



OCEAN PINES ASSOCIATION, INC.
BOARD OF DIRECTORS'
REGULAR MEETING
Thursday, April 30, 2015
3:00 PM, Assateague Room, Community Center

Present-Dave Stevens, Marty Clarke, Pat Renaud, Tom Terry, Jack Collins, Sharyn O' Hare and Bill Cordwell. Also present: Bob Thompson, Teresa Travatello, and Michelle Bennett, 5 members of the press and 23 Association members.

Call to Order – Dave Stevens called the meeting to order at 3:00 pm with the Pledge of Allegiance.

Approval of Agenda

Mr. Terry added to Old Business a Request for a Special Meeting between the Board and the Facility Usage Committee, as well as ARC & Racquet Liaison reports. Mr. Cordwell added Tim Mullin to Marine Committee appointment. Mr. Stevens added to Old Business a motion to bring back motion to refund Star Charities under Old Business.

Approval of Minutes

February 7, 2015 Special Meeting- Mr. Clarke moved to approve, Mr. Terry seconded, all in favor.

February 28, 2015 Regular Meeting- Mr. Collins changed under Foreclosure change Mary to Marty, Mr. Collins moved to approve, Mr. Terry seconded, all in favor.

March 12, 2015 Special (Personnel) Meeting- Mr. Collins moved to accept, Ms. O'Hare seconded, all in favor.

March 12, 2015 Special (Budget) Meeting- Mr. Collins moved to accept, Ms. O'Hare seconded, all in favor.

March 28, 2015 Regular Meeting- Ms. O'Hare changed "Betty Brey OP Resident", Mr. Collins moved to accept, Ms. O'Hare seconded, all in favor.

President's Remarks – Dave Stevens- Mr. Stevens recently read an Article in a paper, he found remarks disparaging and wrong about Search Committee Mr. Collins added when he ran a particular member was the reason he did run for the Board, Ms. O'Hare added the Committee works extremely hard and the article was not accurate. Mr. Terry also disagreed with the article.

General Manager's Report – Bob Thompson

Controller's Report- Mr. Clarke asked how Golf maintenance numbers were so low.

Mr. Thompson explained the savings.

WH Boat Ramp-Update- ramps will be open this weekend.

Marina

S&R Splash Pad-Mr. Thompson, still working on the issue; talking to the State and County. It will not be open by Memorial Day,

S&R Pool

Tennis

M/L Pool-Pools and Spas worked directly with Hynes on the grout mix. Mr. Clarke requested tickets from Atlantic Concrete.

RFI Reserve Study- Mr. Stevens asked Mr. Thompson to email to Board for comment and post by next Wed.

Golf

YC- Mr. Clarke asked that discussion on YC Build Final report wait for further review. Mr. Stevens suggested a Special meeting for discussion on both the lessons learned report & YC final dashboard.

Aquatics

Reports-

Monthly Controllers Report

Annual Delinquent Assessments- Mr. Collins asked for clarification on the process. Mr. Thompson explained. Mr. Clarke stated the Bad Debt budget number is not enough this year. Mr. Collins & Mr. Stevens requested a Foreclosure report in the Monthly GM report. Mr. Collins asked if a Collection Agency had been selected. Mr. Thompson answered we are in that process.

YC Final Report

Capital Items

1. Excavator- Mr. Collins moved to accept the recommendation, Mr. Cordwell seconded, all in favor.

2.-Dingo- Mr. Collins moved to accept the recommendation, Ms. O'Hare seconded, all in favor.

3. Trailer- Mr. Collins moved to accept the recommendation, Mr. Cordwell seconded, all in favor.

4. Mower- Mr. Collins moved to accept the recommendation, Mr. Cordwell seconded, all in favor.

5. Shutters- Mr. Clarke moved to accept the recommendation, Ms. O'Hare seconded, all in favor.

6. Flooring- Ms. O'Hare moved to accept the recommendation, Mr. Cordwell seconded, 6 in favor (Stevens, Renaud, Collins, Terry, O'Hare and Cordwell) 1 opposed (Clarke).

