



# The Commons A Condominium Association

## Board Meeting Minutes – December 16, 2008

---

### **Location**

The Commons Cabana  
1400 Pebblebrook Way  
Virginia Beach, Virginia

### **Members Present**

Diane Standridge, President  
Tom Pelech, Vice President  
Robert Chapin, Treasurer  
Mike D'Ambra, Secretary  
Dave Grant, Member-at-Large

### **Members Absent**

None

### **Others Present**

Mike Minor, UPA Association Manager  
Joan Smith, Unit Owner

### **1. CALL TO ORDER**

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

### **2. UNIT OWNERS' FORUM (30 Minutes)**

One Unit Owner, 1641 CSW, was in attendance. She raised a concern about the landscapers driving their small vehicles in the flower beds. Mike Minor (UPA) will contact Lawrence Landscaping to address this issue.

### **3. RATIFICATION OF BOARD MEMBERS**

Robert made a motion to ratify The Commons Condominium Association Board of Directors members as voted on at the Annual Meeting of November 18, 2008. Dave seconded the motion. The motion was accepted and adopted.

#### 4. APPROVAL OF MINUTES FROM OCTOBER 21, 2008

The BOD reviewed the minutes. Dave made a motion to approve the minutes from the October 21, 2008 BOD meeting. Mike seconded the motion. The motion was accepted and adopted.

#### 5. FINANCIAL REPORT

Treasurer's Report, 12/16/2008, as of 11/30/2008

<b>BALANCE SHEET:</b>	
<b>ASSETS</b>	
Operating Account	\$ 9,794.61
Petty Cash	\$ 750.00
Operating Reserve	\$ 22,218.21
Replacement Reserve	\$ 298,837.74
<b>TOTAL ASSETS</b>	<b>\$ 331,600.56</b>
<b>LIABILITIES &amp; EQUITY</b>	
Loan from Replacement Resv	29,597.50
Equity	
Accum Operating Reserve	\$ 22,218.21
Accum Repl Resrv Interest	\$ 14,022.67
Accum. Replacement Reserve	\$ 284,815.07
Retained Earnings	\$ 15,792.08
Current Earnings	\$ -34,844.97
<b>TOTAL EQUITY</b>	<b>\$ 331,600.56</b>

<b>INCOME STATEMENT</b>	<b>VARIANCE</b>		
	NOVEMBER	YEAR TO DATE	YEAR TO DATE
Total Assoc. Income	\$ 24,324.11	\$ 304,748.37	\$ 1,278.50
Gen'l & Admin Expenses	\$ -5,612.95	\$ -66,770.72	\$ -742.59
Maint. Expenses	\$ -25,749.18	\$ -161,340.03	\$ -39,741.27
<b>Operating Income</b>	<b>\$ -7,038.02</b>	<b>\$ 76,637.62</b>	<b>\$ -39,205.36</b>
Interest Earned on Reserves	\$ -475.40	\$ -6,222.77	\$ 6,572.10
Transferred to Operating Reserves	\$ -1,068.08	\$ -4,680.81	\$ 7,068.07
Transferred to Replacement Resvs	\$ -8,539.83	\$ -85,398.30	\$ 8,539.83
<b>Net Ordinary Income</b>	<b>\$ -17,121.33</b>	<b>\$ -19,664.26</b>	<b>\$ -17,025.36</b>
Income from Water Sales(Nov.)	\$ 4,404.17	\$ 48,168.14	\$ -5,915.23
Cost of Water	\$ -7,283.61	\$ -31,791.91	\$ 16,208.09
Meter Fees	\$ -532.25	\$ -3,202.30	\$ 47.70
Sewer Fees	\$ -1,985.70	\$ -28,354.64	\$ -17,354.64
<b>Net Water Income</b>	<b>\$ -5,397.39</b>	<b>\$ -15,180.71</b>	<b>\$ -7,014.08</b>
<b>Net Income</b>	<b>\$ -22,518.72</b>	<b>\$ -34,844.97</b>	<b>\$ -24,039.44</b>

Notes:

