech
- Sandy Kvech, Treasurer, provided the overview of the 2011-2012 Operational Budget. “When you look at the monthly financial report (for the 2010-2011 fiscal year), you will see that the operational income is overstated. That is because, as of March 31st, we have received 534 annual dues and that amount will be transferred to the 2011-2012 budget.”
 - A short recap: “We are in very good shape. Right now we have \$<omitted> remaining in the operational budget. And it is my expectation that about (equivalent to 47%) of that will go to outstanding expenses for the month of April. About (equivalent to 38%) of that is for routine expenses and (equivalent to 62%) is for improvement before this summer season.
 - The proposed budget handout for 2011-2012 [which each owner received along with their annual dues notice], shows the total amount from the collection of annual fees. “We are very pleased this year that once again we did not have to raise dues and going forward, assuming that we do not have unexpected events and expenses that come up, it may be a realistic consideration to potentially look at lowering the fees in the future. But we don’t have a crystal ball, so don’t hold me to it.”
 - “Looking at the next section, the administration expenses, the first expense listed is for the one and only employee, Charity Martin. The second section are the related employment payroll taxes. The third section is the total officer stipend. As you know, we do not have a management company and our officers, unlike many other Associations, are paid a stipend.”
 - Alin Springer offered a comment. “I object to the word stipend. Because a stipend is somewhere between \$25 to \$50. This amount is a payroll. It is not a stipend. I would like to take that word out. Stipend is a small amount. This is not a small amount.”
 - Mrs. Kvech responded, “Payroll suggests that someone is an employee. And we are not employees.”
 - Mrs. Springer responded that, “You are the only people that get paid. To me, you are an employee and it is not a stipend.”
 - Melissa Leone, owner, made the comment that she knows that there are officers who don’t take a salary, the President and the Secretary, and expressed thanks to everyone for the hours and hours spent developing the budget.
 - Neighborhood Watch. “We have projected \$6,500 for Neighborhood Watch. In the past it has been about \$500. That \$500 is for gas reimbursement for volunteers and twice a year they get \$10 for gas reimbursement. The other \$6,000 is something new this year we put in pending further evaluation was that we had talked about a recommendation that had come from one property owner that we consider hiring, possibly, some summer patrol. Primarily on weekends during the late and early hours of the morning when some of our younger children and some older ones that have probably had a little bit too much fun get a little bit out of hand. So we were talking about possibly looking into additional summer patrol in the park during the hours of 11pm and 3am. No decision has been made. Relative to that Bill Neimiller, he is Chairperson of our Neighborhood Watch, is currently discussing the crime situation within Montego Bay, not that we have a significant crime problem, we don’t, we just have little happy people in the early hours of the morning, occasionally.”
 - Paul Svoboda asked Mrs. Kvech to explain that the summer patrol would be off-duty policemen or security guards and not Montego Bay residents on neighborhood watch.
 - Mrs. Kvech added, “When we talk about summer patrol we are talking about hiring off-duty policeman and not looking at utilizing volunteers from the community. Someone that has the ability to arrest or apprehend and hold them.”

