



The Commons

A Condominium Association

Board Meeting Minutes – July 15, 2008

Location

The Commons Cabana
1400 Pebblebrook Way
Virginia Beach, Virginia

Members Present

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

Members Absent

None

Others Present

Mike Minor, Association Manager

1. CALL TO ORDER

With the establishment of a quorum, the President called the meeting to order at 6: 25 p.m.

2. UNIT OWNERS' FORUM (30 Minutes)

There were not any Unit Owners present.

3. APPROVAL OF MINUTES FROM June 17th BOD MEETING

The BOD reviewed the minutes and noted a few corrections. Dave made a motion to approve the minutes from the June 17th BOD meeting with the corrections. Sharon seconded the motion. The motion was accepted and adopted.

4. FINANCIAL REPORT

Treasurer's Report, 07/15/2008, as of 06/30/2008

BALANCE SHEET:	
ASSETS	
Operating Account	\$ 46,403.68
Petty Cash	\$ 750.00
Operating Reserve	\$ 23,905.60
Replacement Reserve	\$ 262,416.62
TOTAL ASSETS	\$ 333,475.90
CAPITAL & EQUITY	
Accum Operating Reserve	\$ 23,905.60
Accum Repl Resrv Interest	\$ 11,806.04
Accum. Replacement Reserve	\$ 250,655.75
Retained Earnings	\$ 15,792.08
Current Earnings	\$ 31,316.43
TOTAL EQUITY	\$ 333,475.90

INCOME STATEMENT	VARIANCE		
	JUNE	YEAR TO DATE	YEAR TO DATE
Total Assoc. Income	\$ 23,825.66	\$ 164,960.75	\$ -568.27
Gen'l & Admin Expenses	\$ -9,709.19	\$ -38,179.43	\$ -766.50
Maint. Expenses	\$ -2,388.00	\$ -35,654.05	\$ 25,808.91
Operating Income	\$ 11,728.47	\$ 91,127.27	\$ 24,474.14
Interest Earned on Reserves	\$ -442.56	\$ -3,965.85	\$ 3,013.17
Transferred to Operating Reserves	\$ -1,068.08	\$ -5,340.41	\$ -0.01
Transferred to Replacement Resvs	\$ -8,539.83	\$ -42,699.15	\$ 0.00
Net Ordinary Income	\$ 1,678.00	\$ 29,513.95	\$ 27,487.30
Income from Water Sales (June)	\$ 4,898.69	\$ 24,896.14	\$ -4,603.88
Cost of Water	\$ 0.00	\$ -12,287.94	\$ 11,712.06
Meter Fees	\$ -541.05	\$ -1,605.55	\$ 5.32

Sewer Fees	\$ 0.00	\$ -9,200.17	\$ -3,700.18
Net Water Income	4,357.64	\$ 1,802.48	\$ 3,413.32
Net Income	\$ 6,035.64	\$ 31,316.43	\$ 30,900.62

Notes:

1. The Treasurer's Interim Report for June was prepared in a hurry and has an error in the Balance Sheet. The sum of the Assets does not equal the sum of the Capital & Equities and neither figure is correct. The correct figure in both cases is \$3 17,389.79. The error is in the addition, all other figures are correct. The other minor discrepancies referred to in the June report have been resolved. I regret the errors.
2. The principal cause of the huge favorable error in the Maintenance Expenses is the fact that the first half of the Painting bill (a progress payment) has not been paid, as anticipated in June. This fact causes an artificial variance of \$20,000.00 which will disappear as soon as the painting bill is paid.
3. Another cause of the favorable variance is that the lawn contractor was not paid in June but on the 1st of July. Thus, that expense, \$4,952.00 does not appear in the June figures. Except for the timeliness of payment issue, this variance is not significant.
4. The third major (favorable) variance is in the cost of water. There are two factors involved here. One is an incorrect allocation of costs in the budget between the Cost of Water and the Sewer Fees. Note that the Sewer Fees has an unfavorable variance. The second factor is the fact that the HRSD is still billing us for last year's Sewer Fees. An explanation has been requested but this issue has not been resolved.
5. The combination of these and other minor variances is that our Net Income is \$30,900.62 ahead of budget. Since there has been neither a real savings in expenses nor a real increase in income over budget, the implication of this variance is that a more realistic statement of our Net Income for the year to date is \$415.81 (Net Income minus Variance). Since the ideal budget nets to zero at the end of the year, we are very close to where I anticipated that the community would be in June.
6. Projections of maintenance expenses to the end of the year show that the community will probably have to dip into the Operating Reserve about \$8-9 K to meet its repair and maintenance needs.

