

**Regulatory Council for
Community Association Managers**

Department of Business and Professional Regulation
Northwood Centre, Professions Board Room
1940 North Monroe Street
Tallahassee, Florida 32399
The Council Meeting Minutes
Friday, February 3, 2006 @ 10:30 a.m. est.

CALL TO ORDER:

The meeting was called to order at 10:37 am by Mr. Reginald “Reg” Billups, Council Chair. The meeting was opened with the roll called and a quorum was established.

ROLL CALL: (Council Members Present)

Reginald “Reg” Billups, Chair
Chris Brown, Vice Chair
Steven Czonstka
Debra Glass
Edith Yates (absent)

STAFF PRESENT:

Dennis Yecke, Deputy Secretary
Anthony B. “Tony” Spivey, Executive Director
Renese Jones, Government Analyst
Barbara Edwards, Assistant Attorney General
Jessica Leigh, Prosecuting Attorney

OTHER PRESENT:

Dawn Baum, NBECAM
Robert Skrob, Members Service, Inc.
Travis Moore, CAI
Ann Czonstka

Mr. Spivey introduced the department staff, Renese Jones as his assistant, Mark Reddinger, unlicensed activity, Jessica Leigh, prosecuting attorney, Barbara Edwards, council attorney and special guest Dennis Yecke as our deputy secretary.

Mr. Yecke gave a formal presentation of himself and his vision for his portion of this department. He stated that *“he had been on board since November 1. He moved here from Minnesota where he served for two and a half years as deputy commission of the Department of Employment and Economic Development.”* He stated that *“he had been on board for just a few months and he had set back, observed and overall he is*

pleased with this department and its people.” He went on to point out that “we only see two members here, Anthony and Renese, representing the department as far as CAM goes. The reality is that there are hundreds of people behind them in a support roll. Here we have the Customer Contact Center (CCC), Central Intake Unit (CIU), Bureau of Education and Testing (BET), Information Technology (IT), and the Office of Communications are all entities that support the CAM board and that is an important point to remember. We have a new secretary on board that has been here about eight months now. Whenever you come into an organization and take a look around and see what’s happening and you will see where changes need to be made. He stated that he’s not the type of person that just make changes for the sake of change. He said that they are seeing some things that need to be tighten up and changed.” He stated that “it is important because no operation can continue to operate as it always had and we are going to be continuing to look for new ways of serving the board, serving the profession and to aide you all. We look at this department as being an economic development agency without the regulatory work that this board does the licensing and such people cannot work in this state so it is imperative upon us to find ways as quickly as possible to get people to work so that they are producing but at the same time to have that regulatory side to protecting the public. We take this very sincerely and Mark will be talking a little bit later on about unlicensed activity and what we are doing in that area. There is a lot of activity that’s going on in many different areas in the department to support this board.”

He stated that “he looks forward to working with the board. He said that he noticed that they are a little short on members. As he talked earlier he took that on as a personal challenge when he took on the deputy secretary to get our boards up to strength and he had already met with the governor’s appointment office and have a plan in place by March 1 to have all positions filled. They called me this morning and said I need to send a runner down to pick up a stack of applications for six boards they need us to look through. I don’t know if CAM is in that packet or not but we are working very fast and strong in getting this done. A matter of fact the governor’s appointment office put a second person on Department of Business and Professional Regulation (DBPR) board to try and get this done they see the priority of this as well. But without applicants we have nothing to review or no one to appoint so I encourage you within your own organization CAM, to solicit all five members to the board. But also to other boards as well we have consumer members that are lacking more on our boards so if you have any friends, acquaintances I encourage you to have them make application to the governor’s office.”

He stated that “he’s looks forward to working with the board and if there is anything that he can do for them let him know.” He went on to say that “they are just meeting their new executive director he too is committed to helping you and working with you and please challenge him and challenge Renese. Please lets make this the best organization that we possibly can.” He asked if anyone has any questions of him and if not then he will sit back and observe for a little while.

Mr. Spivey said to “let the record show that Ms. Glass just entered the room.”

Mr. Billups stated that *“he would like to acknowledge anyone else that’s in the audience who would like to introduce themselves and let Council know what organization they are representing.”*

Mr. Robert Skrob, Membership Services, Inc. and he was here to speak on the privatization study; Dawn Baum, National Board of Certification for Community Association Managers (NBECAM); Travis Moore, Registered Lobbies for CAI; and Ann Czonstka, wife of Steve Czonstka.

REVIEW AND APPROVAL OF THE NOVEMBER 4, 2005 MEETING:

MOTION: Mr. Brown moved to approve the minutes.

