

NEWINGTON COMMUNITY ASSOCIATION BOARD AND ANNUAL MEETING
August 11, 2016 at Pohick Church
Provisionally Accepted Minutes of the Meeting

Attendance — President Elizabeth Rodriguez, Vice President Kevin Benore, Treasurer Louise Whitt, Secretary Sarah Jernigan and Director Flo Smoczyński. Director Mark Polansky was not in attendance

Call to Order — President Rodriguez called the NCA Board of Directors meeting to order at 7:45 p.m. She welcomed all residents and had all members of the Board introduce themselves to the audience.

Community Forum – A resident complained about the late start of the meeting which will limit resident’s comments during Community Forum. President Rodriguez apologized for the delay, but due to the heavy demand of the proxy process during check-in there was not much option. Another resident had a lot of comments to discuss but offered to shorten due to time constraints. Comments he received from other community members included: issues with parking on Moline; stray cats in the neighborhood, but knows that’s more of a Fairfax county issue; late fee for pool passes is ridiculous. A common complaint he also received is what is wrong with the Board; that the Board is acting like children; and no one wants to get involved with the board. The resident encouraged community members to run for the Board and would like to see it more competitive. This resident also discussed that he did not agree with the proposed Bylaw changes being proposed and encouraged the community to vote “no” to all. The resident was also very upset with the removal of a Board Member that is on the agenda. He requested that the Board members vote against the removal of Louise Whitt.

Another resident asked if there would be discussion on the Bylaws. Secretary Jernigan stated that she will explain and present each bylaw individually; she asked that questions be asked as each one is presented.

President Rodriguez stated that the community member who is requesting the removal of a Board member will have 5 minutes to state their case; the Board member in questions will have 5 minutes to state their case; both will have 2 minutes of rebuttal. Vice President Benore will be timekeeper.

A resident stated that she agreed with the earlier comment about running for the Board and making it competitive. This resident is currently running for the board; however was very hesitant based on all the issues over the past 7-8 months; even today considered withdrawing her nomination; one way to help it grow in a positive direction is to get involved; let’s have a whole bunch of people from the floor run to be on the board tonight.

Call to Order — President Rodriguez called the Annual Meeting to order at 8:00 p.m. The Community Manager confirmed that there was quorum for a meeting. There are three positions up for election and one community member nominated herself to run for the Board.

Removal of a Board Member – President Rodriguez explained how this part of the meeting will go. The homeowner who made the charge will have five minutes to present their case. The board member in question will have five minutes to give a defense. Each side will be allowed to have two minutes of a rebuttal. Then on point questions will be allowed from the floor. The removal of the board member in question is Board Member and Treasurer Ms. Louise Whitt and the person bringing the charge is the homeowner, Mrs. Sarah Jernigan

Mrs. Jernigan asked the community to vote for the removal of Ms. Whitt from the Board. She explained that Ms. Whitt’s actions and decisions as a Board member show a pattern of not acting in the best interest of our community. She also stated that Ms. Whitt is a non-resident landlord, not a full-time resident. From Mrs. Jernigan’s involvement as a past board member, a homeowner and a current Board member, she discussed the following examples:

- Ms. Whitt has repeatedly tried to get various Board members to agree that she must sign each check and that the CM must never be allowed to sign checks. Mrs. Jernigan stated she is a

professional in the home industry and recalled the situation NCA had with Koger Management, who caused several HOA's to go bankrupt and in several instances stole hundreds of thousands of dollars from HOA's. However, NCA was protected because our community manager had access to efficiently move funds.