With the effects of Notes 1 through 6 considered, this report is a fair and accurate representation of the condition of the Association as of June 30, 2008.

Robert W. Chapin, Jr., Treasurer.

Dave made a motion to accept the Financial Report. Sharon seconded the motion. The motion was accepted and adopted.

5. OFFICER REPORTS

A. PRESIDENT

- The President reviewed a list of items that will need to be discussed at the August BOD meeting. These items include: Power washing, security lighting, house numbers information and cost, violation pads/notices, and Neighborhood Watch.
- She is forming a Covenants Committee that will have its first meeting by the end of July.
- She also stated that the Community Directory should be updated after the new year.
- She reviewed the list of units sold and units for sale in The Commons .
- She directed the BOD members' attention to the CAI article on community gates and an HBA handout titled Maintenance, Repair, or Replacement.

B. VICE PRESIDENT

- No Report

C. TREASURER

- Robert stated that the Social Committee may want to consider the National Night Out for next year. This event is held annually to heighten crime and drug prevention awareness and to generate support and participation in local anti-crime efforts.

D. SECRETARY

- No report

E. MEMBER-at-LARGE

- No report

6. COMMITTEE REPORTS

A. COMMUNICATIONS COMMITTEE

- The last meeting was held on July 7th, 2008 at the Cabana at 8:03 pm.
- Dave stated that the newsletter was distributed July 12th.
- The committee made assignment for the next Newsletter, which will be published in September.
- The next meeting will be held on August 4th at the Cabana at 8:00 PM.

B. GROUNDS COMMITTEE

- The last meeting was held on July 8th, 2008 in the Cabana at 7:00 PM.
- There will be a special clean-up day on July 19th for the east bank of the lake.
- The next community clean-up is Saturday, August 2nd at 9:00 AM in the Cabana.
- The next meeting will be held on August 12th at 7:00 PM in the Cabana.

C. MAINTENANCE COMMITTEE

- The Maintenance Committee met on July 7th, 2008 in the Cabana at 7:30 PM.
- Robert reported that there were no inspections done during the past month; however, the committee did work on a maintenance plan in June.
- The committee is working on procedures for the completion of joint repairs in which the Unit Owner is responsible for repairs inside their Unit and the Association is responsible for the repairs outside the Unit.
- The committee is recommending to the BOD that a dollar limited RFP for pressure washing. The BOD would set the dollar amount and the bidders would propose the number of units they would wash for that amount. The dollar limit recommended is \$4,000.
- The committee also discussed trim replacement.
- The next meeting will be held on August 4th, 2008 at 7:30 PM in the Cabana.

D. SOCIAL COMMITTEE

- The Social Committee met on July 10th, 2008.
- Upcoming events include an Ice cream social/movie night on Saturday, August 16th; Labor Day Cookout on Monday, September 1st; and an October soup swap.
- The committee discussed reforming a Sunshine Committee to welcome new families who move to The Commons.
- The next meeting will be held in August, date and time to be determined.

7. MANAGEMENT

A. Monthly Report

- The BOD reviewed the UPA Management Report. The BOD did not take any action on this item.

