

MINUTES
Regulatory Council of Community Association Mangers

Meeting Type: General Business Meeting

Meeting Date: April 23, 2004

Meeting Location: Telephone Conference Call

Board Members Present: Reginald Billups, (Chair), Steve Czonstka, Debra Glass, Edith Yates

Board Members Absent: Marilyn Battista (excused), Chris Brown

Department Staff: Julie Malone, Executive Director
Donna Salters-Thomas, Government Analyst
Barbara Edwards, Assistant Attorney General
Brian Higgins, Prosecuting Attorney
Charles Pellegrini, Prosecuting Attorney
Julie Baker, Deputy Secretary
Jerry Wilson, Deputy Director

Others Present: Mark Benson, FCAMA
Molley Foley-Healy, CAI
Richard Pinsky, Gray Systems

The meeting was called to order by Chairman Billups at 10:37 a.m. and a quorum was established.

Ms. Glass made a motion to approve the January 23, 2004 minutes. Mrs. Yates seconded it and the motion passed unanimously.

Mr. Czonstka noted that there were three minor grammatical corrections that needed to be made to the minutes. The minutes were approved with the recommended changes.

Mr. Billups reported on a proposal to license management companies. He stated that the Council was unable to accomplish this because it could not be sponsored without funding. The Council will look at this effort in the 2005 legislative session.

Mr. Benson asked the Council if it is a reasonable goal to pursue the licensing of community association management companies since they are already required to be registered, and if in fact the changing of the word from "register" to "license" creates an additional financial burden for the Council? In addition, would the burden be something that could not be recovered next year "if" additional funding is necessary to cover the initial cost of the change from "registered" to "licensed".

Mr. Billups responded stating that he is not prepared to support any changes unless they are properly funded in the initial stages primarily due to the financial quagmire that the Council was faced with in previous years. He further stated that anything that would

place a financial burden on the Department, the Council or regulations he is not prepared to support if the funding is not available.

Mr. Benson asked if the Council would support the licensing of community association management companies if it's funded by the Legislature?

Mr. Czonstka stated that licensing the community association management companies should make money for the profession. He asked, what is accomplished by licensing companies, and if there would be other requirements of licensing?

Mr. Billups stated that the effort to license management companies resulted from situations whereas management companies may require a CAM licensee to do something in violation of Chapter 468, F.S. The CAM licensee may be disciplined, and nothing happens to the management companies.

Ms. Malone commented that if the statute is amended to include licensing of community association management companies, the Council would probably be looking at increased costs for processing applications, renewals and investigations. Mr. Czonstka added that the cost of the CAM business license should include any administrative costs associated with regulating a CAM business.

Mr. Pinsky asked if an amendment were presented before the Legislature to license CAM businesses, would the Council oppose or be in favor of the amendment. Mr. Billups stated that the Council would go on record to support the amendment with proper funding, it was moved by Mr. Czonstka and seconded by Ms. Glass.

The Council unanimously agreed that with proper funding, they would be in favor of legislation that supports licensing CAM businesses.

Mr. Pinsky addressed the Council stating that as a CAM license holder, he feels that he should not be assessed any additional fees, but he is in favor of CAM businesses being licensed.

Ms. Malone stated that she would inform the department that the Council is in favor of creating a CAM business license. She also stated that this issue could not be properly addressed in seven days before session ends, and it should be submitted in the legislative information by the end of August or early September 2004 for the 2005 legislative session since the department has not had time to review it.

Ms. Edwards reported that there are two rules to review. Ms. Malone interjected saying that to be consistent with the meeting minutes in regards to the changes to Rule 61-20.504, F.A.C. for exam and re-exam fees, the Council needed to do a final vote.

Mr. Czonstka offered the motion to approve the final draft language for Rule 61-20.504, F.A.C. with changes to respect of fees. Ms. Yates seconded and the motion passed unanimously.

Ms. Edwards stated that the Rule was noticed on the March 26, 2004 and the seven-day letter will be sent soon. She stated that there should be no comments for the Joint Administrative Procedure Committed (JAPC) and should be adopted quickly.

Rule 61-20.0025, F.A.C., for military spouse renewal exemption was published on the March 19th, 2004, approved on March 23, 2004 and should be adopted by the next meeting.

Ms. Edwards referenced the recommended changes of Rule 61-20.001, F.A.C. Licensing Procedures for Mangers License. She instructed the Council that they do have the authority to make rules, and the department's approval is not required if the Council wishes to adopt rules. However, if DBPR should object to a recommended rule change there could be problems therefore rule making should be coordinated with DBPR.

Ms. Malone responded stating that in a prior phone call with the Office of General Counsel, it was determined that it is under the department's rule making authority to do changes and not the Council. And that the department is reviewing the recommended changes to Rule 61-20.001, F.A.C., and Rule 61-20.002, F.A.C. in light of the re-engineering project and will take into account any suggestions made by the Council. Mr. Billups commented that he would not want to make rules without the benefit and advice of the department. Ms. Malone informed the Council that she would update them on the time frame on these changes.

Mr. Czonstka questioned the purpose of the extensive deletions under the requirements of Florida Department of Law Enforcement. Ms. Edwards commented that this is an extensive re-write and the things deleted were covered in other areas. She indicated that she had submitted these re-writes to the department some time ago and is awaiting a response. Ms. Malone commented that in a prior phone conversation with Ms. Edwards, it was determined that rule making authority did lie with the department and not with the Council. Chairman Billups stated that regardless of the authority, the department is reviewing rewrites and once it is completed it will go back to Ms. Edwards and the Council will move forward at that point.

Ms. Malone provided a report on the FY 2003–2004 General Appropriations Act, which included a Legislative mandate to transfer \$25,127,177 dollars from the Professional Regulation Trust Fund to the Working Capital Fund. She indicated that the authority to do this was in Section 215.32(4)(a), F.S. which provide the authority to transfer un-appropriated cash balances from the trust fund to the Budget Stabilization Fund or Working Capital Fund. Ms. Malone indicated that the department took several things into consideration and swept the unlicensed activity account by \$63,233.

Ms. Yates asked, should all Boards band together and send a letter to place on the record contesting the legislature sweeping "fees" which are collected to cover services required by the profession. Ms. Edwards explained that through statutory authority the legislature is allowed to do this and there is nothing the boards can do.

The Council agreed to go on record opposing this sweep as it may be the only defense the Council may have in the future when possibly faced with deregulation.

Deputy Secretary Julie Baker stated that the Legislature is committed to not raising taxes. They swept 25 million and it was determined by the department's budget office on how much to take from each profession account. She explained that last year the Legislature wanted to do away with the trust fund and have all monies collected go into general revenue and then allow the legislature to give us what is needed to operate. As

for the sweep, DBPR is an executive branch and must do what the legislature requires by law.

The Council unanimously agreed to go on record to express disapproval of the cash fund sweep for the Regulatory Council of Community Association Managers.

Ms. Malone will provide at the next meeting additional information from the DBPR's budget office concerning the sweep from each profession.

Mr. Czonstka asked a question in reference to money on informal recoveries. He asked is there a certain sum of money involved and is there any way to attach a dollar figure to informal recoveries.

Mr. Wilson explained that informal recoveries are what the investigators are able to recover for a consumer and that these recoveries are something the department wants to track.

The next meeting will be held Friday, July 16, 2004 at 10:30 a.m. by telephone conference call.

The meeting was adjourned at 12:07 p.m.