SECOND: Ms. Glass seconded the motion and it passed unanimously.

Mr. Billups said he had noticed in the minutes that staff was referred to as *Board* instead of *Council*. Mr. Brown indicated that *CSI* should be *ASI*. Mr. Billups indicated that they were not a board yet and if staff could please make these changes. The minutes stand approved as submitted with the noted corrections.

CHAIR REPORT:

No report.

BOARD COUNSEL REPORT:

Ms. Edwards addressed the 61-20.508 Continuing Education Requirements rules and made a few suggestions to council. She indicated that *“if a person is licensed within the 90-day window they would get more than 24 months. In essence they would be getting 27 months. If Council would make the time any shorter then you would be asking the department to institute a round of renewal for your licensee three months prior to the renewal of the other licensee.”* She felt as if *“that would be a huge burden placed on staff. As a practical matter the difference between 24 months and 27 is really kind of negligible on the grand scheme of things. Her legal advice to Council would be to leave the rule as is”*. She felt that *“the best way of informing the public would be in the council newsletter, website or maybe the providers when they are teaching the classes.”*

61-20.508 Continuing Education Requirements rules reads as:” (1) *All community association manager licensees must satisfactorily complete a minimum of 20 hours of continuing education. Each hour shall consist of 50 minutes of student involvement in approved classroom, correspondence, interactive, distance education or internet courses which courses shall include the required hours at an approved update seminar. No license shall be renewed unless the licensee has completed the required continuing education during the preceding licensing period.*

(2) *Only continuing education courses approved by the Council shall be valid for purposes of licensee renewal.*

(3) *The 20 hours of continuing education shall be comprised of courses approved pursuant to Rule 61-20.5082, F.A.C., in the following areas:*

(a) 4 hours of legal update seminars. Licensees shall satisfactorily complete a 2-hour legal update seminar during each year of the biennial renewal period. The legal update seminars shall consist of instruction regarding changes to Chapters 455, 468, Part VIII, 617, 718, 719, and 721, F.S., and other legislation, case law, and regulations impacting community association management. Licensees shall not be awarded continuing education credit for completing the same legal update seminar more than once even if the seminars were taken during different years.”

Ms. Edwards addresses the Council via Mr. Spivey’s instructions on the new legislation on gifts from lobbyists and organization who hire lobbyists and any employee of that organization. She explained that *“gifts are defined as anything of value and her office has set down and looked at it and discussed it and have decided that they don’t know until there is a little more guidance coming out of the legislation and from the Governor’s office on just what this means. The advice they are giving to their board members is not to except anything from anyone or if someone offers to buy you a cup of coffee say no thank you, if someone offers to fly you to Switzerland for skiing say thank you, but no thank you. Until we receive further guidance from the legislators, my advise to Council is not to take anything from anyone.”*

PROSCUTING ATTORNEY REPORT:

Ms. Leigh reintroduces herself to council by letting them know that she’s been the prosecuting attorney for council since June and stated that she provided everyone with her business cards just in case some point in the future someone needed to call her they can and she welcomes them to do so if they have any questions.

Ms Leigh stated that she provided them with a memorandum dated January 31, 2006 which is all the CAM cases located in the legal section and she gave a verbal report as follows:

Status 30 – In Legal

The report showed that there were 2 cases reported;

Status 35 – Set for Probable Cause

The report showed that there were 6 cases reported;

Status 35 – Sent to Consultant/Expert

The report showed that there were 3 cases reported;

Status 321 – Supplemental Investigation

The report showed that there were 4 cases reported;

Status 36 – Administrative Complaint Filed

The report showed that there were 6 cases reported;

Status 145 – Pending Informal Hearing

The report showed that there were 5 cases reported; she also stated that they are scheduled for informal hearings this month.

Status 145 – Referred to DOAH

The report showed that there was 1 case reported; this case set for hearing the beginning of March;

Status 145 – Formal Informal Hearing

The report showed that there were 3 cases reported;

Status 58 – Case Considered – Awaiting Final Order

The report showed that there were 3 cases reported;

Council had no questions regarding Ms. Leigh's, persecuting attorney report. Mr. Billups thanked Ms. Leigh for her report.

