

**Regulatory Council for  
Community Association Managers**

Department of Business and Professional Regulation  
Hyatt Regency Orlando Airport  
9300 Airport Boulevard  
Orlando, Florida 32827  
The Council Meeting Minutes  
Friday, August 11, 2006 @ 10:30 A.M. EST.

**CALL TO ORDER:**

The meeting was called to order at 10:45 a.m. by Mr. Reginald “Reg” Billups, Council Chair. The meeting was opened with the roll call 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)  
Kelly Moran  
Morris Goodwin, Jr.

**STAFF PRESENT:**

Anthony B. “Tony” Spivey, Executive Director  
Renese Jones, Government Analyst  
Barbara Edwards, Assistant Attorney General  
Jessica Leigh, Prosecuting Attorney  
Tim Vaccaro, Director  
Mark Reddinger, Unlicensed Activity

**OTHERS PRESENT:**

Robert Skrob, Member Services, Inc.  
Travis Moore, Representing CAI  
Mark Benson, Benson’s Inc.  
Fred Gray, Gray System, Inc.  
Tom Skiba, CAI

Mr. Spivey introduced Mr. Vaccaro as the Director of Professions for the Community Association Managers.

Mr. Vaccaro stated *“council members, I am glad to be here today and I am looking forward to seeing you in action and to answer any questions you may have.”*

## REVIEW AND APPROVAL OF THE MAY MEETING:

MOTION: Mr. Czonstka moved to approve the minutes with no noted corrections.

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

## CHAIR REPORT:

Mr. Billups stated *“as a reminder, Council tabled the privatization study until this meeting and this being our approval of the council to move forward with the study for privatization. Reason for the delay was to give the department and the new council members time to review the study before today.”* Mr. Billups called for a motion.

MOTION: Mr. Brown made a motion for the business case to be delivered to the executive office of the Governor and the legislative budget commission for evaluation pursuant to the management privatization act.

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

Mr. Billups opened the floor for discussions.

Mr. Spivey introduced himself and stated *“when I took over this group two years ago this was the first subject that was presented to me during our discussion. Since then, I have observed and watched you deliberate and one question kept coming to my mind. Why are you doing this? So, I basically asked the question and what I was told you were not voting at that time to do privatization for this group, but basically to determine if it was feasible to do it. What I would like to do is before we go any further ask each member of this council do you have any dislikes or likes based on what’s going on in the department and that will give me and the department a better understanding.”*

Mr. Czonstka stated that *“within the last six years that I have been on the council, I have seen and noticed an improvement within the support we are getting from DBPR. However, I still think that in light of the present attitude of the state government toward lessening the size of government and sending more tasks to industry. Two years ago we were told we had to special assess everybody. Now this year all of a sudden we were told we are rolling in money and we can waive the fees. I just think some of these items eventually have to be put up for privatization and put in the commercial area just to see what our alternatives are. I believe Mr. Brown’s motion that I seconded doesn’t automatically guarantee an approval of this process, just submit it to the next state (sic). My biggest complaint is how long it takes things to get done. I just think that we need to march on with this so we can eventually get all the input from everyone that wants to make an input, so that we can make a discussion. This is the reason why I voted to proceed with this process.”*

Mr. Goodwin stated *“I am one of the new council members, but I am old. I know where all of the bodies are buried. Having said that I have noticed over the course of the last few years an improvement in the relationship between council and DBPR. The only thing*

*that I am interested in is what's best for the community association managers. I feel that looking at the privatization is one of the things that we can see if there is a better way of doing it. I'm not sold on it. I just want to have the fact, that's it."*

Mr. Billups passed until the end.

*Mr. Brown stated that "I would like to compliment you (Mr. Spivey) and your staff and I think there has been definitely improvement and I don't have any criticism. My biggest concern I think is government structure in general, uncertainty. People in many of the state offices, they come and go really quickly and we (council) can have things working very smoothly and there is a shake-up. Also, there's concern about the sweeps. When we do build up reserve, we're planning for the future. In an instant the legislation will sweep from us (council) and we could be facing a special assessment again. Based on all of what I see of the uncertainty just the political climate of Florida government in general I think that we should at least consider privatization and that will... maybe that will help bring about some stability."*

*Mr. Glass stated "I kind of agree with all of them. I think we have heard from the point we are council and we can do a, b and c, but that doesn't make us a board. We have more rights and you can take more control over a board and they can't come through and say you can't do this. I think what we are looking for is a different answer or to know the facts like Morris said so we would be able to make a better judgment call on it. We know what we want to do but we can't seem to get there. We keep repeating ourselves and... Chris has said with change in staffing... or different people in the department and stuff. We have to start back over and they all have a different opinion. That's good we have to rely on them for directions, but we have already gone through this opinion. So I think we are trying to weave through to see which path we really need to go and have the documentation and information to backup..."*

