



# The Commons A Condominium Association

## Board Meeting Minutes – May 19, 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  
Jin Salang, UPA

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

With the establishment of a quorum, the President called the meeting to order at 6:27 PM.

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

Three Unit Owners were present. Pat Wagenbrenner, 5249 SCW, Sharon Shoff, 1545 PBW; and, Mark Simonis, 1545 CSW.

Pat brought to the Boards attention that there are three trees behind her Unit that are leaning against the fences; two against her fence, and one against the fence of a Lake Christopher home. It was noted that there is much standing water around the trees due to the recent rains, and since the trees are shallow rooted, it appears the soft ground has facilitated their instability. The trees are close together so the sun is not able to evaporate the water. Tom indicated the builders had a benchmark of 72 hours for standing water to recede when determining if there are drainage issues. Pat questioned whether we were on the city's mosquito control route.

Diane requested UPA to find a Civil Engineer (possibly HRSD) to investigate the drainage issue behind the Units on SCW and give the Board an idea of what can be done to eliminate the standing water. Additionally, Diane requested Tom and the Grounds Committee to survey the trees behind Pat's Unit and then along the perimeter of the Association, starting with SCW, to determine which ones require staking or trimming.

### 3. APPROVAL OF MINUTES FROM APRIL 21, 2009

The BOD reviewed the minutes. Multiple editorial changes were identified. Dave made a motion to approve the minutes from the April 21, 2009, BOD meeting with the noted changes. Robert seconded the motion. By a vote of 4-0 the motion was accepted and adopted.

### 4. FINANCIAL REPORT

Treasurer's Report, 5/19/09, as of 4/30/09

<b>BALANCE SHEET:</b>	
<b>ASSETS</b>	
Operating Account	\$ 30,955.76
Petty Cash	\$ 750.00
Operating Reserve	\$ 24,399.63
Replacement Reserve	\$ 364,168.91
<b>TOTAL ASSETS</b>	<b>\$ 420,274.30</b>
<b>LIABILITIES &amp; EQUITY</b>	
Loan from Replacement Resv	\$ 29,597.50
Equity	
Accum Operating Reserve	\$ 24,399.63
Accum Repl Resrv Interest	\$ 17,684.07
Accum Gate Loan Reserves	\$ 10,089.08
Accum. Replacement Reserve	\$ 336,395.76
Retained Earnings	\$ -17,974.87
Current Earnings	\$ 20,083.13
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>\$ 420,274.30</b>

<b>INCOME STATEMENT</b>			<b>VARIANCES</b>
	APRIL	YEAR TO DATE	YEAR TO DATE
Total Assoc. Income	\$ 24,003.64	\$ 122,692.90	\$ -1,416.06
Gen'l & Admin Expenses	\$ -7,840.27	\$ -22,268.36	\$ 3,097.17
Maint. Expenses	\$ -10,747.56	\$ -28,887.12	\$ -3,818.46
<b>Operating Income</b>	<b>5,415.81</b>	<b>\$ 71,537.42</b>	<b>\$ -2,137.35</b>

Xfer Interest Earned on Reserves	\$ -22.03	\$ -2,112.11	\$ 1,648.85
Transferred to Operating Reserves	\$ 0.00	\$ -16.66	\$ -16.66
Transferred to Gate Loan Reserves	\$ -2,522.27	\$ -10,089.08	\$ 0.00
Transferred to Replacement Resvs	\$ -8,625.25	\$ -34,501.00	\$ 0.00
Net Ordinary Income	\$ -5,753.74	\$ 24,818.57	\$ -505.16
Income from Water Sales (Apr.)	\$ 4,817.02	\$ 18,060.50	\$ 1,393.82
Cost of Water	\$ -0.00	\$ -15,221.94	\$ -6,888.62
Meter Fees	\$ -532.25	\$ -1,154.50	\$ -71.18
Sewer Fees	\$ 0.00	\$ -4,417.54	\$ 3,915.78
Storm Water Fees	\$ 0.00	\$ -2,001.96	\$ -1.96
Net Water Income	\$ 4,284.77	\$ -4,735.44	\$ -1,652.16
Net Income	\$ -1,468.97	\$ 20,083.13	\$ -2,157.32

