

Greene Acres Property Owner's Association

Board of Trustee Meeting

Saturday, March 8, 2014

Minutes

1. Chairperson Debbie Baugher called the meeting to order at 10:10 a.m. on March 8, 2014 held at the Greene County Administration Building.
2. Debbie Baugher called for the verification of a quorum at which time, Assistant Secretary Debbie Turck verified the quorum with the following Board members present: Debbie Baugher – Chairman, Fred Turck – Co Chairman, Debbie Turck- Asst. Treasurer/Secretary, Rus Wright, Marco Handy. Members absent: Brian Snyder (proxy to Debbie Baugher, Angela McClennan (proxy to Debbie Baugher). Lisa Goodwin was present through a Skype connection. Debbie Sheetz joined the meeting at 11:20.

GAPOA residents present: Mike Casteel, Karen Hall, and Wesley Baugher

3. Assistant Secretary/Treasurer Debbie Turck read the minutes from the November 9, 2013 meeting. Complete minutes had previously been sent to all Board members and copies were present for those association members present. Wesley Baugher noted one correction to the minutes that the name of the contractor for the motor grader work was Buck Shifflett and not Rick Shifflett. With corrections noted, Debbie Baugher moved to accept the minutes with corrections and Fred Turck seconded. Motion passed.
4. Treasurer's Report: Debbie Turck began the presentation of the Treasurer's report and then Treasurer Lisa Goodwin joined via SKYPE. At that point, Debbie Turck stated that she had questions and concerns regarding numerous items on the Treasurer's report. After an extended period of comments from Lisa Goodwin and Debbie Turck, Debbie Turck made the motion to defer the Treasurer's report for further review and verification. Debbie Baugher seconded. Motion passed.
5. Committee Reports:
 - a. Safety and Services Committee Report: Marco Handy stated that things had been pretty quiet. The additions to the Bath House were proceeding. Wesley Baugher then noted that the block had been ordered but not delivered due to weather condition.
 - b. Roads Committee Report: In the absence of Brian Snyder, information provided by him was relayed by Debbie Turck stating that he had ordered and delivered 12 to 13 loads of gravel on the roads. Roads will be re-evaluated to see if additional gravel is needed. Wesley Baugher stated that in 2 years, GAPOA will have to obtain permits to clear ditches and to perform other road work due to changes in the law.
 - c. Environmental Committee: Fred Turck reported that he had received a few complaints concerning the conditions of lots in the area and that he had checked the sites after the complaint was received and the areas had been cleaned up some. He plans to have a target date in the Spring for a Spring clean-up at which time after that, homeowners would receive notices of violations for unsightly conditions on lots. There was some discussion of purchasing a one-time dumpster on site for debris removal, but it discussed that this might be too costly. Marco Handy suggested GAPOA purchase dump tickets with the disposal bags and give them to residents where there are problems so that they could clean up their lots. No decision as Fred Turck would investigate and present options at the May 3rd Board Meeting.

d. Membership Committee – Rus Wright stated that he had received no call from membership. There would be 3 positions coming up for elections on the Board in July and he would put in the newsletter a request for anyone interested in running to submit their name to the Board. Also, in the newsletter that he is preparing, he will add requests for volunteers on committees.

e. Legal and Insurance Committee - In the absence of Angela McClennan, Debbie Baugher read the report as submitted by Angela McClennan that detailed efforts to collect past due amounts owed by homeowners for unpaid assessments as well as an update on the insurance policy that is in effect until 11/11/2014.

