

Newbold Board Meeting
January 16, 2025 at 7:00pm

Participants

Board Members:

President Bruce Williams
Secretary Kevin Gilchrest
Buildings Lead Patrice Sullivan
Treasurer Peter Bromley
Grounds Lead Jose Figueroa
Deputy Treasurer Jonathan Midura
Landscape Committee Liaison Chris Spanos

Property Manager

Marie Beck

Owners

, Frank Salatel, Joe and Barbara Gyomory, Mike Bruggeman

Motion(s)

1. The board unanimously approved draft meeting minutes for November 7 and December 12.
2. The board unanimously approved for Coastal Pools to replace four pool skimmers.

Discussion

Bruce: I call this meeting to order. We have minutes for December 12th, I am ready for someone to move approval. (Peter moved and Chris seconded)

The December 12 minutes were approved unanimously.

Kevin: Bruce, we didn't approve the November minutes yet.

Kevin moved and Chris seconded and the November 7th minutes were approved unanimously.

Bruce: The budget. We've expanded the format of the budget and have the reserve account and have everything in one place; we've gone to ten pages. The general account is \$44,500 as of Dec. 31.

Bruce discussed the budget in detail: highlighting the cost of insurance and how it's gone up significantly over the last several years, Marie addressed power washing the buildings, budgeting the cost over two years; chimney cleanings, where the HOA paid for \$2280 and owners paid for the rest (inspection and cleaning); Marie pointed out that owners still owe \$540.

Marie pointed out she hasn't heard from everyone regarding the dryer vent cleaning. She will send out a letter on Friday, January 17th to remind owners to get in touch with her regarding cleaning so Newbold can reach a threshold to get a discount. Bruce asked Marie if she wanted to discuss miscellaneous ground maintenance. Marie said the fence was not power washed because she used wet and forget on it and that's cheaper. Bruce asked if the gate lock had been fixed yet and Marie said no, Artie hasn't fixed it yet and she left it in the foyer for number thirteen. Bruce said the city is responsible for plowing the driveway due to the pump station. Chris Piper is doing a lot of snow shoveling. The pool, grounds, and bulkhead power was up a good bit. Bruce asked Marie if it was due to a rate increase. Marie said yes. The pool and the streetlights are the most at \$686. Pool, grounds, and bulkhead, all those lights are on at the same time. General account has almost \$45,000, reserve with \$89,000, T Rowe Price with \$6,000. And the loan balance is a little under \$60,000. Page eight and nine shows clearly what we've been spending on. How we've used the T. Rowe and reserve account. Bruce asked Marie about the insurance payment and how the reserve was used to pay insurance as opposed to the operating; and how the reserve should be reimbursed because it's not proper to use the reserve account to pay for insurance.

Bruce: The partitioning application. I have been keeping a log with what I've been doing in regard to the partitioning application from 1001 Scarborough. I contacted Building and Licensing on December 23rd and they said I would need a FOIA request to get whatever had been submitted. I called a couple people at Newbold and in the neighborhood. The idea is they would split the lot they have. There would be a front lot and a back lot. The front lot opens to the street but the back lot, there's no access to the street without going through our access drainage and utilities easement. I don't know if that's an automatic thing or whether they have to justify; but I submitted the FOIA and talked to Chad Toms about whether he would cover it or if we should look elsewhere. He recommended we find someone local who is familiar with land use items in Rehoboth Beach. I contacted a law firm that was recommended and talked to one of their lawyers and he said if I follow the agenda and see that something has come up I can ask for it again and they'll have something to give us, and then we'll talk from there. At this point, we haven't engaged with any lawyer or spent any money. We're waiting with baited breath to see what the owners of 1001 do. I called the secretary who is in charge of FOIA requests on January 8th. I heard back from Matt Janis who is a building inspector on Jan. 8th and he would be meeting with the city attorney to ascertain what prevails when they have code conflicts. I heard back from him yesterday and he said the city had rejected the application. To file an appeal would be \$1,000. If they won the appeal, then they would file the application with the planning commission. There would be public notice and at that point we would have talked with our potential lawyer. But right now, they've lost the first round. Does anyone have any questions?

