

**Executive Summary Minutes  
Board of Directors Meeting  
December 10, 2011**



**Approved by the Board: December 26, 2011**

*[Full Minutes of the meeting, including the discussion of the motions, will be approved at the February 11, 2012, Board meeting.]*

President Barbara Reniak at 9:00 A.M, called the meeting of the Board of Directors of the Montego Bay Civic Association to order. The President led the Pledge of Allegiance.

**Roll Call:** The President and 12 (of 13) voting members were present. Ten owners attended.

| President Barbara Reniak – Present |   |                                 |   |                            |   |
|------------------------------------|---|---------------------------------|---|----------------------------|---|
| P = Present                        |   | Voting Members                  |   | A = Absent                 |   |
| Sue Frankowski, VP                 | P | Sandy Kvech, Treas <sup>1</sup> | P | Tony Kendrick, Sec         | P |
| Steve Borkowicz                    | P | Eileen Furnari                  | P | Bill Hastings <sup>1</sup> | A |
| Linda Herzberg                     | P | Larry Holdren                   | P | John McDermott             | P |
| Tom Seibold                        | P | John Shifflett <sup>1</sup>     | P | Bill Trumpler              | P |
| Al Weber                           | P |                                 |   |                            |   |

**President's Report:**

- **City Street Lights:** The President addressed the rumor that the MBCA was going to ask the Town of Ocean City to install city street lights and that the individual MBCA lamplights will be removed. That rumor is not true. The President asked the Board, and those owners in attendance, to help dispel this rumor. She stated that the rumor, for the most part, has no basis in fact and that it is only an innuendo from a vocal few.
- **Reduction in Annual Dues:** The President asked that the Board listen to the comprehensive 2012-2013 proposed budget report of the Budget and Finance Committee. The President announced that the proposed budget will include a reduction in the annual dues.
- **Board Meeting Agenda:** The President stated, "Make no mistake about it – owners are encouraged and welcome to attend Board meetings. And to speak for the Good of the Association during that segment of the Board meeting. After the owners are finished with the Good of the Association segment, the business portion of the meeting will start. And only the Board will identify, address, and discuss the business and make decisions for this Association. It is the option of the President to call on people to speak. However, it would be counterproductive to call on anyone whose intent it is only to debate, or try and debate, issues and business that the Board is to carry out. That is what the Board was elected to do. Again, people are welcome to stay and observe the working of the Board during the business portion of the meeting."
- **Committee Process:** The President asked that anyone who has an issue or concern to bring that to any Committee that the Board has in place instead of trying to circumvent the Committee and coming directly to the Board. "Please take the time to attend those meetings, interact with committee members, bring your concern or issue to the forefront, discuss it, and help to shape the Committee recommendation. The Committee will entertain any issues that are brought before them. Then they will bring it before the Board and explain how they dealt with it."

**Good of the Association:**

- **Harriet Pilert:**
  - Extended her thanks to the Secretary for following through with the suggestion of the last meeting to provide more information in the summary of the minutes. She mentioned that owners can now go to the website and have a better understanding of what was discussed. She stated that she thought the summary of the last meeting was very good and she expressed her appreciation.
  - Extended thanks to the President for recognizing and allowing her, and others, to speak during the business portion of the meeting when issues were being discussed. Ms. Pilert recognized the need for some control during the business portion of the meeting and expressed her appreciation for the graciousness of the President to recognize those who wished to speak.

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| <b>Business Meeting – Director and Officer and Committee Member participation only</b> |
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**Secretary's Report:**

|   |  |               |
|---|--|---------------|
| Motion: Tony Kendrick<br>Seconded: Linda Herzberg | <b>Waive the reading of the minutes of the November 12, 2011, meeting of the Board and accept them as modified during the discussion.</b>  | <b>Passed</b> |
| Voted in Favor: 12                                | Steve Borkowicz, Sue Frankowski, Eileen Furnari, Linda Herzberg, Larry Holdren, Tony Kendrick, Sandy Kvech, John McDermott, Tom Seibold, John Shifflett, Bill Trumpler, Al Weber |               |
| Abstained: 0                                      |  |               |
| Voted Against: 0                                  |  |               |

DISCUSSION: The draft of the minutes was provided to the Board on December 1, 2011. One comment was received that did not receive additional Board endorsement and, therefore, the minutes were not changed. No other corrections were received. The President called for the vote. Passed.

