

**Kempton Park Homeowner's Association Board of Directors Meeting  
August 20, 2008  
Fire Station No. 5 – Bridge Road, Suffolk, VA**

Members Attending: President: Raymond Laffoon  
Secretary: Raymond Bailey  
Treasurer: Shirley McGill  
Member-At-Large: Steve Dorman

Members Absent: Vice President: Cheryl Hendricks

United Properties: Tiffani Lucas

**1800 – Architectural Review Board (ARB) Meeting:** Applications and results follow.

<u>Last Name</u>	<u>Address</u>	<u>Project</u>	<u>Result</u>
Herr/Querry	5056KS	Deck	Approved
McBride	3006KR	Sprinkler System	Approved

**1830 – Board of Directors Meeting:** The meeting was called to order.

**1830 - Homeowners Forum:** No residents attended.

**1830 –** The minutes from the July 16, 2008 Board of Directors meeting were approved.

**1830 - Committee Reports:**

- Treasurers Report – Ms. McGill presented the July report:

<u>INCOME AND EXPENSES</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
TOTAL INCOME	\$11,896.32	\$11,271.33	\$624.99
EXPENSES			
Administrative	\$2,766.51	\$3,215.51	\$449.00
Utilities	\$969.90	\$579.17	(\$390.73)
Maintenance	\$9,010.76	\$6,376.67	(\$2,634.09)
Replacement Reserves	\$583.33	\$583.33	\$0.00
Operating Reserves	\$516.67	\$516.67	\$0.00
TOTAL EXPENSES	\$13,847.17	\$11,271.35	(\$2,575.82)
NET INCOME	<b>(\$1,950.85)</b>	<b>(\$0.02)</b>	<b>(\$1,950.83)</b>

**INCOME & EXPENSES YEAR TO DATE**

INCOME	\$84,172.16	\$78,899.33	\$5,272.83
EXPENSES			
Administrative	\$23,273.90	\$22,508.51	(\$765.39)
Utilities	\$12,286.58	\$4,054.17	(\$8,232.41)
Maintenance	\$47,004.90	\$44,636.67	(\$2,368.23)
Replacement Reserves	\$5,454.75	\$4,083.33	(\$1,371.42)

Operating Reserves	\$3,616.69	\$3,616.67	(\$0.02)
TOTAL EXPENSES	\$91,636.82	\$78,899.35	(\$12,737.47)
NET INCOME	<b>(\$7,464.66)</b>	<b>(\$0.02)</b>	<b>(\$7,464.64)</b>

**BALANCE SHEET**

		<b>Maturity Date</b>	<b>APR</b>
OPERATING ACCOUNT	\$6,448.19		
OPERATING ERSERVES	\$38,653.90		
REPLACEMENT RESERVES	\$16,239.61		
REPL RES / CD / TOWNE BANK	\$48,143.15	9/18/2008	3.50%
<b>TOTAL</b>	<b>\$109,484.85</b>		