Frank: I recommend you consider the law firm Witsel. He was good when we argued the issue of who owned the lake bottom.

Jonathan: A year or so ago wasn't there talk of Chad Toms submitting on our behalf a document that addressed the issues of historic uses of our property and our driveway; like we were providing a conditional or temporary throughway? I thought there was discussion in a previous meeting about a legal document being generated about historic use of our property but

without any real legal agreement; both addressing that neighbor and the driveway and how they encroached on the property. I think it was about establishing that we were aware and were permitting their use, but by no means establishing an historical precedent that they have rights to the property. Let me go through the minutes and I'll write you back. I thought with discussions about the entranceway, I thought it had come back as an issue.

Bruce: My thought when they switched their access was that they were not considering using our easement. I wasn't considering them splitting the lot going the other direction and selling a lakefront lot that has to go through us to get to it.

Barbara: I have a question. Owners can speak but they can't vote. Is that correct?

Bruce: The idea is that owners can speak but they hold their comments until the end. Chris, landscape committee.

Chris: So, Don and the committee, Chris Piper and Mary Jo are engaged with Bella Terra and Complete Tree Care about replacement of the tree effort. So that is underway. Marie, has Don been in touch with you about that.

Marie: No.

Chris: So I will take that as an action after this meeting to ensure that you're looped into that. The second item is we have two opening on the LC. Frank, you reached out about joining the committee. Frank was nominated by the Gyormorys. And Bruce, you heard from Don Sebastian that he wanted to join the committee. I recommend we allow these two empty spots be filled by Frank and Don.

Peter: I have a question about where we stand with the landscape plan.

Chris: The landscape plan has been approved by the city, phase one. What hasn't been finalized is the presentation to the board and subsequently to the owners about what that plan is. The committee has changed because there was disconnect about the plan among the committee members; and so there was a lot of frustration in the committee that led to the resignation of two members. The committee has to align as to what the plan is and present it to the board, including the cost of the plan. And if the board approves the plan then it would be presented to the owners. We need to decide as a community how we would pay for that plan. My expectation and hope is that the committee will come together and present something that they're completely aligned on.

Peter: It sounds as if the partitioning of 1001 were to happen down the line, my understanding was that the landscape plan involved that area that is in question.

Chris: If that were to be partitioned, I think our landscape plan would get in the way of that.

Patrice: My understanding was that the property was lent in goodwill but that there's not really an official easement on either side. Is that correct? A documented official easement.

Bruce: There is a documented easement that takes most of the driveway and the greenway that goes between buildings two and three. According to the survey we had done.

Patrice: Through the parking lot?

Frank: That's a sewer easement isn't it?

Bruce: It's called an access, drainage, and utilities easement. Whether that means access to the utilities or access to get to the lot. That may be why the city rejected it, I don't know.

Patrice: It's a grey area.

Chris: So, Frank, do you accept the appointment to the landscape committee?

Frank: Yes. Thank you.

Chris: And Bruce, will you confirm that Don Sebastian will join?

Bruce: Yes. Next is the bulkhead contractor. Jonathan put in a lot of work into this and for the most part they said we are not interested. We have one proposal from Marine Solutions. We want to have them look at the steel bulkhead and the pressure treated bulkheads. We talked with Clay N. and we came to the conclusion that they would do the inspection on January 28th. The lake is frozen so they may not be inspecting on the 28th. The inspections are going to cost \$11,700. Harry Caswell has said he has scheduled January 21 and 22 to put in the manhole cover in front of 23 and 24. If the weather cooperates.

Joe: The company you selected, are they professional engineers?

