

NEWBERRY STATION HOMEOWNERS ASSOCIATION  
BOARD OF DIRECTORS MEETING

December 1, 2010

**I. Call to Order**

A. The meeting was called to order at 7:16

B. Roster

Board Attendees      Brandon Farlander  
                                 Michael Miller  
                                 Todd Austin  
                                 Mark Sajbel

Management              Brian Cramp, Community Manager

**II. Approval Of Minutes**

Mark Sajbel moved to approve the November minutes; Todd Austin seconded. Approved unanimously.

**III. Towing**

A resident complained that his car was towed for an expired inspection sticker without warning. Mr. Cramp reported that, under our current contract with A-1 Towing, cars are towed without warning for expired stickers but not before 72 hours after the expiration date. The Board expressed its desire that, three days prior to towing, the contractor post a warning on the car that it will be towed if the inspection sticker is not brought up to date. Mr. Cramp will contact A-1 Towing to so modify the contract or its interpretation (bearing in mind that the modification, like the contract itself, will be at no cost to the Association).

**IV. Loan And Road Construction**

Mr. Cramp reported that all invoices received from Commonwealth Paving, Inc, have been paid or are in process of being paid, along with four out of the five due from GJB Engineering Inc., for inspection services.

The sum total of all invoices (not counting GJB's fifth and final invoice) will be \$279,323.25. Given that the loan amount is \$280,000, that means basically what we borrowed, we spent, and that we will have spent no more on the paving project than we borrowed.

The original contract price was \$335,000. The Board had set aside about \$90,000 from its Reserve Replacement funds for the project, including \$55,000 to cover the difference between the loan amount and the contract price plus \$35,000 for GJB inspection services and expenses for

items not covered in the fixed price for asphalt restoration, such as curb and gutter repairs. That entire \$90,000 is now available for other reserve requirements.

Mr. Farlander expressed his pleasure at how well the work has progressed; among other pleasant surprises, not one car had to be towed.

## **V. Landscaping Contract**

After considering offers from three other companies, the Board decided to exercise the option in the contract with Professional Grounds Inc. Two of the offers were non-responsive (not acknowledging our Quality Assurance Surveillance Plan); the other was at a higher price than the option price of the current contract. Mr. Cramp told the Board that he is working closely with ProGrounds to assure quality performance. Mr. Miller asked Mr. Cramp to work with Mr. Budnik and the contractor to fix the French drain near the pool.

## **VI. Tree Removal**

The Board received an offer from Mitchell Tree Service to remove five trees near 6910 and 6911 Trestle Ct., 6910 and 6918 Hamilton Ct, and 8208 Stationhouse Ct. for a fixed price of \$2,725 with a 10% discount if all five trees are removed.

Mr. Farlander moved to accept the offer; Mr. Sajbel seconded. Approved unanimously.

## **VII. Snow Removal**

The Board has received two offers, one from the incumbent LCB, Inc., and one from Professional Grounds, Inc.

Mr. Sajbel moved to accept the offer of LCB; Mr. Austin seconded. Approved unanimously.

## **VIII. Budget**

Mr. Miller presented his budget as an alternative to that previously recommended by Cardinal Management.

Where Mr. Miller's budget differs in planned expenditures:

51125            Management Schedule B

Cardinal Management forecast an expenditure of \$9,000 in 2011, compared with the \$4,500 in the 2010 budget versus a projected expenditure of \$8,325.42 for 2010.

Mr. Miller instead forecast an expenditure of \$5,000.00 for 2011, given that this is more in line with historic norms for Schedule B expenses. In 2010, Schedule B expenses were extraordinarily high because of the paving project.

#### 61150 Pool Contract

Cardinal Management forecast an expenditure of \$42,000 in 2011, compared with the \$31,930 in the 2010 budget versus a projected expenditure of \$39,953 for 2010.

Mr. Miller instead forecast an expenditure of \$30,700.00 for 2011, this being the quotation from the incumbent contractor, Continental, in response to our resolicitation of the contract for pool management services less the opening and closing tasks handled by a separate contract under line item 61145, Pool Maintenance and Supplies.

#### 61180 Landscaping Contract

Cardinal Management forecast an expenditure of \$28,000 in 2011, compared with the \$31,000 in the 2010 budget versus a projected expenditure of \$26,995 for 2010.

Mr. Miller instead forecast an expenditure of \$27,384.00 for 2011, this being the option price of the incumbent contractor for 2011.

#### 61581 Snow Removal Contract

Cardinal Management forecast an expenditure of \$6,500 in 2011, compared with the \$4,500 in the 2010 budget versus a projected expenditure of \$26,820 for 2010.

Mr. Miller instead forecast an expenditure of \$4,500.00 for 2011, this more in line with historic averages.

#### 9000 Accrued Transfer To Reserves

Cardinal Management recommends an accrued transfer of \$56,824 in 2011, compared with the \$103,781 in the 2010 budget (noting that the accrued transfer in 2011 is exclusive of the \$54,000 that would be applied to repayment of the loan).

Mr. Miller instead recommends an accrued transfer of \$32,760.00 for 2011, or \$15 per month per unit.

Why can the Association reduce contributions to the reserve replacement funds to such an extent? In large part, it is because the actual cost of the asphalt pavement project -- \$280,000 -- is not only substantially less than the contract price of \$335,000; it is well under the \$431,654 forecast for that project in the Reserve Replacement Study.

As of October 2010, the Association's reserve cash amount totaled \$225,874. We currently expect that in 2011 the Association will spend \$40,000 to replace retaining walls. Given that expenditure and an annual accrued transfer to reserves of \$32,760, seven years from now, when the loan repayments are complete, the Association would have on hand \$415,194. Afterwards, if the Association transfers \$30 per unit per month into reserve replacement funds, the Association would have amassed \$939,354 by the 20 year mark. Now obviously during that twenty years

there will be draws against the reserve replacement fund. But the sum total of probable expenditures for reserve replacement items is only about two thirds of that amount in current year dollars.

Bottom Line

Net expenditures per Mr. Miller's calculations for 2011: \$267,244.

If the monthly assessment is set at \$122, income would be \$273,648 and net income would be \$6,404.

Mr. Cramp recommended that line item 61216 Clubhouse Maintenance be increased by \$600 to cover a maintenance agreement for the clubhouse HVAC system.

Mr. Miller moved to approve his proposed budget as amended per the recommendation of Mr. Cramp; Mr. Austin seconded. Approved unanimously.

See the Attachment for the final approved 2011 budget.