



# The Commons A Condominium Association

## Board Meeting Minutes – April 21, 2009

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### **Location**

The Commons Cabana  
1400 Pebblebrook Way  
Virginia Beach, Virginia 23464

### **Members Present**

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

### **Members Absent**

None

### **Others Present**

Mike Minor, UPA Association Manager  
Butch Fodrie, SwimKare

### **1. CALL TO ORDER**

With the establishment of a quorum, the President called the meeting to order at 6:26 PM.

### **2. UNIT OWNERS' FORUM (30 Minutes)**

No Unit Owners present.

### **3. REPRESENTATIVE FROM SWIMKARE**

Butch Fodrie was invited to the BOD meeting to discuss the pool service for the upcoming season. Robert opened the discussion by indicating that some of the pool chemical readings from last year were not accurate. He was not happy with the service provided and that we should receive the service we made payment for. Mr. Fodrie was also not happy with the service he provided and hopes to see a big change this year. Last year he had a small number of employees desiring to work, and thus the quality was not what he desired.

As a start for this year, he will begin the training of new individuals three weeks early. Additionally, he has a much larger pool of candidates to choose from for employment. Diane indicated the state of the

economy is giving us a bigger pool to pick from. Dave noted that last year the pool was opened 3 – 4 days before the season started whereas this year it was opened five weeks early. Mr. Fodrie took responsibility for last year’s delay stating that it was a management issue in the way they processed changed orders that caused the delays. His new policies prevented that from happening this year.

Mr. Fodrie advised the BOD to call Marie at the office whenever there is an issue. Diane requested the BOD verify all keys are in the lock box. Tom mentioned the chlorinator has periodically leaked for 2 years and he would like SwimKare to monitor it closely and report and correct any discrepancies immediately.

**4. APPROVAL OF MINUTES FROM MARCH 17, 2009**

The BOD reviewed the minutes. No changes were recommended. Dave made a motion to approve the minutes from the March 17, 2009, BOD meeting as written. Robert seconded the motion. By a vote of 3-0 the motion was accepted and adopted.

**5. FINANCIAL REPORT**

Treasurer’s Report, 4/21/09, as of 3/31/09

<b>BALANCE SHEET:</b>	
<b>ASSETS</b>	
Operating Account	\$ 32,424.73
Petty Cash	\$ 750.00
Operating Reserve	\$ 24,395.62
Replacement Reserve	\$ 353,003.37
<b>TOTAL ASSETS</b>	<b>\$ 410,573.72</b>
<b>LIABILITIES &amp; EQUITY</b>	
Loan from Replacement Resv	\$ 29,597.50
Equity	
Accum Operating Reserve	\$ 24,395.62
Accum Repl Resrv Interest	\$ 17,666.05
Accum Gate Loan Reserves	7,566.81
Accum. Replacement Reserve	\$ 327,770.51
Retained Earnings	\$ -17,974.87
Current Earnings	\$ 21,552.10
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>\$ 410,573.72</b>

<b>INCOME STATEMENT</b>			<b>VARIANCES</b>
	<b>MARCH</b>	<b>YEAR TO DATE</b>	<b>YEAR TO DATE</b>
Total Assoc. Income	\$ 35,331.91	\$ 98,689.26	\$ 5,607.54
Gen'l & Admin Expenses	\$ -5,222.41	\$ -14,428.09	\$ 1,654.58
Maint. Expenses	\$ -2,483.00	\$ -18,139.56	\$ -921.40
<b>Operating Income</b>	<b>\$ 27,626.50</b>	<b>\$ 66,121.64</b>	<b>\$ 6,340.72</b>
Xfer Interest Earned on Reserves	\$ -329.01	\$ -2,090.08	\$ 730.64
Transferred to Operating Reserves	\$ 0.00	\$ -16.66	\$ -16.66
Transferred to Gate Loan Reserves	\$ -2,522.27	\$ -7,566.81	\$ 0.00
Transferred to Replacement Resvs	\$ -8,625.25	\$ -25,875.75	\$ 0.00
<b>Net Ordinary Income</b>	<b>\$ 16,149.97</b>	<b>\$ 30,572.31</b>	<b>\$ 7,054.70</b>
Income from Water Sales (Mar.)	\$ 4,761.18	\$ 13,243.48	\$ 743.47
Cost of Water	\$ -7,526.42	\$ -15,221.94	\$ -6,888.62
Meter Fees	\$ 0.00	\$ -622.25	\$ 461.07
Sewer Fees	\$ 0.00	\$ -5,512.70	\$ 3,915.78
Storm Water Fees	\$ 950.93	\$ 2,001.96	\$ -1.96
<b>Net Water Income</b>	<b>\$ -5,982.34</b>	<b>\$ -9,020.21</b>	<b>\$ -1,770.26</b>
<b>Net Income</b>	<b>\$ 10,167.63</b>	<b>\$ 21,552.10</b>	<b>\$ 5,284.44</b>