1. There are no significant differences between UPA's accounting and the Treasurer's accounting.
2. The huge negative (unfavorable) variance in maintenance expenses is driven by the \$29,597.50 check for the back gate and the unbudgeted expense of the roof inspection, \$15,575.00, a combined, unbudgeted drain of \$45,172.50. In most corporations, the expenditure for the back gate would be carried to the bottom line as a depreciable asset, not as a maintenance expense. The rules are a bit different for condominiums because the corporation does not own the gate; the owners of the Units own the gate. Therefore, the gate can not be shown as an asset of the corporation and the check for the gate must be recorded as an expense. If the gate expense were backed out of the maintenance line, the maintenance variance would be a positive \$10,143.77. Most of the positive variance is attributable to under spending for landscaping extras and the fact that the November bill for the landscaping contract, \$4,694.60, was paid on the 1<sup>st</sup> of December.
3. The cost of the roof inspection, \$15,575.00 was not in the 2008 budget. The inspection was undertaken because of frequent repairs to our roofs over the last few years and the recommendation of maintenance experts at CAI seminars. The contract was competed as a labor and materials contract. The labor cost was fixed; the cost of materials was driven by the need for repairs. The contractor has provided a detailed report on the condition of the roofs and of the repairs made. Almost every Unit in the community had one or more problems with its roof.
4. It appears that all of the 2007 sewer fees have been paid. HRSD had a major crash of their accounting system in 2007 with the result that we have had to pay two year's worth of sewer fees this year. Thus, the major variance in sewer fees this year.
5. The "loss" of \$34,844.97 so far this year is not as troubling as it first appears. Buried in that figure are the cost of the gate, an improvement to the community, and the transfer of \$96,301.88 to various reserve accounts. Although our retained earnings will slide into the red at the end of this year, we will still be about \$94,000 ahead of last year.

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, 2008.

Robert W. Chapin, Jr., Treasurer

Robert noted that it appears part of the Roof Report is missing since blocks of Units were not identified as needing repairs. Mike Minor has been asked to investigate with the contractor to determine if the report is complete. Additionally, an inquiry was made as to whether the community gate should be added into the Reserve study. Robert will investigate this possibility and report his findings to the BOD.

The Association Manager's contract is valid through June 2009. The BOD will develop a proposal to investigate the possibility of securing a new association manager.

Mike made a motion to accept the Treasurer's Report. Tom seconded the motion. The motion was accepted and adopted.

## 6. OFFICER REPORTS

### A. PRESIDENT

- Has the master car registration form. New registration must have a form so the master list can be maintained accurately.
- Dispensed the dates for the 2009 BOD meetings – third Tuesday of every month.
- One Unit for sale is vacant and has not been maintained. UPA was asked to call the real estate agent concerning the cleaning of the backyard.
- The “C” in the main entrance Commons sign is missing.
- Inquired as to whether a Unit’s gate latch has been fixed. Tom will investigate and communicate with the owners.
- Asked all BOD members are to review their common keys and report missing keys to the President.
- Each BOD member should have a copy of current contracts in place.
- Tuesday prior to the BOD meeting send Diane items desiring to be on the agenda. Items not on the agenda will not be discussed.

### B. VICE PRESIDENT

- The second round of Unit house numbers are with the Maintenance Committee
- During the recent power outage, only the outbound gate opened. Mike Minor was asked to contact the contractor to investigate any problems.

### C. TREASURER

- No report

### D. SECRETARY

- No report

### E. MEMBER-at-LARGE

- Discussed the rat issue.
- There is no status to adding a Blog section to the Commons website.
- Dave’s goals for the following year are:
  - a. Would like to see more pre-Board discussions via email.
  - b. Look at all contracts and renegotiate if things are not going right.
  - c. Investigate having a watchdog to monitor contractors during daytime hours.
  - d. Develop job descriptions for board members; identify the duties of each member; look in CAI for examples and/or actual definition of duties and responsibilities of Board members.
  - e. Investigate SEVA CAI legislative committee regarding sending a representative to Virginia Beach City Council; Dave to contact Rebecca – get Mike on email list

## 7. COMMITTEE REPORTS

### A. COMMUNICATIONS COMMITTEE

- Dave discussed the status of the newsletter for January
- The next meeting will be held on Jan 5<sup>th</sup>.

### B. GROUNDS COMMITTEE

- Jerry Standridge is the new chairman of the committee – he is looking at the landscaping contract to ensure it is being properly managed and executed.
- Repaired the gate for a second time.
- Next community cleanup is Jan 3<sup>rd</sup>.
- The next meeting will be held on Jan 12<sup>th</sup>.

### **C. MAINTENANCE COMMITTEE**

- Current phase of the Unit's painting is complete
- Trim replacement
- Start 2009 maintenance plan
- Need bids to repair storm drain; this will be a February BOD agenda item.
- Review power washing of the Units.
- The next meeting will be held on Jan 8<sup>th</sup>.

