



OCEAN PINES ASSOCIATION, INC.
BOARD OF DIRECTORS' REGULAR MEETING
Saturday, June 23, 2018
10:00 AM, Assateague Room, Community Center

PRESENT: Doug Parks, Cheryl Jacobs, Slobodan Trendic, Ted Moroney and Colette Horn.
Tom Herrick was absent.

ALSO PRESENT: John Bailey, OPA General Manager, Michelle Bennett, Executive Secretary,
3 members of the press and approximately 18 Association members.

Call to Order – President Parks called the meeting to order at 10:00 am with the Pledge of Allegiance.

Approval of Agenda

The Agenda was approved unanimously with the following changes- Dr. Horn moved to add, under New Business, a Motion to approve Employee 401K plan and add Steve Phillips as Limited Trustee, as well as adding a Discussion on the White Horse Boat Ramp usage under New Business, Mr. Moroney seconded, all in favor. Mr. Trendic moved to add under New Business, Discussion on the Board Vacancy, Mr. Moroney seconded, all in favor. Mr. Trendic moved to add under New Business, Discussion on the Treasurer Vacancy, Mr. Moroney seconded, all in favor. Mr. Trendic moved to remove the Motion to approve Resolution B-08, no second. Mr. Moroney moved to change Pat Supik, presenter of Treasurer's Report to Steve Phillips, all in favor. Mr. Moroney moved to accept the amended Agenda, Mr. Trendic seconded, all in favor.

Approval of Minutes

May 24, 2018 – Regular Meeting- Mr. Trendic moved to accept, Ms. Jacobs seconded, all in favor.

President's Remarks – Doug Parks – Mr. Parks announced that Ms. Supik tendered her resignation as Director and Treasurer. He thanked her for all her efforts. There will be a Special meeting scheduled to fill her position. Mr. Parks then shared the final proposal from Comcast, they will only provide service to Ocean Pines if every resident signed up for service, an official rejection letter will be sent to them. Mediacom contract negotiations are still ongoing. The first Forensic Audit report is on the website

Treasurer's Report – Steve Phillips – (attached)

General Manager's Report – John Bailey, CMCA – (attached)

Public Comments

6 Association members provided comments.

Capital Purchases Requests- None

CPI Violations- None

Unfinished Business –

MOTION: To instruct the General Manager to:

- Develop a request for proposal (RFP) for the replacement of the crab pier;
- The scope of work should include any desirable pier safety and other improvements and be in compliance with all current laws and regulations; and
- Email draft RFP to the Board for review and approval no later than August 31, 2018. -
Slobodan Trendic – Mr. Moroney seconded, all in favor.

Discussion – Second Reading Resolution B-08 – Colette Horn

Motion – To adopt the proposed Resolution B-08 – Colette Horn – Dr. Horn moved to table the Motion until the next Board meeting, Ms. Jacobs seconded, 4 in favor (Parks, Jacobs, Horn and Moroney), 1 abstain (Trendic).

Discussion - Mediacom Franchise Agreement status - Slobodan Trendic –

CONCISE STATEMENT:

I would like the Board and the general manager to have a public discussion on the status of the franchise agreement with Mediacom. Specifically:

1. Who are the individuals negotiating on behalf of OPA?
2. What is causing delays in executing the new franchise agreement?

BACKGROUND:

Doug Parks and Cheryl Jacobs informed the Board in the fall of last year that the discussions with Mediacom representatives were taking place. The existing Franchise Agreement between Mediacom and OPA expired on June 3, 2018. The Board is yet to receive any draft of the new franchise agreement for review and its approval.

Discussion – Country Club Renovation – Ted Moroney – TOPIC: Country Club Renovation

CONCISE STATEMENT: Update from GM Bailey and Director Moroney as to where the process stands.

BACKGROUND: As an action item from the special Board meeting held on June 14, 2018, the GM has held two meetings to further move the project forward. Further, some Directors were not given the BMG report until June 15, 2018 and may wish to comment in general.

Discussion – Resolutions Governing Advisory Committees – Ted Moroney – TOPIC:

Resolutions governing Advisory Committees CONCISE STATEMENT: Update from Director Moroney on second reading of resolutions.

BACKGROUND: As an action item subsequent to the first reading of the proposed changes to the resolutions governing Advisory Committees coordination of a meeting was assigned to Director Moroney. The Executive Council met on June 7, 2018 where the subject was briefly discussed. The results and status will be reported to the Board as part of this topic.

New Business –

MOTION: To instruct the General Manager to complete internal HR review of the following areas by September 14, 2018: • Employee Handbook; • Compliance; and • Employee Benefits. – Slobodan Trendic – Mr. Moroney seconded, all in favor.

