

Approved

**St. Tropez Homeowners Association
Board of Directors Meeting
(Virtual Meeting via Video Conference)
June 19, 2021**

CALL TO ORDER

President Harrington called the meeting to order at 10:00 am.

Attendees: Directors - Ron Harrington, Chester Duncan, Alva Johnson, Michael Edmonds, Cynthia Brysiak, J.C. Garnish and Alexander Krakovsky.

Capital Vacations: Cory Humble, Regional Vice President; Ionela Breha, Area General Manger.

Guest: Allan Foss

SECRETARY'S REPORT

Approval of Minutes

March 20, 2021 Board of Directors Meeting

Upon a motion by Chester Duncan and a second by Cynthia Brysiak, the Board unanimously voted to approve the March 20, 2021 Board of Directors Meeting as written.

OPERATIONS REPORT

Ionela Breha reports that May was a busy month. The pool is up and running and each unit has a key. If keys are not returned upon check-out the owner/guest will be charged \$20.00. Sari created a weekly and monthly check list for Luke for his Friday unit inspections. Sari continues to make pre arrival phone calls and reminding guests of our new pet fees. The resort directory that is placed in each unit has been updated. A new smokers post has been purchased and installed beside the bench in the smoker's area. Ionela also stated two new luggage carts have been ordered.

Ionela and Sari had a meeting with KC Service cleaning, and they are extremely short staffed. Therefore, OC Solutions cleaning company has been brought on board to help clean the 3rd and 4th floor units on Friday. KC Service cleaning will continue to do cleans during the week.

G1 and G2 power washing is complete. As well as the pool entrance. Units 101, 103, 201, 304, 401, 402, 403 and 405 televisions have been replaced. Flowers and planters have been planted in the G1 flower bed in nine 20-inch barrels. Replaced mattresses in Unit 101, 103, 302, 305, 401, 402, 403, and 404.

Luke cleared the beach entry on the north side of the pool ridding thru all the tall grass, and weeds that lined the outside of the pool. Luke has also implemented a weekly unit filter check upon his inspections on Fridays.

PRESIDENT'S REPORT

President Harrington provided an update on the status of the Association's operations stating the property really looks nice. The material that has been placed around the pool to help keep out the sand looks good. The flags placed at the entrance of G1 makes the property stand out and he thinks staff is doing a good job of making the property appealing.

FINANCIAL REVIEW

President Harrington presented a performa financial report stating the Association is in good shape budget wise. Cash and Investments as of April 30th total 849,941, with total assets of \$929,537. In terms of revenues, so far as of April \$427,666 have been received in maintenance fees, ahead of budget by \$16,000. Total operating revenue is \$40,000 over budget. Total operating expenses for April were \$153,703. Discussion ensued on housekeeping expenses. The increase is connected to the cleaning companies and the fact there aren't many to choose from in Ocean City. There is not much room for negotiations and the only thing St. Tropez can do is monitor what is being charged for services rendered. Due to the increase in rentals, there has been additional cleaning expenses. Cleaning fees were discussed and ways to reduce what is charged by the contract cleaners. The question arose about the bedspreads and how/when they are laundered.

Upon a motion by Cynthia Brysiak and a second by J.C. Garnish the Board moved that the bedspreads are removed from all the beds in the units. Once removed they will be disposed of or donated to a local charity. Vote taken; motion passes 6:1 with Ron Harrington voting no.

Collections Report

2021 Maintenance Fee Collections for April total \$427,666 for a collection ratio of 49.2%. To date there are 250 intervals with balances greater than \$5,000, 55 intervals with balances between \$1,000 and \$5,000, and 23 Intervals with balances less than \$1,000. There are 190 HOA intervals.

BUILDING COMMITTEE

Chester Duncan provided an update on the major projects complete so far in 2021. Some of those include:

- Replace G-2 garage light fixtures with LED fixtures & mechanical timers with digital
- Installed door security swing loop door guard
- 3 br unit wireless doorbells have been installed
- New plants for building planters and north end of building
- Refrigerator replacements
- Mattress replacements
- Power washing of building and common areas
- Purchasing of new balcony furniture
- There was a leak in the pool pump room that was corrected

For 2022 will be working with ADT to get two additional cameras installed that will cover the elevator lobbies of G1 & G2, as well as cover the office door. The third-floor art replacement will be completed before the end of the year, and the replacement of the AC grills. Also slated for 2022 is the replacement of the dining room light fixtures, coffee tables and end tables. After the season ends the walkway to the officer will be painted and sealed. There are also plans to replace the bedroom carpeting with vinyl flooring. Discussion ensued on several other 2022 projects.

The Board would like to investigate the cleaner's method of mopping the existing vinyl floors as it is suspected they are using dirty mop water and they do not change it often enough.

LONG RANGE PLANNING

Michael Edmonds presented a detailed PowerPoint presentation regarding the long-term plans for the resort.

