

**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS**  
**OF**  
**KEY WEST CONDOMINIUM HOMEOWNERS ASSOCIATION**

**April 25, 2012**

A meeting of the Board of Directors of the Key West Condominium Homeowners Association (the Association) was held on Wednesday, April 25, 2012 at 15305-H Diamond Cove Terrace, Rockville, Maryland 20850.

Call to Order

Fran Glavan, President of the Association, called the meeting to order at 7:05 p.m. and declared that a quorum was present in that the following directors were present:

Joanne Berry  
Melanie Fitzgerald  
Fran Glavan  
Peggy King  
Mary Nekola

Also present: Dale Roan, Property Manager from Main Street Property Management Company and Terri Roney, Manpower, Recording Secretary.

Approval of Minutes

Joanne moved to accept the minutes as submitted; Peggy seconded the motion, and it passed unanimously.

Landscaping

Fran reported that she and Dale performed the annual walk-through of the property with the landscaper. A proposal submitted by AW landscaping was reviewed. Fran noted that the proposal includes replacements for dead trees, which have to be replaced, and also includes fall maintenance items. She also noted that \$4,670 of the proposal is for Decoverly IV.

Melanie moved to approve the proposal submitted by AW Landscaping for the work on the property which includes tree replacements and fall maintenance items and work on Decoverly IV; Joanne seconded the motion, and it passed unanimously.

Fran asked Dale to see if Alan could plant knockout rose bushes on the islands. They will bloom all summer.

Fire System Annual Inspection

Mary moved to approve the proposal submitted by Guardian Fire Protection Services to make the repairs, found during the annual fire inspection, to the sprinkler system to bring it into compliance. Melanie seconded the motion, and it passed unanimously.

## Audit

The audit prepared by Kahline & Associates was reviewed. There were some concerns raised about some statements in the audit. Dale will contact the auditors for clarification. Those concerns include:

1. Mary referred to the first paragraph on page 35 that references that the Reserve Fund is not designated into categories. Fran stated that the Association specifically chose not to designate the Reserves into categories so that there is more flexibility to move money around. Fran also noted that the audit is not questioning the numbers, however, it's what they are saying about the numbers that is of concern.

Mary stated that the way the audit description is written, it sounds like a criticism. . She also noted that the Association uses fund accounting for operating expenses but not for the reserves.

2. Mary referred to an item on page 33 that states "Key West pays Discoverly IV for use of its storm water management system." Dale indicated he will have the auditors take that out.

3. Mary referred to the first paragraph on page 34 that states that "the Association funds separate reserves for Discoverly IV Condominium and for 2011, \$0 was contributed to its reserves. As of December 31, 2011, the Association had designated \$81,523 for Discoverly IV Reserves."

4. Melanie referred to the portion of the audit that references doubtful accounts and asked for clarification as to what that means. Dale noted that \$12,017 is the only doubtful account because the owner of that account has left the Association. The others accounts are collectable.

5. Fran referred to the paragraph on page 33 on Property and Equipment. It doesn't make sense; replacements and improvements are not capitalized.

6. Fran referred to page 33, paragraph 3; the report states that "the Association has partially adopted the study's recommendations.....therefore, amounts accumulated in the replacement fund may not be adequate to meet future needs." Mary stated that the statement gives a negative impression and it may appear that the funds are not being managed properly.

Fran signed the state, federal and property tax returns.

## Stair Treads

A quote from Hann & Hann to purchase and replace 100 stair treads was not available for discussion.

## Roofs

The roofs repairs are almost complete. Fran asked if members wanted to approve doing a fourth building this year. The original plan was to complete the roofing over a three-year period, however, roofing costs are increasing, so it will be less expensive to do another building this year. There were no objections. Dale will check with the company to see if they are available to continue work on a fourth building beginning May 15<sup>th</sup>.

## Hearing

Mary will attend the CCOC mediation hearing on Thursday, April 26<sup>th</sup>. Mary asked for guidance as to what she should agree to if an offer is made during mediation. Fran stated that Mary should let them know that the Board discussed the matter at its recent Board meeting and the Board does not think any money is owed to Ms. Ortega. Dale secured two estimates for the plumbing repairs performed in Ms. Ortega's unit and both estimates were twice the amount that the plumber charged for the repairs (\$440). If pushed, and with reasonable efforts to mediate, the Board authorized Mary to go halfway.

If the matter is not settled in mediation, then there will be a CCOC hearing.

Dale noted that Ms. Ortega's concerns in December were not about the cost of the repairs but that she was not asked about the repairs before they were made.

### Maintenance Items

Fran suggested having Minkoff check out the issue brought forth by Carol Currey about water running between the walls outside her bathroom.

Dale reported that he did not hear from Barbara Shea.

Mary moved to adjourn the meeting at 8:35 p.m. Melanie seconded the motion and it passed unanimously.