7. Police Car- Mr. Collins moved to accept the recommendation, Mr. Clarke seconded, all in favor.

8. Beer System- Mr. Clarke asked why there is only 1 bid. Mr. Thompson explained this was the original contractor. Mr. Terry moved to accept the recommendation, Ms. O'Hare seconded, 5 in favor (Stevens, Renaud, Terry, O'Hare and Cordwell), 2 opposed (Clarke and Collins).

CPI-

41 Cannon Dr. - Mr. Terry explained it is a violation of Regulations; ARC had no choice but to violate it. Ms. O'Hare moved to find them in continuing violation and follow the recommendation. Mr. Stevens seconded. Mr. Collins disagreed

with the violation. Motion failed, 3 in favor (Stevens, O'Hare and Terry) 4 opposed (Renaud, Collins, Cordwell and Clarke)

28 Concord Lane- Mr. Terry moved to find the owners in continuing violation and follow the recommendation. Ms. O'Hare seconded, 6 in favor (Stevens, Renaud, Collins, Terry, O'Hare and Cordwell), 1 opposed (Clarke).

92 Abbyshire Rd. - Ms. O'Hare moved to find the owners in continuing violation and follow the recommendation. Mr. Terry seconded, all in favor.

Public Comments

Steve Lind- 1113 Stones Run- He stated that Marty is going to make a motion to close the Yacht Club during the winter; he then read from a prepared statement. The property owners were convinced of the need to invest \$5.5 million in a new Yacht Club facility and after less than a year of operations the Board has discussed closing it down for the winter months. Is that an acknowledgement of a bad investment? Or is it an acknowledgement the Administration can't come up with a way to make the brand new campus at least break even while serving as an amenity on a limited basis to the year round population. The Homeowner's Association cannot run a multimillion dollar business; we have a 40 year history proving that. He suggested leasing the Yacht Club to a local businessman, someone in the bar & restaurant business with name recognition. Make the an offer they can't refuse with the stipulation that it stays open in the winter, Thursday through Sunday, and keeps our chef and club manager even if on a trial basis. We have nothing to lose except losses.

Tom Janesak- 17 Lookout Pt. - does not agree with closing down YC in the winter, we have no Manager costs or Banquet Manager costs and we're still losing money. It's almost May and we still don't have anyone there preparing & hiring for the season, we cannot run a restaurant. What about the flies??

Doris Lloyd- 65 Wood Duck Dr. - YC upstairs is not conducive to small private events. Are there plans to change that? She said we have had other Companies run it and fail.

Ken Waters- 27 Birdnest Dr. - We should have a professional company come run YC.

Audrey Wahl- 37 Clubhouse- She believes closing will not have a positive bottom line effect. Year round residents will not use YC at all if it closes for the winter months. The Board should encourage usage of our Amenities.

Roelof "Dutch" Oostveen- 12 Lord Guy- He said he met with the GM last month, he blames his failures on others, get rid of him, he is going to break OP. He will fight to get GM removed.

Bill Zawacki- 111 Tail of the Fox- He stated he spoke at the last meeting about motions being voted on before Public Comments. You did it again. On Steen's property request, according to the 2002 Original agreement, Steen would pay OPA an Estate assessment. ARC Agendas should be posted on the website. The YC motion is not to close for winter but asking GM for options: a business plan. He handed out a chart to BOD which he explained. The new budget says the YC will have a \$62,000 profit, that's not believable.