Notes:

1. The difficulties I had last month with last year's closing have been resolved. The only significant difference between my accounting and UPA's accounting is the treatment of a \$454.46 error in Replacement Reserves Interest earned in February. UPA doubled the interest on two CDs in February as they were renewed. UPA corrected the error against this month's income; I corrected the error against last month's income. Therefore, I show \$454.46 more income this month than UPA's figures. The Y-T-D numbers are unaffected. For reasons that I discuss below, I have moved Storm Water Fees from the list of Ordinary, General & Administrative expenses to Other Expenses as part of the "Water Company." This change does not affect the bottom line but does affect the Water Company Net Income.

2. The Water Company has lost \$9,020.21 so far this year. I can not explain this loss but this seems to be a serious problem that must be resolved. Ideally, at the end of the year, the Water Company losses should be exactly equal to the Meter Fees. The income from our owners should exactly match the fees we pay to the city for water and sewer services. Whole the variances show a misallocation between Sewer and Water, this budget issue is not part of the problem. This month's Delinquency Report shows that the owners owe the Association \$1,577.03 in unpaid water bills. Unpaid water bills are only a small part of the problem. Since part of the Storm Water Fees is tied to the water usage, I moved the Storm Water Fees to the Water Company to better track the issue. If we back the unpaid bills out of the losses, we have a \$7,443.18 problem in the first three months and a possible \$29,772.72 problem by the end of the year! In broad terms the possibilities are: 1) the city was overpaid, 2) the owners were undercharged, or 3) we have a horrendous water leak. I will ask UPA's assistance in identifying and correcting the problem.

3. I have spread the budgets for the Maintenance and other non-linear expenses over the year in a way that approximates the anticipated expenditures. These are estimates and minor variances are not

significant this early in the year. The increase in income over budget seems to be a direct result of collection efforts against unpaid bills. We collected almost \$4,700 over budget in March. The Disposal Fees have not been raised as anticipated. This continues to be a month by month drama as the SPSA bailout unfolds.

With the effects of Notes 1 through 3 considered, this report is a fair and accurate representation of the condition of the Association as of March 31, 2009.

Robert W. Chapin, Jr., Treasurer.

Robert reiterated his comments from Note 2 for his concern with the water bill discrepancy. Four months of bills were on the account for a three month period and there was a discrepancy of approximately \$3000.

Robert indicated the gate loan from the replacement reserves plus 3% will be paid on December 10, 2009.

Mike made a motion to accept the Treasurer's Report as written. Dave seconded the motion. By a vote of 4-0, the motion was accepted and adopted.

## **6. OFFICER REPORTS**

### **A. PRESIDENT**

- Diane expressed a desire to have a timeline, or due date following each BOD meeting, for distributing the initial draft Meeting Minutes and BOD Action Items to the Board. Dave recalls this item being discussed in a past BOD Meeting, possibly in May 2008. She will revisit past BOD Meeting Minutes to determine if due dates were decided upon.
- Diane indicated she will be out of town from May 5<sup>th</sup> through May 16<sup>th</sup>. Tom will be acting President during that time.

### **B. VICE PRESIDENT**

- Tom had to reset the pond timers due to a recent power outage.

### **C. TREASURER**

- Nothing to report.

### **D. SECRETARY**

- Mike will be out of town from April 22 through April 24, and from May 5 through May 7.

### **E. MEMBER-at-LARGE**

- Dave is still seeking membership on VA Legislative Action Committee through its chairman Mr. Michael A. Inman, Esq.
- Dave confirmed with Mike Minor of UPA that since he did not attend the ABC course, no tuition payment was due to SEVA-CAI. Mike Minor confirmed no payment status and also suggested that his belief is that when classes are cancelled, SEVA-CAI may automatically put folks on the next class enrollment roster.
- With the pool cover off, Dave was concerned that the Association may still be liable for any pool issues that may come up prior to the official opening. Robert indicated the Association is liable all the time, with or without the pool cover on.

