

NEWINGTON COMMUNITY ASSOCIATION
SPECIAL BOARD OF DIRECTORS' MEETING – November 11, 2009
Minutes of the Meeting

At 8:06 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 and were introduced to the audience.

COMMUNITY FORUM

A resident stated he was in attendance because of a flyer on his door regarding the hiring of a management company and that this may be a direction that only benefits Board members. The Board was unaware of any flyers in the community and when presented with copies read them to everyone in attendance. (See attachments). The audience was asked to keep their comments to expressing their concerns and no attacks against individuals.

Statements/questions made at meeting (A = Association member, B = Board member)

A. So many people are in attendance tonight because it seems the Board is considering replacing the Community Manager and existing Financial Manager with a full management company which was not stated in the last meeting agenda.

A. What was purpose of last Board meeting Executive Session? Members should have full access to issues the Board is discussing..

B. The Board has the right to discuss contracts and personnel issues in Executive Session but can't vote in Executive Session.

A. An overriding concern is transparency and that seems to be an issue. Better communication of the Board's plans are needed. Only partial minutes are included in the newsletter.

B. Full minutes are on website.

A. Members have rights to see records of the Association, correct? Going back to budget meeting, President and Treasurer are getting monthly financials and didn't they get delinquency reports with those statements?

B. Board is not answering questions, just allowing community statements. President Peirce is only aware of last month of receiving financials. Vice President states CM was not providing delinquency information requested.

A. Who is on Budget Committee?

B. Chip Catherine, Liz Fernandez, Nestor Fernandez, and Al Roy were at first meeting on July 12th. Follow up meeting did not work into anyone's schedules. Budget was finalized by email but there were no additional meetings.

A. Due diligence by the Board is expected and would include more than email correspondence.

B. Board was in a state of flux in August and a budget was needed but NCA is capped by CPI. Bottom line is looked at, not line items.

A. Pool needs to be taken care of money needs to be planned. Additional questions were asked regarding the pool.

B. Changing line items has not previously been done.

A. Why do we not want our CM, and to spend more money for another company. Why change it?

B. Everyone under impression Board will change, but we need to review proposals first and it may be a good idea.

A. Want to know what is going on when everyone is satisfied with how it is managed.

B. Started with resignation of CM.

A. It was rescinded.

B. Switching to full management has been mentioned several times over past 25 years.

A. Why did we say no in past, because we don't want it. Should be tabled until more information is shared with community.

A. The Board spent a year last time full management was considered and best action was an in-house Community Manager. Board shouldn't consider companies that create a conflict of interest.

A. No one should be subjected to the treatment that the CM is being subjected to. No options should be considered, we have a CM, she's cheap.

B. If she leaves what options does the Board have?

A. Don't make the decision so quickly. Full management is very inefficient.

A. If something happens to Lori, do what was done previously, run ads and interview before going to plan B.

A. Resident thanked the Board and Lori for all they do. Lori, do you want to stay? 'YES'. The residents care about this community and this is important to us and we have a CM that has a passion for the job. The solution is to keep everything as is. Why are we fixing what is not broken?

A. NCA does need management back up and should look to future. Our financial manager could provide back up.

A. Not saying 'no' to full community management but when subject comes up again in future, it is a significant change and consideration of contracts in Executive Session is ok but talk about what is offered in the open.

B. The option was addressed with Summit and they could bring a Portfolio Manager on. CM left due to a tense situation and being on firing squad from Board.

A. Give her respect since she has experience and the Board is new and second guessing what she has done.

B. We need to resolve root of problem.

A. What is root of problem?

B. Looking at all options and how to make interactions smoother and more effectively, i.e., job descriptions, outlining rules and responsibilities.

A. The Board members turn over quickly. Lori is mainstay and new members need to be considerate.

A. Board should not criticize CM in public. When in open meeting, it is an insult to the Board. CM has many things to prepare. Board depends on her and Board owes her respect. If insulted they owe her an apology for being so critical in public. Issues should be handled in private to the President who makes decision on what to present to the CM or the public.