6. Old Business:

a. Ballot items from July, 2013. Debbie Turck read the ballot items that were on the Ballot in July 2013. All five items on the ballot passed which were not the results reported at the July meeting. Changes to the By-Laws require a majority vote but changes to the Covenants require a 2/3 majority vote. Items 1-4 on the ballot were By-Law changes and item 5 was a Covenant change. Therefore, all Ballot items passed and have been incorporated into the By-Laws and Covenants: 1. Owners who rent property will be charged one landlord fee equal to a general assessment unless they also own non-rented property in Greene Acres on which they are paying assessments. (Passed 69%). 2. Effective January 1, 2014: in order to more fairly fund the maintenance expenses of the Association, as of January 1, 1989, the Board of Trustees shall levy a fee on the owner of each rental unit equal to twice the current annual lot assessment (Passed 61.8%). 3. Effective January 1, 2014, any new property being rented must be to the same tenant for not less than 30 consecutive days. (Passed 59.9%) 4. Effective January 1, 2014, nor more than 15% (or 30 dwellings, whichever is less) of the current dwelling units may be rented. In the event that a new rental would create an excess of 15% (or 30 dwellings, whichever is less) of the current dwelling units, the Board has the authority to review requests for exception or variance. (Current number of dwelling units is approximately 185) (Passed 52.6%) 5. No owner shall rent a *dwelling* unless that owner has owned that *dwelling* at least 2 years (effective as of July 3, 1999). (The word “lot” was changed to “dwelling”.) (Passed 82.8%)

After some discussion of these issues, it was decided that these ballot items would be addressed at the May 3rd meeting to see if they needed to be re-visited for voting in July, 2014.

b. Bath House Additions: Previously discussed in Safety and Services Report.

c. Mailbox Beautification: Fred Turck stated that landscaping had survived the winter and kids waiting for the busses. Heather Vail had contacted him about pruning some of the bushes and after some discussion from members present and Board members, it was decided that it may be better to wait another year before any pruning is done.

d. Hang Tags: Debbie Turck reported that she and Brian Snyder had placed the order for the hang-tags and an example was passed around. There will be 2 resident passes per owner and 2 guest passes per owner. The back of the tag will contain information regarding lost and replacement tags as well as contain information if one is found. The passes will be numbered and the numbers issued will be recorded by owners that eligible to receive them. Marco Handy stated that if the owner's name and/or lots could be written on the tag it would be helpful for identification purposes. The passes should arrive March 12-13 and will be placed in the Spring newsletter mailing.

e. Spring Newsletter: Rus Wright report that the newsletter will be 11” by 17” and page 1 and 4 will be in color. He is still soliciting ads for the newsletter. A full page ad is \$250, ½ page- \$125, ¼ page- \$62.50, and 1/8 page-\$31.25. The cost of printing for 260 pieces will be \$287 which will include folding and tri-folding to fit in envelopes.

f. Audit: Debbie Turck read a thank you note from Al Peschke who performed the audit thanking the Board for the \$500 donation to the USO in his name to thank him for performing the audit. Debbie Baugher read the 10 findings and recommendations of the audit to include:

1. **FINDING:** *The condition of documents and files were not complete, i.e. missing checks, invoices. A total of 16 checking account statements and 49 savings accounts statements were missing and not reconciled. Over 48% of payments made were not documented and over 82% of deposits were not documented. There was evidence of invoices on file in which the paid amount did not agree, thus making it not possible for a reconciliation of funds in the checking account. (Attachment #1)*

RECOMMENDATION: *Good bookkeeping practices should be established to ensure that all documents are filed appropriately in a timely manner. Packaged software programs such as Quick Books could be helpful in this endeavor. The Treasurer of GAPOA should use due diligence and reconcile each month's bank statement in a timely manner. All invoices, statements, etc. should be sent to the GAPOA official address only to avoid commingling of the documents with other non GAPOA documents. A bank reconciliation report should be presented to the Board of Trustees each quarter. Additionally, all invoices should have documentation placed on them as to the date paid, check number for payment, etc. and to who the payment was made.*

2. **FINDING:** *Utility bills were not paid as invoiced resulting in the potential loss of revenue. At one point in time, over \$1,000.00 of GAPOA funds was held by utility companies in credit balances (Attachment # 2).*

