



The Commons A Condominium Association

Board Meeting Minutes – March 18, 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, UPA Association Manager
Jim McHugh, Unit Owner
Karen Ray, Guest, UPA

1. CALL TO ORDER

With the establishment of a quorum, the Vice President called the meeting to order at 6:29 p.m.

2. UNIT OWNERS' FORUM (30 Minutes)

Mr. McHugh requested approval to store a POD from Friday, March 21st – Saturday, March 29th. He stated that his neighbor at 1549 Pebblebrook Way would not be in the country during this time and would allow Mr. McHugh to park the POD in his driveway. If for some reason the POD did not fit on the driveway, then he stated that an alternate suggestion would be between 5273 and 5261 Pebblebrook Way in the street side parking.

The Owner’s Forum ended at 6:50 pm

Robert made a motion to approve Mr. McHugh request to store a POD at 1549 Pebblebrook Way or the other location between 5273 and 5261 Pebblebrook Way. Dave seconded the motion. The motion was accepted and adopted.

3. WELCOME AND INTRODUCTIONS

There were no presentations at the meeting

4. APPROVAL OF MINUTES FROM February 19, 2008

The BOD reviewed the minutes and provided corrections.

Robert made a motion to approve the minutes as corrected from the February 19, 2008 Board meeting. Sharon seconded the motion. The motion was accepted and adopted.

5. FINANCIAL REPORT

Treasurer’s Report, 03/18/2008, as of 02/29/2008

BALANCE SHEET:	
ASSETS	
Operating Account	\$ 34,537.69
Petty Cash	\$ 750.00
Operating Reserve	\$ 19,603.71
Replacement Reserve	\$ 235,569.28
TOTAL ASSETS	\$ 290,460.68
CAPITAL & EQUITY	
Accum Operating Reserve	\$ 19,578.70
Accum. Replacement Reserve	\$ 235,382.18
Retained Earnings	\$ 15,792.08
Current Earnings	\$ 19,707.72
TOTAL EQUITY	\$ 290,460.68

<u>INCOME STATEMENT</u>			VARIANCE
	FEBRUARY	YEAR TO DATE	YEAR TO DATE
Total Assoc. Income	\$ 27,407.54	\$ 60,487.86	\$ 5,311.52
Gen'l & Admin Expenses	\$ -4,088.63	\$ -9,231.69	\$ -167.40
Maint. Expenses	\$ -5,725.52	\$ -11,713.10	\$ 141.22
Interest Earned on Replace. Resvs	\$ -1,912.98	\$ -1,912.98	\$ 363.36
Operating Income	\$ 15,680.41	\$ 37,630.09	\$ 5,648.70
Transferred to Operating Reserves	\$ -1,068.08	\$ -2,136.16	\$ 0.00
Transferred to Replacement Resvs	\$ -8,539.83	\$ -17,079.66	\$ 0.00
Net Ordinary Income	\$ 6,072.50	\$ 18,414.27	\$ 5,648.70
Income from Water Sales (Feb.)	\$ 3,520.46	\$ 8,455.31	\$ -1,378.03
Cost of Water	\$ 0.00	\$ -3,681.49	\$ 4,318.51
Meter Fees	\$ 0.00	\$ -532.25	\$ 0.00
Sewer Fees	\$ 0.00	\$ -2,948.12	\$ -1,114.79
Net Water Income	\$ 3,520.48	\$ 1,293.45	\$ 1,825.69
Net Income	\$ 9,592.96	\$ 19,707.72	\$ 7,474.39

Notes:

1. The differences between your Treasurer's accounting and UPA's accounting of the Balance Sheet accounts that have been discussed in past reports have been resolved. While the corrections and adjustments have not affected either the Total Capital & Equity or the financial strength of the community, they have greatly improved the accuracy and credibility of the reporting of the subaccounts that make up the "bottom line." The corrections and adjustments are so large that there is no consistency between this report of the Balance Sheet and previous reports. There remain a few anomalies, totaling approximately \$200, which I expect to resolve in the near future. There have been and are now no significant differences in the Income Statements.

2. 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 shortfall 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. So far this year, we have made all budgeted contributions to the Reserves.

3. The large positive total variances this month is caused by the anticipated but unbudgeted receipt of advance fees (when unit owners pay up to a year in advance), the less than budgeted Water

Expense, the failure of UPA to break out the sewer charges from the water charges, and the fact that our expenditures for water, sewer and maintenance are significantly lower in the winter and early spring. These positives will become negative during the summer months. There are no implications, favorable or unfavorable, to be derived from these variances.

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 February 29, 2008.

Robert W. Chapin, Jr., Treasurer.

Robert made a motion to accept the financial report. Dave seconded the motion. The motion was accepted and adopted.