- Mrs. Jernigan continues that Ms. Whitt states that it's the Treasurer duties per NCA's Bylaws. Ms. Whitt does not mention in our bylaws in Article 8 Section 1 Powers, Item 3D that NCA may employ a manager, an independent contractor or such other employees as they deem necessary and prescribed for their duties. On past Boards, Ms. Whitt brought this up at least twice, once prior to Mrs. Jernigan being President, and once again when she was President. Again this year, after our CM changed, Ms. Whitt mentioned again that the CM should not be allowed to have access to NCA's accounts or sign checks and that her signature should be on them, which I voted against because of the Koger issue.
- As Treasurer, Ms. Whitt continually creates budgets that are not acceptable to the Board she is working for. In particular her most recent budget was presented last month. In looking at it, it was noted that some lines did not reflect the true cost incurred on a yearly basis. As an example, the first draft of the 2017 budget for the Assistant CM stated a total of \$10,000. When questioned, Ms. Whitt based this fact that our CM office hours are x and her hourly rate is y. Ms. Whitt does not take into account, after being informed multiple times, that the ACM line is also for additional community admin support, such as our gatekeeper, paid volunteers, etc. Ms. Witt also didn't take into account this previous year's expenses. In 2015, we spent a little over \$12,000 on the ACM line, and on July 1st, we've spent a little over \$6,000. Why would we only budget for \$10,000 for 2017? The budget committee was asked to review that number in more detail, but it was pointed out that the budget committee was given the budget on the day of the meeting, and not much time for input.
- Mrs. Jernigan stated that Ms. Whitt's investment strategy concerns her. Ms. Whitt's strategy has included only local banks, primarily ones she has banking relationships with. Ms. Whitt has discouraged investments with banks that have better yields and stated promotional rates that lasted longer than they did, or stated rates incorrectly based on NCA's account types. Ms. Whitt's research also provided inaccurate information when she provided rates for an individual accounts when NCA is a Corporation. Mrs. Jernigan said she feels that's an honest mistake, but the result was the bank manager called the NCA office to ask that Ms. Whitt no longer contact this bank due to her berating an employee.

President Rodriguez advised that the five minute limit had been reached.

Ms. Whitt responded that she didn't know what Mrs. Jernigan was going to say, so it's going to be a little difficult to respond. Ms. Whitt stated that any decisions she makes are in the best interest of the community. Ms. Whitt explained that she voted against certain things because she has a certain amount of liability as a Board member and needs to protect herself and NCA. NCA's Bylaws do state that the Treasurer is supposed to sign the checks and even though we can hire an employee, the CM's job description does not give authority to sign checks. In this instance, Ms. Whitt was only referring to NCA's reserve accounts, not the operation accounts.

Ms. Whitt stated that this is only the first time that a budget's ever came before the Board in August that was not accepted. In the past, it's was provided at the annual meeting, then in the September meeting the budget process would move further before being finalized and published.

Ms. Whitt commented on her investment strategies that it's not true about using only her banks. The rates she proposed was given to her by the bank manager and they were for Corporations, but they could be used for an association and what period of time they lasted, these weren't individual rates. Ms. Whitt advised that was all she wrote down to address.

President Rodriguez asked Ms. Whitt if she had anything else to add. Ms. Whitt advised that she did not have anything, except she didn't understand some of the Boards decisions when they did the hearings, but that's up to the Board to explain.

President Rodriguez asked Mrs. Jernigan if she had a rebuttal. Mrs. Jernigan explained that in regards to the budget, every year the Board has asked her to not review those lines, but every year Ms. Whitt has submitted different numbers but in the end it's a different budget approved and accepted then what she originally provided. It's a repeated problem every year with the same lines.

President Rodriguez asked Ms. Whitt if she had a rebuttal.

Ms. Whitt commented that the issues could not have been too serious, since she has been Treasurer for five years and anyone else could have taken the job.

A resident commented that in terms of fiscal responsibility and issues with Koger, that there wasn't an appropriate check and balance in place and Koger was able to embezzle money. The resident continued that he did not understand why an additional set of eyes and signature of another Board member was an issue. He would personally prefer co-signatures for a check and the CM could only have signature authority up to a certain amount. The resident stated that he didn't understand why an additional control, i.e., the signature of a Treasurer leads us to be more vulnerable.