**Active Resolutions and Motions:** The Secretary provided, as called for in the Bylaws, a list of current motions and resolutions that affect the procedures of the Board. It was made available to owners in attendance. *[A copy is attached to these minutes.]*

**Treasurer's Report:**

|   |  |               |
|---|--|---------------|
| Motion: Bill Trumpler<br>Seconded: John McDermott | <b>Approve the Treasurer's Report for November 2011.</b>   | <b>Passed</b> |
| Voted in Favor: 12                                | Steve Borkowicz, Sue Frankowski, Eileen Furnari, Linda Herzberg, Larry Holdren, Tony Kendrick, Sandy Kvech, John McDermott, Tom Seibold, John Shifflett, Bill Trumpler, Al Weber |               |
| Abstained: 0                                      |  |               |
| Voted Against: 0                                  |  |               |

DISCUSSION: Sandy Kvech reported there was nothing significant to report in the November budget. The HVAC system has been paid in full. The operating budget is on target overall. The President called for the vote. Passed.

**Old Business:** None.

**Committee Reports:**

**Advisory and Strategic Planning:** Bill Trumpler, Chairman – reported that a meeting of the Committee will take place sometime in January. The focus of the meeting will be to review the strategic plan and develop recommendations, if any, to the Reserve Fund.

**Architectural Review & Permit Processing:** Tom Seibold, Chairman:

- Brought to the attention of the Board that the Board, and owners, have no right to enter onto anyone's property. That includes no right to enter into any home under construction to view the layout or the amenities that the home will have, etc. "It is illegal," Mr. Seibold said. "After hearing from the owner last month and the issues he had, I would be very hesitant to enter onto anyone's property."
- There has been precedent set throughout the community of moving driveways. Some with and some without Board approval. I am making a motion to approve the relocation of a driveway, which has received city approval, for the home under construction on Gulfstream.

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| Motion: Tom Seibold<br>Seconded: Linda Herzberg | <b>Approve the request from the owner on 636 Gulf Stream Drive to relocate their off-street parking pad, as shown on the drawings.</b>           | <b>Passed</b> |
| Voted in Favor: 10                              | Steve Borkowicz, Eileen Furnari, Linda Herzberg, Larry Holdren, Tony Kendrick, Sandy Kvech, John McDermott, Tom Seibold, Bill Trumpler, Al Weber |               |
| Abstained: 0                                    |  |               |
| Voted Against: 2                                | Sue Frankowski, John Shifflett   |               |

DISCUSSION: There are plenty of driveways that have been relocated with and without Board approval. The President called for the vote. Passed.

**Budget and Finance:** Kathy Kendrick, Chairman:

- The 2012-2013 Reserve Budget recommendation was presented to the Board by Kathie Kendrick.

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| Motion: Bill Trumpler<br>Seconded: John Shifflett | <b>Approve the recommendation of the Budget and Finance Committee to use \$18,300 of unobligated 2010-2011 operating funds for pool furniture, fence repair, items for the putt-putt course, bio-logs for the pond, redesign of the office, and additional mailings.</b> | <b>Passed</b> |
| Voted in Favor: 12                                | Steve Borkowicz, Sue Frankowski, Eileen Furnari, Linda Herzberg, Larry Holdren, Tony Kendrick, Sandy Kvech, John McDermott, Tom Seibold, John Shifflett, Bill Trumpler, Al Weber   |               |
| Abstained: 0                                      |  |               |
| Voted Against: 0                                  |  |               |

DISCUSSION:

- The 2010-2011 budget is coming in \$23,280 less than budgeted. Having a large amount of money at the end of the fiscal year is not good management. However, the over budgeted amount can fund some requests before the end of this fiscal year.
  - Requesting that the Board approve additional expenditures of \$18,300 from the 2010-2011 budget:
    - Purchasing umbrellas and tables so they are received in advance of the 2012 pool season.
    - Funding repairs to a section of fencing.
    - Purchase of pots and ornamental grass for the putt-putt course.
    - Purchase of bio logs to shore up the bank of pond on the Bahia side.
    - Fund a redesign of the office to improve security of sensitive and privacy information; in concert with redesigning and upgrading the ladies bathroom.
    - Funds for additional mailings to all owners.
- Unanticipated expenses (funded from the unobligated operating funds):
  - Approximately \$10,000 for mold remediation and building repairs.
  - \$12,970 for the HVAC system. The Budget and Finance Committee will be recommending to the Advisory and Strategic Planning Committee to add the replacement costs of the HVAC system as a line item to the Reserve Fund.
- By the end of this fiscal year, even with the unanticipated expenses, the Reserve Fund will be increased to 57% of the projected need.
- In the Reserve Fund line items, which reflect the strategic planning of the Board, the maintenance and/or repairs scheduled for the 2012-2013 Reserve Fund budget is the resurfacing of the shuffleboard courts, some additional bio-logs for the pond, and the resurfacing of the walkway all around the pond. The total for these expenditures (out of the Reserve Fund) is \$34,400.
  - Indications are that the entire pond walkway does not need to be resurfaced.
  - Funds allocated for a Reserve Fund item that are not used carry forward for that item.
  - Therefore, if the amount allocated is not used, the remainder will go forward and remain in the Reserve Fund item for Park and Pond.