Discussion – Establish a Standing Audit Committee – Slobodan Trendic – CONCISE

STATEMENT: I request that the Board asks the Budget and Finance Advisory Committee to provide an opinion on establishing a standing Audit Committee. Speaking as an

individual director I believe there is a clear need for the Board to enhance the accountability throughout the entire Association. My recommendation is that this Audit Committee should, at the minimum, have these four primary responsibilities:

1. Oversee external and internal audit functions;
2. Oversee the financial reporting process;
3. Oversee the internal controls; and
4. Ensure appropriate channels of communication exist for whistleblowers on fraud activities or other illegal acts.

BACKGROUND:

Many recent and other past events lead me to conclude that establishing an Audit Committee is a necessary step to strengthen our good corporate governance. The role of the Audit Committee will be extremely important as it will also monitor the performance of many critical functions such as the Treasurer as a chief financial officer of the Association. And when the Association decides to change its external auditor or decides to perform specifically targeted audits. After some discussion, Mr. Parks will forward the information to the Budget & Finance Committee.

MOTION: Effective May 1, 2018, Ocean Pines Association shall match 100% of eligible employee contributions up to 3% of pay; and such matching employer contributions shall be immediately vested. Also, effective May 1, 2018 Stephen Phillips, Director of Finance, shall be appointed Limited Trustee, replacing Art Carmine. – Colette Horn – Mr. Moroney seconded, 4 in favor (Parks, Jacobs, Horn and Moroney) 1 abstain (Trendic).

MOTION: That the Board of Directors provide specific directions to the Marine Activities Advisory Committee as to the collection of data regarding the number of vehicles accessing the White Horse Boat Launch during the current boating season. The attached spreadsheet should be used as a format for entering the information needed to gather the information needed for the Board of Directors to evaluate usage of this amenity so as to ensure the accuracy and usefulness of the data collected. – Colette Horn – Mr. Moroney seconded. Dr. Horn explained the Marine Advisory Committee is leading the survey and volunteers are encouraged to contact the Committee to help. Dr. Horn rescinded the Motion.

Discussion – Board Vacancy – Slobodan Trendic - CONCISE STATEMENT: I recommend this topic be added on the agenda for the Board to comply with OPA By-Laws, Article V, Section 5.04, Vacancies on the Board of Directors, Vacancies shall be filled as provided in this Section. “(b) In the event a vacancy occurs on the Board of Directors within ninety (90) days prior to the annual meeting but before the ballots have been submitted to the Secretary for printing under Section 5.03, a majority of the remaining Directors may appoint a replacement to serve until the next annual meeting. If the vacancy is not for an expiring term, the vacancy shall be included on the ballots.”

BACKGROUND:

On June 20, 2018 President Doug Parks informed the Board of Director Pat Supik's resignation. This regular meeting of the Board provides a perfect and timely opportunity for the Board to discuss this vacancy situation.

Discussion – Treasurer Vacancy – Slobodan Trendic - CONCISE STATEMENT:

I recommend this topic is added on the agenda so the Board complies with OPA By-Laws, Article VI, Section 6.04, Vacancies which states the following: “A vacancy in any

office shall be filled for the unexpired portion of the term by a person elected by the Board of Directors at the next regular meeting of the Board or at a special meeting called for that purpose."

BACKGROUND:

On June 20, 2018 President Doug Parks informed the Board of Pat Supik's resignation. This regular meeting of the Board provides a timely opportunity for the Board to appoint new Treasurer. The Treasurer is the chief financial officer of the Association and the duties incident to the office of the Treasurer provide an important day-to-day support and oversight to the Association's financial and related business operations. Mr. Trendic moved to elect John Viola as Treasurer until the Organizational meeting and a new Treasurer is appointed. Mr. Moroney seconded, all in favor.

Appointments –

Lawrence Malone – 2nd Term – ARC

The above nomination was approved unanimously.

At 12:34 pm, Mr. Parks moved to Adjourn to closed session for the purpose of discussion of matters pertaining to employees and personnel; specifically pertaining to Directors' actions related to recent resignation of Director Supik, as permitted by the MD Homeowner's Association Act, Section 11B-111(4)(i). Dr. Horn seconded, 4 in favor (Parks, Jacobs, Horn and Moroney) 1 opposed (Trendic).

Note: A parliamentary error was made by not having the motion to add the motion to go into closed session to the agenda prior to reading and voting on the motion. However in light of the fact that the motion to go into closed session carried, it is assumed that the motion to add it to the agenda would have carried also.

Respectfully submitted:
Colette Horn, Secretary

*Please note at the May 24, 2018 Regular Board Meeting at 8:43 pm, Ms. Jacobs moved to Adjourn to Closed Session for Contractual Issues as permitted by the MD Homeowner's Association Act, Section 11B-111 (4) a meeting of the Board of Directors or other governing body of the homeowners association or a committee of the homeowners association may be held in closed session only for the following purposes: (i) Discussion of matters pertaining to employees and personnel; (vi) Consideration of the terms or conditions of a business transaction in the negotiation stage if the disclosure could adversely affect the economic interests of the homeowners association. Specifically, The General Manager's evaluation and the Mediacom contract. Ms. Supik seconded, all in favor.