

NEWINGTON COMMUNITY ASSOCIATION
BOARD OF DIRECTORS' MEETING – September 4, 2013
Minutes of the Meeting – NCA Pool House Meeting Room

At 7:00 pm President Smith called the meeting to order. Board members present were President Mike Smith, Vice President Beth Rodriguez, Treasurer and Secretary Louise Whitt and Director Chris Hammel. Director Charles Thomas was not in attendance.

COMMUNITY FORUM

A resident wanted to address the board regarding trees on her street, Brandeis Way. Last week a branch fell out of a tree on to a car during a storm. There are two trees whose roots are raising the curb. The parking lot is sunken. The resident would like to know when the trees will be removed. She felt the hedges along the street are over six foot tall and need a hard prune. She wanted to know how many people were behind in their assessments. The resident was told this information is confidential and does not have an effect on the budget line for tree work. She was concerned that informing the community, through the minutes, of write offs would encourage others to not pay their assessments. She also felt that people do not take pride in the appearance of their yards because a majority are not neat looking and that turning the front yard into a patio should not be allowed. The resident wanted to know what year Brandeis asphalt would be repaired but was told there is a not a schedule of streets and years, only a priority schedule. Brandeis is not next on the priority list. It was noted by the Community Manager that it is good that Brandeis has not been resurfaced because the water authority recently painted and cut the street up to mark the entire street for water pipe replacement. She stated water main breaks have been more prevalent on Brandeis/Lodge than any other street in the community in the last six years.

PRESIDENT'S REPORT

All Board members were introduced to those in attendance. President Smith stated he wants to change employee compensation and how we treat employees. He sent an email out that was interpreted as an insult which was not his intention. He wants everyone to know the philosophy he will be bringing to the board. He is from an economically depressed area of southwestern Virginia but through hard work his family was able to climb out of a life of poverty. He retired a few months back but the company has asked him to return full time and he has. He wants to get more familiar with what management does. His philosophy is to be the best, and most efficient he can be no matter what task he takes on. He believes in order to achieve that, everyone needs to work as a team. He would like the board meetings to be civil, informal and conversational and although he expects differing opinions, he appreciates everyone's thoughts, even from those outside the Board.

APPROVAL OF MINUTES

Some minor grammatical and typographical changes were mentioned. Vice President Rodriguez made a motion to accept the August 7th monthly meeting minutes as amended. Treasurer/Secretary Whitt seconded the motion. Vote: 3 yes, 1 abstain. President Smith made a motion to accept the August 8th annual meeting minutes. Vice President Rodriguez seconded the motion. Vote: 4 yes. Vice President Rodriguez made a motion to accept the August 8th special board meeting for the election of officers. Treasurer/Secretary Whitt seconded the motion. Vote: 4 yes.

HEARINGS

No one was in attendance for violation hearings.

COMMITTEE/BUSINESS REPORTS

Treasurer's Report, Louise Whitt

Treasurer Whitt had no report.

Community Manager (CM) Report, Lori Randall

General

- *NCA Vehicle Tickets:*
- *Disclosure inspection(s): 7733 Durer, 8375 Luce, 8451 Kitchener*
- *Exterior Project Requests: 1*
- *Prepared a budget from management for the budget committee.*
- *Hosted Lee Football team at pool.*
- *Annual tree assessment completed by arborist.*
- *New Computer for office. Already had monitor.*
- *Special board meeting scheduled for discussion of the budget.*
- *New Board member, Charles Thomas, in hospital with serious medical condition.*
- *Attorney has put us on notice that a resident has contested delinquency lawsuit and court date has been stet. Summit has been put on notice.*
- *Approved request for bank confirmation for auditor.*
- *Came in Monday morning to a broken valve in meeting room bathroom. Water seeping out of building. Replace hose but will probably get drywall repaired as well. (Note: drywall is solid, so will paint the bathroom)*
- *Getting electrician to fix health department violation – exposed wires in breaker box that need a filler plate added.*
- *All of Brandeis and part of Lodge court are all marked and cuts have been made in asphalt from entrance to exit by the water company. Appears they are replacing water line under the entire street.*

Resident Complaints/Issues/Comments

- *Followed up on complaint about delinquent account being sent to attorney for collection. Requested waiver of attorney fees.*
- *Residents don't take pride in their homes. Front yards look awful. NCA needs to do more to get front yards looking nice.*
- *Tree dropped a branch into parking space. CM moved it into common area. Will call the tree company.*
- *Significant amount of trash dumped in wooded area between backs of Kitchener and Durer next to tot lot. Residents ended up cleaning it up.*
- *Resident sold home and was moving and wanted reimbursement for guest passes or to transfer them to someone else. CM agreed to transfer. Note: Need to clarify in pool rules but think policy should state no refunds and credits can only be transferred that were purchased in the current year.*
- *Resident received letter from attorney for delinquent account but felt she reported her new address and NCA didn't do enough to reach her before sending to legal counsel.*
- *Resident told guards RV lot lock was broke. CM looked at it but didn't see anything wrong. Exposed cable behind home on Durer.*
- *Wanted access to tennis court over weekend but it was locked.*
- *RV lot lock gone. Have purchased new lock but need to get it welded to chain.*
- *Car's front passenger window broken on Durer. Any other reports of this problem?*
- *Tree branch came down in storm onto two cars. Resident removed from cars. (CM having branches on ground removed). Would like to request more branches or tree be removed without formal petition. (Formal petition will be necessary since it is a healthy tree, was pruned last year and not on current arborist list for action).*

The CM provided an update on NCA's newest board member, Charles Thomas. He is still in the hospital and his recovery looks to be a very slow one. The CM didn't feel the board will need to declare the office vacant until another board member is found which would have an effect on quorum

or unless there is a concern of what information is being emailed to him as a board member. Treasurer/Secretary Whitt asked about the status of the non-judicial foreclosure case. The CM will follow up on that question.