Sunset in 2035 - Extend current Time Share structure (sooner or closer to 2035). The consensus would be to extend the time share terms as it gets closer to the sunset date. Regardless of final decision in the future, the Board and staff will continue with improvements to maintain a world class property and experience for owners and guests.

Focus on generating revenue. This can be accomplished various ways. The Board would like to work with Capital to add a tab to the website where units for sale can be listed. Investigate "Redweek" and "Tug2" sites once units for sale are identified to expand our presence on the web for the units we identified for sale. Communicate with existing owners once the "For Sale" tab is active since there may be internal interest in purchasing additional weeks. Additionally, require quarterly updates from Capital on actual rental information under our guaranteed rental agreement for better understanding and monitoring.

Another facet of long-term planning by working to continuously improving the property by ensuring it is maintained well; identify and prioritize projects that will enhance the appeal of the property and identify, and map out longer-term capital improvements needed.

Discussion ensued on an action plan for owners in arrears with their dues. Reach out to those delinquent owners to offers ways to help bring dues current, perhaps offering a reduced settlement in conjunction with them providing their "deed in lieu of" full payment. Or, foreclosing on the units, giving the HOA full control of ownership.

UNFINISHED BUSINESS

Database

The Board would like to establish a database which would be very valuable when it comes to planning what projects the Board would like to do and would assist when coming up with a reserve plan. As an example, water heaters would be included to determine how many water heaters, how old they are and how to predict when the next one if going to fail. Michael Edmonds presented the spreadsheets he created and that is being stored as a Google Doc for the Board's consideration. It was suggested by Management to look including only the data that is necessary and how it is going to help plan for the future of the Association.

Action Item List

The Board reviewed the completed action items and discussed items still in progress.

Action Item #1 – Obtain Quotes for HVAC grills. Ionela has reached out to a few companies in Ocean City and because they will have to be custom made, they will probably cost around \$300 per unit but she is waiting on formal proposals before presenting to the Board.

Action Item #2 – When doing the budgeting in September the Board would like to include a line-item budgeting for foreclosures. This will be completed when Management creates the budget and will be presented at the September meeting.

Action Item #3 – Create a tracking system for different maintenance projects such as when refrigerators are replaced, when AC units are repaired/replaced, water heater repairs, etc. There is currently a file cabinet with this information in the front office and will also be included in the database once launched.

Action Item #4 – The Board approved adjusting the Pet Policy to the following: Owners to pay \$150 in pet fees, renters/exchange guests will pay \$200 for 1 pet, \$300 for 2 pets. Pets (dogs and cats) cannot weight more than 60 pounds. This was completed as of March 20, 2021.

Action Item #5 – The Board is to review the revised Liens, Deed-in-Lieu, Re-Deeding, Hardship and Foreclosure Policy and present their changes at the next meeting. The Board has reviewed and will approve at this meeting.

Maintenance Fee Billing and Collection Policy

The Board reviewed the Maintenance Fee Billing and Collection Policy.

Upon a motion by Cynthia Brysiak and a second by Alexander Krakovsky the Board approved the Maintenance Fee Billing and Collection Policy as presented. All in favor, motion passes unanimously.
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Liens, Deed-in-Lieu, Re-Deeding, Hardship and Foreclosure Policy

The Board reviewed and approved the revised Liens, Deed-in-Lieu, Re-Deeding, Hardship and Foreclosure Policy. Discussion ensued on placing liens on delinquent accounts and the cost involved. Management will get together a list of delinquent owners and present them to the Board for final approval to file liens. In the meantime, Ionela will speak with an attorney to see what the cost will be.

Upon a motion by Cynthia Brysiak and a second by Alexander Krakovsky the Board approved the Liens, Deed-in-Lieu, Re-Deeding, Hardship and Foreclosure Policy as presented. All in favor, motion passes unanimously.

NEW BUSINESS

Annual Meeting Discussion

The Board has decided to hold both the 2020 and 2021 Annual Meetings on Saturday, November 20, 2021. Two separate proxies will be mailed to owners in advance. The 2020 election will be held first, followed by the Bylaws required Organization Meeting; the 2021 Annual Meeting will then follow during which regular business will be conducted. The location for the meeting will be the Maritime Institute in Linthicum, MD, the same location as prior Annual Meetings.

Upon a motion by Alexander Krakovsky and a second by Chester Duncan, the Board unanimously approved the 2020 and 2021 Annual Meetings run concurrently. All in favor, motion passes unanimously.

Bedding Discussion

The Board resumed discussion of bedding options and if something else should be placed on the beds in place of the bedspreads that will be removed. It was decided the bedding will stay the way it is and Management will get with one of our suppliers to get quotes on additional options for bedding.

ADJOURNMENT

Upon a motion by Chester Duncan, and a second by J.C. Garnish, the Board adjourned the meeting at 3:03 p.m.