

**Executive Summary Minutes
Board of Directors Meeting
November 12, 2011**



Approved by the Board: November 22, 2011

[Full Minutes of the meeting, including the discussion of the motions, will be approved at the December 10, 2011, Board meeting.]

President Barb 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.

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

Good of the Association:

- **Agenda Sequence:** The agenda location of the “Good of the Association” was again discussed. Remarks provided at the October meeting were repeated. The President reconfirmed that the location will remain at the beginning of the Board Meetings and encouraged everyone to attend Committee Meetings to provide input while the Committee is developing a recommendation to the Board instead of waiting for it to come before the Board during the business section of the Board Meeting. Everyone was reminded that the meeting guidelines continues to include that the President has the discretion to recognize Owners who may wish to speak.
- **Release of Minutes:** It was requested that the full minutes be posted sooner. Everyone was reminded of the decision of previous Boards that no minutes would be posted until they were approved by the Board to ensure that any erroneous information would not be released “as fact” and remain published without correction. The compromise was to post motions made and the result of the votes, which was a factual outcome and not subject to debate. Owners requested if more contexts could be added to the summary minutes, on all issues discussed and not just those that required a motion and vote of the Board. It was agreed by a sense of the Board that a brief synopsis could be added.
- **Holiday Party:** The Holiday Party for Owners is to be from 2pm to 4pm on December 10, 2011, at the Association meeting room. Additional details will be provided later. Anyone who is interested in helping decorate or providing food or refreshment, please contact the party coordinator, Ann McDermott, at John.McDermott@montegobaycivicassoc.com.

Business Meeting – Director and Officer and Committee Member participation only

Secretary’s Report:

Motion: Tony Kendrick Seconded: Larry Holdren	Waive the reading of the minutes of the October 8, 2011, Meeting of the Board and accept them as modified during the discussion.	Passed
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 draft minutes were provided to the Board on November 7, 2011. One correction (spelling) was received and the correction was made. Sandy Kvech provided two corrections (one an incomplete sentence and the other a missing conjunction). No other corrections were received. The President called for the vote.

Minute Format: The Board received two owner complaints that the motion to pass the current bylaws was never voted on. For the benefit of all owners, the format used for the past 13 months was explained: The table format is used to show the motion and the results of the votes, and the voting record of individual members. Any discussion is formatted below the table. The discussion is, chronologically, before the vote is taken – which is then reflected up in the table.

Treasurer's Report:

Motion: Sandy Kvech Seconded: Bill Trumpler	Approve the Treasurer's Report for October 2011.	Passed
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: Sandy Kvech reported she modified the budget reports. There are five delinquent dues for 2011-2012 and four delinquent accounts for 2010-2011.

- The collection process was explained as: dues are paid by May 1, if they are not paid by June 1 the owner is assessed a penalty, if they are not paid by July 1 the account is turned over to the attorney for collection. The attorney notifies the owner that they are delinquent and gives them a deadline to pay the MBCA fees and associated attorney fees, and if not paid, a lien is then placed against the property.
- The operating budget is on target overall.
- The President called for the vote.

Donation Request:

Motion: Linda Herzberg Seconded: Larry Holdren	Donate \$100 to the Worcester County Sherriff's Office for their annual child safety and drug prevention education program.	Passed
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: Sandy Kvech reported on a request from the Worcester County Sherriff's Office for a donation for their child safety and drug prevention education program for children and parents in the community. She reported that there was 65% remaining in the donation budget. The President called for the vote.

President's Report:

- **Budget Assumptions:** The President announced her guidance to the Budget and Finance Committee as they work up the 2012-2013 budget request:
 - Conduct an in-depth review of the current budget and adapt it to the needs of the Association.
 - Keep the budget flat-lined for 2012-2013; do not exceed the amount budgeted overall for 2011-2012.
 - Fully fund the scheduled incremental amounts of the Reserve Budget 5-year plan approved by the Board.
 - Reduce the annual dues amount below the 2011-2012 level.
 - The Board provided various perspectives regarding a reduction in the dues:
 - Do not reduce the dues before the Reserve accounts are fully funded. The response was that with the five-year funding plan already approved, that will ensure when the money is needed it

will be there, that fully funding the reserve accounts will continue as planned and dues could still be reduced.