- The President clarified that off-duty policeman cannot arrest anyone but has to call the on-duty police to handle an arrest.
 - Mrs. Kvech then said, "They have the ability to apprehend them but do not have the ability to arrest."
- Mr. Svoboda added further clarification that if the crime is a felony then an off-duty policeman has the power to make an arrest.
- Howard Ritchie, owner, asked, "If we start hiring security people what does that do for the liability if somebody is hurt or injured by somebody that works for Montego Bay while they are being held until the police arrive, or they claim that and we are sued. Do we have insurance to cover that?"
 - Mrs. Kvech responded, "We are extensively covered under insurance."
- John McDermott pointed out that the topic of a summer patrol is still under discussion and nothing has been decided yet.
- Mr. Trumpler also mentioned that suggestions have been made to get camera placed strategically through the development to deter crime by knowing cameras are around. That is also under discussion.
- Mrs. Springer asked about the mounted police when they are patrolling.
 - The President responded that they will patrol during the night and the day. And that she has been asking for more patrols at night. She stated that "we have very little problem during the day. It isn't the young people or June Bugs, there are a few problems with them, but most of the problems that we have is with drunken adults coming through the community and being mad and breaking the lights."
- Donald Dean asked how much the Association spent due to vandalism last year.
 - Mr. Neimiller responded that he estimates possibly \$2,500 in costs related to vandalism damage.
- Professional fees. Mrs. Kvech reported that professional fees cover the accountant fees for preparing quarterly payroll taxes and year end taxes, the retainer for the attorney, and for a financial review. "The finance committee discussed following last year's audit should we continue to do an audit every year or should we look at some other period of time and what was recommended by the Finance Committee was is that as opposed to doing a full audit every year that we do a financial review for two consecutive years and the third year do a financial review. The amount presented in the budget is a quote from the firm who had done the full audit last year, this is not set in stone and we are pursuing other bids for doing the financial review and if we get something that we feel is as good for less we will not spend \$<omitted>."
 - Insurance expense – general liability insurance is \$<omitted> a year and that is overstated, as we speak. Our general liability is just under \$<omitted> a year and we have auto insurance that is about \$<omitted> a year. For those that don't know, we have recently sold the Montego Bay van and we received \$5,300 for it. Along with that there is a reduction of \$<omitted> in auto insurance. And we have an umbrella policy that cost us about \$<omitted> a year, this is a, we just changed this, we changed providers and we went from \$<omitted> to \$<omitted> with no additional increase in fee."
 - General supplies – postage is a little bit increased this year, it is \$<omitted>. When we send out the newsletters and the assessment notices, typically, it is about \$<omitted> for postage for each mailing. We added a little bit more in terms of the expectation that we may have, we will have additional mailings this year, and we're going to mail out the ballots this year. Should there be other mailings that we provided a little bit of cushion there for that. We also have money in there for postage for things that go out of the office and any kind of certified mailing that occur.
 - Printing for the community mailings, \$<omitted>, this is for the printing of the spring and summer newsletters as well as any other types of communications that might go out to the community.
 - Genevieve Hartline, owner, asked, "Why are we sending out things to be printed? Why aren't they being done at the office like they have always been done?"
 - Alin Springer responded that it was more economical to go (interrupted by Mrs. Hartline, "No, it is not!") out to have them printed.
 - The President interjected that it was a financial decision made by the Board. "And we will stick by that decision. Thank you."
 - Maintenance Expenses – the items in the handout were mentioned. The largest expense for the Association is the pools contract. Budget items that resulted in comments were:
 - Memorial Trees – "We put a nominal amount in there for trees that have been purchased as memorial trees and then if they die in terms of being able to take them out and replace them. We have not had a problem."

- Tony Kendrick shared that the Association would pay to replace memorial trees that die only once. If it dies a second time, they don't get replaced at the Association's expense.
 - Aerobics Instructor – “we pay her \$700 per season. She runs three days a week just after the fourth of July through the end of the summer.”
 - Genevieve Hartline, Owner, asked the date when the aerobic classes would start. “And we would like to have Laverne back because we all like her and we like what she does.”
 - Alin Springer asked whether the instructor was certified instructor.
 - Sandy Kvech responded, “No. She is not a certified instructor.”
 - Alin Springer asked, “Didn't we have some problem last year with someone passing out in the pool?”
 - Mrs. Kvech and Mrs. Hartline responded, “No.”
 - Mr. Kendrick responded, “Yes. 911 was called.”
 - Sue Frankowski, Vice President, clarified, “It was out of the pool. Not in the pool.”
 - Eileen Furnari stated, “The way this is set up now is the Association pays this person to teach something. If something happens and someone gets hurt, we are liable.”
 - Donald Dean, member, asked, “Is this person insured?”
 - Mrs. Kvech responded, “We checked with our insurance carrier last year and our liability insurance does cover it.”
 - Mr. Dean asked if that was in writing or was it a rider to the Association's insurance.
 - Mrs. Furnari responded, “No. [The insurance policy] covers swimmers. These are not swimmers. There is a difference here. You are teaching people something in that water.”
 - Mrs. Kvech responded, “What our insurance carrier indicated last year was our liability insurance covered anyone who was injured in the water.”
 - Mrs. Furnari responded, “And they are swimmers. I taught for the state and the state of Maryland had to cover us because if a woman got hurt she would sue the instructor because ‘you told me to do that.’ Our insurance covers swimmers doing what they want to do.”
 - Mrs. Kvech responded, “My understanding that, and I spoke with our insurance carrier as well, and we, our liability coverage, our umbrella coverage, will cover any injury that occurs up to our limit. It was explained to her, not by myself but by the prior Treasurer, that the instructor that we utilized was not certified. And she indicated there was no problem and that we had insurance coverage.”