EXECUTIVE DIRECTOR'S REPORT:

Mr. Spivey provided Council with a report on the Operating Account; he stated that *"this was the financial figures from the quarter ending September 30, 2005. He had spoken with his chief of budget on yesterday and they are still compiling the figures from the end of December 2005 and he informed Council that he will provide that information to them at a later date. As of today, these are the latest figures for Council and if you will notice for the 2005 year that the cash balance for the Council is 1.6 million dollars and a comparison to the 2004, 1.5 million so you see a steady increase in the accumulation of funds."*

He gave a report on the Unlicensed Activity Report Account. He said that *"it ran the same as the Operating Account 2005. Council has a total of \$67,930 in that account in comparison to the 2004 account you have \$50,402 you can see that there is a steady increase in the account. This is a good segue into my next subject."*

For the next segue, in your folders is a projection of what your finances should look like for a fee wavier. At the last meeting one of the Council members asked about information on doing a fee wavier Mr. Spivey asked his accounting department to run some figures to show what finances would look like for entertaining a fee waiver for this group. What they have done for him looking at the column starting with June 2007 year by instituting a full license fee wavier you would have a cash balance of 1.3 million dollars. For only that year only and for not instituting any other fee waivers you see that the cash balance steadily grows projecting all the way up to 2011 you're looking at 2.3 million dollars. What the department will decide to do in the future is to start providing this information to the board and council so that you all can make the determination whether to do cash fee waivers for the licensee group. After speaking with Ms.

Jean Witten, Chief in the accounting and budget area, we are recommending that you at least entertain the idea of recommending a fee waiver to the department institute because the cash is steadily growing and it could be bondable to a cash sweep.

Mr. Brown asked *“if they were to do a fee waiver for September 06 is this something that they can look at again down the road.”*

Mr. Spivey responded *“yes and stated what will happen is that they would do a waiver for one renewal period and the next renewal period they would be right back where you started (you will have cash back on your hands).”*

Ms. Glass asked Mr. Spivey is there a limit to how many times they can do a fee waiver.

Mr. Spivey indicated that there is a two year period that the department can go in and ask for a fee waiver.

Mr. Billups indicated that Council can ask for a fee waiver every renewal. He also indicated that he was afraid of a cash sweep and Council numbers are just saying please come sweep me.

Mr. Spivey informed Council that “one of the things that is driving the increase in cash is that you have much real estate boom going on in this state, condominiums springing up everywhere, people are buying into sub-divisions, and homes, and of course there are other associations being developed and as the CAMs population grows then this is more money into the accounts and this is what’s driving the increase in funds into the accounts.” He also explained to Council to keep in mind that these are only projections and if the economy as a whole takes a turn you may not want to do a fee waiver.

MOTION: Mr. Czonstka moved to approve a fee waiver for the next renewal cycle to be taken back to the department for consideration. Also, the motion is to include that Council’s primary intention is to become a Board.

SECOND: Mr. Brown seconded the motion and it passed unanimously.

Mr. Spivey stated that he will take Council concerns to the department.

Mr. Billups stated that *“the part of Mr. Grays’ bill chapter 468.435 (1) (a-f), Florida Statutes that we left in was the part that we were supposed to take out with the increasing of our fees. There were two sections to that bill, the primary section that Council was forcing on licensing of management companies and the other section was left over from when we had the deficit that was all apart in one.”* He felt as if there was no need to increase fees and that Council wanted to move on licensing management companies in this state. He expressed concerns that he was surprised to look in

the minutes and see that there was a motion for fee increase. He stated that *“to change the fee structure is no longer necessary and with the session starting in three weeks Council maybe too late again.”*

Council asked Mr. Spivey is there anything that they can do regarding this bill since they had already gone on record stating that they want a fee increase. Mr. Spivey said he will take it back to the department and will give them feed back at the next meeting.

REINSTATEMENT OF NULL AND VOID LICENSE:

Mr. Spivey indicated that there is a section in chapter 455.271 Florida Statutes dealing with delinquent statuses. There is portion of this statute that allow an individual who have a license that have gone null and void to approach the licensing body and request a reinstatement of the license previously held. *“Some of the boards that I have worked with have chosen not to entertain the thought but after looking at this issue the department has determined that we as Boards and Councils need to adopt a rule and put it in place that would at least address the issue that whenever an individual licensee does approach that body requesting reinstatement there will be some determination on how this process will work, whether the Board or Council will address reinstatement or not”*

Ms. Edwards stated that if the Council would look at the language (455.271(6)(b), F.S.), it says *“If the board or the Department determines that the individual has made a good faith effort to comply with the section but has failed to comply because of illness or unusual hardship. The minute you make a rule, you open yourself up to a motion for waiver or variance of that rule. Waivers and variances are only granted if certain threshold standards are met – hardships, illnesses and those sorts of things. Basically, if you are going to make a rule on this subject, no matter which way you rule you open yourself up to someone coming and applying to let them do it anyway. If you are going to make a rule, I recommend that you say you would not entertain any application to reinstate a null and void license. An individual may the petition for waiver or variance pursuant to the requirements of the waiver and variance statute (120.542, F.S.) and rule (Chapter 28-104, F.A.C.).”*

MOTION: Mr. Czonstka moved to have counsel draft language for null and void license.

