



THE COMMONS CONDOMINIUM ASSOCIATION

***BOARD OF DIRECTORS MEETING
TUESDAY, 18 DECEMBER 2007, 6:30 P.M.
1400 PEBBLEBROOK WAY, CABANA***

MEETING MINUTES

1. Meeting Called to Order/Establishment of Quorum

With the establishment of a quorum, The Commons Condominium Association's Board of Directors Meeting and Unit Owners' Forum were called to order by the President at 6: 28 PM.

The following members of the Board of Directors were in attendance:

Diane Standridge, President
Tom Pelech, Vice President
Robert Chapin, Treasurer
Sharon Shoff, Secretary
Dave Grant, Member at-large

Also attending was Mr. Mike Minor, UPA Association Manager.

2. Unit Owners' Forum (30 minutes)

One Unit Owner was in attendance, but as an observer only with no issues to discuss.

3. Presentation with Q&A – Mr. Forest Robertson, HRSD

The BOD received a presentation and question and answer session from Mr. W. Forrest Robertson, P.E. with Baker Engineering and Mr. Shawn M. Heselton, P.E. from Hampton Roads Sanitation District.

The BOD decided to contact Mr. Robertson via email to inform them that The Commons BOD is open to further discussion regarding their proposal.

4. Approval of Minutes from 16 October 2007

Robert made the motion to approve the written Minutes with one correction to the Total Equity number so that it reads \$ 220,388.22 . Dave seconded the motion. The motion was accepted and adopted.

5. Financial Report

Treasurer's Report, 12/18/07, as of 11/30/07

<u>BALANCE SHEET:</u>		UPA Figs.
ASSETS		
Operating Account	\$ 13,769.01	
Petty Cash	\$ 750.00	
Operating Reserve	\$ 16,558.39	
Replacement Reserve	\$ 205,929.66	
TOTAL ASSETS	\$ 237,007.06	
CAPITAL & EQUITY		
Accum Operating Reserve	\$ 35,238.50	\$ 26,290.35
Accum. Replacement Reserve	\$ 199,128.18	\$ 204,901.85
RR Loan to Expenses	\$ 5,285.00	\$ (5,285.00)
Retained Earnings	\$ (4,641.95)	\$ 7,072.72
Current Earnings	\$ 1,997.33	\$ 3,890.15
TOTAL EQUITY	\$ 237,007.06	\$ 236,870.07

<u>INCOME STATEMENT</u>			\$ OVER BUDGET
	NOVEMBER	YEAR TO DATE	YEAR TO DATE
Total Assoc. Income	\$ 23,823.15	\$ 243,934.72	\$ 8,424.72
Gen'l & Admin Expenses	\$ -5,746.53	\$ -62,679.23	\$ -6,290.81
<u>Maint. Expenses</u>	<u>\$ -6,320.52</u>	<u>\$ -120,074.53</u>	<u>\$ 2,434.45</u>
Operating Income	\$ 11,756.10	\$ 60,280.96	\$ 4,568.36
Transferred to Operating Reserves	\$ -865.19	\$ 482.94	\$ 10,000.03
Transferred to Replacement	\$ -4,024.92	\$ -44,274.12	\$

Resvs			-0.11
Interest Earned on Replace. Resvs	\$ -3,045.25	\$ -6,744.81	\$ -6,744.81
Net Ordinary Income	\$ 3,820.74	\$ 10,644.97	\$ 7,823.47
Income from Water Sales (Nov.)	\$ 3,404.56	\$ 44,601.51	\$ -6,548.49
Cost of Water	\$ -7,489.34	\$ -44,791.50	\$ -2,624.87
Meter Fees	\$ -532.25	\$ -3,190.11	\$ -368.61
Sewer Fees	\$ <u>0.00</u>	\$ <u>-5,267.54</u>	\$ <u>3,715.83</u>
Net Water Income	\$ (4,617.03)	\$ (8,647.64)	\$ (5,826.14)
Net Income	\$ (796.29)	\$ 1,997.33	\$ 1997.33

Notes:

1. There continue to be differences between the Treasurer's and UPA's statement of the Capital & Equity side of the Balance Sheet. There are two versions of how to state this half of the Balance Sheet. The differences revolve around how to account for the transfer of \$10,000 from the Operating Reserve to the Operating Account and the payment of \$10,285 for the painting from the Replacement Reserves. UPA's version is also shown above. The check for the painting also causes differences in the Income Statement that are easily understood and resolved. In addition, in November, Interest earned in the two Reserve Cash accounts was not credited to Interest Income. The missing interest is \$136.99. UPA is aware of this issue and will correct the income in December. These differences do not have implications affecting the financial health of the community.

