



The Commons

A Condominium Association

Board Meeting Minutes – February 19, 2008

Location

The Commons Cabana
1400 Pebblebrook Way
Virginia Beach, Virginia

Members Present

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

Members Absent

Diane Standridge, President

Others Present

Mike Minor, UPA Association Manager
Sharman Bradshaw
Shirley Harris
Alicia Alferes
Tony Conard
Ed and Nancy Gile

1. CALL TO ORDER

With the establishment of a quorum, the Vice President called the meeting to order at 6:31 p.m.

2. UNIT OWNERS' FORUM (30 Minutes)

Six unit owners were in attendance. Sharman Bradshaw related to those present the facts regarding a recent robbery at her home that occurred while her husband, Fred, was in the house.

It was suggested that the Board of Directors determine if there could be a standard, motion-sensor light that unit owners could affix to their units to provide better overall lighting at the Commons. Robert Chapin brought up the possibility of having residents in the community sign up for Neighborhood Watch duty. He stated that this effort would require a coordinator and neighborhood volunteers.

The Owner's Forum ended at 7:20 pm

3. WELCOME AND INTRODUCTIONS

There were no presentations at the meeting

4. APPROVAL OF MINUTES FROM January 15, 2008

The BOD reviewed the minutes and made one minor amendment, which was noted by the Secretary.

Robert made a motion to approve the minutes from the January 15, 2008 Board meeting. Sharon seconded the motion. The motion was accepted and adopted.

5. FINANCIAL REPORT

Treasurer's Report, 2/19/08, as of 01/31/08

BALANCE SHEET:		UPA Figs.
ASSETS		
Operating Account	\$ 25,016.05	
Petty Cash	\$ 750.00	
Operating Reserve	\$ 18,528.30	
Replacement Reserve	\$ 225,052.48	
TOTAL ASSETS	\$ 269,346.83	
CAPITAL & EQUITY		
Accum Operating Reserve	\$ 37,171.77	\$ 18,510.62
Accum. Replacement Reserve	\$ 218,127.69	\$ 224,929.37
Retained Earnings	\$ 3,932.41	\$ 15,792.08
Current Earnings	\$ 10,114.76	\$ 10,114.76

TOTAL EQUITY	\$ 269,346.83	\$ 269,346.83
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<u>INCOME STATEMENT</u>			VARIANCE
	JANUARY	YEAR TO DATE	YEAR TO DATE
Total Assoc. Income	\$ 32,880.36	\$ 32,880.36	\$ 5,292.19
Gen'l & Admin Expenses	\$ -5,143.06	\$ -5,143.06	\$ -12.31
<u>Maint. Expenses</u>	<u>\$ -5,987.58</u>	<u>\$ -5,987.58</u>	<u>\$ -60.42</u>
Operating Income	\$ 21,749.72	\$ 21,749.72	\$ 5,219.46
Transferred to Operating Reserves	\$ -1,068.08	\$ -1,068.08	\$ 0.00
Transferred to Replacement Resvs	\$ -8,539.83	\$ -8,539.83	\$ 0.00
Interest Earned on Replace. Resvs	\$ 0.00	\$ 0.00	\$ 1,138.17
Net Ordinary Income	\$ 12,141.81	\$ 12,141.81	\$ 6,357.63
Income from Water Sales (Jan.)	\$ 5,134.81	\$ 5,134.81	\$ 218.14
Cost of Water	\$ -6,629.61	\$ -6,629.61	\$ 1,370.39
Meter Fees	\$ -532.25	\$ -532.25	\$ 0.00
Sewer Fees	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 1,833.33</u>
Net Water Income	\$ (2,027.05)	\$ (2,027.05)	\$ 3,421.86
Net Income	\$ 10,114.76	\$ 10,114.76	\$ 9,779.49

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. These differences do not have implications affecting the present financial health of the community. The differences do affect an understanding of how much money is available for present and future repairs and replacements. These differences will be discussed with UPA in the near future.

2. A word about variances. I have elected to show variances from the viewpoint 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.

3. The large positive total variance this month is caused by the anticipated but unbudgeted receipt

of advance fees (when unit owners pay up to a year in advance), the non-receipt of interest on the Replacement Reserves, (expected), the less than budgeted Water Expense, and failure of the City to charge us Sewer Fees. 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 January 31, 2008.

