



The Commons A Condominium Association

Board Meeting Minutes – January 20, 2009

Location

The Commons Cabana
1400 Pebblebrook Way
Virginia Beach, Virginia

Members Present

Diane Standridge, President
Tom Pelech, Vice President
Mike D'Ambra, Secretary
Dave Grant, Member-at-Large

Members Absent

Robert Chapin, Treasurer

Others Present

Mike Minor, UPA Association Manager
Lorraine Brown, City of Virginia Beach Health Department

1. CALL TO ORDER

With the establishment of a quorum, the President called the meeting to order at 6:28 p.m.

2. UNIT OWNERS' FORUM (30 Minutes)

Two Unit Owners, 1525 PBW and 1521 PBW, were in attendance. Both were in attendance to hear the City of Virginia Beach Health Department presentation on rodent prevention.

3. APPROVAL OF MINUTES FROM DECEMBER 16, 2008

The BOD reviewed the minutes. Dave made a motion to approve the minutes from the December 16, 2008 BOD meeting pending two editorial changes. Tom seconded the motion. By a vote of 3-0, the motion was accepted and adopted.

4. FINANCIAL REPORT

Treasurer's Report, 1/20/2009, as of 12/31/2008

BALANCE SHEET:	
ASSETS	
Operating Account	\$ 10,872.63
Petty Cash	\$ 750.00
Operating Reserve	\$ 24,362.60
Replacement Reserve	\$317,487.09
TOTAL ASSETS	\$ 353,472.32
LIABILITIES & EQUITY	
Loan from Replacement Resv	29,597.50
Equity	
Accum Operating Reserve	\$ 24,362.60
Accum Repl Resrv Interest	\$ 15,592.33
Accum. Replacement Reserve	\$ 301,894.76
Retained Earnings	\$ 15,792.08
Current Earnings	\$ -33,766.95
TOTAL EQUITY & LIABILITIES	\$ 353,472.32

INCOME STATEMENT	VARIANCE		
	DECEMBER	YEAR TO DATE	YEAR TO DATE
Total Assoc. Income	\$ 30,069.30	\$ 334,817.67	\$ 3,759.67
Gen'l & Admin Expenses	\$ -5,907.51	\$ -72,678.23	\$ -1,349.23
Maint. Expenses	\$ -5,907.24	\$ -167,247.27	\$ -39,721.27
Operating Income	\$ 18,254.55	\$ 94,892.17	\$ -37,330.83
Xfer Interest Earned on Reserves	\$ -1,577.86	\$ -7,800.63	\$ 6,157.37
Transferred to Operating Reserves	\$ -2,136.18	\$ -6,816.99	\$ 6,000.01
Transferred to Replacement Resvs	\$ -17,079.69	\$ -102,477.99	\$ 0.01
Net Ordinary Income	\$ -2,539.18	\$ -22,203.44	\$ -25,153.44
Income from Water Sales(Dec.)	\$ 3,617.20	\$ 51,785.34	\$ -7,214.66
Cost of Water	\$ 0.00	\$ -31,791.91	\$ 16,208.09
Meter Fees	\$ 0.00	\$ -3,202.30	\$ 47.70
Sewer Fees	\$ 0.00	\$ -28,354.64	\$ -17,354.64
Net Water Income	\$ 3,167.20	\$ -11,563.51	\$ -7,014.08
Net Income	\$ 1,078.02	\$ -33,766.95	\$ -24,039.44

Notes:

1. This is the final report for the fiscal year 2008. There are no significant differences in the bottom lines and the major categories between UPA's accounting and the Treasurer's accounting. There are minor

differences in three of the administrative categories caused principally by differences in accounting for printing costs. These differences are not significant at this point and do not deserve the effort to resolve them.

2. The huge negative (unfavorable) variance in maintenance expenses is driven by the \$29,597.50 check for the back gate and the unbudgeted expense of the roof inspection, \$15,575.00, a combined, unbudgeted drain of \$45,172.50. In most corporations, the expenditure for the back gate would be carried to the bottom line as a depreciable asset, not as a maintenance expense. The rules are a bit different for condominiums because the corporation does not own the gate; the owners of the units own the gate. Therefore, the gate can not be shown as an asset of the corporation and the check for the gate must be recorded as an expense. If the gate expense were backed out of the maintenance line, the maintenance variance would be a positive \$10,143.77. Most of the positive variance is attributable to under spending for landscaping extras.

3. Most of the cost of the roof inspection, \$15,575.00, was not in the 2008 budget. The inspection was undertaken because of frequent repairs to our roofs over the last few years and the recommendation of maintenance experts at CAI seminars. The contract was competed as a labor and materials contract. The labor cost was fixed; the cost of materials was driven by the need for repairs. The contractor has provided a detailed report on the condition of the roofs and of the repairs made. Almost every unit in the community had one or more problems with its roof. These problems will be addressed in 2009 as funds allow.