- That dues should never be reduced and owners will appreciate that they aren't being increased. The response was that at the last General Membership Meeting owners did question why dues could not be decreased instead of having \$50 thousand in unobligated operating expenses.
- The Reserve budget should be based on the remaining life of an asset. And that it should be funded at a rate to have the funds available when the end of the remaining life is reached. To accelerate the funding you would have owners today paying for an asset that they may not benefit from because they may no longer live here – the replacement funding should be spread out over the life of the asset instead of putting the burden on owners who are here now.
- **Meeting Schedule:** The President asked the Board to consider in December whether the Board wanted to cancel the January meeting; keeping in mind there are budget and bylaw action considerations.

Old Business: None.

Committee Reports:

Advisory and Strategic Planning: Bill Trumpler, Chairman – no report.

Architectural Review & Permit Processing: Tom Seibold, Chairman:

- The committee is moving forward to schedule a meeting with the Town of Ocean City zoning and permit representatives to get the MBCA in line with the city.

Budget and Finance: Kathie Kendrick, Chairman:

- Announced a Committee meeting on December 3, 2011, at the Association Office at 10:00 am.
- Invited Committee Chairman to submit their budget requests no later than December 3 for the request to be considered; otherwise, the Committee will develop the budget without committee input.
- The 2012-2013 budget recommendation will be presented to the Board at the December 10, 2011, Board Meeting.

Bylaws and Declaration: Tony Kendrick, Chairman:

- Announced that the Bylaws and Declaration Committee has completed its work on the proposed bylaws and is releasing them out of Committee and to the Board for the Board to begin their review and considerations of the recommendations and to provide any changes or comments. He also announced that the Association Attorney reviewed the proposed bylaws and his recommendations have been incorporated in the draft (with two noted exceptions) that is being provided to the Board and posted on the website.
- The President arranged for an information meeting with the Attorney for members of the Committee who could attend. Mr. Kendrick provided the following points of information resulting from the information gathering meeting with the Attorney at the Attorney's office:
 - The Attorney agreed that the meeting was not a Committee meeting and, therefore, did not need to be announced to the general membership. He added that even if someone believed it was a committee meeting it would not be an open meeting because legal advice was being provided and, therefore, it met the HOA Act requirement of when a meeting can be closed.
 - The Attorney confirmed that Bylaws can reference an operational and procedures manual.
 - The Attorney determined that the March 12, 2011, Bylaws have been in place and operational since March 12th and because there was no timely challenge regarding the vote, the Bylaws are valid. Therefore, as required by the March 12th Bylaws, the proposed Bylaw revisions will go out to the owners for their vote for or against approval. If the proposed revisions do not pass, then the Association will continue operating under the March 12th Bylaws – which, by rejecting the proposed revisions would be an affirmation by the General Membership of keeping the March 12th Bylaws unchanged.
 - The frequency of Board Meetings can be as often as the Board wants. The Attorney also said that on the off-months, the Executive Committee can meet to continue the work approved by the Board or prepare recommendations for the Board to consider at the next Board Meeting. The Bylaw &

Declaration Committee agreed that such flexibility would be a benefit and, therefore, is recommending the option that the Executive Committee can meet administratively (and not just in an emergency) if the Board so decides in developing a Board Meeting schedule. [Inserting this flexibility is one of the two exceptions to the recommendations of the Attorney.]