- A. Are we tabling full management idea for next year? Shouldn't be discussed any longer and we are not being represented. This is not a representative government but it should be made that way.
- A. Public attacks should not be in meetings or in newsletter. Seems Board is after each other and presenting it to public. Can anyone write a letter in the newsletter?.
- B. Director Steele she was not given the newsletter to proof. It was wrong.
- A. Newsletters are very divisive. Everyone quitting and fines are lofty and negative.
- B. Minutes were condensed because it was too much information.
- A. Can't have too much information.
- A. A concern about landscaping and charging.
- B. Volunteer labor was solicited, not at a charge.
- A. Anything about telling names of companies that submitted full management proposals?
- B. This is community Forum and not going to answer all questions.
- A. Are you tabling full management?
- B. Board is going into Executive Session to discuss accounting contracts, common grounds proposals, board vacancies, including CM.
- A. If you go forward, residents can take action to remove.
- A. Is list of contractors on agenda, is it complete list of what is being discussed in Exec Session?
- B. We will also discuss Procam, KPA, and CFM Management.
- A. Any affiliations to Board members?
- B. KPA is management company for the property that Vice President Fernandez manages but she is not employed by company.
- A. Proposals for hiring management company should be tabled. Can you assure us your discussions in Executive Session are only homework for potential replacement when that becomes a necessity.
- B. Not misleading anyone. Board will discuss their options. Understand feelings of everyone in room. Can't make a decision to table until they discuss proposals.
- A. Will decision be made after everyone leaves? Do we have records of how decisions have been made in past? To work in a community and state that you're not an employee does not dispel that it is not an arm's length relationship. There is a Code of Conduct that addresses 'conflict of interest' and these should be reflected in minutes and records.
- B. KPA is being dealt with at arm's length.
- A. Community elects Board and every lot has one vote. On Board one lot has two votes.
- B. Liz was voted in Annual Meeting elections in August and Nestor was appointed to a vacant slot. We were begging for Board members.
- A. Spirit of bylaws should be upheld. Agenda is not published. Emails are not recognized.
- A. Concern about taped meeting.
- A. Two volunteers stepped up a month ago. It was tabled at last meeting. Tabled when it would have behooved the board to have a full roster.

The Board adjourned to Executive Session to discuss accounting bids at 9:15 pm.

The Board reconvened from Executive Session at 10:50 pm.

Regarding the two Board vacancies, President Peirce made a motion to accept David Randall as a Board member. Director Steele seconded the motion. Vote: 1 yes, 6 no. Secretary Jernigan stated her reason is because the wife of David is an employee of the Association. The audience responses were the Community Manager has no vote and there already is a husband and wife on the Board.

Director Jernigan made a motion to accept Al Roy as a Board member. Director Steele seconded the motion. Vote: 6 yes, 1 no. Audience members stated they wanted a reason he was accepted when he was late for November 4th meeting and left early, and then left immediately after the November 11th budget meeting and didn't stay for the November 11th Special Board meeting which doesn't show any commitment. Another comment was made that Al Roy sent emails to the Community Manager's home address accusing her of lying and stating he had no respect for her.

There was discussion on the use of the \$7500 common grounds improvement line. Director Fernandez stated that trees had to be a top priority that are pushing up curbs. He stated we should get two other bids since the quote he has exceeds the budget line. The policy on trees came up. Bag worms need to be addressed in May or June. Director Jernigan made a motion to solicit additional bids. Treasurer Catherine seconded it. Vote: 7 yes.

Director Catherine made a motion to ask Summit Management for a proposal in 2010 for a full time Portfolio Manager like other three bids and attempt to table the issue of replacing Lori Randall until more information is gotten from Summit and to allow time for Lori to work with Board. Director Jernigan seconded the motion. There was discussion about notice needed on existing Summit contract and transition time.

Director Catherine made a motion to not give Lori two weeks notice, to table the replacement issue and getting a proposal from Summit Management, because they have asked to bid on full management and get a three month on Summit's existing contract. Director Steele seconded the motion. Questions were asked on when the new service would start, 2010 or beyond and if this was in the budget.

Because a vote was not taken on the first motion, a vote was held. Vote 7 no.

Director Jernigan made a motion to request a proposal from Summit for a full time Portfolio Manager and three month extension of existing accounting contract with the plan to look at multiple proposals over the next three months. Treasurer Catherine seconded the motion. Vote: 3 yes, 2 no, 2 abstain. Motion fails. There was discussion on if the motion passes or fail. The motion fails because a majority of Board members present were not in the affirmative.

President Peirce called for any other motions and then a motion to adjourn. Director Nolan ask Lori Randall the cost for herself, an assistant and Summit Management. She responded \$39,000.

A resident stated this Board needs to write a letter in the wide open, in the newsletter, so that everyone in the community knows what is going on regarding their plans and they should not be making decisions in one week.

Director Jernigan made a motion to adjourn which was seconded by Director Steele.
Vote: 7-0.

Meeting adjourned at 11:15 pm.

To All Fellow Homeowners in Newington Community Association,

On September 4th the Community Manager resigned due to a complete lack of professionalism and respect from a few Board members. After the October Board meeting, my concerns about the direction of the Board grew. I was extremely concerned about the discussions especially pertaining to bringing in a management company. There was never one comment from the Board about hiring a new employee. I convinced Lori Randall to rescind her resignation which she did on October 30th so, at present, she is still the Community Manager.