- Ms. Lucas raised the issue that due to the unforeseen water bill of \$9,325.64 addressed over the last few months, the current amount in the Operating Account will not be sufficient to pay expenses until the end of the year. Discussed the issue and decided to move \$15,000 from Operating Reserves to the Operating Account.
- Motion made and passed to accept the Treasurer’s Report.
- Manager’s Report – Ms. Lucas presented the following:
  - Pond #2 Aerator: Continued to pursue the solar option with Solar Services. Asked for a consultation appointment; provided 3 possible dates but have not received a reply. Will continue attempts to set up an appointment.
  - Pond #1 Aerator: Relay Electric found that the power was off to the unit. Will pursue the issue with Dominion Power.
  - Speeding Issue: Suffolk Traffic Enforcement set up a monitor for several days on Kempton Park Rd. A report has not yet been received.
  - Pool Security Lights: Again contacted Dominion Power and received another work order number. Will continue to pursue.
  - Financials: See Treasurer’s Report.
  - Grounds Maintenance: Another issue was discovered – the common area behind 3010KR is being overlooked. A letter was prepared listing discrepancies and was reviewed by the Board before being mailed certified return receipt on August 12. Greg Thompson from Basnight called to let us know he would monitor the areas of concern. He will also contact Heads Up [sprinkler maintenance] to decrease watering in the area behind the pool enclosure. Also, a proposal letter for 2009 maintenance was received from Professional Ground Maintenance for consideration; included in the Board packet.
  - Pool: Another pool incident was reported where a child jumped in the pool and the guard was not paying attention. The parent got to the child but the guard should have been responsive. Due to this and other reported issues, a letter was prepared and reviewed by the Board before mailing on August 12. Jim Durkee, AAA Director of Management, responded via email that the letter was received and action would be taken; included in the Board packet.
  - Pool Maintenance: Received a proposal from AAA for winter maintenance; include in the Board packet.
  - Pond Maintenance: Copies of the checklists used by Stormwater Pond Management, LLC to inspect our ponds are included in the Board packet for informational purposes.
  - Email/Correspondence Issues:

- Letters were received from 2 residents – 3044KR and 5070KS – regarding a large tree that appeared to be dead in a common area adjoining their properties. Since the situation appeared to be urgent (the tree was reportedly rotten at the base), UPA solicited estimates for assessment/removal. The tree was removed by Bay Area Tree for \$1,000. Copies of the letters as well as email concerning UPA’s handing of the issue are included in the Board packet. *[See New Business]*
- Violations/Inspections: Violation letters were sent to residents for recreational equipment, lawn maintenance, pressure washing and trash cans. The list is quite long; especially those that continually leave trash cans out. As many of these are repeat offenders, suggest tribunals be scheduled for next month. *[Board members agreed.]*
- House Bill 516: Included in the Board packet for review and discussion.
- Budget: A proposed 2009 budget is included in the Board packet. We will need to finalize a budget within the next 2 months to ensure that payment coupons can be printed and mailed before the 1<sup>st</sup> of the year.
- Audit: Provided an estimate from Merritt Yockey CPA’s for a professional audit. Although it is not required, it is recommended that an audit be conducted every few years. *[KP has never had one done.]*
- Contract Status:

<u>Service</u>	<u>Company</u>	<u>Expiration</u>	<u>Notice Requirement</u>	<u>Action Month</u>
<b>Insurance</b>	Nationwide	2/13/09	None	2/09
<b>Pool</b>	AAA	9/1/08	None	<b>8/08</b>
<b>Landscaping</b>	Basnight	2/15/09	60-day or automatic	<b>8/08</b>
<b>Pond Maintenance</b>	Stormwater Pond Mgmt	9/20/08	None	<b>9/08</b>
<b>Website</b>	Web Technologies	None	Ongoing	N/A
<b>Management</b>	UPA	2/2011	Renews for 5 years unless challenged.	9/10

**1915 – Unfinished Business:**

- Pond Aerators: [Board Issue] Status:
  - Pond #2: As noted in the Manager’s Report. As our options are somewhat limited, will continue attempts to set up an assessment/estimate for the solar option.
  - Pond #1: Since Ms. Lucas needs the number off the meter to provide to Dominion Power, Mr. Dorman offered to get it to her.
- Pool Issues: [Resident Issue]
  - Security Lights: Still not functional. As noted in the Manager’s Report, Ms. Lucas will continue follow-up with Dominion Power.
- Speeding on Kempton Park Rd: [Resident Issue] As noted in Manager’s Report, Ms. Lucas will let us know when the results are received.
- Steeplechase Pond Maintenance: [Board Issue] In view of the information received last month, it is apparent that our portion of the maintenance is fair. Issue Closed
- Tree Replacement: [Resident Issue] In reference to Mr. Bach’s concern over trees that were not replaced, the area behind the pool has always been relatively low and has held water. Mr. Laffoon and Mr. Bailey checked the area and agree that replacement of the missing trees would probably help the situation; along with limiting irrigation which is being pursued. Issue will be tabled until the spring when we will pursue replacing the trees.