*Ms. Moran stated that "I agree with the council members. I think our industry needs stability and sometimes government can be uncertain. In the community association industry it is highly specialized and very broad. Managers are responsible for millions of dollars with assets. We do need oversight in this industry especially in Florida but privatization...the feasibility of the privatization study will bring that stability to our industry."*

*Mr. Billup stated "being the sole person on the planet that was appointed to the first CAM council and has been here since its interception. I will tell you right now, the staff that we have in place has been the most cooperative that we have ever had. I think our working relationship is much better. We have had..., we have had, staff that has had hidden agendas. We have had staff that let us down, saying one thing and doing another. I don't think that we are getting that now. I don't have a problem personally when I go to the department I get things done, they are happening. We are leaner and meaner than we were prior to the assessment. If you look at the way we were spending prior to the assessment that was one of the things that drove us into the deficit. Going out and having to have a special assessment to rid ourselves of the deficit got a lot of people's attention."*

*We don't spend the way we did then. In the early days all of our meetings were held in Tallahassee and conference call meetings was something that we rarely had. So we spent the money and I am not saying only council spent it. I also see that there's been some consolidation in the department. I think that has been an affect to bring us more efficiency and as a result of that we are spending less. We really thought we were going to have to go and raise fees. We did some modeling a few years ago and said we are going to have to increase some fees or we are going to be going out, again for a special assessment. Well because of the controls that have been placed on the spending and the consolidations that don't have to happen now, and as a matter of fact we have money setting there as a surplus. Just as sure as I am wearing a gray suit it will be swept eventually. So to be able to get to the point now where we are waiving the renewal fees this year is a real plus. I don't want to deal back what happened five, six years ago. I tell you what; if we were having these kinds of conversations then about privatization my mind would already be made up. So, I support the motion. I think we have an obligation as a council to the CAMs of the state of Florida to move forward with the study so we can see what's out there. For we don't know what's better right now and I think we are going to have to move ahead. So I support the motion that we move to the next level so that we can find out. But, it doesn't mean that it's going to be better to do it in the private sector or the public, we don't know. That's why you have the study and that's why you send it to the Governor to get that done.*

*Mr. Spivey said "Thank you all and I appreciate your comments. My compliments to Mr. Stroll for the report that his company completed. What I want to do is share with you some additional information and whatever decision you all do make to go forward or not you will have as much information as possible to make an informed decision. So I just want to speak on a few issues.*

*I noticed that one of the main issues in all of your comments was about the assessment so I will speak on that as well. What I want to talk about first is staff level. I am sure you all have read your report. I just want to make some comments regarding the information. I noticed in your report it calls for six members to go into the new format with the privatization. Under the current duties that are being performed in the department right now from the CAM applications, licensing the application, and investigations; the five positions will not be able to handle all the proposed ministerial functions. The Board of Engineers chose the option of privatization and initially started with five employees as suggested when they had their case study done. Based on the information they found out after they went private, they realized they needed more individuals. They went from five employees to twelve and ultimately they are now at twenty-one employees. What that does to the revenue is decrease it because you have those extra employees on hand now and they are required to be paid from that budget that you have and there's no extra income allocated other than what the legislators provided to you. One thing I want to make clear about the spending of the legislative budget you may have for an example a million or two million dollars in your account but, your spending authority maybe less. So you may only be authorized to spend so much money per legislative year even though the funds are there. So, that is something I want you to keep in mind when you are thinking about this process.*

*Another thing is the revenue, the fact that you do have a large cash budget the concern that I have heard from all of you are the sweeps. If you decide to go private that does not exempt you from being swept by the legislators. Because if they say they are coming for it, it's a mandate that the money is released from the account. So that is something that you all should keep in mind just because you go private that does not exempt you from that process.*

*Another item I saw in your report is about the investigative process. Six employees; one of those employees of that six includes an executive director position. The other five members are staff individuals to do the administrative tasks that are being performed to process the applications. None of that calls for an investigation. So, there..., there's a sign right there that you would need additional employees to take care of that process. So again, all these additional individuals will be an increase of the requirements of the legislative budget that you are authorized to spend.*

*One other item; technology, in your report it calls for technology to be compatible with that of DBPR. The technology in DBPR has a lot of pluses in it, that's because of the different boards that are sharing the computer system, that's what cause the economies-of-scale in the cost of pay for the system that's in place. If this group should go private you will be a stand-a-long entity bearing the entire cost. So, your cost will go up for the technology uses of a system compatible to the level of the computer system we have at DBPR now. These are items that I just wanted to bring to your attention so that you will be aware because there will be an increased cost that you don't see right now because you haven't gone into a privatization mode yet.*