Bruce: Yes. And in addition they have a construction side to their business. KCI did the inspection before and they never submitted an invoice. Next, the reserve study, now that we're in 2025, we need to have them schedule the third version of the study. I haven't heard back from the owners; I want to make sure we have everything on there. One thing that is not on the study is the replacement of the mailboxes. We've been tracking down the parts to get them fixed. One of the things we talked about last time, was replacing the skimmers on the pool. We didn't take any action on it but we need to do that; we have a proposal to do that from our pool contractor when they open up in the spring. The proposal is for so many days and we need to move on that proposal before it expires.

Marie: The last water bill was three times as much as the last bill from the same time last year. This bill I just got was almost \$1,000. For that particular time of year we shouldn't have a high water bill like that. We are losing water even without the pump running. The skimmers aren't running but they're still able to leak.

Bruce: The 2023 water bill totaled \$1,800. The 2024 water bill totaled \$3,300. An increase of \$1,500. We keep thinking we've tracked down the leak but it's still happening. It was going down an average of four inches a day, which is a lot of water. Depending on where it's going, it could be affecting the bulkhead.

Kevin: Wouldn't the water leak down to where the skimmers are and then not leak further? Four inches per day is an insane amount of water. Also, I reached out to Pirate Pools and they were not interested in doing the work. I sent them a few emails months ago and they never got back to me.

Peter: What is the cost of the skimmers?

Kevin: 84, isn't it?

Peter: I'm hardly one to throw money around but we've got to get it done.

Patrice: Agreed. I think the word leak with any pool just indicates at some point the dam is going to break and we're going to be in for potentially a larger sum to repair it.

Peter: It does concern me that, Marie, it sounds like we are losing water in the winter when we're not operating the pool, which it's not just the skimmers.

Mike: This is Mike from #27. We live in the Overlook down here at Fenwick. And we have a great pool company that does our work. I can reach out to them for us if that's okay. I would be happy to.

Bruce: Yes.

Marie: May I just say the water bill is not just the pool, it's the irrigation. And we did have a leak in front of building three at that lower end. We shut off the irrigation in October. Unless we

spent \$900 by October. The pool closed in September and the irrigation only ran for a little longer so I am not sure how we got up to \$900.

Bruce: And remind me we had one skimmer shut down for a year?

Marie: Yes, the one over in the shallow end. The skimmer is where it goes in but underneath that box where it goes in there's another hole there that is apparently connected to that skimmer. Each skimmer has its own block around it so they wouldn't be disturbing the rest of the cement on the deck. They have to dig up that box and replace that PVC pipe because it does wear out. Somewhere in that area is where they say the leak is occurring. They were going to repair the pool over the winter so it didn't interfere with opening the pool in the spring.

Bruce: So does someone want to move approval for going ahead with the skimmer replacement?

Peter moved and Chris seconded and the motion was approved unanimously.

Mike: Bruce, should I share that information with you about the pool company?

Bruce: Sure, share that information with Marie.

Patrice: I have a hard stop at eight. It looks like the only thing left on the agenda was the noise complaint.

Bruce: Yes, this was a case where Thomas, upstairs from us, was watching tv at five o'clock in the morning with the volume way up. And the owners on 19 and 20 asked can something be done about this? My first reaction was did you talk to them? She wanted the board to discuss noise. I recall that we say something about noise and it should be posted in the foyer?

Marie: It is listed there, yes. I believe that it's eleven pm to seven am.

Bruce: How do we describe the level of noise that's supposed to happen. Is it decibels or just supposed to be quiet between eleven and seven.

Marie: That's all it says. It doesn't have a level.

Kevin: I can read it verbatim: Loud volume from radios, stereos, tv's, barking dogs, musical instruments, noisy parties, etc. is prohibited. Be considerate of your neighbors. Keep all noise to a minimum before eight am and after eleven pm.

Bruce: And that's the document that is supposed to be posted in the foyer.

Kevin: Yes.