## **7. COMMITTEE REPORTS**

### **A. COMMUNICATIONS COMMITTEE**

- Dave provided a copy of the Communications Committee meeting minutes from the last meeting on 6 April 2009.
- Dave has made updates to the Website welcome page and invited all to review the site and provide feedback.
- Mr. Liu Liu is investigating integrating a database with our existing website. The database could hold a number of documents for the Board in a common location, allowing the documents to be readily updated by any member of the Board. The exact content to be held in the database will be discussed at the next BOD meeting. Dave requested all BOD Members bring ideas for the database use. A \$5 per month charge from the host server will apply for this MS Access database.
- Mr. Liu Liu has agreed to become a regular member of the Communications Committee.
- Possible May newsletter articles include Summer Activities, Cabana R&R, Pool R&R, Pest of the Month, and Volunteer Annual Savings.
- The next meeting will be held on May 4<sup>th</sup> at 8:00 PM in the Cabana.

### **B. GROUNDS COMMITTEE**

- In lieu of a Grounds Committee report, Jerry provided an update (via email) of the current situation with the Lawrence Landscaping contract.
- Jerry met with Shawn of Lawrence Landscaping on the morning of April 4, 2009 to walk the Common areas and to show him the concerns generated from the residents. Areas included the pool area and some Unit areas that were not cut, as well as the massive amount of weeds in the grass and mulched areas.
- Shawn agreed the missed areas would be cut the following Monday, he would apply a weed killer the following week, and he would obtain more soil samples (at no cost to The Commons) for analysis.
- Jerry and Shawn agreed only a “dusting” of mulch would be applied in June, to return the color, and the savings would be utilized on other applications.
- The spraying of a dormant oil to prevent or minimize scales would be applied within a couple of weeks. The sprayer has been advised to walk the grounds during the application and not to spray from the vehicle, as was done in the past.
- Next community cleanup is May 2<sup>nd</sup> and the next meeting will be held on May 11<sup>th</sup> at 7:00 PM in the Cabana.

### **C. MAINTENANCE COMMITTEE**

- The Maintenance Committee approved minutes for the September – December 2008 and January 2009 meetings.
- Robert brought to M. Minor’s (UPA) attention that there are two areas of the west bank that are falling into the pond; one area is next to the pool, and the other is the north side of the bridge. The cause is most likely due to the muskrats that have been seen in the pond. Robert suggested UPA obtain bids to repair the two areas of the bank and to eradicate the muskrats.
- The Maintenance Committee also completed the trim inspection for the pre-painting for the next phase – beginning on CSW.
- The next meeting will be held on April 2<sup>nd</sup> beginning at 7:30 PM in The Cabana.

#### **D. SOCIAL COMMITTEE**

- A Social Committee meeting was held on April 15, 2009; no meeting minutes were available but the following information was provided.
- The Pool Party to officially open the pool is May 24<sup>th</sup> at 4:00 pm.
- The Community Garage Sale is scheduled for Saturday, June 6<sup>th</sup>. More information will be promulgated soon.
- Other items discussed included “Dinners of Six”, giving us the opportunity to get to know others in our community on a smaller scale; “Welcome Basket”, for the new Unit Owners; and, the need to renovate the Cabana
- The next meeting will be held on May 13<sup>th</sup> beginning at 7:15 PM at Sharman’s home.

#### **8. MANAGEMENT REPORT**

Mike Minor of UPA presented the Management report to the BOD. He explained that there is a discrepancy between the City water bill and the H2O bill by approximately \$3000. This discrepancy can most likely be attributed to an undercharge by the city, an overcharge by H2O, or a water leak somewhere within The Commons. The latter being the least likely cause. UPA and Robert will investigate the cause. It was noted that some of the water meters are unreadable. Diane recommended the BOD look at their individual meters to see if they are readable or covered with dirt. An unreadable meter indicates the meters have not been read in awhile.

Diane requested UPA to schedule a date with 1545 CSW to discuss re-painting and correcting the previously discussed discrepancies.

Robert made a motion to accept the Management’s Report as written. Dave seconded the motion. By a vote of 3-0, the motion was accepted and adopted.

#### **9. UNFINISHED BUSINESS**

##### **A. Action Items from 17 Mar 2009 BOD Meeting**

- The BOD reviewed the Action Item list from the last meeting. All BOD action items with the exception of #15 and previously open item #1 have been completed. The Storm Drain repair bid is on hold for further discussions later in the meeting.
- Mike Minor, UPA, stated that UPA action item #4 is in process, #5 is being monitored, #6 is up for discussion during the bid evaluations and #11 through #13 remains open. From the Open Action items #1 remains open and #2 is awaiting a break in the weather for action.
- Robert – CA Day debrief will be added to next month’s Board Meeting Agenda.