## 1920 – New Business:

- Tree Removal: [Resident Issue] In reference to the tree removal reported in the Manager's Report, it is felt that the Board was not afforded the opportunity to assess the situation before a decision was made. Although email contact was made, the removal was arranged before agreement to expend the funds was approved by the required 3 members. Although the Board does not wish to prevent UPA from handling issues found to be urgent, it reserves the right to have a member assess the situation. The President sent an email about this issue to UPA representatives and it will be discussed during Executive Session.
- Pool Maintenance:
  - Winterization Contract: As the current contract with AAA, which includes only basic closing and winterizing tasks, expires on September 1, the company has submitted a proposal for enhanced winterization. Work would include chemical treatments at intervals during the off season and periodic equipment operation. The cost is \$2,095. Discussed the advantages of keeping the pool treated and ensuring equipment remains functional. An additional consideration was that our current contract is \$24,500 annually and we budgeted \$27,000; the additional amount would keep us within budget. The additional contract was approved and signed by the President.
  - 2009 Contract: Ms. Lucas will solicit bids for the 2009 season.
- Lawn Maintenance Contract: The contract with Basnight is up on February 15 but will be automatically renewed if we do not formally notify them 60 days prior. We have received one proposal and will pursue others before committing to another year with Basnight. Ms. Lucas will solicit estimates.
- Pond Maintenance Contract: As the pond maintenance contract is up in September, Ms. Lucas will pursue estimates.
- Audit Proposal: As noted in Manager's Report, reviewed information from Merritt Yockey CPAs. Estimates were provided for three levels of auditing options with details specified in the proposal: Audit - \$3,250 / Review - \$1,800 / Compilation - \$1,200. Additionally, the cost of Tax Preparation is \$495. Will review and discuss for inclusion in the 2009 budget.
- 2009 Budget: As noted in Manager's Report, reviewed the UPA budget proposal. The proposal takes into consideration current increased costs for services as well as new accounts (additional water account for sprinklers and electrical account for pond #1 aerator). The income projection is based on a \$5 increase in monthly dues. The Board will review the proposal and set up a meeting for formal review and approval.
- House Bill 516: This bill (HB 516), effective July 1, 2008, has some ramifications for associations; amending several significant provisions of the Code of Virginia pertaining to common interest communities and the Virginia Property Owner's Association Act. Pertinent points –
  - Creation of the Common Interest Community Board: Creates an eleven member board appointed by the governor.
    - The Board will:
      - Oversee and enforce the licensing and certification of persons or entities offering management services.
      - Require such persons or entities to seek accreditation and certification.
      - Establish standards of conduct for community managers and their employees.