*The call center right now; what the department has done, we have actual employees dedicated in the call center now to answer any CAMs, condo/land sales calls, and they are working in unison to take care of those different types of calls. For example, if a complaint comes in on a CAM applicant or licensee we have an investigator from both the condo/land sales division in our department that work along with the investigator in the profession sections. In the past what we saw happen was a complaint comes in and one of the investigators goes out and say we cannot do anything about it. We found out that there was a situation that dealt with the condos and not an actual CAM complaint. So the individual that was making the complaint was being told that there's nothing we can do. So eventually later the actual person from the other division goes out and investigates that same complaint and the person would say [you were just here, they told me you could not do anything]. So it made an embarrassing situation doing that. Now we are working in unison by having an investigator come from both entities; the condo/land sales and professions when a complaint comes in they both look at it together and decide which section can handle it, and then the complaint is able to be taken care of a lot better. Better customer service and they see that the situation is being handled and taken care of in a lot faster manner.*

*Also, should you go private realize that, that working relationships won't exist any more because the condos and the land sales entity is not a part of professions. If you should go private these entities will be separate again and you will go back to possibly increasing complaints because of the situation that you don't have an investigator to handle the cams complaints and the condo complaints and it starts getting all confusing again and then you will have an increase in complaints, then you will be back to where you were years ago.*

*So what I want you to do is take these ideas into consideration when looking at this because of the increase in complaints and cost to your section. Right now you are sitting with one point six million dollars in your account. The years as Mr. Billups mentioned to you have a fee wavier so should you go private and all of a sudden start having these increase costs show up, that one point million six dollars just went down. This year you don't have any income coming in due to the fee wavier. That's something you need to take into consideration."*

Tim Vaccaro re-introduced himself as follow "Council members as I indicated earlier my name is Tim Vaccaro. I think Mr. Spivey has done a very good job of decisions a lot of the various issues that you may want to look at in terms of going forward with the privatization study. I am certainly not up here to try and talk you out of that in any way. Secretary Maristiller and Deputy Secretary Yecke both indicated on a number of occasions that the department is not against privatization as long as someone has a very good business case for it. If there is a better way to do things then we certainly would not want to stand in the way. But I think that Mr. Spivey has made a lot of valid points for you to consider and to add, onto that a little bit I would like to say a few things. I know that there have been some decisions today regarding the uncertainty of state government concerns about government perpetually signing tasks to industry, fee sweeps, account sweeps and so forth. One of the things I would like to point out to you is over the course of the last few years. I am sure you all know the department has undertaken the Technology restructure that has created various center functions performed with in the agency; central intake, education and testing, the call center, professions, and so forth and keep in mind that many millions of dollars have gone into putting that system in place. Granted we are getting ready to go into an administration change within the coming year. But my gut instinct is that given the amount of time and the money that has gone into this system of the course of the last few years I don't think you're going to see any change. Experience in state government has told me that on the level that we are right now as far as your staff, Mr. Spivey who has been your executive director for two years, Ms. Jones that has been with you for about a year now I think you will see that they would more than likely continue in that roll and I do see some stability there. Also, knowing that the last three years that I have been with the department I was the executive director of the Construction Industry Licensing Board that there have been a lot of improvements made in the way that this agency serves their customers, it consumers, it licensees and we are certainly not slowing down in that regard. We have gone to a 1.800 number for unlicensed activity, we have taken a very aggressive stand as far as that goes and Mr. Reddinger is going to be talking about that earlier (sic) and we also have been working together, professions with the division of service operations to do everything we

*can to improve business processing. To reinforce what Mr. Spivey has said as far as uncertainty goes; fee sweeps that is something that... as Chairman Billups said unfortunate that is something that you maybe subject to." Ms. Glass you made a comment earlier about your interest in the Council possible developing into a board. Keep in mind that anything of that nature would require legislative change. Regardless of whether you privatize or not that is something that may or may not happen. Personally, I am not aware of any objections on the part of the Department going in that direction in the future. That is something I will be more than happy to talk with our legislative Affairs director about. One of the things I would like to suggest to you as you are pursuing this project if there are any of you wishing to come to Tallahassee and want to take a tour of the facility and take a look at what we are doing we would be more than happy to have you come up. I am willing to hear from you at anytime. I have plenty of cards with me. I am sure that Mr. Spivey or I will be willing to speak with you at any point. Thank you very much."*

Ms. Edwards advised council to be reminded of the sunshine law. If any member of the council gets a call from an individual or an association or anyone, council should not express their own opinion. The reason that business is done in the sunshine is because the public has an interest in the process and they want on record your thoughts and comments.