Robert made a motion to take \$50,000 from the Replacement Reserve cash account and put it into a CD as soon as possible. Sharon seconded the motion. The motion was accepted and adopted

6. OFFICER REPORTS

A. PRESIDENT

- The President inquired about the work order for the roof leak at 1405 Pebblebrook Way.
- Diane reviewed the for sale, sold, leased properties and stated that there are currently 4-5 units up for sale at this time. She requested that Mike provide her with a lease for 5289 Spring Cove Way. She also asked Mike to research if there is a new lease at 1616 Coolspring Way as the lease was supposed to expire in December, 2007.
- Diane asked the Board members to follow up with vehicle registrations in their designated blocks and to issue tickets for those that do not have the proper decals. She also asked the Board members to ensure that the street lights and neighborhood lights are replaced when needed for safety reasons.
- Diane requested that each member of the BOD find 2 persons in their designated areas to be block captains with the goal of having 10 block captains who would each be responsible for 2 circles. She also asked the Board members to see if any of their neighbors would agree to be co-coordinators of the Neighborhood Watch Program.
- Diane stated that she will be putting together a Covenants Committee that will be responsible for reviewing the rules and regulations. The goal of the committee is to have a new rules and regulations booklet completed in August and printed in September.

B. VICE PRESIDENT

- No Report

C. TREASURER

- Robert stated that he learned some information at CAI Day regarding insurance. One issue is to look into guaranteed replacement coverage. He stated that he would like to review our insurance policies by April 2008. The review should include looking at items that may not be covered, such as codes and ordinances. He also stated that the BOD may want to consider getting flood insurance. He stated that we should include information regarding storm preparation on our web site to minimize damage to the units and common elements during severe storms.

D. SECRETARY

- Sharon reviewed the topics of the sessions she attended for CAI Day. She stated that she attended sessions that covered basic governance as they provided a good overview for her as a new Board Member. These included collection remedies, the Board's fiscal and fiduciary responsibilities, and meetings and Board Member responsibilities. She also attended a legislative update, where they discussed the new legislation pertaining to the need for Association Managers to obtain a provisional license. Ultimately, Association Managers will be required to obtain certifications and licenses in order to be able to manage associations. Managers must obtain a provisional license by the end of the year. After that, there will be new rules regarding the requirements to be licensed

E. MEMBER-at-LARGE

- Dave stated that there were 3 main ideas he came away with from CAI Day. The first was to develop purpose statements for each committee as well as position descriptions for the chairpersons and committee members. He also stated that Unit Owners who might be available to volunteer for short-term projects should not be overlooked and should be cultivated. Finally, he stated that he obtained some information from a company that can install entry gates. He will schedule a time to meet with a representative and let the other Board Members know of the date and time.

7. COMMITTEE REPORTS

A. COMMUNICATIONS COMMITTEE

- The last meeting was held on March 3, 2008 at the Cabana at 7:57 pm.
- Dave asked the BOD members to review the new Newsletter format, which is 11"x17", black and white print, and folded in half for distribution. Robert made

a motion to accept the new format. Tom seconded the motion. The motion was accepted and adopted.

- The BOD agreed that all future newsletters should be reviewed and the content approved before it is published and distributed.
- The next meeting will be held on April 7th at the Cabana at 8:00 PM.

B. GROUNDS COMMITTEE

- The last meeting was held on March 11, 2008 in the Cabana at 7:02 PM.
- The clean-up of the fences will be continued during the April community clean up day.
- The next community clean-up is Saturday, April 5th at 9:00 AM in the Cabana
- The next meeting will be held on 8 April at 7:00 PM in the Cabana.

C. MAINTENANCE COMMITTEE

- The last meeting was held on March 6, 2008 in the Cabana at 7:37 PM
- The committee will be performing a trial run of the house number project on March 22nd at 9:00 am
- The next meeting will be held on 3 April 2008 at 7:30 PM in the Cabana.

D. SOCIAL COMMITTEE

- This committee currently does not have a Chairperson
- Sharon and Diane will meet with Lacey Newman and Valerie Brashers before the next BOD meeting to plan social activities for pool season, Christmas, and a Community Garage Sale.
- Next meeting TBD

8. MANAGEMENT

A. Monthly Report

- The BOD reviewed the UPA Management Report and noted that the Meter Reading contract is due to expire 5/10/2008 and a new contract will be needed in April. Mike informed the BOD of a recently passed ordinance pertaining to swimming pools that will affect our current contract with SwimKare. The BOD asked Mike to further research the new ordinance and provide the Board Members with more information on the ordinance at the April meeting.

Dave made a motion to adopt the Management Report. Robert seconded the motion. The motion was accepted and adopted.

B. Authorization for Repairs

- Robert made a motion to grant Mike the authority to contract for emergency repairs up to \$1,000 and inform the President when he takes such action. Sharon seconded the motion. The motion was accepted and adopted.

9. UNFINISHED BUSINESS

A. Draft Resolution for Financial Controls

- Mike provided the BOD with an e-mail from the Association's legal counsel. He stated that the legal counsel's concern was that the document appeared to allow the BOD to delegate its authority to committees, which it cannot do. Robert stated that one of the purposes in writing the document was to give committee members limited budgetary authority to carry out their tasks. He stated that it is very cumbersome to request checks through the BOD when a committee member wishes to make a small purchase. Mike asked if the committees' expenses could be handled through the use of the petty cash account. The resolution was tabled.