Robert also stated that the sewer bill for the Commons was not received as expected, and Mike agreed to investigate this. Robert is also meeting with Craig from UPA to review the detailed accounts for the Commons.

Robert W. Chapin, Jr., Treasurer.

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

6. OFFICER REPORTS

A. PRESIDENT

- Absent

B. VICE PRESIDENT

- The Vice President reviewed the 2008 CA Day Trade Show and Expo list of classes. The Board members chose the classes they wished to take, and Mike agreed to register the Board members for the event.

C. TREASURER

- Stated in Section 5

D. SECRETARY

- No Report

E. MEMBER-at-LARGE

- No Report

7. COMMITTEE REPORTS

A. COMMUNICATIONS COMMITTEE

- The last meeting was held on February 4, 2008 at the Cabana at 8:00 pm.
- Beth McMichaels has agreed to Chair the committee.

- Tom agreed to formally appoint Beth as the Chairperson.
- The Newsletter was distributed the weekend of February 14th.
- Dave asked the BOD members to review the new website and will send the link via e-mail and provide him with feedback.
- The next meeting will be held on March 3rd at the Cabana at 8:00 PM.

B. GROUNDS COMMITTEE

- The last meeting was held on February 12, 2008 in the Cabana at 7:02 PM.
- The cleanup of the area along the fences on Pebblebrook Way and Spring Cove Way has been completed as well as 3 units on Coolspring Way. This project should be completed with the March clean-up, weather permitting.
- The ground committee has agreed to assist the maintenance committee with replacing house/unit numbers.
- The next community clean-up is Saturday, March 1st at 9:00 AM at the Cabana
- The next meeting will be held on March 11th at 7:00 PM at the Cabana.

C. MAINTENANCE COMMITTEE

- The last meeting was held on February 7, 2008 at the Cabana at 7:30 PM
- The committee is looking at gutter cleaning and pressure washing the exteriors as one of their priorities. They are also continuing to do inspections and working on replacing house/unit numbers.
- The next meeting will be held March 6th, 2008 at 7:30 PM at the Cabana.

D. SOCIAL COMMITTEE

- This committee currently does not have a Chairperson
- No meeting since last BOD meeting.
- The next events that need to be planned by this committee would be a community garage sale and a pool party.
- Next meeting TBD

8. MANAGEMENT REPORT

The BOD reviewed the UPA Management Report. Robert asked the manager to update the contract expiration dates for SwimKare for the next meeting.

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

9. UNFINISHED BUSINESS

A. Draft Resolution for Financial Controls

- Mike requested that Robert send him the amended Resolution for Financial Controls that was discussed at the January meeting to that he could refer the amended document to legal counsel for review.

B. Governance

- The Community Association Governance Guidelines was tabled until the next BOD meeting in March as Diane needs to make changes and present to the BOD for review and adoption.

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. The BOD did not take any action and the matter was tabled pending further clarification from the Unit Owner.

B. Purchase Orders

- None

C. Web Site

- Dave requested that the BOD look at the new web site by the next meeting and provide him with comments and suggestions. He also indicated that he needed the BOD to review the information contained on the site regarding the Master Insurance Policy to make sure that the information presented on the web site is accurate.

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

11. EXECUTIVE SESSION

A. Violations

- B. Delinquency Report
- C. Leasing Requests - None
- D. Contract Bids
 - 1. Audit/Taxes
 - 2. Wood Repair

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

12. MOTIONS FROM EXECUTIVE SESSION

- A. The BOD instructed the Manager to send a notice of violation letter to the Unit Owner.
- B. Robert made a motion to accept the proposal by DesRoches & Company for the preparation of the annual audit and tax return. Dave seconded the motion. The motion was accepted and adopted.
- C. Robert made a motion to table the approval of a bid for wood repairs in order to invite Target to bid on the job. Dave seconded the motion. The motion was accepted and adopted.

13. ADJOURNMENT

Robert made a motion to adjourn. Sharon seconded the motion. The motion was accepted and adopted. The meeting adjourned at 8:45 pm.

Respectfully submitted

Approved

Date