RECOMMENDATION: *All utility bills should be paid in a timely manner to avoid late charges and payment should be for only the invoiced amount. Where possible, the GAPOA Board should establish auto-draft payments for utilities.*

3. **FINDING:** *There were missing contracts for property managers, snow plowing, road repairs, etc.*

RECOMMENDATION: *All GAPOA contract should be filed in one location.*

4. **FINDING:** *Funding of reserves should be in compliance with Code of Virginia Section 55.514.1. The Special Assessment Loan Account for \$60,000 should have been paid sooner when it was apparent that excess funds had been collected more than needed. This would have resulted in a savings of \$2,256.84.*

RECOMMENDATION: *The Budget for Capital Improvement Reserve Funds should be maintained in a consistent manner each year thus avoiding loans to the Association or Special Assessment. This could be done when an annual budget is being established.*

5. **FINDING:** *There were missing lien filings and updated status of liens to recoup Association monies owed from annual assessments.*

RECOMMENDATION: *The Board of Trustees should aggressively pursue unpaid assessments and maintain appropriate records on the outstanding collections. The Board should possibly file claims for unpaid assessments in small claims court instead of filing liens on the homeowner's property. This could possibly result in payment of monies owed to the Association in a timely manner.*

6. **FINDING:** *Documents presented showed correspondences and notices from individual members of the Board.*

RECOMMENDATION: *All letters, documents, assessment notices, checks, etc. should derive from the Board of Trustees of GAPOA without any individual names attached.*

7. **FINDING:** *Documents presented showed multiple payments to individuals without supporting documentation.*

RECOMMENDATION: *There should be no check or payment over an amount approved by the Board without the approval of three (3) Board members other than the Treasurer. Approval should be in writing and documented with payment.*

8. **FINDING:** *The current system of dual posting of deposits and payments of assessments does not allow for a reconciliation of postings to insure that all deposits have been properly accounted for. The current system does not allow for a historical listing of payments for any one homeowner.*

RECOMMENDATION: *The GAPOA Board of Trustees should consider purchasing a bookkeeping system such as "Quick Books" to maintain records of deposits, bill payments, and assessment notices.*

9. **FINDING:** *Numerous checks were out of sequence, missing, or undocumented. (Attachment #3)*

RECOMMENDATION: *All official checks for GAPOA should be maintained in one central location and any unused or voided checks should be retained in the banking files.*

10. **FINDING:** *No internal audit has been performed on these records resulting in lost or missing documents.*

RECOMMENDATION: *An annual internal audit should be conducted on an annual basis to ensure compliance of acceptable accounting practices. This requirement should be incorporated into the GAPOA By-Laws.*

After reviewing the documents supplied by the Treasurer of GAPOA, I requested missing records from the Treasurer on September 25, 2013 but did not receive the documents requested. I then contacted Debbie Turck and requested that she secure those documents from other sources. The boxes of records received from Lisa Goodwin, Treasurer, were unorganized and incomplete. Debbie Turck should be commended for all her extraordinary efforts in securing missing documents and organizing GAPOA financial records for this audit.

The Board of Trustees of GAPOA have fiduciary responsibility to the GAPOA members as outlined in Greene Acres Protective Deed Covenants as amended and recorded in the Greene County Court and By-Laws of GAPOA and GAPOA Rules and Regulations as of October 2013. It is strongly recommended that the Board of Trustees of GAPOA Treasurer lives physically in the community of Greene Acres instead of another locality. This would allow ready availability and access to the Treasurer and GAPOA financial records.

Debbie Baugher stated that the GAPOA Board needed to change how we do business as a result of the audit. Rus Wright stated that we need to take action and to address the software available. Lisa Goodwin stated that the audit sounds biased. She stated that having a treasurer that doesn't live physically there is not the issue. She stated that the Treasurer's report submitted should be as of February 27, 2014 and not March 1, 2014 as presented. Debbie Baugher stated that the treasurer needs to be local and all bills sent to the official GAPOA address locally. Fred Turck stated that when the lawyer working with GAPOA requested financial documents are those homeowner's in arrears, there was a delay in getting that information and if the person had been local, that might not have been a problem. He stated that we need to be careful with other people's money and run this as a business.

