

MINUTES
LAKE MANASSAS RESIDENTIAL OWNERS ASSOCIATION
(LMROA)
BOARD OF DIRECTORS MEETING
Tuesday, June 26th, 2012, 5:30 P.M.
Stonewall Golf Club, Board Room
15601 Turtle Point Drive

ATTENDEES

Errol Unikel, President
Don Minogue, Treasurer
Ted Brewer, Secretary
Ed Long, Director

Adrienne Harper, CMC Portfolio Manager
Michelle Wingo, CMC Onsite Manager
Jessica Boink, Recording Secretary

ABSENT

Warren Watkins, Director

EXECUTIVE SESSION

MOTION: Mr. Unikel **MOVED** to convene into Executive Session at 5:30 p.m. for the purposes of discussing delinquent accounts and specific covenants violations. Mr. Minogue **SECONDED** the motion. The motion **PASSED** unanimously.

MOTION: Mr. Minogue **MOVED** to exit Executive Session at 6:27 p.m. Mr. Brewer **SECONDED** the motion. The motion **PASSED** unanimously.

CALL TO ORDER

Mr. Unikel called the LMROA Board meeting to order at 6:28 p.m.

BOARD'S DECISIONS/ACTIONS TO BE TAKEN FROM EXECUTIVE SESSION

MOTION: Mr. Minogue **MOVED** for payment in full for all past due assessments, legal fees and cost for account number 00377-1080. If payment in full is not made in 30 days, the account will be turned over to the attorney's office for collections. Mr. Brewer **SECONDED** the motion to which **PASSED** unanimously.

NOTE: The homeowner subsequently contacted CMC to reschedule his hearing for June 29, 2012 at 10 a.m.

MOTION: Mr. Minogue **MOVED** deny the requested pay off from account number 345-0738 and to counter offer with an amount of a lump sum of \$5,000.00 to be paid within 30 days. Mr. Brewer **SECONDED** the motion to which **PASSED** unanimously.

MOTION: Mr. Minogue **MOVED** to deny the request for late fees and costs waiver for account number 342-7279. Mr. Brewer **SECONDED** the motion to which **PASSED** unanimously.

APPROVAL OF AGENDA:

MOTION: Mr. Minogue **MOVED** to approve the agenda as presented. Mr. Brewer **SECONDED** the motion. The motion **PASSED** unanimously.

APPROVAL OF MINUTES

MOTION: Mr. Minogue **MOVED** to approve the regular Board meeting minutes from March 29th, 2012 and Special Board meeting minutes from May 21st, 2012 as presented. Mr. Brewer **SECONDED** the motion. The motion **PASSED** unanimously.

NOTE: Mr. Unikel requested CMC add action items to the meeting minutes and the action list from discussion of issues during the resident forum portion of the meeting.

RESIDENT FORUM:

The Board opened the floor to the residents for comments and questions:

ACTION: Mr. Unikel requested Management or a Committee member review the entrance sign at the Stonewall gate for incorrect information. Mr. Unikel also welcomed suggestions from residents on other signage that may be needed at the entrance gates.

Mr. Short of 8346 Roxborough Loop reported there was a pipe with running water on Spyglass Hill Loop seen on his way to the meeting.

ATTENDANCE CHANGE: Mr. Long stepped out of the meeting at 6:45 p.m. to check the broken pipe reported by Mr. Short.

MATTERS FOR BOARD DECISION

KCS Proposal for Tree Replacement

MOTION: Mr. Minogue **MOVED** to **APPROVE** the removal of the two purple plum trees and install three crape myrtle trees for an amount not to exceed \$1,200.00 to be expensed from the enhancement allocation provided by KCS in the annual contract. Mr. Brewer **SECONDED** the motion. The motion **PASSED** unanimously.

ACTION: Management to inform the Board of the exact amount of the annual enhancement allowance provided by KCS, which is 10% of the annual contract amount.

B&E Service Maintenance Agreement

MOTION: Mr. Minogue **MOVED** to renew the annual service agreement with B&E Services for the upkeep and maintenance of the HVAC units to be expensed from the annual operating budget in the amount of \$400. Mr. Brewer **SECONDED** the motion. The motion **PASSED** unanimously.

NOTE: The Board may wish to solicit bids upon contract expiration with B&E Services.

Middleburg Bank Investment Recommendation

MOTION: Mr. Minogue **MOVED** to **APPROVE** recommendation provided by Mr. Harmon to invest a total of \$270,000.00 from the LMROA Money Market Account into three CD's expiring in March, September and December of 2013. Mr. Brewer **SECONDED** the motion. The motion **PASSED** unanimously.