2. In November, \$5,000 was transferred from the Operating Account to the Replacement Reserve account to partially repay the money taken from the RR to pay for the painting. The remaining \$5,285 owed to the RR will be repaid in December. With that payment and the December payments, the reserve accounts will be current.

3. An Operating Account cash flow projection to the end of the year shows that the community will have outflows of approximately \$1,000 more than inflows. This shortfall will be reflected in the year end as negative earnings for the year of \$1,000. In fact, this shortfall reflects the addition of \$48,000 to the Replacement Reserves during the year. Like all projections, this projection is a guess. The actual number will be affected by flows not under the Board's control such as when the members pay their fees to the community. (This is the same note as last month.)

4. A word about variances. I have elected to show variances from the view point of

whether or not the variance is favorable to the unit owners in most cases. Thus a short fall in income is unfavorable and is shown as a negative number. A shortfall in expense is favorable and is shown as a positive number (the sign is omitted for positive numbers). The problem comes when displaying variances in the reserves. A contribution to a reserve account is both an expense and a saving, a contribution to capital and equity. I have chosen to maintain the Income Statement perspective so that the numbers will add up properly. The effect of this convention is to reverse the meaning of the signs. A less than budgeted contribution to a reserve account will be shown as a positive number (because the "expense" was reduced) but the effect is really unfavorable and negative because we have not contributed as much as budgeted to Capital and Equity where it really matters.

5. I have added signs to the amounts on the monthly and year-to-date Income Statement to help with the interpretation of the report. These signs (only negative signs are shown) have nothing to do with signs as they are displayed in the variance report.

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 November 30, 2007.

Robert W. Chapin, Jr., Treasurer.

Dave made the motion to approve the Financial Report with one correction to the affirmation statement to read November 30, 2008. Sharon seconded the motion. The motion was accepted and adopted.

6. Officer Reports

Secretary

No Report

Treasurer

No Report

VP

No report

President

- 1) Waste Management holiday trash pickup days will be on Wednesday, 26 December and 2 January. Dave will also post notice this information to the website and the Community Bulletin board.
- 2) BOD reviewed the Units sold during 2007 within the Commons Community matrix.

- 3) BOD reviewed the Units for sale within The Commons Community matrix.
- 4) BOD will discuss the Community Association Governance Guidelines during the January 2008 BOD meeting.
- 5) BOD will discuss the BOD Critique Questions during the January BOD meeting.
- 6) Dave and Sharon will present the proposed BOD and Committee meeting minute's templates during the January BOD meeting.
- 7) Maintenance committee will determine a date and solicit volunteers for House Number replacements for newly painted units.
- 8) BOD will discuss and approve the Committee Chair positions during the January BOD meeting.
- 9) BOD reviewed the 2008 BOD meeting dates. Sharon will investigate the possibility of reserving the Tallwood H.S. SCHOLA for the 2008 Budget and Annual meetings and update the BOD.
- 10) BOD reviewed the new BOD member monitoring responsibilities.
- 11) Diane asked the Board members to please e-mail Mike Minor with streetlight numbers when a streetlight is out and to copy the other members.

Member-at-Large

- 1) Dave reported favorable comments regarding the December 2007 newsletter.

7. Committee Reports:

A. Communications Committee

- Last meeting was held on 3 December in the Cabana at 8:00 PM.
- Hostway is currently working to correct all of the forms that reside on the web site (they are currently inactive). Dave will investigate some type of compensation for downtime.
- Next newsletter will be published in February 2008.
- Next meeting will be held on 7 January in the Cabana at 8:00 PM.

B. Grounds Committee

- Last meeting was held on 4 December in the Cabana at 7:00 PM.
- Committee has questions pertaining to doorbell light outages.
- Next Community Cleanup will be held on 5 January in the Cabana at 9:00 PM.
- Next meeting will be held on 8 January in the Cabana at 7:00 PM.

C. Maintenance Committee

- Last meeting was held on 6 December in the Cabana at 6:30 PM.
- Committee decided to suspend the Repair Request roster.
- Next meeting will be held on 3 January in the Cabana at 6:30 PM.

D. Social Committee

- Holiday party was held on 15 December in the Cabana starting at 7:00 PM and was attended by about 18 residents.
- No meeting since last BOD meeting
- Next meeting TBD

8. **Management Report:**

BOD reviewed the UPA Management Report

Robert made the motion to accept the Management Report as presented. Dave seconded the motion. The motion was accepted and adopted.