- The Park and Pond Committee has requested a three-year project to install bio-logs to shore up the banks of the pond. This year (2012-2013) the cost of the first year of the project has been included in the proposed Operating budget. However, for the next two fiscal years the Budget and Finance Committee is proposing to the Advisory and Strategic Planning Committee that the purchase of bio-logs be added to the Park and Pond line in the Reserve Fund.
  - Mrs. Kendrick explained that the fine line is to ensure that the Reserve Fund is realistically set. She reported that comments from owners about the 2010-2011 budget included questions why the unobligated amount in the operational budget was so large and the annual fee wasn't reduced. "This year the budget proposal is to do both."
  - The President called for the vote. Passed.
- The 2012-2013 Operational Budget recommendation was presented to the Board by Sandy Kvech.

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| Motion: John Shifflett<br>Seconded: Eileen Furnari | <b>Give preliminary approval of the proposed 2012-2013 Operational Budget, to include a 7% reduction in the annual fee per property, and to mail out to the General Membership the Reserve and Operational budget handouts for their review and feedback.</b> | <b>Passed</b> |
| Voted in Favor: 11                                 | Steve Borkowicz, Eileen Furnari, Linda Herzberg, Larry Holdren, Tony Kendrick, Sandy Kvech, John McDermott, Tom Seibold, John Shifflett, Bill Trumpler, Al Weber  |               |
| Abstained: 0                                       |   |               |
| Voted Against: 1                                   | Sue Frankowski  |               |

**DISCUSSION:**

- The recommendation to the Board is reduce the Annual Fee by 7%. To \$199 for the 2012-2013 fiscal year.
- The Officer payments are budgeted only for the Vice President and the Treasurer. The President and Secretary volunteer without accepting compensation.
- Office supplies increased by \$1,600, primarily to cover additional mailings out to the General Membership and maintenance of the copy machine.
- The scheduled incremental funding of the Reserve Fund of \$44,500 is unchanged.
- Mr. Kendrick indicated that the Board approves the budget after owners have had at least 30 days to review it and comment on it. A discussion of the timeline for mailing it out and receiving feedback ensued.
- The President remarked that members on the Budget and Finance Committee have many years of professional financial experience and the Association is very fortunate to have them at the helm running the Association's financial operation. The comment was added that the committee has more than 100 years of combined financial experience.
- The President called for the vote. Passed.

**Bylaws and Declaration:** Tony Kendrick, Chairman:

- The approval of the Budget is by vote of the Board, not the Owners. The section of the Operational and Procedures Manual that pertains is:
  - **OPERATIONAL AND PROCEDURES MANUAL 1.9 ARTICLE IX – Finance**
    - **1.9.5** Budget: A budget shall be adopted for the fiscal year as follows:
      - **1.9.5.1** The Board will present an Operational Budget to the Owners at least 30 days before the Board approves such budget.
      - **1.9.5.2** The Board will present a Reserves Budget to the Owners at least 30 days before the Board approves such budget.
- However, there are references in the Operational and Procedures Manual that the budget is approved by the owners. The following motions pertain:

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| Motion: Tony Kendrick<br>Seconded: Linda Herzberg | <b>To bring the Treasurer duties in line with the Bylaws and Operational and Procedures Manual finance sections; remove from the Treasurer duties in section 1.4.11.5.9 references to owner approval of the budget.</b> | <b>Passed</b> |
| Voted in Favor: 11                                | Steve Borkowicz, Eileen Furnari, Linda Herzberg, Larry Holdren, Tony Kendrick, Sandy Kvech, John McDermott, Tom Seibold, John Shifflett, Bill Trumpler, Al Weber  |               |
| Abstained: 0                                      |   |               |
| Voted Against: 1                                  | Sue Frankowski  |               |

DISCUSSION: This motion brings the Treasurer section into consistency with the Finance section of the Bylaws/Manual that the Board approves the Budget. It is within the authority of the Board to change the Treasurer’s duties in the Manual. The rest of the Treasurer section is unchanged. The result is the sentence would read: **Treasurer duties 1.4.11.5.9:** Collect and disburse the funds of the Association as prescribed by the Board of Directors and within the annual operational budget approved by a majority of responsive votes of the Owners.

