

Stepping Stone Condominium Association
Board Meeting
February 24, 2011
6:30p.m.

The regular meeting of the Stepping Stone Condominium Association (**SSCA**) Board of Directors was called to order by President Geof Gazaway at 6:30 p.m. on February 7, 2011. The meeting was held in the Association clubhouse.

Attendees present:

Geof Gazaway—President
Carol Coffey—Vice-President
Edrice N. Johnson—Secretary
Tim Brown—Treasurer
Cliff Watson—Board Member
Barry DeBose—Former President
Chandra Lovelace—Former Secretary
Ona Elliott—Accountant

Approval of Minutes

The minutes of the February 7, 2011 special meeting of the SSCA Board of Directors were approved as corrected.

Reports

The report of the treasurer was dispensed with.

Business

President Gazaway opened with a review of pending actions and unresolved issues.

- *Property Leaks*—President Gazaway reiterated the issue of the leak in building seven (#7).
Discussion: There was a recommendation to set aside \$4000 of operational money to provide for current and eminent water leaks and subterranean plumbing concerns. The current water bill is reported to be an estimated \$1000 lower than the previous month. Member Watson proposed the use of Florazine dye in order to detect whether or not the leak is from sewage or discharge water.

- *Security Concerns* —Vice-President Coffey presented the security proposal provided by Vinson Guard Service Inc. (proposal retained for the minutes).
Discussion: President Gazaway informed the Board of that it could not deviate from the predetermined amounts allotted for the line items of the Special Assessment as prescribed by the vote of the previous Board and as presented to the members in the October Association meeting. There was lengthy discussion about the costs, spectrum of service to be provided, time frame of implementation, and Board responsibility/liability for the provision of security.

Ms. Lovelace stated that security became a concern due to inadequate lighting. Treasurer Brown reminded the Board of the Association's \$5000 insurance deductible and the lack of reserve funding necessary to cover it in the event of an emergency. Ms. Lovelace requested clarification on the prioritization and permanence of the allotted amounts of the Special Assessment. Treasurer Brown reported that the vote was for a \$15,000 allotment for lighting and \$10,000 for security.

President Gazaway provided Secretary Johnson with a list of allotments. Secretary Johnson noted to the Board that this list of items and amounts differed from the list mailed to Unit Owners, and from the information presented at the Homeowners meeting in October 2010. An amount of \$50,000 was presented to the owners at the Association meeting with no specific line item estimates. Ms. Lovelace explained that no specific amounts were given in order to minimize lengthy discussion and dissention.

Mr. Watson asked for the amounts of our monthly income and expenses. Former President DeBose stated that collections are a problem. According to President Gazaway, monthly utilities are approximately \$5,000. The monthly revenue should be approximately \$17,000 from the 126 units, but averages near \$12,000.

Mr. Watson questioned why our HOA fees appeared relatively high in comparison with other associations, for the amenities offered, and whether any consideration had been given to reviewing that matter.

The president suggested that the Board table the security issue temporarily and proceed with an update from Mr. Watson on the lighting proposal.

Motion: President Gazaway moved to continue with the lighting proposal and to establish a perimeter patrol with Vinson Guard Service Inc. (one kit with 25 points) at \$525 and to retain the company on an ad-hoc basis at a maximum expense of \$1,200. The motion was seconded.

Vote: Affirmative—DeBose, Gazaway
Dissenting—Coffey, Johnson, Watson
Abstaining--Lovelace
Motion failed.

Motion: Member Watson moved to invite Vinson Guard Service Inc. to present their proposal to the Board. The motion was seconded.

Vote: Unanimous

A special meeting of the Board of Directors was set to meet with Vinson Guard Service Inc. on Thursday, March 3, 2011 at 5:30.

- *Lighting*—Mr. Cliff Watson presented the lighting specs he developed in preparation for the bid process. He also recommended the use of 75watt high

pressure sodium bulbs to increase light output and to conserve on utility costs. The sodium bulbs have a life of approximately six years, with an estimated savings of \$471.00 per year for 35 pole-mounted lights.

Treasurer Brown inquired whether or not the Dodge room, a procurement house for major contractors, would be used to shop out the bid. He also requested that Mr. Watson add bond requirements to the specs for potential contractors.