Notes:

1. The annual audit has been completed by DesRoches & Co., Certified Public Accountants in April. The letter opinion states in part: "In our opinion, the financial Statements referred to above present fairly, in all material respects, the assets, liabilities and members' equity arising from cash transactions of The Commons Condominium Association, Inc., as of December 31, 2008, and the revenues and expenses-cash basis and changes in members' equity-cash basis for the year then ended on the basis of accounting described in note 1." Note 1 points out that the Commons uses cash accounting which differs from generally accepted accounting principles.

2. The April revenues for the Water Company, in a month when there is no water bill, reduced the losses generated by the water company to \$4,735,44. The real issue here is the apparent Cost of Water which is almost \$7,000 over budget. At the same time, the sewer fees are nearly \$4,000 under budget. Even if the budget were adjusted to approximate actual fees, there is still a \$3,580.94 shortfall in the water company. I can not yet 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 \$1,913.46 in unpaid water bills. Unpaid water bills are only part of the problem. 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 have asked 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. Our income through April is \$1,400 under budget which reflects the fact that we did not receive interest income as budgeted. Interest is always collected but not always on a predictable schedule. The Disposal Fees have not been raised as anticipated causing a seemingly favorable variance in Admin expenses. 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 April 30, 2009.

Robert W. Chapin, Jr., Treasurer.

In the continuing discusses around the water bill discrepancy, Mike Minor stated that HRSD failed to bill for the sewer services in 2007, as it was part of the City bill. Robert indicated he would like to have more time for greater analysis of this issue. He stated the discrepancy may not be as great as initially thought, but would like to reserve his comments until his analysis is complete.

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

## **5. OFFICER REPORTS**

### **A. PRESIDENT**

- Diane will update the various Community spreadsheets and distribute them soon.
- Diane would like to review the draft Pool Maintenance Request for Proposal (RFP) at the August BOD meeting, and discuss the Grounds RFP at the June BOD meeting. The Grounds maintenance contract will start Jan 2010.
- She expressed appreciation and praised Dave for getting the newsletter published and distributed in such short notice.
- The Target Group has identified a new project manager (J.J. Simon) to monitor the next phase of the painting. The next phase will commence in September, due to Target Group's workload plus it will allow the Community time to build the funds for the payment.
  - a. The repainting and correction of discrepancies on 1545 CSW is scheduled for Fri, Jun 5<sup>th</sup> and Sat., Jun 6<sup>th</sup>, from 8 to 10 A.M. J.J. Simon will be there to monitor, and he indicated the job should last less than 4 hours. The rain date will be Jun 13 and 27<sup>th</sup>.
- Diane distributed the Pool Season BOD Pool Closing schedule for May and June. She asked the Board to review the schedule and to coordinate any necessary changes with other Members.
- She also distributed the Pool Regulations. Two changes were made: she changed the Social Chairperson to Sharman, and updated the website address. She asked the Board to review it for accuracy and provide comments.
- Diane asked Mike to send the January and March BOD Meeting Minutes to Dave for posting to the website.

### **B. VICE PRESIDENT**

- Nothing to report.

### **C. TREASURER**

- Nothing to report.

### **D. SECRETARY**

- Mike has reserved the Tallwood High School Schola for the Annual Budget and Board meetings to be held on October 20<sup>th</sup> and November 17<sup>th</sup>, respectively.
- He has begun investigating the National Night Out event, which is scheduled for August 4<sup>th</sup>. Many potential events are possible, including picnics, BBQ, police and fire fighter

involvement, etc. Mike asked the Board members to provide any information they may have from past events.

- Three dead fish were removed from the pond in as many days this past month. M. Minor indicated the pond water was analyzed and it appears the water content is fine.
- Mike will be out of town from May 29 through June 4.