Motion: [By Owner] Seconded: Alin Springer	To have the Association Attorney draw up a waiver statement that the aerobic participant could sign to hold the Association harmless.	Passed
Voted in Favor: Majority	By a showing of hands, the attendees passed the motion.	
Abstained: n/a		
Voted Against: n/a		

- Mrs. Kvech highlighted the work that has been done in the past year:
 - Exit Doors, the dormer windows, and the office windows have all been replaced. The landing in front of the office was repaired. The parking lot was relined last summer. A new office computer was purchased.
 - Both community maps were replaced. Anne McDermott's efforts were recognized.
 - Fencing was repaired at pool #2. Barbara Reniak conducted the bid process and saved the Association a significant amount of money by finding a contractor who could repair the fences instead of having to pay for a total replacement.
 - Pool house at pool #2 had the roof resurfaced.
 - Pool covers were purchased for both pools.
 - Pool #1 mechanical room door was replaced, the ladies room received attention and paint.
 - The Americans with Disabilities Act requires that we have a chair lift and one has been purchased and will be installed at Pool #1 before the swimming season begins.
 - The tennis courts have been repaired and patched up.
 - The pond will have three fountains with lights. Friends of Walkers Pond has purchased one of the fountains. And the President, Vera McCullough, has purchased the light set for that fountain.
 - The putt-putt course is under renovation, which has not had attention for many years.
 - Unobligated Operating Funds: Mrs. Kvech stated, “I received a couple of responses, ‘what is this? A slush fund?’ It is not a slush fund. That money, if not used by the end of next year, will go toward building our Reserve Fund. We need to have some amount of money for the unexpected.

If something happens that we did not anticipate, if our grass cutting expenses are more than expected, or we have a storm and many more lights go out than we have projected for, we need to be able to, or other unexpected things that come up. But it is not a slush fund. It will not be used if it is not needed. And if it is not used at the end of April 2012, whatever unobligated funds are not used will be transferred to continue to build that reserve fund.

- Mrs. Kvech asked for comments:
 - Don Dean, member, read the section of the Maryland Homeowners Association Act related to budgets. He made the point that the owners approve the budget and that the budget does not have to be approved in its entirety but can be approved section by section. He then spoke to the issue of aerobic instruction and insurance. He relayed that this carrier would cover the liability and if something happened – they would cancel our insurance. He also said that as small as the insurance business community is, that if the Association kept the liability of aerobics instruction it would be very very hard getting new insurance. He stated, “As a homeowner’s association, we have no business paying for somebody’s recreational activities. For example, I would like to have a bible study class and have my Pastor come in and have the Association pay him to teach it. If I made that motion, I don’t think you all would approve it.”

Motion: Don Dean Seconded: June Shaffer	Delete the aerobics instructor line item from the budget and send the \$700 back to unobligated operating funds.	Failed
Voted in Favor: n/a		
Abstained: n/a		
Voted Against: Majority	By a showing of hands, the attendees rejected the motion.	