Old Business

Motion- Revise resolution M-02- Marty Clarke- I move that the board directs accepts the following change to our current Board Resolution M-02, AMENITY POLICY: Remove "boat ramps" from 5.a General Use Amenities to 5.b Fee Based Amenities. Mr. Stevens seconded. Mr. Collins asked how we would enforce. Mr. Clarke replied signs but he would prefer gates. Mr. Stevens stated this was a mistake when the Resolution was originally written. Mr. Clarke and Mr. Terry agreed. Ms. O'Hare said the Minutes do not show any mention of the ramps. Mr. Stevens said this still doesn't address non-resident usage. Motion passed, 5 in favor (Stevens, Renaud, Clarke, Terry and Cordwell), 2 opposed (O'Hare & Collins).

Request for Special Meeting with policy Task Force- Tom Terry- requested a Special Meeting between the Facilities Usage Task Force and the Board. Mr. Stevens Seconded, date TBD.

Motion to Remove from Table Star Charities Refund Motion-Dave Stevens- moved to take motion to refund Star Charities off the table.- Mr. Terry seconded, all in favor. The original motion is now on the floor. Mr. Cordwell said this is what we are setting the Special Meeting for. Mr. Clarke commented under the existing policy they are entitled to a refund. Mr. Terry agreed they should be under existing policy; they did receive and pay a bill but now have requested a refund. Motion passed, 5 in favor (Stevens, Renaud, Clarke, Collins and Cordwell), Ms. O'Hare opposed, and Mr. Terry abstained.

New Business

Motion- New Home Construction on King Richard in Ocean Pines – Pat Renaud/ Marvin Steen- To endorse the construction of new homes on King Richard Road in Ocean Pines- Mr. Cordwell seconded- Mr. Stevens suspended Robert's Rules to allow Marvin Steen to explain the agreement from 13 years ago. Mr. Steen stated the current market isn't supportive of single family homes with larger lots; he would now like to build multifamily homes / duplexes; he explained the difference in assessments. Ms. O'Hare suggested Mr. Steen consider adding walking trails or recreation areas on some of the other property. Mr. Steen said he will build an emergency / construction exit to Rt. 589. He said it should be a 3-4 yr. project. Mr. Terry amended motion to state "To instruct the OPA President to write a letter to endorse the construction of new homes as described in the April 1st letter to the OPA Board from Marvin Steen; with the provision that an emergency road extension and gate be constructed and all construction vehicles use a separate

access to the construction area not using King Richard road in Ocean Pines." Mr. Renaud accepted the amendment. Mr. Clarke & Mr. Renaud disclosed their personal friendship with Mr. Steen. Motion passed, all in favor.

Motion- First Reading Resolution F-01 Investment Guidelines- Jack Collins- I move that the Board of Directors approve the attached revised Ocean Pines Resolution F-01 Investment Guidelines. Mr. Stevens suspended the Rules for B&F member interaction if necessary. Mr. Terry seconded. Mr. Collins read a recommendation from a B&F member. Mr. Terry amended the motion to include this is the First Reading. Mr. Stevens said he would not approve the change to the Resolution based on our experience. Mr. Clarke does not agree with C. on the revised Resolution, CAI lists just a few recommendations. Ms. O'Hare asked to hear from the B&F member. Mr. Terry said hiring a fund manager may not be effective without setting a minimum; this could be a good starting point to work together, he suggested a subcommittee to work with the B&F. Mr. Cordwell added he personally is a very conservative investor and with others' money even more so. Mr. Collins asked Gene Ringsdorf to comment. Gene said the Committee reviewed the current F-01, it says we should be using a financial advisor which we're not doing, that requires a revision also, historically OPA usually carries \$1-3 million in its reserves for future spending not current spending. The consensus of the Committee is the first goal was capital preservation and the secondary goal was preserving purchasing power. Mr. Clarke said the previous loss was a mistake in investing in a PNC limited mutual bonds. Motion passed, 4 in favor (O'Hare, Collins, Terry & Renaud), 3 opposed (Cordwell, Stevens, Clarke).