SECONDED: Ms. Glass seconded the motion and it passed unanimously.

REGULATION REPORT:

Mr. Spivey stated that on pages 18-19 of the agenda there is information figures on unlicensed activity and he introduced Mr. Mark Reddinger from the unlicensed activity section to the council.

Mr. Reddinger stated that *“it was a pleasure to be here and if you have any questions please do not hesitate to ask them. He gave his complaints report from July 1, - December 31 of this year. There has been a total of 37 legally sufficient complaints that have been opened up through our central complaints office and sent to the field for investigations; 9 of them were unlicensed activity and all of those will be investigated and sent to our general council office for further actions if possible. In addition I think this is the first time I had the pleasure of speaking before you and I would like to tell you a little about myself. I have been with the department about five years. I started in the office of complaints and moved up through there and have been in unlicensed activity for about two years now and it’s been a very busy two years with the hurricane season and I have been very forced on mainly construction as it relates to the entire state of Florida. Some of the things that we are doing now is we have created a toll free hot line and it was one of the Secretary’s projects and I am very happy that she made it happen. December 15 was the kick off date for the toll free line. What the department is trying to do is get the word out that you no longer have to call long distance they can reach an operator toll free Monday – Friday. We have business cards printed up and we thought this was a good idea and it’s very inexpensive to produce. Also, we have a sign that you can put in a common area that we produce right here in the department. We have two staff people answering the toll free number from 8:00 am to 5:00 pm and the cost is a shared cost. One processor will put this information into the system for the caller no sooner than the call is complete the caller is given a complaint number. The cost to your council through the end of this year is \$322.00. He also stated that he hope that this won’t hurt you too much financially but it doesn’t sound like it will listening at your current budget. The advantage is that you will be sharing the cost and the operators are training on what type of calls to take and what kind not to take. We are monitoring our website whenever you go onto the website you will see on the bottom right hand of the screen unlicensed activity and we are changing the website around.”* He asked Council *“is there any outreach that he can do or they can do.”*

Mr. Billups asked Mr. Reddinger *“what out reach has he done with industry associations.”*

Mr. Reddinger replied that *“he would like to have a lot more public presentations. We have 10 field offices throughout the state with leaders and supervisors in each office and he travels extensively but if something should arrive with a conflict we have quality individuals throughout the state of Florida available all the time and this is something that he would be very interested in putting this in your newsletter. His focus is on unlicensed activity but there are so many questions that people ask and he would like to be there to answer them. They don’t have to run to track them down maybe they can send a letter and say we are having a meeting on Tuesday, one month from today. If they can just give us a fifteen minute presentation we will be more than happy to do so. That’s something that Mr. Spivey can arrange or you can call me anytime but I would love to do that. If you can give us a small section in your newsletter where we can advertise our toll free number.”*

Mr. Billups replied yes and told Mr. Reddinger to see their editor and chief.

Ms. Glass had a question she stated " *is there a time limit on this concept because most of the time when they see this it is after a hurricane, there is no power and the people cannot get in touch with anyone your cell phones don't work and computers don't work and here they come.*"

Mr. Reddinger stated that "*there is no time limit maybe three years from now maybe yes but there is no time limit for reporting unlicensed activity. Even if it is over three years still report it and the department will be aware of it.*"

2006 Legislative Submission

Mr. Billips indicated that this was discussed earlier in the meeting.

OLD BUSINESS:

Mr. Skrob stated that "*the week of the meeting he sent copies of the privatization study via FedEx to the department and he brought extra copies if someone needed one.*" He said at the last meeting Council voted to have a study of privatization of the Regulatory Council of Community Association Managers. The study was completed by him and he was ready to give his report to Council. Mr. Skrob stated that he worked with Secretary Binkley-Seyer to draft 445.32 Florida Statutes layout of privatization for the board and/or council of guidelines needed to precede through the privatization process. He stated that "*on page 30 of the report section Appendix E Business Case for the Establishment of a Nonprofit Corporation to provide the Administrative, Examination, Licensing, Investigative, and Prosecutorial Services of the Regulatory Council of Community Association Managers would be the information submitted to the Governor.*" Ms. Whitten provided him with the budget figures on the trust fund of \$1,657,108 so that he can compare with projected figures for the privatization. He also gave a financial model of the FBCAM including projected cost and expenses for the first two years of operation and the cost would be \$1,966,090. He also gave a report of a timeline for council to proceed with the privatization of the CAM board for implementation to take place. The timeframe that was given by Mr. Skrob was from February 3, 2006 – November 1, 2006 for FBCAM to assume full responsibilities of CAMs. His report consisted of the office structure of salaries ranging from \$25,000 – \$95,000 a year and positions ranging from the Department's Secretary, seven member council appointed by the governor, board counsel, a director and six staff members.