Marco Handy stated that he sees 9 things on the audit that trouble him. He had concerns about it. He stated that the missing documentation was wrong and horrible and not acceptable. Marco Handy then made the motion to change the treasurer to a local Board member and to also change the current bookkeeping practices. Further discussion ensued to include comments from resident Karen Hall that couldn't the management of the accounts be put with a licensed and bonded accountant or bookkeeper. She stated that you hear all the time about someone that has embezzled from an association account. Lisa Goodwin stated that the paid accounts receivable are on line and that things have been working a lot better. Lisa stated that she didn't file the liens. She moved to review all systems that we are using now and defer it to the May meeting and take time to investigate. Debbie Sheetz stated that there were serious issues in the audit and that we need to look at other options. Marco Handy stated that he had shown the audit to 6 people and they said that they would sue him if something was not done to correct the problem. He stated that we need to get confidence back from the community regarding the financial records. Fred Turck stated that there had been no indication of misappropriation of funds but just concerns regarding the overall management of the financial program. He stated that it is time to restructure and restart and build structure back. Debbie Turck stated that she had contacted Lisa on numerous occasions by e-mail concerning payments received and other financial issues and had not received responses from Lisa. Lisa stated that maybe she just didn't get the e-mails that she sent back. Debbie Turck responded that she had sent a response of "I will check on it and get back to you", so she had received the e-mail, but never answered the questions posed. At this time, Rus Wright seconded Marco Handy's motion "Motion to change the treasurer to a local Board member and to also change the current bookkeeping practices." Debbie Baugher called for a vote, 8 votes yes (Baugher, Wright, Sheetz, Handy, F. Turck, D. Turck, Snyder (proxy), McClennan (proxy)). 1 vote nay – Lisa Goodwin. Motion passed. **Lisa Goodwin removed as Treasurer of GAPOA and removed from all banking accounts.** At this point, Debbie Baugher asked Lisa Goodwin to send in all records, check books, debit card, by March 15, 2014.

7. New business:

- a. Resident of property that are in arrears: Debbie Baugher stated that there are individuals that live in/on property for which the owner is in arrears on assessments, but that they obtain guest passes from other residents who are not in arrears and then use the lake, pavilion, beach, and bath house facilities. They walk onto the GAPOA property. After some discussion, it was decided to try to obtain the building permit from the property in question to see if there is an occupancy permit or the status of the building permit as the property is only half complete but is occupied.
 - b. Property owner's list – official owner's names as recorded with the Clerk of the Court. Debbie Baugher stated that the Board needs to use the official name on the property record as the official owner of the property. In a resident has not recorded their name on the deed, then they are not the official owner of the property.
 - c. Community work in lieu of fines: Fred Turck stated that he was contacted by an owner and asked if maybe people could do community service work in lieu of their fines if they were unable to pay the fine. Discussion ensued to include a decision on the amount per hour, a holds harmless agreement to protect GAPOA from any liability, and who would confirm the hours worked. Fred Turck will investigate the amount of pay per hour for community service and report back to the Board.
 - d. Proposed ballot issues for May meeting: Debbie Baugher stated that the May meeting, ballot items will be discussed and finalized for submission on the July ballots. Rus Wright will also place in the newsletter the request for any ballot items to be presented to the Board at the May 8 meeting.
 - e. Boat Rental fees dues by March 31, 2014 – Fred Turck stated that notices will be sent to known owners of boats on the racks at the beach and if the fee of \$50 is not paid by the May 3 Board meeting, then the boats will be removed from the racks and locked at the beach area. If not claimed by July, 2015, the boats will be sold at auction.
8. Member Comments: Debbie Baugher asked for comments from members present. No comments.
 9. Adjournment: Debbie Baugher adjourned the meeting at 1:20 p.m.