- *Office Manager/Property Management Firm*—Treasurer Tim Brown presented to the board for consideration the possibility of hiring an office manager, at a rate of \$13 an hour with additional employee taxes, amounting too an estimated \$15,000 annually versus the engagement of a management firm paid on a commissions basis at a rate of ten percent (10%).

ACTION ITEM:

Treasurer Brown and Mrs. Elliott will prepare a scope detailing the SSCA service requirements for potential property management agencies within two weeks.

Discussion: Treasurer Brown informed the Board that it must determine a minimum amount to set aside in the SSCA reserve fund for property concerns. He also suggested that the Board consider establishing a trust to ensure that the managing agency would not have direct access to the SSCA bank account. Ms. Lovelace requested that the potential management firm issue detailed revenue and expenditure reports.

The January—December 2010 expenditures report was presented by accountant Mrs. Elliott (report retained for the minutes).

Financial Updates

Mrs. Elliott reported that there are currently 50 units in arrears for non-payment of HOA fees or the Special Assessment, amounting to an estimated \$32,000. The attorney's collections fee of 23% will be assessed to the accounts of the defaulting unit owners.

Mrs. Elliott will present President Gazaway a detailed list of pending cases. Secretary Johnson requested a copy of the list for the Association records. The president denied this request.

According to Mrs. Elliott, poor bookkeeping, lack of documentation for monthly unit fee payments, and failure of owner notification for non-payment during the tenure of the former office manager, forced the Board to go back more than one year to pursue collections in the amount of an estimated \$60,000.

Pending Actions continued

- *Windows*—Treasurer Brown reported that one large window was ordered for replacement for unit seven (7M). Window World was selected as service provider. No costs were specified at this meeting.
- *Tree Removal*—Treasurer Brown informed the Board that Joe Webster will be the licensed, bonded, and insured contractor retained at a cost of \$1,730 for the removal of both trees between buildings three (3) and four (4).

New Issues

Mr. Watson informed the Board that there is a request to rent the clubhouse from a resident in building six (#6). President Gazaway stated that the Board was not accepting rental reservations at this time do to damage and needed repairs to the facility. Mr. Watson inquired as to the Board's authority to set such a policy without notification to the Homeowners.

ACTION ITEM:

Treasurer Brown will contact Salvador Segura, SSCA lawn care contractor, to remove furniture and debris from the dumpster of buildings one through three (1-3).

ACTION ITEM:

Ms. Lovelace and Secretary Johnson were asked by the president to design pet waste removal signs and determine designated areas of use and of sign placement for presentation to the board. Sign size and type to be determined.

President Gazaway continued with discussion of the transition period between the standing Board members and the previous members. Secretary Johnson requested clarification on the purpose of the transition, its adjusting timeline from three to four months, and which members currently constitute the voting body of the board, noting that the Bylaws do not provide for said transition. Mrs. Elliott explained that the purpose of the transition period was to maintain continuity.

VOTING RIGHTS CLARIFICATION: The current voting board members are Carol Coffey, Tim Brown, Geof Gazaway, Nichelle Johnson, and Clifford Watson.

The terms of President Gazaway and Treasurer Brown will expire at the close of the year. There was discussion about the addition of new board members.

President Gazaway asked the Board to consider the continued utilization of Mrs. Elliott as the SSCA accountant. Mrs. Elliott presented the Board with a copy of the 2007 SSCA Internal Audit Results (report retained for the minutes).

Secretary Johnson presented the Board with a written request for the disclosure of all SSCA document, records, receipts, and vouchers and the minutes of the previous meetings (letter retained for the minutes).

ACTION ITEM:

Former President DeBose, former Secretary Lovelace, and Mrs. Elliott will collect and provide the minutes of past meetings to Secretary Johnson.

Treasurer Brown asked the Board to consider changing or updating our current SSCA office phone and voicemail service.

A special meeting is scheduled for Thursday, March 3, 2011 at 5:30 p.m. with Vinson Guard Service Inc.

The next scheduled regular meeting is March 17, 2011 at 6:30 p.m.

There being no further business, the meeting was adjourned at 8:52 P.M.

Edrice N. Johnson
Secretary

Approved ___/___/_____