ACTION: Mr. Unikel recently saw an advertised rate of .9%. The proposed rates provided by Middleburg Bank range from .5% to .6%. The Board requested CMC call Mr. Harmon at Middleburg Bank to find better CD rates for the Association. However, Management is authorized to proceed with the above motion if better rates are not found.

Weekly Blast Email Updates from Management

No Motion was made.

NOTE: This recommendation was brought forward by several residents in the community. Mr. Minogue agrees with the recommendation and feels that a weekly email blast to update residents of community items will reduce calls to the Management office and will keep residents more informed. Mr. Unikel disagrees and feels the current system of sending blast emails on an as-needed basis, determined by the Communications Committee and the Board works best. Mr. Unikel instructed Management to inform the Communications Committee that Mr. Minogue feels more communication needs to be sent to the community.

BUDGET AND FINANCE COMMITTEE REPORT

Jim Short reported that the LMROA will come in under budget at the end of FY12 from items such as the trash contract savings and the lack of snow removal expenses. Mr. Short is pleased to report no HOA assessment increase for FY13. The next Committee meeting will be held on July 19th, where the Committee will come back with a recommendation to the Board on where to re-allocate budgetary line items for FY13.

ATTENDANCE CHANGE: Ed Long re-entered the meeting at 7:01 p.m.

NOTE: The Board discussed the funding of the reserve accounts. Mr. Minogue is reviewing the reserve study and will be capturing all of the Capital Expenditures completed from the prior year and reviewing the forecast for of Capital Expenditures for next year. Mr. Minogue will update the Board and Budget and Finance Committee once this is completed and will attend the meeting on July 19th.

Mr. Unikel stated that the reserve study is not a financial exercise initially. It is an engineering exercise to review the assets and common components of the items owned by the LMROA.

ACTION: Management is to research the reserve study beginning balance and the underfunded amount of reserves to report back to the Board. Mr. Brewer will attend a conference call with CMC this week to find these answers.

ACTION: The Board requested Management get answers to the following two questions:

- Will the net income from FY12 reduce the negative Prior Year Owners Equity on the balance sheet?
- If the Association receives \$200,000.00 from the developer, will this reduce their negative balance in Prior Year Owners Equity and what are the tax implications?

Budget and Finance Committee Members

MOTION: Mr. Minogue **MOVED** to appoint John Coyle and Romesh Deora to the LMROA Budget and Finance Committee, effective immediately. Mr. Brewer **SECONDED** the motion. The motion **PASSED** unanimously.

Rule Changes from LMROA – Recommendations from Committees

MOTION: Mr. Minogue **MOVED** to **APPROVE** the Modifications Committee’s recommendation pertaining to the time period and procedure that should be allowed when accepting applications for modifications. Mr. Brewer **SECONDED** the motion. The motion **PASSED** unanimously.

MOTION: Mr. Minogue **MOVED** to **APPROVE** the Covenants Committee’s recommendation that tenants shall be permitted to use the LMROA amenities such as the pool, tennis courts, walking trails and ponds if the owners account is in good standing and a restriction has not been placed against the owner or tenant of the property for non-payment of assessments or as a corrective action for non compliance of use restrictions. The owners of the lot forfeit the usage rights of LMROA amenities when leasing the lot to tenants. Mr. Brewer **SECONDED** the motion. The motion **PASSED** unanimously.

Ratification of Actions Taken Outside of a Meeting by Unanimous Consent

MOTION: Mr. Brewer **MOVED** to ratify the decisions made by unanimous email vote since the previous Board meeting which include:

- Adopt and approve the FY 2013 budget
- Approve AIAI/Lloyds Insurance from June 1, 2012 to June 1, 2013
- Adoption of the New Development Committee, Charter and Co-Chairs
- Adoption of the Modifications Committee, Charter and Chairperson
- Approval of the installation of three new irrigation systems on Bonnie Briar Loop circle, Spyglass Hill Loop and Spyglass Hill Overlook Circle.

Mr. Long **SECONDED** the motion. The motion **PASSED** unanimously.

MATTERS FOR BOARD REVIEW AND INFORMATION

Letter from Dewberry and Davis RE: Nursing Home Facility

Mr. Brewer stated that the Nursing Home was a classification term used for the facility; however, it will be geared more towards a rehabilitation facility for items such as hip replacements, etc.

Rowland Bowers stated that the Developer should hold an informational session for residents as a courtesy to the community.

Mr. Unikel requested Anne Jeffery add this information to the next edition of the Newsletter. Mr. Unikel provided the letter from Dewberry to Ms. Jeffery for the Newsletter information.

Letter From Audit Firm

This item will be reviewed further by the Board and a decision may be made unanimously outside of a meeting.

Committee Meeting Minutes and Committee Reports

The Board reviewed the Committee meeting minutes submitted by the Modifications Committee.