B. Governance

- The BOD reviewed the Community Association Governance Guidelines. Sharon made a motion to accept the Community Association Governance Guidelines as presented. Robert seconded the motion. The motion was accepted and adopted.
- The BOD reviewed the Board of Directors Critique Questions. Robert made a motion to accept the Board of Directors Critique Questions as presented. Dave seconded the motion. The motion was accepted and adopted.

C. 2008 Painting Schedule

- The BOD reviewed the painting matrix. The painting will resume after the BOD addresses the wood repairs that need to be made.

10. NEW BUSINESS

A. Applications for Architectural Review

- The BOD considered 1 Application for Architectural Review for a new door bell cover. Robert made a motion to approve the application. Dave seconded the motion. The motion was accepted and adopted.

B. Proposed new website format

- The BOD reviewed and discussed the new web site format and suggested changing Property Manager to Association Manager. Robert also agreed to provide new text regarding the Association's insurance policy. Dave made a motion to approve the new web site format and switch to the new site. Robert seconded the motion. The motion was accepted and adopted.

C. Doody Calls

- Robert presented information he received from CAI Day for Doody Calls, which provides dog poop clean-up services. The BOD referred this item to the Grounds Committee asking them to consider the need for this type of service, the cost, the frequency of service, and location of stations. Action on this item was tabled until the April meeting.

D. CAI Training

- Dave asked the BOD to approve his request to attend a CAI training on Saturday, May 17th. Sharon made a motion to approve the request. Robert seconded the motion. The motion was accepted and adopted.

E. Purchase Orders

- There were no Purchase Orders to consider.

F. Proposed Updated Forms

- Purchase Order: The BOD reviewed this form and changed the name to "Purchase Order" and eliminated the words "Reimbursement Request" and change "RR#" to "PO#". Another change included adding a line for a total, and changing the word "eligible" to "guaranteed". Tom made a motion to accept the Purchase Order form with these corrections. Robert seconded the motion. The motion was accepted and adopted.
- Buy, Sell, or Trade: The BOD reviewed this form and deleted Dave Grant's address from the form. Robert made a motion to accept the form with the change. Tom seconded the motion. The motion was accepted and adopted.
- Vehicle Registration: The BOD reviewed this form and added the words "and parking regulations" after the word security" into the first sentence. Also, at the top of the form, "association" should be changed to "Association" and "the Commons" should be changed to "The Commons." Dave made a motion to accept the form with the change. Sharon seconded the motion. The motion was accepted and adopted.
- Application for Architectural Review: The BOD reviewed this form and made no changes. Sharon made a motion to accept the form. Tom seconded the motion. The motion was accepted and adopted.

- Debit Authorization Form: The BOD reviewed this form and changed the blanks on the document to instead have the words “The Commons Condominium Association”, and to change the year to “20__” instead of “200_”. Robert made a motion to accept the form. Tom seconded the motion. The motion was accepted and adopted.

G. Handi-Man Concepts

- Information on Handi-Man concepts that was obtained from CAI day was reviewed. There was no motion on this item.

H. Proposed Safety Information

- The BOD reviewed the proposed safety information for the website. The BOD agreed that the Communications Committee/Webmaster should review and consolidate the information for posting to the web site.

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

11. EXECUTIVE SESSION

A. Violations

B. Delinquency Report

C. Contract Bids

1. Geese Control
2. Wood Repair
3. Pond Erosion
4. 1612 Coolspring Way
5. 1572 Coolspring Way

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

12. MOTIONS FROM EXECUTIVE SESSION

- A. Tom made a motion to send violation notices to 3 Unit Owners. Dave seconded the motion. The motion was accepted and adopted.
- B. Tom made a motion to refer 1 delinquent account to the attorney for garnishment of wages. Robert seconded the motion. The motion was accepted and adopted.
- C. Contract Bids
 1. Geese Control: Dave made a motion to accept the bid from Aquatic

Resources Management for the months of April – June 2008 for \$335. Robert seconded the motion. The motion was accepted and adopted.

2. Wood Repair: Dave made a motion to accept the bid from Atlantic Services for the 1400 Series for \$1,345 to be carried out as soon as possible. Robert seconded the motion. The motion was accepted and adopted. Robert made a motion to accept the bid from Atlantic Services for the 1500 series for \$2,185 to be completed by the end of summer. Dave seconded the motion. The motion was accepted and adopted.
3. Pond Erosion: Robert made a motion to accept the bid from Hortico for \$900. Tom seconded the motion. The motion was accepted and adopted.
4. 1612 Coolspring Way: Robert made a motion to accept the bid from Atlantic Services to repair the window leak at 1612 Coolspring Way for \$550. Dave seconded the motion. The motion was accepted and adopted.
5. 1572 Coolspring Way: Sharon made a motion to accepted the bid from Atlantic Services to repair the soffit for \$850. Dave seconded the motion. The motion was accepted and adopted.

13. ADJOURNMENT

Robert made a motion to adjourn. Dave seconded the motion. The motion was accepted and adopted. The meeting adjourned at 10:27 pm.

Respectfully submitted

Approved

Date