Mrs. Jernigan clarified that the current process is for two signatures. However, the history of the Koger issue was that on the day the problem was discovered, only one board member was available to sign. The fact that the CM also had access, she was able to efficiently move money to protect it.

A resident also stated with over 32 years working in the government, not once was a budget presented and approved right away. He stated that a budget is prepared, argued over and hacked away at until it's finalized. Then it's approved by the Board, correct? Mrs. Jernigan confirmed the process. The resident continued that he does not see that as being unusual.

There was discussion about members giving comments versus on point questions.

A resident asked why a budget was not available this evening for review by the community members.

President Rodriguez explained that since there some discussion on the budget at the last meeting, the Board made a decision that it was not ready for the community. There will be a future meeting where the Board will vote and publish it.

The resident asked again if it is supposed to be one of the requirements of the annual meeting, to provide a budget and if it is the responsibility of the Treasurer or not.

Mrs. Jernigan stated that she had specific line item questions and that her comment was to have the Budget Committee go back for further review. Mrs. Jernigan also mentioned that she didn't know the budget was presented every year and apologized.

Ms. Whitt commented that the resident was correct and explained the budget process.

A resident commented that it does say in the Bylaws that a budget is supposed to be prepared by the Treasurer and presented at the annual meeting. Ms. Whitt did have it prepared for presentation at this meeting, but the Board decided at last week's meeting that it needed to go back to the Budget Committee for further review.

A resident commented on the fact the Board can remove an officer and that the charges brought forward had to do with Ms. Witt as a Treasurer, therefore he asked why are you requesting to remove her from the Board as a Director?

Mrs. Jernigan stated that she had additional points with Ms. Whitt as a Director, but ran out of time. She explained that she started with her financial responsibilities because she felt that was most important.

A resident asked about the comment made about Ms. Whitt being an absentee owner and how that relates to the charge?

Mrs. Jernigan commented that it reflects on her behavior and the fact that she does not act in the best interest of the community because she's not an active member within the community.

A resident asked what Mrs. Jernigan's other two points were.

Mrs. Jernigan stated that her other two points were:

- In the past surveys by the community, the majority of our homeowners feel that the minutes give a good overview of the activities of our Board. The community feels it's very important. Ms. Whitt has attempted to change our minutes, on multiple occasions, to record only the minimum required by the state, which is the actions by the Board. Mrs. Jernigan explained that the attorney did recommend NCA only record the minutes as votes taken, however, he stated the

overwhelming majority of communities do not do that. Mrs. Jernigan said, as a professional in the home industry, she has looked at other communities who relay detailed minutes like NCA.

- Mrs. Jernigan stated that a longtime member of the community gave Mrs. Jernigan permission to state that NCA has fought hard to keep our CM as a resident of this community since our original CM, Claire. The resident stated that this makes NCA unique and more valuable when you have someone who lives and cares about the community they work for and called this “NCA’s Way”. The resident commented that NCA’s Board should also feel and act the same way. Mrs. Jernigan thanked everyone.

Ms. Whitt asked to comment on her not being concerned about NCA and referred back to the June minutes, when a motion after Executive Session was made to seek injunctive relief against a particular lot number. The question was raised that lot numbers should not be used, per the attorney, but Mrs. Jernigan mentioned that the numbers could be used. Ms. Whitt clarified that she voted no, not because of the injunctive relief, but because the attorney said we shouldn’t use lot numbers and I feel we should do what he recommends.

A resident asked if there had been grievances filed against Ms. Whitt. President Rodriguez confirmed that two had been filed and that she was given private reprimands in both cases.

A resident asked if either of these were NCA Code of Conduct violations? A resident asked what the two grievances were. One involved our employee and the other one involved a homeowner, but this turned out to be the same person. The second grievance was held in open session and decision was that Ms. Whitt was in violation of section I-G.

