



The Commons

A Condominium Association

Board Meeting Minutes – May 20, 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
June Thurston, Unit Owner

1. CALL TO ORDER

With the establishment of a quorum, the President called the meeting to order at 6: 28 p.m.

2. UNIT OWNERS' FORUM (30 Minutes)

Ms. Thurston addressed the BOD and stated that she was concerned that the painting contractor had painted over rotten wood on her Unit. She also asked the BOD if she

could paint her front door and if so, what colors she is allowed to use. She also asked when the Units will be pressure washed. Finally, she further clarified her Application for Architectural Review and stated that she would like to install a railing on her deck that would be like the one that the Brashears and the Reeses have on their decks.

The Unit Owners' Forum ended at 6:35 PM

3. APPROVAL OF MINUTES FROM April 15, 2008

The BOD reviewed the minutes and provided corrections.

Robert made a motion to approve the minutes as corrected from the April 15, 2008 Board meeting. Dave seconded the motion. The motion was accepted and adopted.

4. APPROVAL OF MINUTES FROM April 21st SPECIAL BOD MEETING

The BOD reviewed the minutes. Dave made a motion to accept the minutes as written from the April 21st Special Board Meeting. Robert seconded the motion. The motion was accepted and adopted.

5. FINANCIAL REPORT

Treasurer's Report, 05/20/2008, as of 04/30/2008

BALANCE SHEET:	
ASSETS	
Operating Account	\$ 43,475.65
Petty Cash	\$ 750.00
Operating Reserve	\$ 21,754.41
Replacement Reserve	\$ 252,760.83
TOTAL ASSETS	\$ 318,740.89
CAPITAL & EQUITY	
Accum Operating Reserve	\$ 21,754.41
Accum Repl Resrv Interest	\$ 10,106.74
Accum. Replacement Reserve	\$ 242,654.09
Retained Earnings	\$ 15,792.08
Current Earnings	\$ 28,433.57
TOTAL EQUITY	\$ 318,740.89

INCOME STATEMENT			VARIANCE
	APRIL	YEAR TO DATE	YEAR TO DATE
Total Assoc. Income	\$ 24,180.96	\$ 112,477.77	\$ 2,125.09
Gen'l & Admin Expenses	\$ -3,949.27	\$ -19,408.74	\$ 4,137.20
Maint. Expenses	\$ -8,554.06	\$ -25,577.68	\$ -269.04
Interest Earned on Reserves	\$ -46.61	\$ -2,251.52	\$ -2,401.16
Operating Income	\$ 11,631.02	\$ 65,239.83	\$ 3,592.16
Transferred to Operating Reserves	\$ -1,068.08	\$ -4,272.33	\$ 0.01
Transferred to Replacement Resvs	\$ -8,539.83	\$ -34,159.32	\$ 0.00
Net Ordinary Income	\$ 2,023.11	\$ 26,808.18	\$ 3,592.17
Income from Water Sales (Apr.)	\$ 4,136.05	\$ 16,865.82	\$ -2,800.86
Cost of Water	\$ 0.00	\$ -8,127.20	\$ 7,872.80
Meter Fees	\$ 0.00	\$ -1,064.50	\$ 0.00
Sewer Fees	\$ 0.00	\$ -6,048.73	\$ -2,382.07
Net Water Income	\$ 4,136.05	\$ 1,625.39	\$ 2,689.87
Net Income	\$ 6,159.16	\$ 28,433.57	\$ 6,282.04

Notes:

1. There are small differences with the UPA Income Statement caused by UPA's failure to recognize a \$24.00 checking account fee in the appropriate month, April, and UPA's charging a total of \$372.24 in expenses to the wrong categories. These minor discrepancies will be brought to UPA's attention and corrected before next month's report.

2. A word about variances. A variance is a comparison of an actual expense or income line to the budget for the line. In this case, the budget for the month and the year-to-date is my estimate of the income or expense for that time period. In many instances, variances are caused by inaccurate estimates and are not significant. In some cases, variances show that the budget is "broken" and needs adjustment. 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). A problem arises 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 variance (favorable) in General & Administrative Expenses is caused by budgeting the expense for Insurance in April but not paying the bill until May. This artifact of timing will disappear in the May report.

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, 2008.

Robert W. Chapin, Jr., Treasurer.

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

6. OFFICER REPORTS

A. PRESIDENT

- Diane distributed an updated list of leased Units within The Commons Condominium. She noted that some of the current leases that are about to expire would now be considered for renewal under the lease amendment. This may become an issue in the future as some of the Unit Owners may be asking the BOD to approve the leasing of their Units, and the BOD will have to make some tough decisions based on the lease amendment.
- Diane also distributed an updated list of Units for sale and Units that have been sold in the Commons.
- Diane asked that the BOD discuss the Neighborhood Watch at the next BOD meeting.

B. VICE PRESIDENT

- No Report

C. TREASURER

- See Section 5 above. Also, Robert stated that he would not be at the June 17th Board meeting as he will be leaving town on June 16th.

D. SECRETARY

- No report

E. MEMBER-at-LARGE

- Dave stated that he would attend the June 11th CAI workshop "Is It Maintenance, Repair, or Replacement ". Robert made a motion to reimburse Dave for the \$10.00 attendance fee. Tom seconded the motion. The motion was accepted and adopted.

7. COMMITTEE REPORTS

A. COMMUNICATIONS COMMITTEE

- The last meeting was held on May 5, 2008 at the Cabana at 8:00 pm.
- Dave stated that the newsletter was distributed on May 17th. He stated that this newsletter was published after BOD approval.
- Assignments for articles were made for the next newsletter.
- Dave asked the BOD to approve the purchase of 1,000 bags for upcoming newsletters. Robert made a motion to approve the purchase of 1,000 plastic bags. Sharon seconded the motion. The motion was accepted and adopted.
- The next meeting will be held on June 2nd at the Cabana at 8:00 PM.