DISCUSSION:

- Paul Svoboda stated, “I do not use the aerobics instructor but we do have one. I think the 30 or so people who use that three times a week, like that aerobics instructor. If we decide at the Board meeting to have a certified instructor, instead of doing away with the aerobics instructor, I think people enjoy it and for that reason that is why I am against the motion.”
- Harriett Pilert stated that the aerobics instructor should be certified. “I don’t know why the instructor isn’t certified. Whoever you get, it should be a certified instructor. That is very important that the person be certified. If you have had this person for seven years and they are not certified. I don’t know...that is opening a can of worms.”
- Sue Frankowski, Vice President, stated, “This is how the water aerobics instructor got started in Montego Bay. A bunch of ladies in Montego Bay, at least 10 to 12, go all year around down to, this used to be the Rapids, they closed it up now, now they go over to Carousel. Tuesdays and Thursdays all year. They wanted to continue doing aerobics in the summer time. So that’s how Laverne has been with water aerobics more longer, we have in Montego Bay, approximately ten years. With no problems what so ever. What happened was they wanted to come and the people that come that they claim were outsiders I’m going to go from three to six people, that’s all. Two come from Caine Woods and two or three of them come down from the other side. They have been people going all year around with water. And that’s how it got started in Montego Bay.”
- Mrs. Leone, member, expressed her opinion that having something like aerobics is a fine idea but the person should be licensed, certified, and have their own liability insurance.
- Joan Kutcher, member, stated, “If I’m not mistaken, several years ago at a meeting they voted to make aerobics an amenity in Montego Bay.”
- Anna Neimiller, member, stated, “I go to aerobics. You talk about having an instructor that is certified. I used to go down to the Racquet Club and when the certified instructor had to leave, she had Laverne take over. So, to me, she must have had a lot of confidence in what Laverne does. I would like to see her back. And I do pay my dues and I think that takes care of anything we have to pay up and above. And the people that come in come in as my guest, her guest, your guest, we are allowed to bring guests to the pool. And as far as you coming to the pool while aerobics is on, you are more than welcome to come. Before we end our session there are children and adults in the pool. So, you aren’t told you can’t come in.”
- Mrs. Springer added, “There may be a misunderstanding. I don’t think anyone is against Laverne. Laverne might be a wonderful person, very caring, and very capable. But to have a certified instructor I believe is a must. If she has done it for so long, why doesn’t she get certified?”
- Mrs. Hartline responded, “Because she would have to go out of town and it cost several hundred dollars.”
 - Mrs. Springer responded, “But that is the choice she has to make.”

- Mr. Dean commented, “Mr. Svoboda said that if the Board decides something that we should go along with that. That is the old bylaws. The new bylaws say that the owners decide, not the Board.”
- Mr. Dean addressed the budget item Officer Stipends in the amount of \$15,000. “I have served on a lot of Boards in my life. And all of the bylaws were silent on paying an officer. I also checked with the Maryland Homeowner’s Association, which is state-wide, and they said they had never seen anything in any bylaws about paying an officer. They are volunteer positions, they are not paid.” He then gave an example about the cost of paying Officers. “If you take the \$15,000 and go back 20 years, that’s \$300,000. If we continue to pay them for the next ten years, that will be \$150,000. I checked with the City about the pavilion that was just built at Fiesta Park and the playground they put in in Northside Park. In six years, if we don’t pay our officers we can have a pavilion and a playground here in Montego Bay. Our new bylaws say that an officer or director cannot be a paid employee of the Association. That doesn’t say if you are getting a stipend you aren’t a paid employee, but I think the intent is you don’t pay officers.”

Motion: Don Dean Seconded: Melissa Leone	Remove the \$15,000 officer stipend from the budget and transfer it to the Reserve Fund.	Failed
Voted in Favor: n/a		
Abstained: n/a		
Voted Against: Majority	By a showing of hands, the attendees rejected the motion.	

