

MINUTES
Regulatory Council Meeting for
Community Association Managers
Telephone Conference Call
August 31, 2005, 10:30 a.m.

Council Members Present

Reginald Billups, Chair
Chris Brown, Vice Chair
Steven Czonstka
Debra Glass
Edith Yates

Others Present

Anthony B. Spivey, Executive Director
Donna Salters, Government Analyst
Barbara Edwards, Assistant Attorney General
Fred Gray, Gray Systems
Travis Moore, Community Associations Institute
Dawn Bowman, Community Association Institute

The meeting was called to order at 10:30 a.m. there was a roll call and a quorum was established.

Mr. Billups offered his apologies for the conflict in his meeting schedule which resulted in the cancellation of the August 5, 2005 meeting scheduled to be held at the Four Seasons Resort in Palm Beach, Florida.

Approval of Minutes

The motion to accept the minutes from May 6, 2005 was offered by Mr. Brown. It was seconded by Ms. Glass and the motion passed unanimously.

Board Counsel Report

Ms. Edwards, Board Counsel stated that there are no rules pending. Mr. Billups reminded Ms. Edwards that there was to be draft language submitted for changes to Rule 61-20.508(6), Florida Administrative Code (F.A.C.) "*A licensee shall not be required to comply with the continuing education requirements prior to the licensee's first license renewal*". There were concerns that those who obtain a license during the 90 day window during the renewal cycle may go beyond 24 months before it is necessary that they meet the continuing education requirement. She explained that she will have this available at the next scheduled Council meeting.

Executive Director's Report

Mr. Spivey provided the executive director's report stating that the financial report shows the Council's operating account at current balance of \$1.6 million. He further explained that the only thing that may reduce the funds is another cash sweep from the legislature, but noted that the Department has not been apprised of any information that a sweep from the legislature may occur.

Additionally, Mr. Spivey provided a Five Year Revenue Projection Plan which was requested by the Council at a previous meeting. The Council wanted a general idea of the future financial outlook of the profession in an effort to determine how to circumvent problems such as those that resulted in the CAM profession operating with a negative balance in 2002 which resulted in a \$200 assessment fee and discussions of deregulation.

Regulation Report

There was a Regulation Report submitted by Charles Tunncliff, Assistant General Council, from the Office of the General Counsel. The report showed that there are twelve (12) confidential cases in legal; one (1) administrative complaint on John B. Chiarenza; one (1) case set for informal hearing for Debra Ann Strade. The following license holders have requested a formal hearing: Jeffery Lee Woodruff, Carlos Artega, Josph M. Dagher, Teresa Laritza Llaugher, Patrick Josph Garcia, Heather Mary Manyo, Marco P. Gallo, Lawrence Listing, Jeannette Helen Listing, and Olivia Patricia Dixon-Powers who defaulted and license was revoked. The report also indicated that there are three (3) cases listed for supplemental investigation, Claudio Franscico Castilla, Clemente J. Delatorre, and Robert A. Dugger, Sr.

2006 Legislative Submissions

Mr. Spivey reminded the Council that consideration must be given to the time of submissions for the 2006 Legislative Submissions to the department. One of the primary statute changes is regarding the regulation of Community Association Management Companies. Currently, Rule 61-20.003, F.A.C. requires that CAM Businesses "register" with the department. However there is no authority given in statute or rule to regulate these companies. Historical discussion of the need to change the statute alludes to the ideology that a Community Association Management Business is required to hire only licensed persons. If the questions of unethical practice or a violation occur, then only the licensed CAM will be disciplined. The discipline may result in fines, suspension or revocation of the CAM's license, but the business is not disciplined and proceeds without penalty and often just hires a new manager. Mr. Gray, of Gray Systems indicated that he has draft legislation concerning this legislation and will forward the draft to Mr. Spivey. Mr. Czonstka asked would privatization require any legislative activity. Mr. Moore responded that the legislation was passed two sessions ago.

Old Business

In council meetings dating back from October 8, 2004 there have been discussions of completing a business case to study the privatization of the Community Association Managers (CAM) profession. It was requested of staff to search for a sample document to serve as a model to assist in building the business case for privatizing CAM. There was no internal document found, but in the last two Council meetings, Ms. Foley Healey with Community Associations Institute stated that Mr. Scraub, a local consultant completed a study for the Board of Surveyors and Mappers and that cost was approximately \$4000. In the May 6, 2005 meeting she stated that she would try and obtain a copy of the document for the Council.