B. GROUNDS COMMITTEE

- The last meeting was held on May 6th, 2008 in the Cabana at 7:00 PM.
- The next community clean-up is Saturday, June 7th at 9:00 AM in the Cabana
- The committee discussed that the bushes on the island at the front entrance to The Commons needed to be trimmed.
- Several Board Members discussed their dissatisfaction with Lawrence Landscaping's performance. In particular, they did not trim the crepe myrtles, they did not fertilize the grounds or spray for weeds, and they did not put down any mulch in March as they were supposed to do per their contract. The BOD requested that Mike ask the contractor to attend the next BOD meeting so that the Board Members could explain our concerns.
- The next meeting will be held on June 10th at 7:00 PM in the Cabana.

C. MAINTENANCE COMMITTEE

- The Maintenance Committee did not meet this month and did not perform any inspections.
- The next meeting will be held on June 5th, 2008 at 7:30 PM in the Cabana.

D. SOCIAL COMMITTEE

- Sharon stated she did not receive a report from the Chairperson of the Social Committee. She agreed to contact Lacey Newman, provide her with the committee report template, and ask her for the committee meeting minutes before each BOD meeting.

8. MANAGEMENT

A. Monthly Report

- The BOD reviewed the UPA Management Report. The BOD requested that the grasses along the bank of the BMP needs to be trimmed and that the weed trees need to come out. Also the hanging foliage near the bulkhead needs to be trimmed.
- Mike asked per his report what we wanted done regarding the holes and landscaping near the BMP. The BOD stated that we do not need a full landscape plan but that we needed to have the holes filled with dirt and rip rap in order to prevent further erosion.
- Robert made a motion to authorize Mike to purchase a new flag. Tom seconded the motion. The motion was accepted and adopted.

Dave made a motion to adopt the Management Report with the addition of the answer to the question regarding the BMP. Robert seconded the motion. The motion was accepted and adopted.

9. UNFINISHED BUSINESS

A. Proposed Financial Resolution

- This item was tabled until the July meeting. Robert stated that he would work on writing some procedures and guidelines, to include a Treasurer's Handbook with instructions for preparing the Board Report.

B. 2008 Pool Season

- The BOD noted that the Pool Rules and Regulations sign should be changed to state that persons under the age of 16 cannot use the pool without adult supervision.
- Diane noted that she will be sending out a schedule to the Board Members indicating when each Board Member is responsible for closing the pool.
- We received a letter stating that the variance we requested was approved .

C. Seal Coating

- The contractor has been paid for the seal coating. Spring Cove Way to Kempsville Road was not done. It may be done later with the gate if the gate is approved. If it were to be done, it would have to be done on a weekend.

D. Security Lighting

- This item was tabled until the next meeting.

E. Neighborhood Watch Program

- Robert will resend a copy of the 2007 report. This item will be tabled until the July meeting.

F. Unit Painting

- Diane will update the painting matrix and post it on the bulletin board. The house numbers project was discussed.

G. Roof Preventative Maintenance

- The BOD discussed requesting that a contractor be hired to inspect the roofs and provide a list of what repairs are needed. Also, the contractor should be authorized to make simple repairs during his inspections that would be defined in the contract.

10. NEW BUSINESS

A. Applications for Architectural Review

- Dave made a motion to approve the Application for Architectural Review provided that the deck railing be constructed using the same design and materials as previously approved on the Brashers' Unit. Robert seconded the motion. The motion was accepted and adopted.

B. Installation of Unit Numbers

- Tom stated that he was devising a plan over the next few weeks and would bring it back to the Board Members.

C. Community Signs

- Diane stated that we need to have a plan from the maintenance committee regarding what signs need to be replaced or fixed.

D. Purchase Orders

- Robert requested a purchase order in the amount of \$41.16 for the purchase of materials for the house numbers project. Sharon made a motion to approve the purchase order. Dave seconded the motion. The motion was accepted and adopted.

E. Gutters

- The issue regarding the gutters was addressed in Executive Session .

Dave 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. Smart Parcs, Inc.

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

12. MOTIONS FROM EXECUTIVE SESSION

A. Dave made a motion to send a violation notice to a Unit Owner for installing a satellite dish on his fence. Robert seconded the motion. The motion was accepted and adopted.

B. Dave made a motion to send a violation notice to a Unit Owner for having a car with an expired inspection sticker. Robert seconded the motion. The motion was accepted and adopted.

C. Robert made a motion to send a letter to a delinquent Unit Owner but to not accelerate the assessment as this time. Sharon seconded the motion. The motion was accepted and adopted.

D. Contract Bids

1. Smart Parcs, Inc. Robert made a motion to table this item until the June BOD meeting to provide additional time to ensure that the location of the island will allow adequate space for incoming and outgoing cars. Tom seconded the motion. The motion was accepted and adopted. Action on this item was tabled until the June BOD meeting.

2. Roof Inspections. Dave made a motion to request that Atlantic Services rebid with the addition of the following items: knock down shingle nails that have pushed up; re-secure windlifted shingles; trim

shingles that are too long at fireplaces; and clean up and haul away debris. Robert seconded the motion. The motion was accepted and adopted.

3. Gutters. Robert made a motion to ask that Atlantic Services rebid with the addition of realigning and resealing loose gutters. Sharon 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 9:30 pm.

Respectfully submitted

Approved

Date