- o Sandy Kvech explained that last year the General Membership attending the April General Membership Meeting approved the budget, but that isn’t necessary. She continued explaining that the General Membership has an opportunity to comment on the budget and the Board can consider those comments and possibly make adjustments to the Budget, before the Board votes to approve the budget.
- o The President called for the vote. Passed.

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| Motion: Tony Kendrick<br>Seconded: John McDermott | <b>In support of the budget development process and to ensure consistency in approval responsibility for the MBCA budget; remove reference to owner approval of the budget in the Sources of Financial Support (Section 1.9.1.1) regarding the annual charge proposed and approved by the Board.</b> | <b>Passed</b> |
| Voted in Favor: 11                                | Steve Borkowicz, Eileen Furnari, Linda Herzberg, Larry Holdren, Tony Kendrick, Sandy Kvech, John McDermott, Tom Seibold, John Shifflett, Bill Trumpler, Al Weber   |               |
| Abstained: 0                                      |  |               |
| Voted Against: 1                                  | Sue Frankowski   |               |

DISCUSSION: The Budget/Finance Committee cannot develop a recommendation of the annual fee based on the operational needs of the Association if a determining factor is not available or affirmed until the owners are balloted and the ballots are counted. Therefore, to bring the annual fee subsection of the Sources of Finances section in line with the Finance section on approving the budget by the Board, this administrative change is necessary. The result is the sentence would read: **Sources of Funding 1.9.1.1:** The annual charge proposed and approved by the Board of Directors in the annual budget and approved by the majority of votes received from the Owners, under Article IX, and such other charges or fees authorized by the Bylaws or Restrictions document.

- o It was reaffirmed that the Board can approve a fee increase of up to 10% and anything greater than 10% would require the approval of the General Membership. This has always been the requirement passed by the General Membership in the Declaration of Restrictions.
- o The President called for the vote. Passed.

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| Motion: Tony Kendrick<br>Seconded: Linda Herzberg | <b>Schedule a special board meeting, on the topic of reviewing the proposed bylaws, for a date to be determined in January 2012.</b>   | <b>Passed</b> |
| Voted in Favor: 12                                | Steve Borkowicz, Sue Frankowski, Eileen Furnari, Linda Herzberg, Larry Holdren, Tony Kendrick, Sandy Kvech, John McDermott, Tom Seibold, John Shifflett, Bill Trumpler, Al Weber |               |
| Abstained: 0                                      |  |               |
| Voted Against: 0                                  |  |               |

DISCUSSION: Recommended changes to the proposed bylaws was postponed until such time a Special Board Meeting for the single purpose of reviewing the proposed bylaws by the Board can be scheduled in January 2012. The President called for the vote. Passed.

**Communications:** Tony Kendrick, Chairman:

- The Committee is going to develop a survey to find out from owners on the e-mail list (who are most likely to access the internet), what features they would like in the MBCA website. The results will tie into the 2010-2011 \$1,500 budget amount for Communications to upgrade the website.

**Park and Pond:** Al Weber, Chairman:

- The bay pump was pulled out on November 22, 2011. The aerators and fountains were removed from the pond before that time.
- A three year-plan was submitted to the Budget and Finance Committee for bio-logs for the pond.
- A budget request to renew the contract with Envirotec was submitted for the 2012-2013 budget.
- The pond is in good shape.

**Pools and Recreation:** Eileen Furnari, Chairman:

- The winterization of the pools is complete.

**City Hall:** John McDermott, Chairman:

- A meeting for Montego Bay residents to speak with Ocean City Council President, Jim Hall, has been arranged for Saturday, January 21, 2012, at 9:00am in the MBCA Office meeting room.
- This is not a meeting that is sponsored or endorsed by the Association. The meeting location is all that is being made available for the Good of the Association.
- The general topic will be Ocean City Council business decisions and what is happening downtown. This is an opportunity for Montego Bay residents to communicate with their elected representative.

**Neighborhood Watch:** Linda Herzberg, Chairman:

- The Officer of the Year dinner is January 12, 2012, at 6:00pm. The cost is \$5 per Neighborhood Watch patrol and \$10 for guests. The policeman candidates have done so much for Ocean City and what they do every day is impressive.

