

NEWINGTON COMMUNITY ASSOCIATION
BOARD OF DIRECTORS' MEETING – November 4, 2009
Minutes of the Meeting

At 7:00 pm the meeting was called to order by President John Peirce. Board members in attendance included Vice President Liz Fernandez, Treasurer Chip Catherine, Director Rita Steele, Director Nestor Fernandez, Director Sarah Jernigan, and Director John Nolan.

APPROVAL OF MINUTES

Treasurer Catherine made a motion to accept the minutes of the October 7, 2009, monthly Board meeting. Director N Fernandez seconded the motion. Vote 6 yes, 1 no.

HEARINGS AND APPEALS

Lot 409, 476 and 533 were not attendance for a scheduled hearing.

Late in the meeting a resident stated that she had received a letter stating she was going to be fined for a trash violation. She didn't put it out early and perhaps a guest had done it.

President Peirce gave the floor to Vice President L Fernandez who read a statement to the community that she wants attached to the minutes. In summary she felt that John Nolan wrote an inappropriate article for the newsletter with the Community Manager's support. When finished the Community Manager stated that she had told the Board President twice that John Nolan wanted to write an article and she was told he could write anything he wanted. VP L Fernandez questioned the amount of information the CM gave to the President. President Peirce acknowledged that he was told and should have reviewed and read the article.

PRESIDENT'S COMMENTS

None

COMMUNITY FORUM

NCA owner who does not reside here said that she has dealt with multiple management companies and that NCA has the best and cheapest set up of any community and our dues are comparable. She feels negative owner's equity is a problem.

David Randall stated he was applying to fill the vacant Board position and would provide his letter to the Board as an addendum to the minutes. In summary he has lived and been active volunteering in the community for 16 years. He asked to be on the budget committee at the annual meeting and has not heard back from anyone yet there is a budget published in the newsletter. He asked if this was the right time for budget questions. He questioned the budget lines of major contract items such as a zero increase on grounds and trash and 25% increase on accounting and 10% increase on pool. He has worked on other Boards with management companies and believes you get less service for more money.

Response to email to Board:

Q. Why is nearly 10% increase in pool contract? A. That is a figure the Community Manager provided back in July.

It was stated that the Board has had bids for two months that are much lower and that the number should have changed.

Q. Why is the trash contract budget significantly lower than 2008 actuals? A. Again info from CM said max would be 8% increase.

It was clarified that the trash budget doesn't show an 8% increase but a zero increase and why was that line changed but not the other.

Q. Why was accounting increased by 24%. A. Because of the resignation of the CM.

Q. General counsel dropped by 5%. A. Because it was reasonable.

Because of comments about the inaccuracy of some of the budget lines, VP L Fernandez stated budget was not a first priority. President Peirce said there are no issues with the base figures so they can move money from line item to line item later. The argument was that there is an expected excess when over budgeting line items and what was going to be done with it. Discussion turned to concern about streets and how street reserves were not increased when needed. The question was then raised as to why budget increases are in the operating budget, not the reserves. There was discussion about moving funds at end of the year.

Owner's Equity was explained as the cumulative balance of past year's budget overages and excesses and currently NCA has a negative. Additionally it was mentioned that delinquencies are not considered and budget is based on getting 100% of all assessments.

At this point Al Roy was in attendance and was invited to address the Board on his interest in filling a vacancy on the Board of Directors. He has been a VP and a Treasurer on this Board and resigned for a number of reasons. He stated that reserves are a challenge and he has a finance background. He was open to any questions.

EMAIL VOTES THAT OCCURRED SINCE LAST MEETING

Abandon recommended paths for inclusion in path repair RFP. Vote 7 yes.

COMMITTEE/BUSINESS REPORTS

Architectural Committee

The Committee has finished Newington Place and have done their final walk throughs of the year. They will finish the DeLong side of the community in March.

Planning and Development Report

Rolling Road work continues. Mr. Tobat shared his observations with the Board. He has heard there will be parking issues at the new buildings and it will effect the traffic in the area. Parts of Fullerton Road will be closed while the cloverleaf is being put in.

A question was asked about the tractor trailer on Rolling Road. The police can be called after 48 hours of being parked on a County street in a residential neighborhood.