9. **Unfinished Business:**

A. Petty Cash Procedures

- BOD will review The Commons Draft Resolution for Financial Reports presented by Robert during the January BOD meeting and consider a motion to send the proposed regulations to legal for review. After legal review, the BOD will reconsider the regulations for adoption at a future meeting.
- Branche Industries: The status of the Contract with Branche Industries was discussed. The Board informally asked the Manager to inform Branch Industries of the Board's dissatisfaction with the dilatory performance on the contract. The contract was allowed to stay in place in the absence of any motion to the contrary.

10. **New Business:**

A. PODS-like Moving/Storage Containers

- BOD discussed a possible amendment to The Commons Rules and Regulations regarding PODS-like Moving/Storage Containers.

Tom made the motion to amend the Commons Rules and Regulations to state that residents must contact the BOD at least 24 hours prior to parking the PODs -like Moving/Storage Containers so that the BOD may approve the location where they may be parked. Sharon seconded the motion. The motion was accepted and adopted.

B. Pet Oxygen Masks.

- BOD suggested that participation should be an individual decision.

Robert made the motion to disapprove the request for Pet Oxygen Masks as submitted .

Dave seconded the motion. The motion was accepted and adopted.

C. Applications for Architecture Review

- 1453 Pebblebrook Way

Dave made the motion to approve the AAR to install a storm door as submitted. Robert seconded the motion. The motion was accepted and adopted.

- 1620 Coolspring Way

Dave made the motion to approve the request for installation of a satellite dish with the stipulation that installation be in the approved area. Sharon seconded the motion. The motion was accepted and adopted.

D. Purchase Orders

- Robert submitted a PR in the amount of \$9.44 to cover copying fees for Reserve Study.

Dave made the motion to approve the Purchase Order as submitted. Tom seconded the motion. Robert abstained due to personal submission of PR. The motion was accepted and adopted.

E. Proposed RFPs

- Pool

BOD requested UPA request competitive bids for Pool Contract with the possibility of multi-year contract. BOD will review and approve bids during February BOD meeting.

- Taxes/Audit

BOD requested UPA request competitive bids for Association Tax Preparation and Audit contract to include the 2 firms recommended by Treasurer. Specific requirements for meetings with the auditors and for inclusion of 2 items in the draft audit were included in the request to UPA. BOD will review and approve bids during January BOD meeting.

F. Results of BOD Organization meeting

- The BOD publicly announced the results of the Organization meeting that occurred immediately after the 16 November Annual meeting as follows:
 - Diane Standridge – President
 - Tom Pelech – Vice President
 - Robert Chapin – Treasurer
 - Sharon Shoff – Secretary
 - Dave Grant – Member-at-Large

Dave made the motion to approve the results of the 2007 Organizational meeting as submitted. Robert seconded the motion. The motion was accepted and adopted.

G. Donation to Tallwood High School for use of SCHOLA

Robert moved and Sharon seconded a motion that a donation be sent to Tallwood High School with an appropriate letter to be drafted by Robert as a token of the community's gratitude for the use of the SCHOLA for community meetings in October and November 2007

Robert made the motion to enter Executive Session. Sharon seconded the motion. The motion was accepted and adopted.

11. Executive Session:

A. Bids

- Lawrence Landscaping
- Man's Electric
- Target Group

B. Violations

C. Delinquency Report

D. Lease Request

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

12. Motions from Executive Session:

A. Dave made the motion to approve \$1250.00 toward Lawrence Landscaping Bid once proposed work has been verified and confirmed. Robert seconded the motion. The motion was accepted and adopted.

B. Robert made the motion to approve Mac's Electric bid for two Flagpole lights in the amount of \$773.00. Dave seconded the motion. The motion was accepted and adopted.

C. Robert made the motion to disapprove Target Group Bid in the amount of \$11,775.00. Dave seconded the motion. The motion was accepted and adopted .

D. Robert made the motion to request UPA direct Target Group to submit a new bid (same as bid in paragraph 12C above) less the pedestal repairs for work to be done in the Spring of 2008. Tom seconded the motion. The motion was accepted and adopted.

- E. Robert made the motion that he be delegated to talk to a dog owner believed to be in violation of community regulations. Sharon seconded the motion. The motion was accepted and adopted.
- F. No action was taken on the leasing request. The BOD asked the manager to request further clarification from the unit owner.

13. Adjournment:

At 9:57 PM, Sharon made the motion to adjourn the BOD meeting. Tom seconded the motion. The motion was accepted and adopted.

Approved

Date