**New Business:**

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| Motion: Bill Trumpler<br>Seconded: Eileen Furnari | <b>Have no Board Meeting in January 12, 2011.</b>  | <b>Passed</b> |
| Voted in Favor: 12                                | Steve Borkowicz, Sue Frankowski, Eileen Furnari, Linda Herzberg, Larry Holdren, Tony Kendrick, Sandy Kvech, John McDermott, Tom Seibold, John Shifflett, Bill Trumpler, Al Weber |               |
| Abstained: 0                                      |  |               |
| Voted Against: 0                                  |  |               |

DISCUSSION: No discussion. The President called for the vote. Passed.

**Closing Comments:** The President recognized Bernie Herzberg for the extensive amount of time and work he has performed for the community. He has helped with the office, keeping the garden at the office trimmed and planted, and helping with keeping the lamp lights on in the community. Mr. Herzberg received a round of applause from the Board and those in attendance.

**Adjournment:**

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| Motion: Linda Herzberg<br>Seconded: Eileen Furnari | <b>Adjourn</b>  | <b>Passed</b> |
| Voted in Favor: 12                                 | Steve Borkowicz, Sue Frankowski, Eileen Furnari, Bill Hastings, Linda Herzberg, Larry Holdren, Tony Kendrick, Sandy Kvech, John McDermott, Tom Seibold, Bill Trumpler, Al Weber |               |
| Abstained: 0                                       |   |               |
| Voted Against: 0                                   |   |               |

DISCUSSION: The President called for the vote. Passed.

The meeting adjourned at 10:52 a.m.

Submitted By:  
Tony Kendrick, MBCA Secretary

## **Active Resolutions and Motions**

(updated 12-08-2011)

**President's Report: (July 9, 2011)** - Keep the tennis court by the office open all year and 24-hours a day. Passed.

**Committee Reports: (August 13, 2011)** - Putting a coded lock on the gate will allow access to authorized players. The sense of the Board was that with coded access there would be 24/7 off-season availability to the tennis court but that it would not remain unlocked 24/7. Once the pools are closed; the coded lock would be put on the tennis court gate.

**Good of the Association: (November 6, 2010)**

Any changes or clarifications to the Restriction document, permitting process, or to a policy or process of how the Association and the Board works receive two readings the same as bylaw changes. Passed.

**Good of the Association: (November 6, 2010)**

Any changes or clarifications to the Restriction document must cite the section within the Restrictions that it applies to. Passed.

**Good of the Association: (November 6, 2010)**

Recordings of the Board Meetings can be made by anyone. Passed.

**Good of the Association: (September 11, 2010)**

The minutes do not get posted on the Internet until approved by the Board. Passed. (The General Membership Minutes, which are approved by the Owners and not the Board, will continue to be posted on the web in draft form.)

**Minutes: (October 3, 2009)**

Officers review the draft minutes prior to distribution to the Board. Passed.

**President's Report: (September 9, 2009)**

- All meetings scheduled regarding association business, including but not limited to board meetings and committee meetings, should be announced to all board members via e-mail; US mail for those board members who do not have internet connection, and to the community using the website, community e-mail, and posted on the Office Association's Bulletin Board. Passed.
- Minutes of Board Meetings will be distributed to Board Members via e-mail or US Mail and will be posted on the website. Passed.
- The computer is backed-up each night that the office is open and a copy disc is removed to an offsite location by the President.

**President's Report: (September 9, 2009)**

Any meeting regarding association business are to be held at the MBCA office with the exception of annual meetings. Passed.

**New Business: (September 9, 2009)**

Security protocols for the office, MBCA documents, and membership information. Passed.

- Only the officers and employees have keys to the office; only the officers and the office secretary have the password to the computer, which contains all MBCA data and membership information.

**New Business: (July 11, 2009)**

Committee reports at the General Meeting are to be inclusive of events since the last General Meeting. Motion seconded. Passed.

**Good of the Association: (April 5, 2009)**

All documents the Board is expected to vote on be supplied, rather than read. Passed.

**Good of the Association: (February 1, 2009)**

A member at large said he thought that copies of handouts would be made available to attendees. The President said that copies would be available [starting] at the next meeting.

**Good of the Association: (February 1, 2009)**

A member questioned why the list of Board members on the web site does not include addresses and phone numbers or e-mail addresses. Board members objected to the inclusion of this information for privacy reasons, but thought a generic board member e-mail address could be set up.