Motion- Discontinue sales of "Lifetime Memberships" to the Ocean Pines Golf Course- Dave Stevens- It is moved that the Board direct the General Manager to immediately halt sales of "Lifetime Memberships" to the Ocean Pines Golf Course.- Mr. Renaud seconded, all in favor.

Discussion of ARC Guidelines- Jack Collins

Clarification of Board Application Deadline- Dave Stevens- I move the Board of Directors extend the deadline for receipt of Board applications to Monday, May 11, 2015.- Motion passed, 6 in favor (Stevens, Renaud, Collins, Terry, Cordwell and O'Hare), 1 opposed (Clarke).

Motion- Cease inclusion of proxies in the voter's package- Tom Terry- Cease the practice of including quorum proxy forms in the voter's package for the next election. As directed by the OPA Board Secretary, provide information to voters regarding the availability of quorum proxy forms and how they may be obtained.- After a brief discussion, motion passed, all in favor.

Motion- Yacht Club Performance- Marty Clarke- I move that the board directs our general manager to investigate options for the improvement of the operational bottom line performance at our new Yacht Club facility. Said options should

include the possibility that we close down and winterize the Yacht Club facility on or around the first week of October 2015 and not re-commission the facility until April of 2016. Until such time as the GM can provide a report on these options no new banquet or catered events are to be booked which may impede the implementation of the off season closing option should that option be accepted by the board. Should there be any enforceable banquet or catered event contracts currently in place the general manager shall provide to the board evidence of same.- Mr. Collins seconded. Mr. Stevens doesn't agree with the second part of the motion about not accepting bookings. Mr. Collins suggested different date options. Mr. Terry says no one will want to book with us. Mr. Clarke said this is a vacation resort community. Ms. O'Hare does not agree with Mr. Clarke but does agree with Mr. Terry about losing banquets / weddings; the year round people want a place to go, a gathering place. Mr. Renaud commented you will also lose quality employees. Mr. Stevens stated the Clubs Committee was asked to review and get the board data and recommendations but they gave us a bunch of opinions. Motion failed, 1 in favor (Clarke), 6 opposed (Stevens, Renaud, Collins, Terry, Cordwell and O'Hare).

Pending Actions

Release of the RFI for Legal Services

Release of the RFI for Accounting Services

Mr. Thompson stated both current contracts have been executed, signed by Mr. Stevens. Mr. Terry clarified the motion stated the contracts were to be constructed and brought to the Board for approval. Mr. Thompson shared both RFI's are ready. Mr. Terry moved to release RFI's, Mr. Stevens seconded, Mr. Cordwell believes this is a waste of time. Motion passed, 6 in favor (Stevens, Renaud, Collins, Terry, Clarke and O'Hare), 1 opposed (Cordwell).

Liaison reports

Environment & Natural Assets Report- Marty Clarke- (attached)

Golf Counsel Minutes- Jack Collins- Mr. Collins said the Golf Counsel wants to re-establish the Greens Committee, they also would like to help by painting, planting flowers, refreshing the Country Club, building new memberships, etc. It was a positive meeting.

County Commissioners Minutes- Jack Collins- Mr. Collins will give minutes from last 2 meetings to Michelle.

ARC Update- Tom Terry- shared that the ARC is in the final stages of rewriting Sect. 600 of the DR's.

Racquet Committee Update- Tom Terry- Mr. Terry said the Committee recommended moving the Center to self management, which was done.

Mr. Collins announced Landscapes Unlimited open house tomorrow.

Appointments – Dave Stevens

Frank Danowski- 1st Term- Elections

Brad Gibson- 1st Term- Recreation & Parks

Glen Duffy- 2nd Term- ARC

Tim McMullen- Chair- Recreation & Parks

Lawrence Malone- 1st Term- ARC

Tim Mullin- 3rd Term- Marine

The above nominations were approved unanimously.

Media Questions- None

Adjournment

The meeting was adjourned unanimously at 5:45 pm.

Respectfully submitted:

Pat Renaud, Secretary