Community Manager Report

General

- *NCA Vehicle Tickets: 2*
- *Disclosure inspection(s): 7744 Matisse Way, 7720 LeMoyne Lane, 7745 Durer Court*
- *New Violation letters: TRASH (0), RULES (0), ARCHITECTURAL (7).*
- *Pool has been winterized*
- *Community Manager rescinded resignation*
- *Assistant Community Manager is out due to surgery for next six weeks*
- *Vandalism at pool. Damage consisted of broken handle on pool doors*
- *Arranged to meet contractor on new fence at pool*
- *Met with a handyman/general contractor on pool house improvements*
- *Engineers have marked trails with NCA/County approximate property lines for purposes of contacting the County about repairs.*
- *Meeting set up for Board to meet pool bid contractors*
- *Responded to Landscaping Committee on their questions*
- *Reserved Friday, December 11th at school for holiday party*

Resident Complaints/Issues:

1. *Men that hang out at corner of DeLong and Kitchener*
2. *Furniture was dumped on community grounds behind home*
3. *Late fee waiver request. Letter will be sent stating they may address the Board at a monthly meeting.*

GENERAL BUSINESS - OLD

Pool Contract Bids – President Peirce stated that Titan has come in as the lowest bid and they have a good payment structure. The cartridge filter system could be replaced with a sand filter system and still cost us less than the next bid. It was mentioned the community remove chlorine from the contract since contractors limit how much they use to save money. There was a question on references. It was noted that most of the contractors use foreign nationals in their work force. All pool companies require guards to also have an operator's license. Treasurer Catherine made a motion to accept the pool management contract and pool filter replacement contract of Titan. Director Jernigan seconded the motion. Vote 7 yes.

Architectural Standards revisions – It was stated that clear and white bulbs are the same thing and that the revisions will be voted on at the next meeting. There was a question about what 'typical garden statuary'. It was explain that is was mushrooms and rabbits and things like that. There was a question about what was grandfathered and it was mentioned that burden of proof was the issue. Director Steele stated that Article I, Section 1 of the Architectural Standards addresses resident's concerns about a grandfather clause.

Budget discussion was tabled for later in meeting.

T-bill expired in June – A \$100,000 T-bill expired on June 15th. Funds are sitting in the sweep account with a .01% interest rate. The Board approved a one month t-bill but the

cost exceeded the interest that could be earned. New rates were provided. There was discussion about going to CD's and municipal bonds.

Accounting contract was tabled. President Peirce needs more time to review proposals.

Secretary vacancy – Director Steele made a motion for Director Jernigan to fill the role of Secretary. Director N Fernandez seconded it. Vote 7 yes.

GENERAL BUSINESS - NEW

Registered Agent - There was discussion on the role of a registered agent. Our general counsel is not our agent. The registered agent receives all official paper work for the association. Treasurer Catherine believes it is important that our general review our articles, amendments, covenants and bylaw to ensure they are correct and there are no conflicts especially with regard to voting rights. It was considered that our attorney may already have an opinion in their files especially the files that were transferred from the previous general counsel, Segan, Mason to our current general counsel, Rees Broome. The CM will get copies of the files and an approximate cost to have our governing documents reviewed.

Common grounds improvement – The CM presented the Board with \$6,500 worth of common grounds improvements which include revamping the pool garden bed and some replacement trees where others had been removed. She stated the Landscaping Committee has not presented anything to the Board for improvement but had mentioned removing trees that effected curbs and gutters. Director N Fernandez stated plant quality is inferior this time of year. The CM explained the purpose of the dedicated improvements line was for improvements and if tree removals were wanted than the tree budget would have been increased. There was discussion about not spending the line at all and that there is no plan in place for curb and gutter repairs. The recommendation will taken under consideration.

A resident stated that he has a concern with the curb in front of his home on Moline because of the number of cracks in the concrete.

The Board recessed to Executive Session at 8:45 pm to discuss hearings, contracts and personnel.

(See Executive Session minutes).

Public session reopened.

Budget - It was discussed that the assessments will remain the same as last year that only budget line items will be moved around.