GENERAL BUSINESS – Old

Trail and Stream Crossing Project; Step 1, Design and Permit – The Board has approved spending \$85,000 for path repaving and relocation in the 2A section of the path repair report and repair two stream crossings. The additional permit and design costs for a bridge are approximately \$5000. The Board decided to relook at their plan to approach this work. The CM recommended changing contractors for the path repair which is a savings of \$10,000. They can then rebid the stream crossing repairs after getting the design finalized and aim for a spring completion. The asphalt repairs on Red Ash and Matisse will have to wait until the stream crossing work because Red Ash and Matisse are construction access locations into the woods. Treasurer/Secretary Whitt made a motion to accept the lower bid for path repair at \$45,000. President Smith seconded the motion. Vote: 4 yes. Vice President Rodriguez made a motion to incur \$5,000 in expenses toward engineer design and permits for a bridge of stream crossing 1. President Smith seconded the motion. Vote: 4yes.

South County Federation – The Board discussed whether to join the South County Federation, an organization of multiple homeowner associations. Unless someone from the community is willing to attend the monthly meetings, there doesn't seem to be a reason to do so. The CM will put a notice in the newsletter to see if anyone would be interested in volunteering.

GENERAL BUSINESS – New

Employee Compensation Plan Revision – Currently the employees get annual increases on their employment anniversaries and annual bonuses at the end of the year. President Smith felt the payment structure complicated the budget process and should be revised making the positions more professional as salaried employees. There was discussion about lumping all pay into one number. NCA would need to follow federal law, specifically the Fair Labor Act. The CM will forward the online links for this information to all the board members. President Smith made a motion to move the employee anniversary to January 1 to follow the budget year term. The CM asked if this change would affect future increases and bonuses and recommended putting into writing how increases and bonuses are earned. The board discussed and agreed to create a separate budget line for employee bonuses. A past board president stated a previous board had adopted the plan that the CM budget line would be increased 5% every year. This level of increase has not been given to the employees for the past two years. Director Hammel seconded the motion. Vote: 3 yes, 1 no.

Audit Services Contract – NCA has used the audit firm of Ahlberg and Company for many years. Since the retirement of Jim Ahlberg, the yearly fees have gone up. Two additional auditors submitted bids for services last year. Of those two only one was willing to resubmit this year. That bid is \$200 less than our current fee which is expected to go up. Vice President Rodriguez made a motion to accept the bid for audit services of Daly, Hamad at \$3300 for 2013 and \$3400 for 2014. President Smith seconded the motion. Vote: 4 yes.

Financial Statements Questions for Auditor – The CM wanted to inform the board on two concerns she brought to the attention of the auditor. First, every year we evaluate our bad debt and create a provision for bad debt. The increase to the provision comes out of the bad debt line in the operating budget. During the year, if there is a write off, it too is taken from the bad debt line and then the auditor makes the adjustment later. The auditor felt all write offs should reduce receivables and the provision, not bad

debt expense. The second concern the CM discussed with the auditor was the significant balance in deferred assessments that has accumulated over the years for tax purposes. He felt this was a good year to treat all deferred assessments as income and is reflected in NCA's income taxes for 2012. Homeowner's Equity is at \$104,000. The Board has the option to move some or all into reserves but recommends a healthy owner's equity balance of 15% of assessments. Director Hammel made a motion to move \$60,000 into common ground reserves, leaving a \$54,000 balance in owner's equity. Vice President Rodriguez seconded the motion. Vote: 4yes.

Annual Tree Assessment – Every year a licensed arborist walks the NCA property and reports any trees that are a concern. He gives each recommendation a priority assignment of one, two or three. The CM gave a copy of the assessment to the board and would like their approval to take care of all priority one tree projects. President Smith made a motion to approve \$7,300 in removal of all priority one trees. Vice president Rodriguez seconded the motion. Vote: 4 yes.

Pool Winterization – The pool contractor presented a list of recommended winterization safeguards for the pool. Director Hammel made a motion to spend \$1585, the same as last year, for all but one recommended item. The CM is available to do the periodic inspections of the pump room during the winter. Vice President Rodriguez seconded the motion. Vote: 4 yes.

At 9:42 pm the board convened to Executive Session to discuss hearings, probable cause and address a question for two delinquent accounts. The board reconvened to open session at 9:50 pm.

Regarding Lot 277, Vice President Rodriguez made a motion to assess a \$50 charge for a grass violation. Director Hammel seconded the motion. Vote: 4 yes.

Regarding Lot 601, President Smith made a motion to assess a \$50 charge for a grass violation. Director Hammel seconded the motion. Vote: 4 yes.

Regarding Lot 114, President Smith made a motion to assess a \$50 charge for a trash violation. Vice President Rodriguez seconded the motion. Vote: 4 yes.

Regarding Lot 424, President Smith made a motion to assess a \$50 charge for a trash violation. Treasurer/Secretary Whitt seconded the motion. Vote: 4 yes.

Regarding Lot 400, Vice President Rodriguez made a motion that there is probable cause for a hearing on an architectural violation. President Smith seconded the motion. Vote: 4 yes.

The Board adjourned at 10:04 pm.