DISCUSSION:

- Bill Trumpler stated that he knows that Ocean Pines the officers and the Board of Directors are given free amenities (membership in the pools and everything else). “So, they are being paid. Not in cash. But in some other way.”
- Paul Svoboda added that that comes to about \$5000 for every officer and director, “and they have a whole bunch of them. On the other hand, thank you to the people who do not take the salary and the volunteers that we have. In coming years we may not have those same kind of people who will want to volunteer their time. It is a lot of hours.” He mentioned that if the salary was removed completely that the Association would have a problem filling those positions. He asked how many hours the officer’s estimate they spend during the week.
 - The President responded that she is “24/7 and I don’t take a salary.”
 - The Treasurer responded that she spends an average of 25 hours a week.
 - The Secretary, identified himself as a volunteer, does not take a salary, and that he spends approximately 35 to 40 hours per week on his Secretary and committee responsibilities.
- Mrs. Leone made the point that Ocean Pines is a huge huge entity compared to our group here. “As far as people not wanting to volunteer in the future I think the groundwork has been laid and a lot of people realize they are going to become involved.”
- Alan Thompson, Owner, spoke about his and his wife’s extensive volunteerism with the fire department “more than 35 hours a week,” including holding various offices and officer positions, and they are not paid. “It is strictly a volunteer position. The budget is from \$500 thousand to \$1 million. A lot more than you’re spending here and we do it for free. We only have 100-and-some members. You got 1500-plus members. I agree with the motion.”
- Mary Jane Maxwell, member, stated, “If they feel they need some sort of stipend, then why don’t we just pay their annual dues?”
- Jerry Fox, member, asked if anyone had experience or knowledge of an Association similar to ours and whether those Associations hire a professional manager or special assistant performing some of the functions the people are performing here. “And you have to take that into the equation for consideration. Are the paid and volunteer doing things that other civic associations are paying for in other ways?”
 - Alin Springer responded, “I have been President of an association that has 3,000 members. I was also the Treasurer and also the Secretary. We had a secretary in the office who got paid. We only had six members on the Board, not 19 like we have. None of them got paid. Everybody was a volunteer. The only person who got paid was the secretary of the office. There is no other Association in Maryland that pays their Executive Board. None.”
 - The President responded, “I don’t know about other Association but Montego Bay is unique that we are the only one that pays their officers.”
 - Mr. Kendrick, responded: “I do feel like these are volunteer positions. If you are paying someone, like Mr. Fox was asking, maybe the expertise needs to be hired as opposed to volunteers who have a good heart and they want to do the right thing but maybe they don’t have the credentials for some of these activities and maybe we should hire or expand the office secretary duties to do some of the work. That could reduce the number of hours the volunteers put in. So I do think it is more a job of oversight is what the elected officials should do here and go with volunteers. I agree no pay.”

- Don Dean, member, spoke on the Ocean Pines issue. "I have been hearing that for a number of years. Number One, the owners voted for that. They have a right to vote to pay those people, and we have the same right to not pay them."
- Barbara Reniak, made a few comments for consideration. Regarding Mr. Svoboda comparing Montego Bay to Ocean Pines:
 - Ocean Pines pay for their own roads, they have very high dues, and they pay for all of their amenities. Montego Bay does not. It is not an apples-to-apples comparison.
 - Here in Montego Bay the city takes care of the streets and we all take care of our own homes, and the common grounds.
 - In Ocean Pines money does not exchange hands. In Montego Bay the money does change hands.
- John McDermott, member of the Board, added, "When we have an election, which we will have in the Fall, sometimes we have so few people volunteering that we don't even have to hold an election. In view of that, for us to begrudge our officers, if they want to take a salary, I think that is wrong."
- Bob McCluskey, member of the Board, said, "I have been listening to your debate. I've heard this debate before. I've never fully understood why some people get irate about it. First of all, the officers put in more time than maybe some of you realize. I've gotten a chance to talk to talk to some of our officers and I realize the amount of hours they spend on behalf of this community. I don't begrudge them taking a salary. It is fine if some choose not to. But I am not opposed to those who choose to accept the stipend. I would also like to remind you that we have over 1,500 properties in this community. If you break that down, it costs about each homeowner roughly \$10 a year to compensate our officers. It is less than \$1 a month that we are paying to run this community. I don't think that is too much for us to bear."
- [An Owner]: How many people are delinquent in their assessment?
 - Sandy Kvech responded, "From this past year we had four and liens have been placed on all four of those properties. We had five and one recently paid the penalties and the lien was released."

