

Ritz Condominium Association

Board Meeting Agenda

**The Agenda for the Board Meeting scheduled for
July 14, 2007 at 10:00am in the Palm Room is as follows:**

1. **Open Forum**
2. **Minutes – April 21, 2007 Board Meeting**
3. **Financials**
4. **Trash Expense Reimbursement (\$35,117)**
5. **Annual Cleanup Day**
6. **Temporary Bike Enclosure**
7. **Boardwalk Fascade Update**
8. **Fire Emergency Assistance List**
9. **DCA 5 Year Inspection**
10. **Exterior Building Repairs / Inspections / Engineers Report**
11. **Pool Project**
12. **Closed Session**

Ritz Condominium Association
July 14, 2007
Board of Director's Meeting

Board Members (Present):

Larry DeRose, President
Carol A. Hartman, First Vice President
Matthew Kadlubowski, Second Vice President
Richard Crimi, Treasurer
Gordon Pherribo, Secretary

Ritz Staff Members in Attendance:

Brian Smith, General Manager
Dona Hannah, Controller
Jamie Greco, Administrative Assistant

Notes:

- Audio tape of meeting on file
- All attendees were required to sign in and receive a copy of the Agenda; Meeting Minutes from April 21, 2007; Financial Reports for month ending June 30, 2007; Financial Reports prepared by Capaldi Reynolds for quarter ending April 30, 2007; and Fire Assistance sign up form. A copy of the sign-in sheet will be kept on file in the Condominium Office.

The Ritz Condominium Association held its scheduled July 14, 2007 Board of Trustees meeting in the *Palm Room*. Before the meeting was called to order Larry DeRose thanked everyone for coming. Gordon Pherribo, Secretary pointed out all fire exits. Larry DeRose, President, called the meeting to order at 10:20. During the meeting, the following transpired:

- **Open Forum:**
 - **1210** (Thomas) wants to talk to a Board Member about a plumbing issue.
 - **916** (Pinto) asked about State Inspection and his unit failing for the faucet and door hinge. Mr. Pinto didn't see anything wrong with faucet. Brian replied that we have inspector's notes and if you don't see a problem than they may have made a mistake. About 60 units failed for door hinges. The door spring hinge is a fire requirement. It is approximately a \$50.00 job to replace hinge. We will be calling you if your unit failed.

- **808** (Wasserman) inquired about having a heated outdoor pool instead of an indoor pool. It would be cost less and we might not need an assessment.
- **M4** (Kaplan) explained how he bought into this building because of the indoor pool and how important it is to have an all year round indoor pool for various reasons. Also indicated how he wants the Board to consider building a new steam room.
- **1506** (Ciallella) explained to the Board how good the building has looked over the past years. Wants the Board to address proper window decorations and washing of windows. Suggested to the Board they should bring someone in just to clean windows. Larry DeRose, President agreed and said what we did on the inside should reflect on the outside.
- **101 – B** (Steels Fudge) Nancy Steel wants to be notified of meetings.
- **1021** (Ciesla) spoke about various topics: pool expenditures, the Real Estate market, having her unit up for sale, concern over the return on her investment, and a lost sale due to the buyers concern of an assessment.
- **1412** (Mitrani) asked the Board if they can move the Pool Project up on the agenda. Larry replied that the Board wanted to get everything else on the agenda out the way because he knows everyone has questions about the pool.
- **1419, 1710** (Cruz) satisfied with the Board. Expressed that he has made a good investment in the Ritz because the building was properly maintained. He originally bought in this building because of the pool. He hopes the Board does there best with the Pool project.
- **1708** (Zerner) explained for her the advantage of living here is that she can swim all year. She feels that it will decrease her investment if there was only a short-term pool and greatly increase her investment with a long-term pool.
- **512** (Simon) explained that it is not fair to have a short-term pool since some owners live year round in the building. Larry DeRose told the audience the board is trying to do everything they can for everybody who lives here and everyone who has invested here.
- **204** (Acito) spoke on various topics: her opinion that the pool should be condemned, independent forensic accounting, voting procedures on the pool, access to audio tapes, and Board expenditures. President DeRose spoke about Acito having cost the Association thousands of dollars in legal fees to answer the numerous objections brought forward by her lawyer. This process has put us months behind. The Board has gone to the top lawyers and we must go forward with this project or face legal action for not doing so.