4. It appears that all of the 2007 sewer fees have been paid. HRSD had a major crash of their accounting system in 2007 with the result that we have had to pay two year's worth of sewer fees this year. Thus, the major variance in sewer fees this year.

5. The "loss" of \$33,466.95 this year is not as troubling as it first appears. Buried in that figure is the cost of the gate, an improvement to the community, and the transfer of \$117,095.61 to various reserve accounts. Although our retained earnings slide into the red at the end of this year, we are, nevertheless, \$103,848.16 ahead of last year.

With the effects of Notes 1 through 5 considered, this report is a fair and accurate representation of the condition of the Association as of December 31, 2008.

Robert W. Chapin, Jr., Treasurer.

The BOD reviewed the Treasurer's Report and compared it against the UPA Financial Report noting no issues.

5. PRESENTATION BY MS. BROWN

Diane welcomed Lorraine Brown from the City of Virginia Beach Department of Public Works. She was invited to discuss her knowledge of rodent control. The roof rat is the most prevalent rat in Virginia Beach. They can be identified by a skinny tail and live in trees and landscaping. Its nest is very similar to a squirrels nest. The roof rat is a common problem in Virginia Beach, but currently the city has no program to combat these rodents. Rats find all kinds of ways to get into buildings and homes, especially during times of cold weather. They like to "hang out" in the attics and chew on everything, including the wiring.

Ms. Brown indicated that rats have been in our area for greater than 10 years based on the number of calls her office has received from the Lake Christopher community. Rats like fresh food, such as from a restaurant's garbage, and they have a good sense of smell and have been known to typically travel a distance of 150 to 300 feet from their nest in search of food. One plentiful food source is bird feeders. Though rats do live in trees, they tend to like landscaping, particularly ivy, where it allows them to hide easily.

To minimize the impact the rats can have on The Commons, Ms. Brown recommended the Association obtain estimates from exterminators to protect the common areas and set aside funding for the extermination in these common areas using a slower acting (4-7 day death) bait such as TomCat. This provides a better chance of the rodents dying in a different location than where the bait is located so that other rodents do not associate the bait stations with death and would continue to take bait. Bait boxes or Bait Stations can be very effective, they can be camouflaged to look like rocks, and they are capable of holding a variety of baits.

Lorraine Jackson, 1525 PBW, was happy that Ms. Brown came to speak. She did not feel appropriate BOD action had been taken. The BOD and Lorraine Jackson thanked Ms. Brown for her time and the information provided.

6. OFFICER REPORTS

A. PRESIDENT

- Will be on travel from Jan 24 through Jan 31. In her absence Tom will be acting President.

B. VICE PRESIDENT

- Deferred his comments to a later time.

C. TREASURER

- No report

D. SECRETARY

- Will be unavailable to attend the March 14 CAI seminar.

E. MEMBER-at-LARGE

- Discussed the upcoming CAI meetings and seminars.
- Discussed the recent SPSA Waste Management article and the possible city-wide rate increases that may occur. Dave requested UPA monitor SPSA and report if the rate increases are implemented.

7. COMMITTEE REPORTS

A. COMMUNICATIONS COMMITTEE

- The committee met on January 5th.
- Provided a status update of the January newsletter.
- Dave is looking for proposed articles for the March newsletter. Such articles may include "Meet Your Neighbor" and "Maintenance Issues", Update on the Uncommon Wine Tasters

club get together, and Beth is researching articles concerning reserving the Cabana, the status of Game Night, and providing a status on Social Committee events.

- Discussion of updated advertising rates has been deferred until Robert has received approved PostNet rates for 2009 newsletter printing.
- Deadline to submit articles for the March newsletter is February 21st.
- The next meeting will be held on February 2nd.

B. GROUNDS COMMITTEE

- The scales on the shrubbery around various Units continue to be problematic and may need to be treated year round. Observations should be made by walking the grounds rather than by driving by from a distance. This will be brought up with Lawrence Landscaping.
- Tom shared an email from a Unit Owner complimenting the equality of the laying of the mulch.
- Jerry will obtain from Lawrence Landscaping an itemized cost breakdown of each service provided. This will allow the committee to maintain better control of the work actually completed.
- The committee will inquire with Lawrence Landscaping on the status of immigration paperwork as it pertains to its employees. The committee is concerned with maintaining adequate manpower throughout the contract year.
- Jerry will be inspecting the perimeter trees that are or were supported by stakes and wire to determine if the stakes are still required for support and if the wire has caused any damage to the bark.
- Next community cleanup is February 7th; the next meeting will be held on February 9th.