Mr. Billups appointed Mr. Brown to serve as the liaison between the governor's office and council.

Motion passed.

15-minute recess.

Mr. Billups called the meeting back into session.

#### **COUNCIL COUNSEL REPORT:**

Ms. Edwards stated *"that we only have one rule in the hopper at this point 61-20.504 has been adopted and became effective on June 27."*

Ms. Edwards re-drafted the null and void language as stated in the agenda book on the continuing education requirements. Ms. Edwards stated in #6 and #7 was where the new language is located. She asked Mr. Spivey could he review the language she drafted and let her know if it could be used and would it be within the guidelines of the department's procedures. She wanted to know if the department can skip one renewal cycle and add the next renewal cycle on the license of a newly licensed individual.

Mr. Spivey indicated that all of the renewals for this profession expire the same day. To change the expiration date to require two expiration dates in the computer system will require a change to the programming system.

Ms. Edwards will continue to work on the continuing education rule 61-20.508, F.A.C. Ms. Edwards will take a look at Rule 61-20.002 and prepare a draft for the next meeting.

MOTION: Mr. Goodwin made a motion for Ms. Edwards to continue to work on section 61-20.508 F.A.C. for rule making and evaluate and prepare a draft of 61-20.002 for the next meeting.

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

#### **PROSECUTING ATTORNEY REPORT:**

Ms. Leigh stated that she provided them with a memorandum dated July 18, 2006 which contained 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 8 cases reported;

Status 35 – Set for Probable Cause

The report showed that there were 3 cases reported;

Status 321 – Supplemental Investigation

The report showed that there was 1 case reported;

Status 36 – Administrative Complaint Filed

The report showed that there were 10 cases reported;

Status 145 – Informal Hearing

The report showed that there were 10 cases reported;

Status 36 – Pending Informal Hearing

The report showed that there were 6 cases reported;

Status 145 – Formal Informal Requested

The report showed that there were 10 cases reported;

Status 50 – Settlement Negotiations

The report showed that there was 1 case reported;

As of July 18, 2006 there were a total of 38 open CAM cases in the legal department.

Supplemented report of August 9, 2006 as follows:

Status 30 – In Legal

The report showed that there were 10 cases reported;



Status 35 – Set for Probable Cause

The report showed that there were 3 cases reported;

Status 321 – Supplemental Investigation

The report showed that there was 1 case reported;

Status 36 – Administrative Complaint Filed

The report showed that there were 7 cases reported;

Status 42 – Ready for Default

The report showed that there were 2 cases reported;

Status 39 – Stipulation or Request for Informal Hearing Received

The report showed that there was 1 case reported;

Status 145 – Formal Informal Requested

The report showed that there were 10 cases reported;

Status 50 – Settlement Negotiations

The report showed that there was 1 case reported;

Status 58 – Case Considered - Awaiting Final Order

The report showed that there were 5 cases reported;

As of August 9, 2006 there were a total of 40 open CAM cases in the legal department.

Ms. Leigh stated that she started last June and there were cases from 1990 on the prosecuting attorney's report. At this point it takes several months for these cases to be investigated before it reaches the legal department. All the cases on this report that's over a year old there's a reason that it is still in the prosecuting attorney's office. There are two cases that are on this report from 2002 and that is because they are pending criminal cases. The 2004 cases the department has already tried to locate these individuals and has been unsuccessful. She wanted to let council know the reason why these cases are still pending in the legal section.

#### **PUBLIC SERVICE ANNOUNCEMENT:**

Mr. Reddinger provided a cartoon public service announcement for council review. The reason for the public service announcement was to make the public aware of the unlicensed activity. Council showed interest of the department mailing out a pamphlet and felt as if it would be more beneficial to the cam. Council assigned Ms. Moran as the liaison for council to work with Mr. Reddinger on the public awareness announcements.

**EXECUTIVE DIRECTOR'S REPORT:**

Mr. Spivey reviewed the financial reports ending March 31, 2006. The Operating Account showed a balance of \$1,688,404. The unlicensed activity account showed a balance of \$73,941.

The regulation report was provided for information purposes only.

**NEXT MEETING:**

The next meeting will be held via conference call on November 3, 2006 at 10:30 a.m.

**OLD BUSINESS:**

No report.

**NEW BUSINESS:**

No report

**ADJORNMENT:**

MOTION: Mr. Billups moved to adjourn the meeting

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

The meeting was adjourned at 1:16 p.m.