

**LAFAYETTE VILLAGE COMMUNITY ASSOCIATION  
BOARD OF DIRECTORS MEETING  
Tuesday, October 15, 2013  
Woodburn Elementary School**

**BOARD MEMBERS PRESENT:**

Carl Iddings, President  
John Alexander, Vice President (arrived at 7:10 p.m.)  
Jay Jarvis, Treasurer  
J. Gaston, Secretary

**BOARD MEMBER ABSENT:**

Angela Cutter, Member at Large

**OTHERS PRESENT:**

**Dale Edwards, Project Manager, Sequoia Management**  
Chris Collins, Recording Secretary, Northern Virginia Minutes

**I. CALL TO ORDER:**

Mr. Iddings called the meeting to order at 7:05 p.m. and confirmed a quorum.

**II. CITIZENS' COMMENTS:**

There were no citizen comments.

**III. APPROVAL OF MINUTES:**

**MOTION: Mr. Iddings moved, Mr. Gaston seconded, to approve the minutes of the September 17, 2013 Board meeting as submitted. The motion passed (2-0-1). Mr. Alexander had not yet arrived.**

**IV. PRESIDENT'S COMMENTS:**

No report was given.

**V. MANAGEMENT REPORT:**

Mr. Edwards noted that ACC violations noted at the last Board meeting have been taken care of. He has received two bids for pool management and is waiting for another to be submitted. Mr. Iddings noted that pool chemicals that were paid for by the association were removed from the pool by Atlantic. Mr. Edwards will follow up on this.

**VI. COMMITTEE REPORTS:**

No committee reports were given as they were provided at the Annual Meeting earlier in the month.

## **VII. OLD BUSINESS:**

### Street Milling & Paving Update

Mr. Gaston reported that the next step is the walkthrough. He has not heard back regarding the core samples. Mr. Gaston noted that the paving will likely start in the spring. He also noted that the Association will need to be creative with the parking situation during the paving.

## **VIII. NEW BUSINESS:**

### Appointment of DJ Terreri to Finance Committee:

**MOTION: Mr. Jarvis moved, Mr. Alexander seconded to approve the appointment of DJ Terreri to the Finance Committee. The motion passed unanimously (4-0-0).**

### Acceptance of 2013 Reserve Study:

**MOTION: Mr. Gaston moved, Mr. Jarvis seconded to accept the 2013 Reserve Study from Reserve Advisors as the official reserve study for the next 5 years. The motion passed unanimously (4-0-0).**

### Approval of Financial Management Plan:

**MOTION: Mr. Jarvis moved, Mr. Alexander seconded to approve the LVCA Financial Management Policy as amended. The motion passed unanimously (4-0-0).**

See addendum at end of these Minutes

### Tree Maintenance Contract

**MOTION: Mr. Jarvis moved, Mr. Alexander seconded to approve the contract with Big Steve Tree Care for pruning and removal of trees in the amount of \$28,000 subject to proof of a current certificate of liability insurance. The motion passed unanimously (4-0-0).**

### Resolution Regarding Deferred Assessments

**MOTION: Mr. Iddings moved, Mr. Jarvis seconded that the association elects to apply all or part of the excess assessment income to the following year's assessments and that such final amount shall be at the Board's discretion. The motion passed unanimously (4-0-0).**

**IX. ACTION ITEMS:**

- Follow up with Atlantic re: chemicals removed from the pool
- Contact Big Steve Tree Service re: liability insurance certificate
- Contact Vince Hughes, Sequoia's financial director re: payments made in January being reflected in December financials

**X. ADJOURNMENT:**

**There being no further business to discuss, Mr. Iddings moved, Mr. Jarvis seconded to adjourn the Regular Session of the Board meeting at 8:11 p.m. The motion passed unanimously (4-0-0).**

**XI. EXECUTIVE SESSION:**

No Executive Session was conducted.

These minutes, having been reviewed and properly approved by the LVCA Board of Directors during the regularly scheduled monthly meeting held November 19, 2013, are hereby submitted as FINAL.

Respectfully,

//Gilbert J. Gaston, Jr.//

ATTEST: J. Gaston, Secretary

**Addendum – LVCA Financial Management Policy:**

- 1) **Operating Account Procedures:** Operating account/Money Market at Va Heritage. As these accounts can be accessed by the management company, recommend putting the following procedure in place:
  - a. Account balance should be no greater than \$50,000 and no less than \$10,000. This number was derived from the previous 12 months expenses and discussions with the management company. See end of page
  - b. The threshold above should be re-evaluated with every annual budget.
  - c. Any additional funds should be set to Wells Fargo [see “Community Maintenance/Improvement Fund” account below.
    - i. To ease operational burden, a transfer to Wells Fargo should be initiated no more frequently than monthly and only when additional funds exceed \$1,000.
  - d. Should the management company need funds for operational purposes, they may contact the advisor, with the Treasurer and Presidents approval, to have funds transferred.
  - e. Should the management company need funds immediately for unforeseen community expenses or lack of funds, they may contact the advisor but alert the entire Board. This should be a rare occurrence and in such an instance, the Board will review the operational account threshold.
- 2) **New Account:** Open new account at Wells Fargo, named “Community Maintenance/Improvement Fund”. The purpose of this account would to maintain funds received in excess of actual expenditures (i.e., surplus funds). This balance is usually due to certain projects (e.g. grounds projects) for which expenditures have not yet been incurred.
- 3) **Unappropriated Members Equity:**
  - a. In conjunction with the setup of the new account, we would recommend that a new line item in the balance sheet be created entitled Community Maintenance/Improvement Fund”. This should reconcile to the balance at Wells Fargo for the same named account. The rationale behind this would be to mitigate any potential questions, concerns or even litigation related to the unappropriated members equity balance...which is, in its current state, accumulated profit.
  - b. The amounts sitting in “Community Maintenance/Improvement Fund” should be supported by planned expenditures. This amount does not need to be to the dollar but should reflect reasonable expectations of costs for planned projects.
- 4) **Reserve Funds:** Based on discussions with our Advisor at Wells Fargo the following would be considered best practice.
  - a. Monthly reserve contributions should be sent directly to Wells Fargo.

- b. The approved annual budget should be sent to our Advisor. The Board should also budget for annual reserve fund expenditures each year, and should submit that to the financial advisor along with the Association budget. This will allow the advisor to see what our yearly budgeted expenditures are expected to be. This will inform the Advisor how to stagger any CDs or investments.
- c. Advisor or Board will identify an appropriate cash balance that will trigger investment. The Advisor will confirm with the Board that there are no expected needs of the cash balance in the near term and seek approval to invest.

**5) Community Maintenance/Improvement Fund**

- a. All amounts in excess of the determined limit (see step 1a) should be transferred from operating fund accounts to Wells Fargo.
- b. As this balance should be available for planned projects, it should be invested in liquid investments that would not penalize the community for withdrawal.