8. UNFINISHED BUSINESS

A. 2008 Pool Season

- At the June meeting, the BOD agreed that it should pursue obtaining bids for a new lock for the pool entry gate. The BOD requested that Mike look at

other possibilities for locking mechanisms. Also, Tom and Robert agreed to look at the bathroom doors and it was noted that the shower attached to the Cabana is leaking. The BOD did not have any requests for changes to the BOD pool closing schedule.

B. Gate Construction

- SmartParcs, Inc. is expecting to complete the construction of the gate by the 1st week in August. The ID tags are expected to come in by the end of July. The BOD discussed the process for distributing the ID tags and agreed that after the tags were received, they would be distributed on a Saturday and Sunday and that Unit Owners would receive a letter with the specific dates for the distribution. The letter will include a revised Vehicle Registration Form that Unit Owners will need to bring when they pick up their gate tags. Dave stated that he would make revisions to the form and post them to The Commons website. The database with the tags will be housed and managed by UPA. Robert requested a listing of what information is stored in the database.

C. Painting of Units for 2008

- Target is expected to complete painting on 12 units by the 1st week in August.

D. Proposed Financial Guide

- This item was tabled indefinitely.

9. NEW BUSINESS

A. Applications for Architectural Review

- There were no Applications for Architectural Review.

B. Purchase Orders

- Tom requested reimbursement for a new pool umbrella in the amount of \$149.00 and for a 3-pack of saw blades that were needed by the Grounds Committee in the amount of \$165.87. Robert made a motion to approve purchase orders for these expenses. Sharon seconded the motion. The motion was accepted and adopted.

C. CAI Notification

- It was suggested that the BOD monitor the CAI Legislative Committee for possible impact on Virginia Legislation..

D. Budget Process for 2009

- Mike and Robert will prepare a draft budget for 2009 for the August BOD meeting. After the BOD reviews the draft, the budget will be adopted at the October meeting.

E. Community Signs and Entrance Fence

- Diane requested that the Maintenance Committee provide Mike Minor with a statement of work for the community sign posts and signs and for the fence along Indian River Road so that he can request bids.

F. East Side of Lake

- There are currently 6 units along the lake that have grass and weeds overhanging the lake. The BOD requested that Mike Minor send letters to the 6 Unit Owners stating that they need to cut the overgrowth. The letter should also indicate that if they do not cut it themselves, then Lawrence Landscaping will be asked to cut the overgrowth and the Unit Owners will be billed for this service.
- The BOD noted that there is trash collecting in the Lake and we need a way to get it out. Robert agreed to look at possible ways of removing the trash from the lake.

G. Flood Maps of Virginia Beach

- Mike Minor stated that he reviewed the new flood maps for the City of Virginia Beach and that The Commons property is not located in a flood zone. Target is expected to complete painting on 12 units by the 1st week in August.

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

10. EXECUTIVE SESSION

- A. Violations
- B. Delinquency Report
- C. Leased Units

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

11. MOTIONS FROM EXECUTIVE SESSION

- A. Violations

- Dave made a motion to send a violation letter to a Unit Owner to remove a car battery that is being stored at the front of their house. Robert seconded the motion. The motion was accepted and adopted.
 - Dave made a motion to send a violation letter to a Unit Owner for a noise violation, leaving the pool gate unlocked after entering, and propping open the bathroom doors at the pool. Sharon seconded the motion. The motion was accepted and adopted.
- B. Delinquency report: The BOD reviewed but did not take any action on this item.
- C. Leased Units
- Dave made a motion to accept the lease for 1549 Pebblebrook Way and to request an addendum to the lease signed by the tenants stating that they agree to abide by the Rules and Regulations of The Commons Condominium Association. Robert seconded the motion. The motion was accepted and adopted.
 - Dave made a motion to place a request to lease for 1505 Cool Spring Way dated June 30, 2008 on the waiting list for the next available leased unit.

12. ADJOURNMENT

Dave made a motion to adjourn. Robert seconded the motion. The motion was accepted and adopted. The meeting adjourned at 9:31 pm.

Respectfully submitted

Approved

Date