Peter: It might be worth having another look at that instruction, Kevin, keep me honest, the last item on that list has something to do with improvements being made and the proper forms being sent to the board for approval. Most of this is supposed to be for renters. Renters aren't doing improvements to the property. So, I think it would be worthwhile to review it once again and that it conforms to what it should say.

Frank commented that you have an existing set of rules and if the party in #22 violated the rule on the books, then this fact should be addressed with them, regardless of whether or not the stated rules should be revisited.

Kevin: I would be happy to talk to Rick about this issue. I reached out to him a few years ago, it was basically the same issue. It was five am and it was very noisy. He couldn't have been more understanding and helpful. And when I reached out to him he took care of it.

Chris: Given the weather and the temperature, should we send a note to owners about water shut off?

Bruce: I have an email that I have sent for a couple of years and I can resurrect that and send it again.

Frank: Bruce, I have a comment about the money we have which is about \$50,000. The association should seek to have that money in the highest possible bank account interest bearing vehicle that's readily available in Delaware or the city of Rehoboth. CD's could be obtained that yield 4 to 5 percent for a one to two year time frame. Rather than leave it in a bank account that maybe is yielding 0.5 a percent. If you do the math that works out to a few thousand dollars. I think that should be done.

Bruce: One of the contingencies of having the loan, whatever it's called now, it used to be the Bank of Delmarva, is that we are supposed to have some money in that bank.

Marie: Because of our loan with them, we have to have a checking account with them.

Peter: Because of the board's appetite for fixing the bulkhead, and we have no idea what that is going to cost, we may not want to tie up every penny for two years. I haven't done an exhaustive search. I haven't seen anything higher than 4.25, and that was for seven months. The longer terms seem to be lower rates. My personal feeling is that rates are going to go up.

Marie: Bruce, I don't know if you remember me telling you. Our accountant had suggested when we took that \$15,000 out of T. Rowe, and we got hit with taxes, they had suggested that we take that money from T. Rowe and invest it in CDs to save it from taxes.

Bruce: We will start doing some investigating and start putting some money aside in CDs because we're not going to need that reserve fund right away. And if we've got some flexibility with laddering the CDs. It's also possible we could put it in savings accounts. We have a savings account at Capital One that is paying over four. We ought to be able to get four.

Peter: I have done a limited amount of research but I would be happy to take this on.

Bruce: Anything else?

Peter: I would like to discuss the issue of chimneys the next time we have a meeting. Defective chimneys and what the board's responsibilities are on that.

Bruce: Anything else.

Kevin: I just wanted to throw this out there. Regarding investments, would anyone be in favor of investing in ETFs? Or if it's been done in the past in the history of Newbold, had that ever been done? Or would there be an appetite or a willingness to discuss that possibility?

Frank: I think there's a state law that governs what we're allowed to do. I think we have to have it in federally guaranteed institutions such as banks and their CDs. I know there are rates beyond CDs available, but I think the state laws would have to be consulted before that step was taken.

Peter: I agree. I think we, as a board, we should have an investment policy that is more involved than a thirty second conversation.

Bruce: We'll take a two pronged approach, and we will consider an investment policy and also get some money into CDs.

Barbara: There used to be an investment committee. Bill Postles headed that up for a number of years. ETFs are pretty risky are they not?

Kevin: It depends on which one you're investing in. They can be pretty diverse with a high rate of return.

Frank: I think the issue there is not the ETF because an ETF could invest in some pretty stable investments. The issue becomes who is issuing the ETF. It could be a brokerage house of some type or even the investment side of a bank. There's nothing to say they wouldn't go bankrupt themselves. So, it's not only the vehicle but the issuer of the funds.

Kevin: Thanks, Frank.

Patrice: Thank you, everybody. My downstairs owner is actually on the call, my water is off, by the way. And the hot water heater is still running, I need to get down there. And thank you, it's great to have new people join, I like all the ideas, the investment committee, it takes a village.

Multiple people on the call said thank you and good night.