At the November 4th Board meeting, the pursuit of a management company was not on the agenda, in the budget nor was there any discussion on this matter. The financial management contract was on the agenda for the second month and not voted on despite the fact that there is a bid from our current financial company which is less than previous years and half all other financial management bids. **During Executive Session when no residents are allowed to participate and the Community Manager was asked to leave the meeting, full management proposals were distributed to the Board.**

The Board is having a Special meeting on Wednesday, November 11th at 8 pm. Besides discussing unfinished business from the meeting of the 4th, this Board **can** (and I believe will) vote to terminate the employment of the Community Manager and replace the existing financial management company with a full management company that would hire a new Community Manager at great expense and reduced service to the community.

Everyone who cares about the direction of the community and has a concern about the Board's behavior must attend that meeting!

David A. Randall
Resident
Former NCA Board President

OUR 2010 ASSOCIATION BUDGET

I attended the Board meeting on November 4 since the budget was on the agenda and I was concerned about a few line items and the fact that the recent Board minutes seem to indicate that the Board was discussing hiring a MANAGEMENT COMPANY. I left the meeting completely confused about how the budget was generated. And after reading the following, **does the Board think they can present a budget to us, adopt that budget and then change it**, perhaps by adding a line for Management Company and hiring one without giving us home-owners a chance to express our opinions on this drastic change?

Examples of concerns

Contract – Pool

2010 budget indicates \$**57,500** yet at the meeting the Board voted to accept a contract (including pool filters) for \$**51,580**.

Grounds Maintenance Contract

2010 budget indicates \$**101,515**. This contract is multi-year and has a **2% increase** stated but the **increase was not budgeted for**

Accounting and Bookkeeping

2010 budget indicates \$**19,220** yet the Board Packet included 5 bids with your current company for \$**12,100**

Community Manager

2010 budget indicates \$22,050 for Community Manager. See comments below.

Common Area Reserve Contribution & Street/Curb Reserve Contribution

2010 budget indicates **no increase yet the Board acknowledges the reserves are under-funded**

What did or did not happen at the meeting

When I asked if the Board performed a line-by-line review before formulating the budget, I got “deer in the headlights” stares

When asked if the Board reviewed the budget before it was published in the November newsletter, there was no response.

The wife of the husband & wife Board member team is the chair of the Budget Committee and stated that she tried three times to get the committee to meet. Since they never met, that would indicate that a single Board member prepared this budget and submitted it for inclusion in the Newsletter. Incidentally this Board Member is a Community Manager as a profession.

When discussing tree maintenance, the husband of the husband & wife Board member team stated that several trees in the community were causing problems with the sidewalks. When I asked why that line wasn't increased, I got no response.

Since Board acknowledged that our Reserves are below the appropriate level, I asked why those lines weren't increased. Response was that the operating budget needed to be funded!!

What is going to happen when future repairs/replacements are needed and we haven't set aside sufficient funds?

The line for Community Manager was increased slightly. When asked why there was no call for a replacement in the October and November Newsletters, again no answer. I stated that indicated to me that the Board intended to keep an on-site Community Manager and not hire a Management Company since none had been budgeted for - - again no comment. Incidentally the Community Manager had resigned but has since rescinded that action.

Although the Board voted on the pool contract, it deferred awarding the Accounting contract until the special Board meeting this Wednesday at 8:00. Why? Could it be that if a Management Company is hired they would handle this function??

Strangest thing that occurred was that a **Budget Committee meeting** is scheduled for this Wednesday at 7:00. Since the **budget was passed at the November 4th Board Meeting, what is the purpose of this meeting??**

I personally think the on-site Community Manager and a company providing accounting and dues collection is working fine. Management companies managers are responsible for more than one Association and are not available as much as our Community Manager. If we had an on-site Manager devoted strictly to us, I shutter to know the cost. I deal with several communities (with off-site management) and offer following information:

284 townhouse community has no pool and County trash pick-up. Even though that is two less contracts for Management Company to solicit bids and monitor, that community pays \$36,000 for off-site management.

396 townhouse community has a pool and trash contract. They pay \$42,400 annually for off-site management.

With over 600 homes in Newington Community, what do you think it would cost us to hire a Management Company?

If you think our present system is fine, (costs \$40,000 annually) and **don't want your Board hiring a Management Company**, you need to **attend both meetings scheduled for this Wednesday**. Hope to see you there!!

Louise Whitt (703) 960-0428
Landlady in NCA since 1983