It was stated there is a budget committee meeting at 7 pm on November 11th and they will add a Board meeting at 8 to finish Board business not completed tonight.

The audience had concerns about the budget and the manipulation of lines. Based on the number provided there would be excesses and residents wanted to know what was going to be done with the excesses. There was a concern the money would be moved to reserves. There was a concern that you can't approve a budget when you don't know how it is going to be spent. If trees and reserves are the issue then why weren't those lines increased. There was discussion about renegotiating contracts. The Budget Committee Chair was asked if the line items presented to the community were different than her budget. She stated she hasn't reviewed it line item by line item.

Director Jernigan asked for everyone's patience since a majority of the Board was fairly new.

When asked if there was anything preventing the Board from passing the proposed budget, it was stated there wasn't. Director Jernigan made a motion to accept the budget presented to the community. Director N Fernandez seconded the motion. Vote: 7 yes.

The Board adjourned to Executive Session to discuss Board vacancies at 9:45 pm.

November 4, 2009
Statement to the Community
(To be included as an attachment to the November meeting minutes)

The November NCA newsletter included a letter from Board member John Nolan. This letter is inappropriate content for the newsletter, and was not properly approved for inclusion. However, with the assistance of our Community Manager, Ms. Randall, it was published, delivered to homes and posted on the web site. It was unprofessional and unethical for Ms. Randall to have facilitated this.

Mr. Nolan has the right to voice his opinion. He does not have the right to misuse Association resources or funds to voice his personal dislike of others in the community. Ms. Randall was remiss in her duties as the Community Manager by letting her friendship with Mr. Nolan and her dislike for others drive her decision to publish Mr. Nolan's letter. Mr. Nolan and Ms. Randall should be required to reimburse the Association for the copy & production costs of the November newsletter.

Attachment to the Minutes dated November 4, 2009:

Hello,

My name is David Randall. I would like to thank you for the opportunity to talk with the board about the current vacancy. I have lived in the community for over 16 years. I have served on three separate Board of Director's (Condo's and mixed units TH and SFH). In the past, I have been on this board, serving as vice president (one year) and as president (two years) and completing those terms. In addition I have been on the Recreation committee and the Ad Hoc Committees for both the Tot Lots and the Community Manager's office project. Some of you may not be aware but the Community Manager's office at one point in time was located in a resident's house before it was moved to Parcel Plus and then moved to our own office after it was built. I have coached sports that included children from this community. I would suspect that some members of the board are concerned about having the Community Manager's husband on the board but there is no reason for that concern. I have worked in the past for the betterment of this community and want to again.

I attended the annual meeting and there was discussion from the board about the health of our community. The discussion at the time used landscaping and reserves as the definition for the health of our community. I asked a question on the financial health of our community, specifically the amount of delinquency from our membership. I believe that is a very important part of the health of our community. I never received an answer. I had read the past newsletters and was somewhat surprised when no budget was discussed. So I volunteered to be on the budget and finance committee as a way to help plan the financial health of the community. Since that time no Budget and Finance Committee meeting has been held. A budget has been published in the newsletter without it being presented and discussed in either a Budget and Finance committee meeting or at a Board of Director's monthly meeting. I question whether all the board has seen the budget before it was published. Now I understand that a Budget and Finance Committee meeting has been scheduled for November 11th. What is the purpose of the B&F.? I have questions concerning the budget. Is this the appropriate time to discuss? In the past when I prepared the budget for NCA, we had several existing contracts that were for multiple years. These contracts included increases that are pre-negotiated. Several of the major contracts have no stated increase (Trash removal and Grounds Maintenance). Is this how the current contract is stated? In addition the accounting contract is listed as a 25% increase while the pool contract is listed as a 10% increase. From reading the meeting minutes, no accounting contract or pool contract has been selected. What is the rationale for this increase? Does the board plan on moving money from the operations budget in the reserve account? The shortfall in the reserves has been stated as a priority in previous meetings. Is the board going to present some analysis of the proposed budget and contracts?

As I stated before I have been on several boards, I have worked with Management Companies. I do not support going to a management company for the community because it is much more expensive and there is much less service provided for the additional cost.

If there are no questions for me, I would like to thank the board again for their time.