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

- Dave attended the 22<sup>nd</sup> Annual Legal and Legislative Update sponsored by SEVA-CAI on 15 May. Diane Manning, Esq and Gregory Montero, Esq discussed the topic of Troublesome Meeting Issues.
  - Dave questioned whether the Board was following Roberts Rules, which states the Unit Owner's Forum is outside BOD meeting, and the use of sign-up sheets for speakers and assigning time limit.
  - Be aware of email signature blocks that may be misinterpreted as BOD official business.
  - Investigate current documents to determine if proxies are constructed correctly.
- Current Insurance Issues was discussed by Elizabeth White, Esq., and re-enforced the decision to purchase Workman's Compensation insurance
- Other topics included Tough Issues in Tough Times (Sarah Palamara, Esq.)
  - Can access municipal code at [www.municode.com](http://www.municode.com)
  - Avoid frivolous purchases
  - Contractors are hungry for work so don't delay reserve/repair maintenance if at all possible
  - Incorporate Foreclosures and Bankruptcies into budget.
- Talked with Michael Inman, Esq. and will be notified of next SEVA-CAI Legislative Committee meeting during the first part of June

## **6. COMMITTEE REPORTS**

### **A. COMMUNICATIONS COMMITTEE**

- Did not hold a Communications Committee meeting this month.
- The next meeting will be held on June 1<sup>st</sup> at 8:00 PM in the Cabana.

### **B. GROUNDS COMMITTEE**

- Jerry is reviewing the Grounds maintenance contract.
- Based on the comments from the Unit Owner's Forum earlier, Jerry and Tom are scheduling themselves to walk the perimeter – most likely this Saturday morning – to survey the trees.
- Next community cleanup is June 6<sup>th</sup> and the next meeting will be held on June 8<sup>th</sup> at 7:00 PM in the Cabana.

### **C. MAINTENANCE COMMITTEE**

- The Maintenance Committee reviewed the status of the ongoing projects and reviewed the recent roof report. A detailed community inspection of two cul-de-sacs occurred on June 16<sup>th</sup>. Rain prevented completing the other two cul-de-sacs scheduled.
- The siding on 1477 CSW is in need of repair. Diane asked UPA to contact a contractor to look at the siding to determine the scope of work. UPA is authorized to approve repairs up to \$500.00.

- Tom indicated the trellis next to 1413 CSW is leaning and in need of repair. Diane asked UPA to contact a contractor to look at the trellis to determine the scope of work, and is authorized to approve repairs up to \$500.00.
- The next meeting will be held on June 4<sup>th</sup> beginning at 7:30 PM in The Cabana.

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

- A Social Committee meeting was held last week to discuss the upcoming Cabana Pool Party. No meeting minutes were provided however, the Pool Party to officially open the pool is scheduled for May 24<sup>th</sup> at 4:00 pm.
- The Community Garage Sale is scheduled for Saturday, June 6<sup>th</sup>. Dave asked for flyer so that he may place it on the website.
- The Social Committee desires to improve the appearance of the Cabana by painting a mural on one of the walls. The Board reviewed examples of possible mural scenes provide by Sharman. Mike made a motion to authorize spending up to \$250.00 of Social Committee funds to paint a mural in the Cabana. Tom seconded the motion. By a vote of 3-2, the motion was accepted and adopted.

### **7. MANAGEMENT REPORT**

Mike Minor of UPA presented the Management report to the BOD. Dave inquired if UPA has heard anything concerning the possible fee increase from SPSA. Mike M. indicated there is no word concerning this issue. Dave also asked if now was a good time to re-sync the water meter reading dates with the city water billing dates. UPA has readjusted the meter reading dates and they are within a couple of days of each other. Additionally, one of the rodent traps set by ZooPro is missing. Mike M. indicated the Association will be responsible for the trap if it is not found.

Robert made a motion to accept the Management's Report, taking the third bullet under advisement. This bullet discussed the possible discrepancy in the water billing, of which Robert would like to further analyze the numbers prior to making a report. Dave seconded the motion. By a vote of 4-0, the motion was accepted and adopted.