- The Board has the authority to adopt rules and regulations in order to achieve its objectives but it may not intervene in the internal activities of an association unless it is necessary to prevent violations of the licensing provisions stated above, or provisions of the Code under which the association is created.
  - The Board has the authority to assess individuals up to \$1,000 for any violation of newly added chapters. The Board may:
    - Issue cease and desist order to an association's governing board if it has determined after a hearing that they have violated any statute or regulation which governs the association.
    - Seek court orders and injunctions against any community manager it has reasonable cause to believe is unable to properly discharge its fiduciary responsibilities to the association.
- Management Company and Manager Certification Licensing: Creates a requirement that any persons or entities engaging in managing services on or after January 1, 2009 to hold a valid license.
  - Managing services may submit an application to the Board prior to January 1, 2009 for a provisional license which is valid from December 31, 2008 to June 30, 2011. Requirement for a non-provisional license include:
    - The manager must obtain and carry a blanket fidelity bond or employee dishonesty insurance policy which not only insures the community manager but all clients as well.
    - The fidelity bond or insurance policy must be in an amount equal to the lesser of \$2 million or the highest aggregate amount of both the operating and reserve balances of all associations under the control of the manager.
    - The manager must certify to the Board that it is in good standing and authorized to transact business in Virginia.
  - In addition, on or after July 1, 2011, each employee who is providing managing services on the "front lines" for a common interest community manager must be certified by the Board.
- Changes to the Property Owners Association Act (POAA): HB 516 states that "except as expressly authorized in [the POAA], in the Declaration, or otherwise provided by law, no association may make assessment or impose a charge against a lot or lot owner unless the charge is a fee for services provided or related to use of the common areas." This statutorily limits the source and assessment authority of associations. Other pertinent changes:
  - Increases the mandatory minimum coverage of an association's fidelity bond to the greater of \$10,000 or the association's reserve balances plus one-fourth of its annual assessment, not to exceed \$1 million.
  - The annual report fee is increased by an annual assessment equal to the lesser of \$1,000 or 0.02 percent of the association's gross assessment income in the preceding year.
- Association Disclosure Packages: As before, the seller is obligated to provide the purchaser with an association disclosure packet. However, once the purchaser receives the packet, they have three days in which they may terminate the contract, or six days to terminate from the date the packet was mailed via U.S. mail. Requires:
  - The disclosure packet must contain disclosure of any post-closing fees.

- The packet must contain any approved minutes of an association’s governing board for the preceding six months. May provide either a statement of income and expenses or a statement of financial position (balance sheet).
- Common Interest Community Ombudsman: Establishes the Office of the Common Interest Community Ombudsman under the purview of the Director of the Virginia Department of Professional Occupational Regulation. Duties:
  - Will assist community association members in understanding their rights and obligations under their respective association governing documents and answer any questions or attempt to resolve any complaints they may have regarding their association.
  - When providing this assistance, may require an association to provide a copy of the association’s Declaration and other records for review.
  - May establish rules and regulations in furtherance of these goals.
- Formal Complaints Against an Association: The Board will require each association to establish reasonable procedures for the resolution of written complaints by the association’s members. Specifics:
  - Resolution procedures must be available in writing to any member who wishes to make a written complaint and must contain the contact information of the Ombudsman, including phone number and email.
  - An association must maintain a record of any written complaint for at least one year from the date the association acts on the complaint.
  - Upon adverse decision by the association’s governing board, a complaint may then be files with the Board.
  - If the Director finds that the association’s decision was in conflict with governing laws and regulation, The Director may issue a non-binding determination to the association and the complainant.

**NOTE:** Immediate concerns for KPHOA will be –

- 1) The additional fee that will need to be added to the annual budget; increasing from \$50 to \$145.
- 2) Development of a formal procedure for problem resolution. UPA is requesting legal counsel to provide advice on this issue.

**2010 - Executive Session:** Motion made and passed to move to Executive Session. Discussed the need for good communications between UPA representatives and the Board concerning issues that must be resolved in a timely manner; i.e., between Board meetings. As Board members are available by email and phone, they should be contacted even for issues deemed “urgent” by UPA.

**2022 -** Motion made an approved to come out of Executive Session.

• **Issue Decisions:**

- Operating Account: Motion made and passed to move \$15,000 from Operating Reserves to Operating Account.
- Pool Winterization Contract: Motion made and passed to approve the winter contract for \$2,095.

- **Action Pending for Next Meeting:**

- Pond #2 Aerator: Ms. Lucas will set up a meeting with Solar Services.
- Pond #1 Aerator: Ms Lucas will contact Dominion Power for repair.
- Pool Security Lights: Ms. Lucas will follow-up with Dominion Power.
- Pool Maintenance Contract: Ms. Lucas will solicit bids.
- Grounds Maintenance Contract: Lucas will solicit bids.
- Pond Maintenance Contract: Lucas will solicit bids.

**2022** –The next monthly Board meeting will be held on Wednesday, September 17, 2008 at Fire Station No. 5 on Bridge Rd.

**2022** – Meeting adjourned.

Submitted By: R. E. Bailey