Ms. Whitt commented that first one she received was an admonishment not a reprimand. This is what she referenced to in the Letter to the Editor which resulted in the second hearing. The decision was that she violated Section I-G of the Code of Conduct, which says:

“Board members shall not use inappropriate body language, or verbal tone during their debate of the issues. Any actions or comments designed to insult, demean, or attack the personal character or opinion of any member of the Board, the Board as an entity, an employee or member of management, or an invited guest shall be strictly prohibited. Board members owe a special duty of civility to the Association’s membership and shall be particularly courteous to the individual members at all times during official functions of the Association.”

Ms. Whitt stated that she didn’t understand how it relates to her Letter to the Editor.

A resident had a question for the Board and if anyone else on the Board had violated Section I-G with body language or verbal tone towards another Board member? Mrs. Jernigan stated yes on two instances, but that she apologized. President Rodriguez said not that she was aware. Vice President Benore stated no.

A resident commented that when he was on the Board someone had challenged him to go outside the Board meeting but there was no reprimand or discussion at that time. Vice President Benore stated a point of order that the question was raised for the current Board, not past Boards.

A resident commented Newington Community Association Board is evolving and there are going to be bumps, everyone is trying to do the best to get through this and that NCA creates polices that are fair for all, and he apologized for having to step out earlier in the meeting.

President Rodriguez announced that it was time to complete the ballot. She explained to check the first box if you agree to remove Ms. Whitt as an NCA Board member; and the second box is if you disagree with removing Ms. Whitt as an NCA Board member.

President Rodriguez stated that the motion to remove Ms. Whitt as an NCA Board member passes. Vote was 66 agree, 62 disagree.

Bylaws - Bylaw Committee Chairperson, Sarah Jernigan, reviewed the changes being recommended by the Bylaws Committee. All recommendations had been reviewed by legal counsel as well. Ballots

were collected and tallied. Ten out of the eleven Bylaw revisions on the ballot were accepted. The first recommended Bylaw change for Article V Board of Directors; to establish residency requirements to be part of the Board did not pass.

Board nominations – President Rodriguez stated that there are three Board vacancies to vote for. One nomination received for this annual meeting, Stacey Perritt. President Rodriguez asked if anyone else had any nominations or wanted to volunteer. Nomination suggestions included Sarah Jernigan, who accepted. One community member volunteered, Dennis Kruse. Additional nominations included: David Randall, Lori Randall and Tom Queen, who did not accept.

Ballots were filled out and returned. Stacey Perritt, Dennis Kruse and Sarah Jernigan were elected as board members.

Treasurer's Report – Treasurer Louise Whitt advised that the 2015 NCA audit is complete and there were no issues. The 2017 draft budget was not presented at the annual meeting. Additional budget Committee meetings will be planned in September/October. Changes to the budget are guided by the CPI which is currently at 1.3%. Treasurer Whitt provided an update on financials for all NCA accounts. The projection at this time is that NCA will break even for 2016.

President's Report – President Rodriguez reviewed the past year's accomplishments. Painting on Moline completed; new garden at Kitchener and Delong; landscaping on Brandeis and Euclid completed. Major construction project on NCA paths. This included removing two existing concrete crossings, installing two brand new bridge systems; removing and rerouting parts of the walking paths; improving drainage with the installation of stones, removing of tree roots, etc. In addition, excavating and installing over 81 linear feet of new walking trails was also included in the project. Another successful annual community clean-up day and yard sale in spite of the weather. Surface of the tennis courts was repaired. Three additional tot lots were replaced with a special thanks to Lori Randall who volunteered to complete this project.

Door Prizes - The \$50 door prize drawing for all those who submitted proxies was held. The winner was Frederick Lundgren on Brandeis Way. The \$100 door prize drawing for all those who attended the meeting was held. The winner was Lori Randall of Godolphin.

Meeting adjourned at 9:45 pm.