### **8. UNFINISHED BUSINESS**

#### **A. Action Items from 21 Apr 2009 BOD Meeting**

- The BOD reviewed the Action Item list from the last meeting. All three BOD action items remain open.
- Mike Minor, UPA, stated that UPA action items #4, #5, and #6 are ongoing; and #7 is incomplete.

#### **B. Gate Vandalism**

- Tom indicated he is investigating 'Dusk-to-dawn' lighting for the gate. M. Minor said he had not obtained quotes as requested. Diane tabled this issue to the next Board meeting so additional information can be obtained.

#### **C. Timeline for Minutes**

- Diane indicated she would like to have a timeline for drafting, reviewing, and submitting the Board Meeting minutes. The idea is to have a timely review of the minutes while providing ample time to the Manager for submission into the next BOD meeting packet.
- After a discussion, the following timeline was developed:
  - A draft version of the BOD Meeting Minutes will be written by the Secretary and submitted to the BOD Members within 7 calendar days (by the following Tuesday).

- The BOD Members shall review and provide comments within 5 calendar days (Sunday).
  - The Secretary will incorporate comments and send final version to the Association Manager, with a copy to BOD, within 2 calendar days (Tuesday).
  - Dave made a motion to approve the timeline and incorporate it as BOD policy. Mike seconded the motion. By a vote of 4-0, the motion was accepted and adopted.
- D. Association Management Contract
- Robert made a motion to accept the Select Group's proposal for the new Association Management contract. Dave seconded the motion. By a vote of 4-0, the motion was accepted and adopted.

## 9. NEW BUSINESS

- A. Applications for Architectural Review
- 1545 PBW submitted a request to install a concrete patio in their backyard. Robert made a motion to approve the AAR. Dave seconded the motion. By a vote of 4-0, the motion was accepted and adopted.
- B. Purchase Orders
- Robert made a motion to approve a purchase order in the amount of \$13.00 for reimbursement for the potted plants for the mailboxes. Dave seconded the motion. By a vote of 3-0, with 1 in abstention, the motion was accepted and adopted.
  - Robert made a motion to approve a purchase order in the amount of \$40.82 for reimbursement of misc. material for the cabana and bathrooms (paint, misc. hardware, paper towel holders, and 2" letters and numbers). Mike seconded the motion. By a vote of 3-0, with 1 in abstention, the motion was accepted and adopted.
- C. Audit Report
- Robert reviewed the Audit, especially the Adjusted Trial Balance sheet, and found this to be a very clean audit. No action is required from the Board.
- D. Taxes
- The Board reviewed the Association taxes, and found them to be in order. Diane signed the tax return.
- E. Contract Ratification
- Robert made a motion to accept ZooPro's quote to perform 2 weeks of services. Mike seconded the motion. By a vote of 4-0, the motion was accepted and adopted.
  - The BOD reviewed the following insurance policies recently obtained: Terrorism Insurance, Worker's Comp Insurance, and the Commons Insurance Policy by Beskins.
  - Diane recommended to the Board to maintain these three policies together with the other current contracts.

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

## 10. EXECUTIVE SESSION

- A. Violations
- B. Delinquency Report
- C. Leasing Contract

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

## 11. MOTIONS FROM EXECUTIVE SESSION

### A. Violations:

- Dave made a motion to send violation letters to five Unit Owners, one each for: improperly parked vehicle; failure to clean up after their dog and allowing it to make a mess in the common areas; replacement of a dead holly bush; for a doorbell held on by tape; and, for cable wiring not installed properly and hanging from the satellite dish. Robert seconded the motion. By a vote of 4-0, the motion was accepted and adopted.

### B. Delinquency Report

- Robert made a motion to send a payment plan letter for a Unit Owner to the lawyers. Mike seconded the motion. By a vote of 4-0, the motion was accepted and adopted.

### C. Leasing Contract

- Robert made a motion to accept the Lease contract from a Unit Owner as amended. Mike seconded the motion. By a vote of 4-0, the motion was accepted and adopted.

## 12. ADJOURNMENT

Dave 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 9:03 PM.

Respectfully submitted by Mike D'Ambra, Secretary.

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Approved

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Date