▪ **Open Forum was Closed**

• ***Approval of Minutes:***

- Motion to approve the April 21, 2007 Board Meeting Minutes:
 - ❑ Carol A. Hartman, 1st Vice President
 - ❑ Matthew Kadlubowski, 2nd Vice President
 - ❑ All in Favor- All Board Members Present

• ***Financial Reports:***

- Dona Hannah, Controller reviewed the following:
 - ❑ Summary of Bank Balances and Accounts Receivable Balances as of 6/30/07
 - ❑ Certificates of Deposit as of 7/12/07.
 - ❑ Monthly Operating Budget as of 6/30/07
 - ❑ Assessment Budget as of 7/12/07
 - ❑ Trash Expense Reimbursement (\$35,117)

- Capaldi Reynolds Financials Statements & Supplementary Information (April 30, 2007)
 - ❑ Balance Sheet as of 4/30/07
 - ❑ Statement of Changes in Unit Owner Equity as of 4/30/07
 - ❑ Statement of Revenue and Expenses as of 4/30/07
 - ❑ Statement of Cash Flows as of 4/30/07
 - ❑ Schedule of Operating Expenses as of 4/30/07
 - ❑ Schedule of Other Income as of 4/30/07

- **M4** (Kaplan) had concern that the PNC MM Account \$722,071.39 should be spread out. Dona answered they put the funds in the Reserve MM not knowing what was going to take place with the pool or what funds were going to be needed to start the job. The funds should only be there for a short period of time.

• ***Annual Clean Up Day***

- Matthew Kadlubowski, 2nd VP thanked everyone who participated on the 3rd Annual Clean up Day. We had another successful year and once again everyone did a great job.

- ***Common Area Attire***
 - Motion to require proper attire: such as shoes, and cover-ups in all common areas: This will be added to the Rules and Regulations.
 - Matthew Kadlubowski, 2nd Vice President
 - Carol A. Hartman, 1st Vice President
 - All in Favor – All Board Members Present

- ***Temporary Bike Room Enclosure***
 - Brian Smith, GM explained that they had hoped to establish a fenced in area behind the boiler room to store bikes temporarily and got approval from the city. Costs were going to be between \$3500.00 to \$4000.00 with a security camera also being installed. Board felt that cost is prohibitive for being such a short period of time. Residents are going to continue to park their bikes on the rack in front of the building near the footbath.

- ***Boardwalk Fascade Update***
 - CRDA is in the process of interviewing Architects and will be working with the Ritz in early fall. Construction of the Boardwalk Fascade should commence in September 2008.
 - **1506** (Ciallella) asked if CRDA or the City of Atlantic City could come out here and fix the ramp and steps going to the beach. It is a safety hazard.
 - **302** (Kuroda) asked questions about the supplementary information in the financials.

- ***Fire Emergency Assistance List***
 - Jamie Greco, Administrative Assistant explained to owners that the AC Fire Department suggested that we have a list of units that need assistance in case of an emergency. Explained to owners if they wanted to go on the list that will be given to the Fire Department. They need to fill out the questionnaire that is in the packet they received. Once completed it can be given to the Condo Office or the Front Desk.

- ***Exterior Building Repairs / Inspections / Engineers Report***

- Brian Smith, GM and Larry DeRose, President addressed and went over exterior building repairs and Engineers Report from our Structural Engineer John Rosenkrantz P.E. All 8 corners of the building exhibit cracks and have to be fixed. All deteriorated steel beams and connections to corners must be inspected and corrective measures taken where necessary. This is a serious condition that needs immediate attention. The repair process will include rebricking the area of the cracks.
 - ❑ Engineers estimate for all 8 corners to be fixed \$655,000.00
 - ❑ Contingency of 10% - \$65,500
 - ❑ Repair Expenditure Spring / Summer 2007 (non budgeted) \$50,000
 - ❑ Total \$770,500
 - ❑ **1210** (Thomas) wanted to know the process on how contractors are being awarded bids.

- *Pool Project*

- Rich Pasquarella (Pool Committee) gave a presentation on the Pool Project. He spoke on numerous topics including:
 - ❑ His desire as an owner not to spend any more than necessary for the Pool.
 - ❑ The outstanding History, people, and location of the Ritz.
 - ❑ The problems encountered with a building over 80 years old.
 - ❑ The proper maintenance required to maintain our investments.
 - ❑ Some owners that we heard from this morning have their units for sale and do not want to spend money. They can leave the building if they want. For those who want to stay, the new pool building will bring growth to their investment and provide enjoyment for them and their families.
 - ❑ The old pool structure building built in the 60's failed and could have killed someone.
 - ❑ The Board had to make a decision and move forward.
 - ❑ They appointed a "pool committee"
 - ❑ The Board hired a design architect
 - ❑ Rich mentioned Pool Committee members and each of their construction related qualifications
 - ❑ Rich asked all to trust in the committee decisions as they pay their share at the same rate as other owners.
 - ❑ Rich went over the bidding process.