- The Attorney agreed that electronic participation in meetings is reasonable, is the wave of the future, is in common practice now with some of the Associations he represents and with some of the clients he defends, and can be counted as “present” for a meeting. The Committee recommendation is to allow unlimited electronic participation and the Attorney made no edits to that section.
- The Attorney agreed that the personal contact information held by the Association should be protected and not released to any owner who asks.
- The Attorney also agreed that information an owner, or petitioner, wants to share with other owners must be at their own expense and not at the expense of the Association. And they must obtain a mailing or e-mail list from sources other than the Association.
- The Attorney confirmed that an annual dues late penalty of 10% can be applied only once. However, the outstanding amount, of the annual dues plus 10%, is the amount that the Association can apply an interest rate of 18% per year (as authorized by the Declaration of Restrictions).
- The Attorney was asked which document would be the prevailing controlling document of the Association – the Articles of Incorporation or the Declaration of Restrictions. The Attorney clarified that each document serves a different purpose. The Articles of Incorporation are prevailing in establishing the Montego Bay Civic Association, Inc., and how it is managed – via establishing bylaws. The Declaration of Restrictions is the prevailing document for restrictions or requirements that “run with the land.” Both are binding on all Owners.
- In general, on which meetings get “notice” by mail, the bylaws are clear. The efforts currently being employed (notifying owners via e-mail, posting on the web, and posting on the bulletin board) were considered sufficient for other types of meetings listed in the Bylaws.
- The section on filling vacancies on the Board was shortened and clarified, after receiving the Attorney’s recommendations. (This is the second exception to the Attorney’s recommendations.) After the General Membership elects the Directors (including the 4 officers), if a vacancy occurs it will first be filled from within the Board by a vote of the Board; if no one on the Board accepts the vacant position then it will be offered to the candidate with the next highest votes (and on down the line of candidates) and candidate acceptance does not need a vote of the Board; and if all candidates decline the vacancy offer, then the President can appoint someone from the General Membership with Board approval. If the President’s position is the vacancy, it shall first be offered to the Vice President. If the Vice President declines then the process for filling the vacancy follows the procedure outlined above. Anyone filling a vacancy can vote on motions and second motions.
- The Attorney also agreed that it is the responsibility of the owner to keep their mailing address current. The Association needs only to send mail to the mailing address indicated by the owner. If third-class bulk mail does not get forwarded, that is an error on the part of the owner. To avoid any issues regarding mail getting forwarded, the owner needs to make sure they keep a current address listed with the Association.

Communications: Tony Kendrick, Chairman:

- There was general discussion of increasing the number of newsletters that are issued – suggestions ranged from increasing printed newsletters to three or four times a year to keeping the two printed newsletters and issue electronic newsletters on the web and via e-mail at other times.
- The challenge of getting content was discussed.
- The technical issues of putting meeting videos on the web are still a challenge.

Park and Pond: Al Weber, Chairman:

- Reported on the outcome of the October 29, 2011, Park and Pond Committee meeting.
 - Wes Allen, Vice President of Envirotec, attended.
 - A proposal for shoring up the shoreline on the Bahia side of the pond using bio-logs will be developed and, based on costs, a phased-in project (perhaps over a three-year period) will be proposed. Resurfacing the walkway around the pond was also discussed.
 - The increased cost of chemicals was attributed to the lower level of water in the pond over the season allowing growth of algae.

- o The three fountains have been pulled and they will be cleaned, refurbished, and stored. They will be reinstalled around March of next year.
- o The bay pump will be removed, refurbished, and stored within the next two weeks. The bay pump will also be reinstalled around March of next year.
- o Other companies were contacted to consider bidding on maintaining the pond. One company operates out of Ohio. Another company is more focused on evaluating what is needed and telling us what to do instead of doing it. Another company works out of Virginia but has an office in Delaware and they will come to visit and evaluate the pond.

Pools and Recreation: Eileen Furnari, Chairman:

- The sense of the Board was to continue providing umbrellas at the pools rather than ask members to bring their own umbrellas. The recommendation is to invest in commercial grade umbrellas.

City Hall: John McDermott, Chairman:

- Ocean City Council President, Jim Hall, has offered to meet with owners of Montego Bay, at the owner's convenience. The sense of the Board was to make available the Association meeting room for any owners who would like to attend. Details will be worked out and provided. It 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 Council business and decisions and what is happening downtown.

Neighborhood Watch: Linda Herzberg, Chairman:

- Reported she will be attending a meeting downtown this week regarding emergency evacuation.

New Business: None.

Closing Comments: None.

Adjournment:

Motion: Sue Frankowski Seconded: Bill Trumpler	Adjourn	Passed
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.

The meeting adjourned at 10:53 a.m.

Submitted By:
Tony Kendrick, MBCA Secretary