Motion: Sandy Kvech Seconded: Bill Trumpler	Approve the 2011-2012 budget as presented.	Passed
Voted in Favor: Majority	By a showing of hands, the attendees passed the motion.	
Abstained: n/a		
Voted Against: n/a		

COMMITTEE REPORTS:

- **Neighborhood Watch, Bill Neimiller, Chairman:** "We are in the process of looking at some changes. I have had some questions that I never see the police in Montego Bay. We do not have a strict schedule when they patrol. I am not in favor of having a schedule. The agreement we have with the police department is that at least one time each shift the police will ride through the park. As far as seeing police in the community, we have come up with a new report to the Directors and Officers and we are in the process of doing some analysis on it." Mr. Neimiller reviewed some of the highlights of the statistics to show that the police are in the park more often than anyone realizes.
- **Bylaws and Declaration Committee, Tony Kendrick, Chairman:** "The new bylaws are out there and we want to take this opportunity to help everyone understand that for the elections; this year will be the first time, until you change it, every owner will get a ballot. You need to understand that it is the envelope you get the ballot in that validates the ballot inside. The envelope will be such that you cannot duplicate it. The ballot can be duplicated. One ballot goes into one envelope. When the envelope is opened and there is more than one ballot, it will not count. You can mail the ballot back. Or you can bring your envelope and ballot to the August General Meeting and you can turn it in there as well. No ballots will be given out at the meeting because you will have received your ballot in advance. Make sure your mailing address is up to date by calling or stopping by the office. If you have e-mail, please give your e-mail address to the Association. It will help in contacting you should something be happening with your property, 80% of our owners do not live here, or other information needs to be shared. Again, "It's the envelope." The theme is, "It's the envelope" when you get your ballot to vote.

New Business:

- Don Dean, Owner, "there was discussion at several board meetings on the qualifications for being on the Board. And the Board made some changes, and they did a good job. Two things they put in the bylaws was that the candidates for officer positions must be full-time residents of the Montego Bay residential community. Under the definition, it says a full-time resident is being domiciled in Montego Bay. What domicile means is you can live here, go over there, but intend to come back here. You're domiciled. For

example, Rahm Emmanuel resigned his position as President Obama's chief of staff to run for mayor of Chicago. The opposition said he couldn't run because he hadn't lived there for a couple of years. The court ruled that because his intent was to come back to Chicago he was domiciled in Chicago. I say that because what we have done is we have opened up for more people to be officers of this Association because all you have to do is be domiciled in Montego Bay."

- Al Cochran, member, requested that the language in the Operational and Procedures Manual section 1.10.1.5 be revised from keeping garbage cans out of sight to keeping garbage cans from in front of the home.

Motion: Al Cochran Seconded: Anna Neimiller	Place on a referendum to change 1.10.1.5 from keeping trashcans out of sight to move them back to the house after trash pickup.	Passed
Voted in Favor: Majority	By a showing of hands, the attendees passed the motion.	
Abstained: n/a		
Voted Against: n/a		

DISCUSSION:

- The intent of the section was to not leave garbage cans out along the street or sidewalk.
- Barbara Reniak asked that everyone be a good neighbor and pull their neighbors trashcan back to their house if there neighbor is away.
- John Kutcher, asked if the intent of the Board was to replace the restrictions with the Operations and Procedures Manual? The answer was no. Ms. Kutcher also mentioned some items in the Operations and Procedures Manual that do not pertain to Montego Bay. The response was the Operations and Procedures Manual was passed by the Board and can now be changed by the Owners.

- Al Cochran, member, questioned the intent of 1.10.1.8 to have no decorative lawn ornaments.

Motion: Al Cochran Seconded: Don Dean	Place on a referendum to remove "decorative lawn ornament" from 1.10.1.8, which will then continue to allow decorative lawn ornaments.	Passed
Voted in Favor: Majority	By a showing of hands, the attendees passed the motion.	
Abstained: n/a		
Voted Against: n/a		

DISCUSSION: None.