MOTION: Mr. Czonstka made a motion to move forward with the privatization of the CAM.

SECOND: Motion died for the lack of a second.

Mr. Billups stated that *“he had not had the opportunity to digest this report he received it on the 30th and he can not vote yea or nea personally today because he needed time and he thinks the Council needed time to fully digest this and discuss it. This is too large of a decision to be given a three day window to make this kind of a decision and he was not ready to make a vote today. He would like to have the time to go through and review this report before making a decision. He also stated that Council voted on a study not to go forward with the privatization of CAM. He asked Council to table this vote until the meeting”*

Mr. Brown indicated that he had read the report and as a matter of fact he read the report about four times and stated that it was very positive. He indicated that "at the last meeting he did make the motion to go forward with this study and he was glad that he did. He felt as if the department and other members of the Council should have time to review this report also before making a decision.

Mr. Czonstka wanted to know could Council review the report and set up a telephone meeting to discuss this report.

Mr. Spivey stated that staff did not have enough time to notice a meeting before Mr. Skrob's deadline date. He also indicated that he needed at least 14 days to notice a meeting.

Deputy Secretary Yecke stated that he will use Surveyors and Mappers as a bench mark because they are ahead of you all. He had already spoken with the Governor's office and its going to be next fiscal year, next legislative session before anything will be done on that issue. He advised Council to take their time on this issue.

Mr. Billups stated for the minutes to reflect that the privatization study is tabled until the next meeting for all Council members to be present to make a decision.

MOTION: Mr. Brown made a motion to table the privatization study to the next meeting.

SECOND: Ms. Glass seconded the motion and it passed unanimously.

Mr. Spivey introduced Mr. Charles Tunnicliff from our General Council Office.

NEWSLETTER DISCUSSION:

Mr. Spivey stated that he had draft an article from the executive director for the newsletter. He indicated that when he took over this group he started getting calls and he noticed that there was a lot of confusion between what the CAMs can do and what the homeowners can do and had noticed that the individuals that live in these homeowners association have the idea that the CAMs can take care of every situation or problem that comes up and that's really not the case.

“Basically this article is just an idea to try and bring some understanding to the

population in what type of relationship do you have with the homeowners association. This article is just for your review and your newsletter is scheduled to go out in March. This is a good opportunity for you to give me additional information to put in your newsletter. There's a draft of an article on privatization that you are going through right now as well and that will also go into the newsletter." Also, he stated that Ms. Leigh had provided him with the discipline case from the past years and that will go into your newsletter. *"If there are anymore items that you would like to see in the newsletter we will put those items in there as well if not we are going forward with this draft."* Mr. Spivey indicated that he noticed that in the past the newsletter went out annually and he questioned Council to whether they wanted to see the newsletters go out quarterly or every six months. He indicated that when he took over this group he realized that a newsletter had not been put out in quite some time and we are trying to get everything back on board.

Mr. Czonstka stated that he thinks the newsletter should go out at least annual preferable quarterly whatever staff workload can provide. He asked Mr. Spivey under the privatization section in the newsletter can it be mentioned that privatization is not deregulating of the CAMs.

Mr. Billups thanked Mr. Spivey for being a good gentleman for not mentioning that he had not done a chair article. He stated that he would definitely write an article for the newsletter and get it to him and he would like to see the newsletters released at least quarterly.

Mr. Spivey felt as if staff could handle sending out a newsletter at least twice a year but he will report back to Council at the May meeting.

NEW BUSINESS:

No report

PUBLIC COMMENTS:

No report.

OTHER BUSINESS:

The next meeting will be held May 5, 2006 via telephone conference call at 10:00 am.

ADJORNMENT:

MOTION: Mr. Billiups moved to adjourn the meeting

SECOND: Ms. Glass seconded the motion and it passed unanimously.

Mr. Billups gave this farewell speech and stated that “Council has a new Deputy Secretary and he is trying to fill all positions. I have been sitting in this seat since November of 2004 past my term and this would probably be my last meeting. I have already given this speech before. I gave this speech in November of 2004. I would like to thank all of you for your support. I have been doing this for nine years from fighting deregulation to fighting a \$600,000 deficit and I leave knowing that Council is in great hands.” Mr. Billups thanked everyone for putting up with him.

The meeting was adjourned at 11:35 pm.