##### **B. Advertising Rates and Policies for Common Interests**

- Robert was able to speak with Dennis Allard, the publisher of Common Interest, and after a review of the current rates, the Board decided to make no changes to the rates at this time.

##### **C. Gate Vandalism**

- Tom has researched the possibility of adding security lighting to illuminate the gate and has determined it is beyond the ability of the Grounds Committee members to perform the work themselves. Tom will contact Dave High from SmartParcs to determine if there are other options for providing security to the gate.
- Diane asked M. Minor to obtain quotes for security lighting or surveillance equipment.

## 10. NEW BUSINESS

- A. Applications for Architectural Review
  - None.
- B. Purchase Orders
  - Robert made a motion to approve a purchase order in the amount of \$27.28 for reimbursement for two snap shackles required to repair the flag pole. Mike seconded the motion. By a vote of 4-0, the motion was accepted and adopted.
  - Dave made a motion to approve a purchase order in the amount of \$165.64 to reimburse Tom for Goose Chase repellent and a new 2-gal sprayer tank. Robert seconded the motion. By a vote of 4-0, the motion was accepted and adopted.
- C. Maryland Legislative Update
  - After reviewing this issue, M. Minor does not feel this will affect Virginia communities.
  - M. Minor stated that many Insurance companies are describing condominium communities such as ours as a “Single Family Condo”. This is apparently new terminology in the home insurance business.

Dave made a motion to enter Executive Session A. Robert seconded the motion. By a vote of 4-0, the motion was accepted and adopted.

## 11. EXECUTIVE SESSION A

- A. Violations
- B. Delinquency Report
- C. Bids
  - 1. Storm Drain Repair (3)
  - 2. Pest/Rodent Control (2)
- D. Leasing Request
- E. Landscaping Contract

Mike made a motion to leave Executive Session. Tom seconded the motion. By a vote of 4-0, the motion was accepted and adopted.

## 12. MOTIONS FROM EXECUTIVE SESSION A

- A. Violations:
  - Dave made a motion to send a second violation letter to a Unit Owner for improperly parked vehicle. Robert seconded the motion. By a vote of 4-0, the motion was accepted and adopted.
  - Robert made a motion to send a violation letter to a Unit Owner for failure to clean up after their dog and allowing it to make a mess in the common areas. Dave seconded the motion. By a vote of 4-0, the motion was accepted and adopted.
- B. Delinquency Report
  - No vote required.
- C. Bids
  - Robert made a motion to reconsider and rescind motion to accept the Atlantic Building Corp. bid for Storm Drain repair in the amount of \$7500.00. Dave seconded the motion. By a vote of 4-0, the motion was accepted and adopted.

- Robert made a motion to accept the Evans Construction bid with Option #1 for Storm Drain repair in the amount of \$6102.36. Dave seconded the motion. By a vote of 4-0, the motion was accepted and adopted.
- Robert made a motion to accept the Getem Services bid for Rodent Control (setup bait stations (\$1000.00) and monthly inspections (\$100.00/month)). Dave seconded the motion. By a vote of 4-0, the motion was accepted and adopted. The Board anticipates a minimum of two months of inspections with additional inspections as necessary until it is evident the traps are no longer required.

D. Leasing Request

- Robert made a motion to deny a Unit Owner a continuation of their Lease Request. Dave seconded the motion. By a vote of 4-0, the motion was accepted and adopted.
- Robert made a motion to Unit Owner to lease their Unit under the Hardship clause, for a period not to exceed 12 months, and to end by 30 April 2010. Dave seconded the motion. By a vote of 4-0, the motion was accepted and adopted.
- Diane request UPA to contact the first Unit Owner on the Lease Waiting List and authorize their request to lease their Unit.

E. Landscaping Contract

- Robert made a motion to authorize the Grounds Committee to generate a Request For Proposal for landscaping services. Mike seconded the motion. By a vote of 3-1, the motion was accepted and adopted.

Mike made a motion to enter Executive Session B. Robert seconded the motion. By a vote of 4-0, the motion was accepted and adopted.

**13. EXECUTIVE SESSION B**

The BOD performed an initial review of the RFP proposals. Dave has generated a spread sheet that will facilitate comparing the RFP requirements to the actual proposals received.

Robert made a motion to leave Executive Session B. Dave seconded the motion. By a vote of 4-0, the motion was accepted and adopted.

**14. ADJOURNMENT**

Robert made the motion to adjourn. Mike seconded the motion. By a vote of 4-0, the motion was accepted and adopted. The meeting adjourned at 9:39 PM.

Respectfully submitted by Mike D'Ambra, Secretary.

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Approved

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Date