

LANDMARK MEWS COMMUNITY ASSOCIATION MINUTES

Board Meeting September 9, 2009

The September LMCA Board Meeting was held on Wednesday, September 9th, at the home of Siham Wehbi, 6270 Chaucer Lane. Members Present: Bruce Wood (President), Loren Scieurba (Vice President) Bill Gaffney, Joel Kaplan, Siham Wehbi and Linda Carter. Absent: Delia Riso and Karen Kovach (Secretary). Also present were Marty McDonald (Treasurer) and Roger Casalengo (Property Manager). Homeowners present Holly Koechel, Simon Bennett, and Bill Evans. Mrs. Koechel took the minutes of the meeting in the secretary's absence.

Bruce convened the meeting at 7:00 p.m.

The minutes of the August 12, 2009 meeting were approved.

Financial Report - Marty reported the Association had \$102,000 in savings at ING, earning 1.5% interest. All ING certificates of deposit at ING will come due within the next 6 months. Marty recommended renewing in September at 1.65%, purchasing another 6-month CD in October, and another in November. Lastly, he suggested purchasing another \$25k CD in Dec/Jan timeframe. This approach will create a "ladder" of renewals every month into July, allowing time for interest rates to possibly become better. Bruce agreed that it's probably better to go with short-term CD investments in order to see if rates may go up and the Board concurred.

Expenses: As of 8/31/09 the Board has approved \$29k in expenses. The home foreclosed on is now bank owned and has been turned over to a management company. They paid HOA dues up through September 30, 2009. Loss on that house was only \$415.00. Second house is not yet in foreclosure and payment is expected. Owners have paid \$1,100 this year; maximum lost is \$700, making total anticipated loss \$1,115.00. Marty recommended taking \$3,400 out of uncollectable debt account and moving it into projects budget. Discussion ensued on rationale for moving money around and if a deficit will result. Simon Bennett expressed concern that maintenance and services will overrun budget and suggested part of bad debt funds should go into that fund and not all into projects. Bruce responded that money can be moved into projects first and then moved into other funds, as needed. He also assured the Board that running a deficit will not be allowed. Bruce reminded the Board to be cognizant of possible watering expense when looking at project estimates. He recommended approval of reallocating dollars. Marty recommended rescinding reallocation of \$3,400 from bad debt account, saying that it didn't matter which bucket the \$3,400 is moved into, but advising the Board to remain aware that \$7,500 in projects will be reached. Bruce asked for a motion to move \$3,400.00 into projects budget.

Loren Scieurba moved that the Board approve moving \$3,400.00 into projects budget. Joel Kaplan seconded the motion. Approved 5-1. (Carter, No; Riso absent).

Marty continued the financial report, stating that all projects approved so far this year have been paid for, except \$1,070.00 for landscaping the entrance at Manchester way.

The operating budget will be approved next month. Bruce asked Marty to add an account in the Contracts Area of the budget (bucket 1) for covenants inspection (\$1,250.00, the cost of this year's inspections). Marty increased legal to \$7k and landscape timber replacement by \$2k.

Dick Fisk and Bruce are working on getting a quote from RCS (Covenants Inspections) for next year, as is required by October 1. Informally, RCS thinks the cost will be about the same. Additional costs will be in digitizing records of inspection reports in order to provide automatic means of updating inspection results. Bruce suggested changing budget costs from \$1,250.00 to \$1,500.00 for next year. Bruce said he and Dick discussed with RCS the need to "calibrate" inspections to align inspections more closely with resident expectations. A number of comments to the residents' survey were critical of the "nit picky" nature of the spring inspections. Dick wants inspection reports by end of September so letters can get out to residents in early October. The fall inspection will begin next week. Siham questioned whether the database would belong to LMCA and if the inspection costs would increase after the database has been created. Bruce stated that RCS charges are based on cost of actually doing the inspections; he didn't expect a cost reduction but also no increase. He didn't know if the database would be ours.

Bill Evans asked what the time frame was for responses to the inspection. He thought not enough time has been given to residents to fix inspection items. He was concerned about the Board coming "down hard" on people because they have not had as much time to fix things as in the past. Bruce responded that it has been the exception when the Board has come down hard on homeowners. He didn't anticipate the Board will have to enter property to do fixes, but admitted that the Board was attempting to "get tougher" with chronic offenders.

Bill Evans stated that inspections have potential to cause homeowners consternation and because the inspections will be earlier than normal, the Board needs to be aware that owners may not have done all repairs. Linda Carter advised that she has had two major inspection items and will not have addressed all inspection items by the time the next report comes out. Siham Wehbi suggested putting a reminder in the newsletter about the second inspection. Bruce will send a reminder email to residents.