- Paul Svoboda, member of the Board, stated: "It seems like we are having a lot of discussion about the procedures. It is kind of being ridiculous to put all these stupid things on our ballot. This should have been clarified." Mr. Svoboda recommended that a review be done and a recommendation made to the Board on what changes could go to referendum. The President endorsed that idea.
- The President pointed out to owners that if they object to anything they are reading in the Bylaws or the Operations and Procedures Manual they should contact a member of the Board or call the Office and give them a recommendation "and we will go on from there."
- Don Dean, Owner, discussed the issue of budgets. He mentioned that the U.S. Government has two budgets – a mandatory budget and a discretionary budget. "Right now we have a Reserve Budget and an Operational Budget. Other Associations have a third budget, the Discretionary Budget. The difference between the Operational Budget and the Discretionary Budget is the Operational Budget includes such things as lights, sewer, water, phone, etc. You can't vote not to pay the light bill. The Discretionary Budget is all the things I made motions on today. The Discretionary Budget has things like offering aerobics, officer stipends, and things like that."

Motion: Don Dean Seconded: Tony Kendrick	Place on a referendum to have a Discretionary Budget along with the existing Operational and Reserve budgets, starting with the 2012-2013 fiscal year.	Failed
Voted in Favor: n/a		
Abstained: n/a		
Voted Against: Majority	By a showing of hands, the attendees rejected the motion.	

DISCUSSION:

- Paul Svoboda, member of the Board, stated that the motion died for lack of a second.
 - Tony Kendrick, Secretary, seconded the motion and pointed out that while Officers can no longer second motions at Board Meetings at a General Meeting Officers have the same right to second motions as any other member because the Directors and Officers stand down at General Meetings.
- Sue Frankowski, Vice President, said, "Am I not wrong, if I'm wrong I'm wrong, and I think I am, at our last Board meeting didn't we go over this same thing and it was voted down at our Board meeting?" Multiple responses of, "This is an Owners meeting," followed.

- Sandy Kvech, Treasurer, said, "With respect of separating the discretionary items from the operational items as we did today as you pointed out we can go line-by-line to approve or disapprove in terms of the budget. To separate and establish a third budget I think is redundant. You still have the same opportunity to question or challenge whatever line items in the budget."
- Don Dean, Owner, commented to the members on remarks made by Paul Svoboda and Sue Frankowski. "Mrs. Frankowski just said they voted at a Board meeting not to do that. And Mr. Svoboda said that the Board would decide stuff. Under the new Bylaws, they don't decide anything. You do. We can't come in here and say that 'we voted at the Board meeting so it is settled.' You all settle the issue. You all have the right to vote now. The principle is that the Board can't say 'listen to us' any more; it is the owner's now."
 - Joan Kutcher, member, stated, "According to that none of this should have been passed without going to the owners first!" The response was, "That couldn't have happened until this was passed."
 - Bill Trumpler, member of the Board, remarked, "To change things, this gentleman said we don't make decisions any more. Why do we have a Board then? Think about it."
- Larry Holdren, member of the Board, stated, "I was the Chairperson of the website committee and we worked very very hard to get the website up and going. I campaigned to have the Board of Director meetings and General Membership meetings videotaped and get them out on the website. Now that Tony is now in charge of the Communications, and website falls underneath that, I would like to know how we are going to get it finalized to get it out on the website so everyone can see what is going on."
- Mr. Kendrick responded that he has been video recording the meetings but the difficulty has been technical. "The file size is so large that our web server doesn't have the space and we would have to purchase more space. And then one would have to come down to put the next one on, etc. We are still working out the details. Our intent is to get them up there because they are worth listening to and watching. Another option is to possibly put them on YouTube – they would be just as available on our own website as on YouTube."

Motion: Bill Neimiller Seconded: Al Cochran	Motion to adjourn	Passed
Voted in Favor: Majority	By a showing of hands, the attendees passed the motion.	
Abstained: n/a		
Voted Against: n/a		

The meeting adjourned at 12:40 p.m.

Submitted By:
 Tony Kendrick, MBCA Secretary