C. MAINTENANCE COMMITTEE

- No report submitted
- The next meeting will be held on February 12th.

D. SOCIAL COMMITTEE

- Sharman is the new Social Committee chairman and has completed the turnover of information.
- The next meeting is tentatively scheduled for Jan 29th.

8. MANAGEMENT REPORT

The BOD reviewed the UPA Management Report and a couple of minor issues were discussed. Mike Minor, UPA, was asked to check on the dates Aquatic Resource Management anticipates repairing the two pond fountains. UPA also indicated the gate for 1420 CSW has been repaired.

UPA delivered two letters of intent from Unit Owners (1616 CSW and 5289 SCW) indicating they will continue renting their Units. The BOD requested UPA investigate the possibility that a new lease agreement is required at 1505 PBW and to inform the owner that the waiver is not for an indefinite period of time but is tied to the lease agreement time period

Mike made a motion to accept the Management's Report. Dave seconded the motion. The motion was accepted and adopted.

9. UNFINISHED BUSINESS

A. Roof rats

- After discussing the presentation by Lorraine Brown concerning rodent control, the BOD recommended soliciting bids to bait the entire perimeter of the Community. Requested UPA to obtain bids, which should include where to place the traps and quantity of traps required.

B. Goals/Projects for 2009

- Tom – desires to commence a “Goose-B-Gone” project. Tom has identified a safe and easy to apply method of ridding the seasonal geese from the grass and sidewalk near the pond, and other common areas. Two applications of a repellent – which is safe for humans, animals, geese and ducks – applied one week apart is good for three months. Tom made a motion for the Grounds to expend up to \$300 to obtain the required materials for two applications. Dave seconded the motion. By a vote of 3-0, the motion was accepted and adopted.
- Tom – during the infancy of the Community, many of the young perimeter trees were staked and/or wired. Since these trees are more mature and are able to support themselves, Tom would like to look at removing the stakes and trees wires from these trees.
- Tom – would like to make recycling more accessible to the residence.
- Dave – his goal is to develop Board Action Items from the BOD meetings and place them on the web site in a timely fashion. The goal will be to publish the Board Actions within a week of the BOD meeting.
- Dave – has noticed that too many vehicles are parked in non-parking areas. He would like to add one article in each newsletter highlighting a particular rule or regulation. Tom added that including pictures in the newsletter of improperly and properly parked cars would greatly clarify the issues we are experiencing.

10. NEW BUSINESS

A. Application for Architectural Review

- No AAR's were presented

B. Purchase Orders

- No PO's were presented

C. Units' Garbage Cans

- Occasionally, after the trash has been removed, a Unit Owner will mistakenly take the wrong garbage can because it is not clearly marked with the correct Unit owner's address. Diane recommended placing a notice on the Bulletin Board describing the various methods of marking each Unit's garbage can. Additionally, helpful hints can be placed on the website.

D. Bulletin Board Usage

- Dave drafted a notice for review by the BOD. This issue is tabled to the next BOD meeting to allow further review.

E. Advertising Rates and Policies for the *Common Interest*

- This item is tabled to the next BOD meeting.

Tom made a motion to enter Executive Session. Mike seconded the motion. The motion was accepted and adopted.

11. EXECUTIVE SESSION

- A. Violations
- B. Delinquency Report
- C. Leasing Request
- D. Rules and Regulations
- E. Request for Critter Control

Robert made a motion to leave Executive Session. Dave seconded the motion. The motion was accepted and adopted.

12. MOTIONS FROM EXECUTIVE SESSION

- A. Violations:
 - Dave made a motion to send violation letters to three Unit Owners for improperly parked vehicles. Tom seconded the motion. By a vote of 3-0, the motion was accepted and adopted.
 - Mike made a motion to send violation letters to two Unit Owners for failing to keep their trash container within the Unit garage or fenced area outside of the allotted times during trash pickup days. Dave seconded the motion. By a vote of 3-0, the motion was accepted and adopted.
- B. Delinquency Report
 - The BOD reviewed but did not take any action on this item.
- C. Leasing Request
 - Dave made a motion to deny a request to lease a Unit due to hardship and to place the Unit on the waiting list for leasing units. Tom seconded the motion. By a vote of 2-1, the motion was accepted and adopted.
- D. Request for Critter Control
 - Mike made a motion to request UPA to obtain a legal opinion for two Funding request letters from Unit Owners to as to whether the Association is responsible for payment. Dave seconded the motion. By a vote of 3-0, the motion was accepted and adopted.

13. ADJOURNMENT

Dave made a motion to adjourn. Tom seconded the motion. The motion was accepted and adopted. The meeting adjourned at 8:57 PM.

Respectfully submitted

Approved

Date