Review of Multi-year Budget Plan: Bruce noted there was very little change from the 1st draft reviewed last month. The 2009-2010 plan follows closely the numbers Marty has. There is a change in management fees in recurring contract area for inspections. Other changes were increasing timber replacement by \$2,000.00 and lighting upgrades to \$11,311.00. Additional lighting might be approved. Adjusted the berm path sealing (restricted reserve--bucket 4) to \$1,200.00 from \$1,300. Bruce noted that the "deficit" shown of \$1,786.00 in the unrestricted (operational) reserve is only a paper deficit, because the Board will not run an actual deficit.

Looking at 2010, based upon projected expenditures, a "left over" of \$18,000 will be allocated somewhere as time goes on: there will be additional costs for landscaping. The Landscape committee has not finished drafting a plan, but it will be ready for next month's discussion on the budget. Nothing has been allocated yet to security because we awaiting estimates. Exercising caution, the budget shows an increase in legal fees from \$5k to \$7k, and the Contingency Reserve of \$20,000 for snow removal and legal expenses will be fully funded by the end of 2009. Bad debt reserve remains the same at \$5,400; in future, small deficits remain on paper,

consistent with what has been experienced in past. As time goes on, future boards will have to adjust as needed. The major infrastructure reserve shows adequate funding through the out-years, even with significant expenditures in 2014 for street replacement and extensive concrete work in that year. In 2011 there will be another comprehensive reserve analysis, as required by law, so the Board then will have an updated analysis of reserve sufficiency. Bruce is not recommending any other funds be allocated than the \$25.00 per month already allocated for the restricted reserve. Linda Carter inquired about budgeting to pay the covenants committee. Also discussed was the security budget. A question was raised about enclosing the wall at the end of Landmark Mews Drive. Bruce replied they have two estimates, one to extend solid wall with gate and second estimate to extend berm wall to join wall extension. Wall extension, 67 feet, estimated at \$18k; extension of berm wall estimated at \$25k. Total cost \$43,000.00. Last year's survey showed a significant majority of homeowners approved of cameras; don't know yet if there is sufficient support for wall extension. Bruce asked if there were any other comments or questions on the budget plan, then asked for a motion for approval.

Linda Carter moved that the Board approve the 2009-2010 Multi-Year Budget plan. Joel Kaplan seconded the motion. Approved 6-0. (Delia Riso absent).

Neighborhood Watch Report - Joel reported no real security concerns in neighborhood; however, he has not be able to recruit people to walk the neighborhood. Bruce commented that residents support security measures in concept, but it's not known what they are willing to spend and/or do for security. Joel reported that people are not volunteering for the Watch program. Requests for support have been in the newsletter and through emails. Marty expressed the view that the lack of volunteers reflects residents' thinking that Landmark Mews is a safe neighborhood. The Watch program has four block captains and a few other people who do walking patrols; one neighbor does walking patrols in very early morning. A paragraph regarding Neighborhood Watch needs to be in the Mews News every month. Linda Carter suggested putting Neighborhood Watch on the agenda for the annual meeting. Joel agreed to speak. Bruce added that it should be noted that the crime rate within a one-mile radius of Landmark Mews is three times the national average.

Property Report - Roger reported that a new mailman has been assigned effective today. Asked for approval of the following: timber project, new Neighborhood Watch sign, removal of ballast lights, vine work on fence, and removal of monkey grass on Stevenson. He also reported that he's looking for a new arborist. He's awaiting a quote for removing/replacing dead trees on the berm. He was not certain about how many would be replaced.

Bruce recommended providing Roger \$1,150.00 for projects, and the Board agreed.

Bill Evans asked about the watering bill. Bruce was unsure about how much more watering will be needed for the remainder of the season. Marty thought the cumulative cost through the summer through 31 August would be about \$3,000.00. He reported he had just paid the September bill, but didn't have the exact price available. Bill Evans noted that the Board had capped watering costs at \$300.00 per week through September. Bruce asked the Board if they agreed to continue with water estimates on an as needed basis through the fall. Bill wanted to know if the operations budget held money for watering. Bruce said yes, in bucket three, in a

discretionary fund for maintenance. Marty said there might not be enough money currently in bucket three projects. Bill Evans also asked about the \$500.00 the Board approved for digging a hole to find out what the oily substance was oozing on the berm. Bruce reported that the actual cost was \$365 and nothing toxic was found. It's surmised that the substance might be surface water from an air conditioner condensation. Recommendation was to wait until the a/c season was over to see if the water dried up. Marty forecast that the 5th of October water bill will be high because of the hours of the day the sprinklers are running. The second-quarter bill was \$700.00, whereas he thinks third quarter will be around \$2500.00. Simon Bennett reported that the new lights on the berm stay on very late into the morning, which indicates a sensor problem. Roger will follow up.

Joel Kaplan moved that the Board meeting adjourn. Loren Scieurba seconded the motion. Approved 6-0. (Delia Riso absent).

There being no further business, the meeting was adjourned at 8:15 p.m.

Minutes recorded by Holly Koechel
Transcribed by Karen Kovach