### **D. SOCIAL COMMITTEE**

- Lacey has identified a needy family for this year's holiday gifts. All big ticket items, and items for food and the mother have been obtained, but she is still taking funds to support this cause.
- Dave discussed the Holiday family for next year and that he may be able to get a \$750 contribution from his company to add to our giving.

## **8. MANAGEMENT REPORT**

The BOD reviewed the UPA Management Report, and none of the Board members noted any issue with the report. The winter mulching has not been accomplished. The lights have been fixed. The BOD maintains its authorization to allow UPA to exercise up to \$1000 for emergency or miscellaneous repairs. Additionally, UPA has the BOD's approval to authorize storm door AAR's.

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

## **9. UNFINISHED BUSINESS**

### **A. Roof rats**

- Nothing has been seen outside of the two Units in question.

### **B. Lawrence Landscaping**

- The winter mulching has not been accomplished as indicated by the contractor. UPA will inform Lawrence Landscaping the mulching must be performed and the common areas cleaned prior to the holidays.

### **C. Committees for 2008/2009**

- Committee meetings are required to provide meeting minutes, which will be reviewed at the monthly BOD meetings.

### **D. West Bank of Lake**

- The issue of whether or not to trim down the foliage on the west bank was discussed. It was not trimmed last year to minimize the geese invasion during the spring months, but this achieved only limited success. Diane requested UPA receive a bid from the "contractor" to trim the plants to 6-8" in height without getting debris into the pond. This item will be tabled until UPA has received bids.

## **10. NEW BUSINESS**

### **A. Application for Architectural Review**

- UPA has approved a request from a Unit owner to install an approved storm door on their front door.

### **B. Purchase Orders**

- Robert made a motion to approve a purchase order in the amount of \$34.33 to reimburse Tom for tools and hardware required to perform community maintenance. Mike seconded the motion. The motion was accepted and adopted.
  - Dave made a motion to approve a purchase order in the amount of \$65.52 to reimburse Robert for PVC pipe and a post-hole digger required to perform community maintenance. Mike seconded the motion. The motion was accepted and adopted.
  - Tom made a motion to approve a purchase order in the amount of \$13.60 to reimburse Dave for printing material. Mike seconded the motion. The motion was accepted and adopted.
  - Robert made a motion to approve a donation in the amount of \$100.00 to Tallwood High School for the use of the Schola Auditorium for our October and November community meetings. Dave seconded the motion. The motion was accepted and adopted.
- C. Goals/Projects for 2009
- Diane asked each BOD member to think of a project to spearhead through completion and to draw in other members of the community to support in the effort.
  - Robert shared his goals for the year:
    - Unit Number Boards
    - Review Insurance Policy for the community
    - Get a chairman for the maintenance committee
    - Finish Treasurer's Handbook
- D. Members' Responsibilities for 2009
- Diane prepared Board Member assigned responsibilities for 2009.

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. Bids
- D. Leasing Request

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

## 12. MOTIONS FROM EXECUTIVE SESSION

- A. Violations:
  - Robert made a motion to send a violation letter to a Unit Owner for failing to keep their trash container within the Unit garage or fenced area outside of the allotted times during trash pickup days, and for storing it for multiple consecutive days in front of their Unit. Mike seconded the motion. The motion was accepted and adopted.
- B. Delinquency Report
  - Tom made a motion to refer a Unit Owner for collections for unpaid assessments. Mike seconded the motion. The motion was accepted and adopted.
  - Diane requested UPA verify the status of collections for unpaid assessments on a Unit Owner that was previously referred for collections.
- C. Contract Bids

- Lawrence Landscaping: Tom made a motion to accept the bid for Lawrence Landscaping to replace one Red Maple tree as long as the bid includes the removal of the existing stump. Robert seconded the motion. The motion was accepted and adopted.
- ARM: Robert made a motion to accept the bid for Aquatic Resource Management, Inc. to perform scheduled maintenance on the two pond fountains. Dave seconded the motion. The motion was accepted and adopted.

D. Leasing Request

- Tom made a motion to deny a request to lease a Unit due to hardship and to place the Unit on the waiting list for leasing Units. Dave seconded the motion. The motion was accepted and adopted.

E. UPA Contract

- Robert made a motion to open the management contract for competitive bidding. Dave seconded the motion. The motion was accepted and adopted. Mike will write a draft Request For Proposal (RFP) for review at the Feb BOD meeting.

**13. ADJOURNMENT**

Tom made a motion to adjourn. Dave seconded the motion. The motion was accepted and adopted. The meeting adjourned at 10:29 PM.

Respectfully submitted

\_\_\_\_\_

Approved

\_\_\_\_\_

Date