- ❑ 7 General Contractors were asked to bid with several declining the invitation. One was asked not to bid after the committee received a bad recommendation.
 - ❑ 3 Submitted bids T.N. Ward Company, Baumgartner Construction, Network Construction
 - ❑ The Board Committee invited all 3 individually into a descoping meeting where all were asked to sharpen their pencils. The 2 low bids on the resubmitted quotes were further tweaked down resulting in T. N. Ward being the low bidder @ \$2,869,000. This quote for \$2,869,000 in addition to all the other pool costs totals \$3,576,964. We are committed to making the Ritz a #1 place to live.
 - ❑ Total price of Pool Project is \$3,576,964, which includes T.N. Ward contract, Demolition, Pool Rehab, Architecture, and Engineering etc.
 - ❑ The problem with the Building Corners is a totally new issue that came to the forefront only recently.
 - President DeRose thanked Rich Pasquarella for his presentation.
- *Motions*
 - Motion to accept the recommendation of the Pool Committee to accept the low bid of T. N. Ward for \$2,869,000 for the major construction of the Pool Project and to proceed with going to contract.
 - ❑ Carol A. Hartman, 1st Vice President
 - ❑ Matthew Kadlubowski, 2nd Vice President
 - ❑ All in Favor – All Board Members Present
 - Motion to proceed (based upon JE Rosenkrantz report of 7/10/07) with Engineering for the Building corners project followed up with corrective measures per engineers estimate.
 - ❑ Carol A. Hartman, 1st Vice President
 - ❑ Matthew Kadlubowski, 2nd Vice President
 - ❑ All in Favor – All Board Members Present
 - Motion to secure financing for the Pool Project and the Building Corners project. The loan will be repaid by an assessment of the membership. Building Corners \$770,500, Pool Project \$3,576,964 (Less \$200,000) Sale of Unit 210 = \$3,376.964.
 - ❑ Richard Crimi, Treasurer
 - ❑ Gordon Pherribo, Secretary

□ All in Favor – All Board Members Present

▪ **20 minute recess**

▪ Meeting reconvened @ 12:02 by Larry DeRose, President
(Audio Tape Malfunction)

• *Pool Assessment*

▪ Brian Smith, General Manager gave the tentative payment formula for the assessment of 4,147,464 for the Pool Project and Building Corners.

▪ Owners will have the option of paying their fair share (% of common elements x \$4,147,464) in full by 9/1/07 (revised to 10/1/07) and avoid interest.

▪ Owners may elect to pay their fair share over the next 5 years – This option will include their share of the interest charged to the Association for its loan. The Assessment payment amounts are tentatively: 1st year (12 payments) an extra monthly assessment payment equal to the current 2007 condo fee payment. 2nd through 5th year (48 payments) an extra monthly assessment payment equal to ½ of the current 2007 condo fee payment. The Board is currently working with the Bank to offer Home Equity Loans to those interested.

□ **M4** (Kaplan) spoke about the progress the Ritz has made over the past few years and the good job the Board is doing.

□ **1506** (Ciallella) commented on the progress that has been made in the building. He has gone from being embarrassed to proud when bringing friends through the common areas.

□ **1210** (Thomas) questions on bidding process

□ **208** (Gutin) spoke about his concern that some owners may seek to derail the pool project. His concern is that the Board is not slowed down in the rebuilding process. He gave high ratings to the Board and management team for all their hard work and progress.

▪ Several questions about the assessment notification were asked. Answer: The membership will be receiving a letter outlining the terms and options of the assessment and indicating a date when the Bank will be at the Ritz to offer Home Equity Loan information to those interested.

Special thanks to the pool committee members for all of their hard work and dedication over the past year.

Steve Appelbaum	1701
John Falcone	303
Barry Gutin	208
Sam Mody	817
Rich Pasquarella	809
Gordon Pherribo	904
Bettyann Renkin	522

Larry DeRose adjourned the meeting @ 12:33pm