Ms. Dawn Bowman addressed the Council regarding the continued fundraising developments for contracting to complete the business case study. She explained that there are several donors interested in supporting the research but cannot move forward in collecting the funds until after the Council has approved the research. She reminded the Council at the May 6, 2005 meeting Ms. Foley-Healy reported that Community Association Institute (CAI) is already getting pledges from vendors that are ready to assist in the financing of the business case study. Mr. Billups asked would the donors have any resistance to being on a list available public review. In addition, Mr. Brown asked would CAI or National Board of Certification for Community Managers (NBC-CAM) be willing to be the named entity to collect the funds.

Mr. Brown offered a motion to use private sector funding arranged by CAI to secure a study to evaluate the feasibility of privatizing the CAM profession. In discussion, it was decided that the motion should include that the list of donors is available for public review. The motion was seconded by Mr. Czonstka.

Ms. Edwards contended that the Council can express the desire to do the business case, but the contract should be between the gentleman that will do the research and the entity that funds the research. It was explained by Mr. Spivey that the Council does not have the authority to sign a contract as the Council is regulated by the department and any contracts completed are done through the department's legal department.

The motion to use funding raised by CAI with a list disclosing the donors in order to complete the business case study was withdrawn.

Mr. Brown made a motion that the Council move forward with the feasibility study, but needs to know from staff and Board Counsel what are the legal requirements, proper mechanisms and logistics by which the Council should pursue proceeding with contracting to do the feasibility study. The motion was seconded by Mr. Czonstka and passed unanimously.

Additionally, Mr. Brown stated that CAI should move forward with informing donors that their donation will be made public so that this process will be complete as Counsel and staff pull together other requirements by the next meeting. Ms. Bowman indicated that she will also provide the information on the third party consultant at the next meeting.

Ms. Glass confirmed that all documents will be in place with the language at the next meeting so that there will only be a vote on the logistical data for doing the study.

Newsletter

In a previous meeting the Council expressed an interest in producing a newsletter. Mr. Billups explained that a former Department Secretary decided that the newsletter should be completed electronically and people should just logon to access it from their computers. Mr. Spivey explained that many licensees complained about this process and it came down to the expense of producing and mailing the newsletter. He indicated that he will approach the department again regarding producing and mailing a CAM Newsletter. Mr. Czonstka stated that the newsletter will be an example of how the Council can demonstrate and report that the CAMs are getting something from the regulatory body.

Ms. Glass stated that if the Council is going back to hard copy and if it is going to take two and three months to get it out, one of the complaints was that deadlines had passed before the newsletter was distributed. Mr. Spivey will provide ideas by the next meeting and the Council will plan target dates as well as submit contributing articles.

Mr. Brown indicated that a good article to include in the newsletter would be the issue of privatization and explain the difference in deregulation.

CE Provider Application

At the May 6, 2005 meeting there were concerns about how applications for continuing education courses are approved or denied. A sample application was reviewed and Mr. Spivey explained the application process is through the Department's Bureau of Education and Testing (BET) and not Council staff.

Fees

There was a discussion on Rule 61-20.504(11), F.A.C. regarding the change of status processing fee. An e-mail was submitted from license maintenance section regarding what the actual fee should be \$10 or \$15. Mr. Czonstka offered a motion to change Rule 61-20.504(11), F.A.C. from \$10 to \$15. The motion was seconded by Ms. Glass and passed unanimously.

Ms. Edwards explained that the Council can ask for a legislative change to delete Chapter 468.435(1)(f), Florida Statutes (F.S.) the Council can then rely on

Chapter 455.271(8), F.S and charge \$100. She further added that If the Council could ask to delete Chapter 468.435(1)(e), F.S. which authorizes the delinquent license fee of \$50, the Council can then rely on 455.271(7), F.S. which would allow charging \$100. Mr. Billups explained that this information is good to know but would rather not charge additional fees at this time. Mr. Spivey reminded the Council regarding "stock piling" cash in the event of another legislative cash sweep occurs. He stated that most boards are trying to remain at a zero balance.

The next schedule Council meeting will be held on November 4, 2005 by telephone conference call at 10:30 a.m. Mr. Czonstka offered a motion to adjourn the meeting. It was seconded by Ms. Glass. The meeting adjourned at 11:42 a.m.