

FAIRFAX CLUB ESTATES
BOARD OF DIRECTORS MEETING
Monday, February 1, 2011, 7:00 PM – 9:15 PM
Bonnie Brae Elementary School, Lower Theater

I. Call to Order

II. Verification of Quorum

Attendees:

Jim Thompson (President), Pat Ring (Vice President), Phil Beenhouwer (ACC Chair and Secretary), Lu Wright (Board member), Dave Hardin (Treasurer), Mark Eackloff, Brian Hefner, Lauren Hefner.

Board Members not in attendance: Steve Holskey, George Reilly (Common Grounds), *Jason Regnier, Mike Krzykowski (Tennis POC)*

III. Membership Forum ----- 20 Minutes

NOTE: The maximum time for any one individual is limited to 5 minutes

IV. Review Minutes from previous Board Meeting ----- 5 Minutes

Action Items:

~~•Treasurer: ask GHA how owners are informed of their overdue balances. Inquire if GHA's upgraded software system publishes outstanding balances on the October billing.~~

~~•Treasurer: inquire to GHA of their full options for paying semi-annual assessments. (pay by check, auto withdrawal from bank account, or Direct debit through SmartStreet: \$9.95/month; PayPal might also be an option.)~~

~~•Treasurer: Bring copies of the Aging reports to subsequent HOA meetings.~~

~~•Treasurer: Create an FY11 budget line item for the reserve study. (The 2006 Reserve Study cost~~

~\$2,800.)

~~•Secretary: confirm that legal fees associated with the 30-day demand notice (that results in the attorney filing a lien on the property) are, in fact, passed along to the Homeowner.~~

~~•Secretary: confirm what the one legal fee is that cannot legally be passed along to the Homeowner.~~

~~•Common Grounds Chair: Contact electricians for estimates for the light fixtures around the pool and in the common areas.~~

- **Pat**: coordinate with George to provide requested information to Nationwide Insurance.
- **????**: file a police report on the vandalism of the pool light fixtures.
- **George**: Send Nationwide the estimates for repairs to the common area light fixtures.
- **Jim**: Send letters to trash/recycling companies for five-month estimates for service at the pool.
- **Treasurer**: Ask the auditors to review the Collection Resolution's interest and late fees.
- **Secretary**: Inquire to GHA about the status of Bennett's delinquent account.

V. Review President's Report ----- 10 Minutes

VI. Review Treasurer's Report ----- 15 Minutes

- Trash line-item is the largest over-budget item and the remediation will be to renegotiate a new contract for a partial year.
- Jim provided Dave the current pool contract that included options like eliminating the Labor

Day weekend (\$1,400) and closing the pool an hour earlier each night.

- **Dave will verify the numbers in the YTD column (e.g., \$125,120).** Phil raised an issue that the “YTD” column should be the actual amount collected, which should ***not*** include the \$15,000 that we are owed by delinquent owners. It would appear that this line-item incorrectly includes these outstanding amounts. [Also, the recent insight into associate members’ overdue balances should also not be included in their line-item.]
- **Phil: email George and ask for his input on the “Common Grounds” line-item (\$825 YTD versus a budget of \$2,500)**
- **Dave will request an estimate of Larson-Allen (?) to complement the two estimates we have received from GHA.** Mark stated that since L-A conducted the last audit, we should be able to save some money since they would have already confirmed the starting balances, which one of the other companies would have to do. Mark also said that we might not need a full audit, and that despite what the By-Laws state, we might be able to get-by with just a “limited review” (versus full audit) by a public (versus “certified”) accountant once every two years (versus every year).
- **Dave: inquire to GHA as to why the “legal” line-item is only “\$88”.**
- **Dave: inquire to GHA as to what their monthly cost will be next FY.**
- Dave has transferred ~\$24,000 to the reserve fund and he plans to transfer the remainder at the end of the fiscal year, with a Board vote.

VII. Review Committee Reports ----- 15 Minutes

- Architectural Control Committee
- Common Grounds
- Neighborhood Watch
- Pool
- Social
- Tennis
- Playground
- Miscellaneous

VIII. Old Business ----- 10 Minutes

1. None.

IX. New Business ----- 10 Minutes

- Nationwide Insurance (Mark Hardy, hardym@nationwide.com)

\$10,000 “employee dishonesty”: State mandated

The Law says at least three months; they cover our revenue and any reserve.

D&O liability: \$1M covers any Board member (discrimination / harassment coverage is additional)

GHA should have themselves bonded for their own “employee dishonesty”.

Dave asked for an example of when the policy would be used and he provided an example in another state where a homeowner brought a lawsuit against the Board and the ACC because the ACC notified them that their house was not up to standards and they did not agree.

Concerning the vandalized light fixtures on the common grounds, our previous Nationwide representative, Nick Grevis (sp?), told us that the first step is to file a police report, which we have not done. He said that we have a \$250 deductible. He said that they might apply the deductible against each fixture, and would question why it took several months to pursue. He asked us to have **George send him the estimates**. The Board will identify the exact day the damage occurred.

Automobile coverage includes any lawsuits filed against the HOA/BOD.

FCE is covered if a tree causes damage to a common area item (e.g., pool). However, we would incur the expense of removing the tree. If the tree was dead, and we were informed that it was dead, then we would have a liability claim.

Crystal Aquatics has a \$1M policy that would cover swim meets. Jim explained a past situation where NVSL was the responsible party since the swim meet was outside of the normal operating hours of the pool. Swim practices might be a different situation. There may be coverage if a guest is injured, unless the HOA is negligent.

- Current status of Delinquent accounts

Dave provided a new “Resident Transaction Report” which GHA maintains, but has never provided to us, that includes a history of payments/charges for each delinquent homeowner. He stated that this is a better view than the Delinquent report that we have been provided by GHA to date.

Pat recommended we ask the auditors to review the interest and late fees.

- **Change Bennett’s date to “12/29/10” and inquire to GHA about the status of Bennett** (e.g., paid? Turned-over to Attorney?)

1. Role of the Architectural Control Committee

- Mark feels that the ACC has authority over more than what is submitted by the homeowner. He cited garage/basement conversions.
- Jim recommended that Brian and I update the five-year-old ACC Guidelines.
- Phil explained that more than just updating the ACC Guidelines, the Board needs to make decisions on how proactive we want to be, how we want the ACC to function, what over-arching policies does the Board want the ACC to enforce. Phil and Brian will draft some questions for the Board to consider that will help them update the ACC Guidelines.

Lu will provide the Board with the legal reference for clearing sidewalks.

X. Executive Session ----- 20 Minutes

Discuss Association accounts, pending negotiations/contracts, budget and violations outstanding.

XI. Date, Time, Place of Next Meeting (*4th Wednesday of each month*):

February 23, 2011, 7:30pm, Bonnie Brae Lower Music Room/Theater.

Proposed agenda items:

- Propane tank request
- Collections resolution (Lu's white paper)
- Budget

XII. Adjournment