The Board briefly discussed trampolines and the required screening for non-golf course and golf course lots.

Environmental Committee: Mr. Thomas, Chairperson, discussed the status of the irrigation projects ongoing for Overlook Circle, Spyglass Loop and Bonny Briar Loop. Mr. Thomas is waiting on a response from Mr. Visger of PWCSA on the sketch sent to him. Mr. Thomas also reported that Bill Coleman resigned from the Committee and will forward the email resignation to Management.

Mr. Unikel directed Mr. Thomas to turn over the irrigation projects to CMC to manage going forward. Management is to contact Buddy's Cable for a status on the proposal requested as well as certificates of insurance.

New Development Committee: Rowland Bowers reported that there are members interested in serving on the Committee.

MOTION: Mr. Brewer **MOVED** to appoint Patty Harris and Bill Moore to the New Development Committee pending confirmation from Management that the owners are in good standing. Mr. Minogoe **SECONDED** the motion. The motion **PASSED** unanimously.

Safety and Access Committee: Rowland Bowers reported that he has been working with Mr. Brewer on the trespassing issue regarding the fences. Mr. Brewer will receive an estimate for repairing the fence on the 8th hole. Mr. Bowers also reported that there was vandalism on Turtle Point on Saturday, June 26th, 2012. Mr. Bowers requested the Board re-visit inviting PWC Police into the Community to begin patrols again to show a presence which will help reduce the ongoing vandalism.

Mr. Unikel reported that the gate on Stonewall is not operating correctly. The gate coming in goes up very quickly and the gate going out goes up very slowly.

ACTION: Management to contact the gate company to see if this can be remedied.

Mr. Unikel requested Anne Jeffery add language to the upcoming Newsletter which states that the Board is going to consider re-instituting hiring PWC Police to patrol the community.

Communications Committee: Anne Jeffery is waiting on two reports from Rowland Bowers to complete the Newsletter.

Mr. Unikel applauded Anne Jeffery for soliciting and receiving 552 email addresses, representing 400 households to help streamline the communication process for the LMROA.

May 2012 Financial Statement

Ms. Harper reviewed the May 2012 Financial Statement included in the Board Package. Ms. Harper and Mr. Minogue have worked on revising the variance report for a high level snap shot of the Association's financial position. The Association is running over budget in the Contracts category and Repair and Maintenance for FY12.

ACTION: The Board requested Management review the GL's for Contracts and Repair and Maintenance to see if there are any expenses related to the Verizon digging.

Mr. Long stated the irrigation system is twelve years old and aging. The budget number in future years will need to be increased as the system needs to be repaired more often. Mr. Long suggested that 5-7% of the total cost of the system be budgeted every year for repair of heads, valves, etc.

Mr. Unikel stated that the LMROA's cash has increased by approximately \$400,000.00 in two years, which is a result of the lack of spending the Capital Reserves.

NEW BUSINESS

The following topics were discussed as new business:

Mr. Unikel requested Management and all Committee members spread information about the upcoming PWC Board of Supervisors meeting and request all residents who support the re-zoning attend the meeting. The meeting is scheduled for July 17th, 2012 and a bus will leave from the Pool house at 6:00 p.m. for those who wish to attend.

Mr. Unikel and Mr. Watkins will be meeting with all County Board of Supervisors on July 9th through July 11th and would like to have one or two other Committee volunteers attend with him.

Mr. Minogue would like to review delinquent account write off's on a quarterly basis rather than at the end of the fiscal year.

BOARD ACTION ITEM REVIEW

- Management/Committee Members to look at entrance gates for proper signage
- Have approved crape myrtles installed and send Board exact amount of annual enhancement allowance from KCS
- Contact Middleburg Bank for better rates and possibly move forward with approved motion
- Management to send Board answers to the two financial questions – Prior Year Owners Equity increasing from Net Income and tax implications from receiving \$200,000.00.

- Management to research the beginning balance of the reserve study and Mr. Brewer to attend conference call on this item
- Management to take over the irrigation project from Mr. Thomas
- Management to confirm good standing for the approved New Development Committee members
- Management to contact the gate company about the arms on the Stonewall gate – one opening quickly, one opening slowly
- Management to review expenses on irrigation to see if any expenses were from the Verizon digging
- Solicitation of residents to attend the upcoming County Board of Supervisors meeting
- Begin quarterly account write off recommendations rater the at the FY end

ADJOURNMENT

MOTION: Mr. Long **MOVED** and Mr. Minogue **SECONDED** the motion to adjourn the Board of Directors meeting at 8:42 p.m. The motion **PASSED** unanimously.

Respectfully Submitted:

Jessica Boink, Recording Secretary

Date Approved: September 20, 2012