

**CABOTS POINT CLUSTER ASSOCIATION  
BOARD OF DIRECTORS' MEETING  
June 14, 2016**

The regular monthly meeting of the CPCA Board was called to order by President John Norton on Tuesday June 14, 2016 at **7:00 PM**, at the home of John Norton. Attending were Board Members John Norton, John Hills, Stephen Cristofar and Gary Caley. Also in attendance were residents Jack Murphy and Linda Jones, and Mario B. "Ben" Ginnetti, the President of PM+.

**OPEN COMMENTS**

- Linda Jones noted she recently had Bonilla remove two cypress trees from behind her home, with RA and CPCA prior approval. While Bonilla was performing the work, they also recommended removing dead branches from another tree behind her home but on Cluster property. Linda had Bonilla perform the work, and subsequently asked CPCA for reimbursement for this work (\$200). The Board discussed the request; Gary noted that Bonilla is our tree company and we trust their opinion. Steve motioned to pay half of the \$200 invoice, but added that any tree maintenance on Cluster property must have prior Board approval. John N. added that Board was in a challenging position in that we would like residents to seek approval for any tree work done. Steve motioned to pay Linda half, Gary seconded and all Board members approved. John N. added that he would follow up to all residents with a reminder not to perform any maintenance on Cluster property w/o prior Board approval.
- Jack Murphy brought forward an issue about a large Maple tree behind his home. He noted that it is a very large tree and pruning would have minimal impact. Asked why the Board had denied his request to have the tree trimmed. John N. noted that if an arborist were to recommend tree trimming for the health of the tree, the Board would have likely approved, but request was to improve views. Jack disagreed, saying his view should be taken into consideration. Steve added that arborists had previously recommended that healthy parts of trees not be removed for aesthetics. John N. asked to table the discussion for the upcoming RA workshop on trees and trimming; John noted he would like to learn more about it before discussing further.
- John N. introduced Ben and Patrick from PM + to present and answer questions about the recent reserve study performed for Cabots Point. Ben presented the following:
  - As a resident, there are two components to property: things you own, and things the association owns for which you contribute to the maintenance. We have a reserve fund because the State of VA requires it, but also it helps spread out the cost of maintenance across all residents for the time they live in the Cluster. The reserve study keeps it honest and ensures all residents are contributing equally.
  - What PM + does is review, evaluate the condition of assets, assigned remaining life, take into consideration what is in bank, what is being contributed, as well as interest factors and cost of living and interest. For interest, look at US Treasury

note, currently 1.95% and used 3.12% for average savings rate. Noted that this is high, but accounts for long period of time.

- PM + Evaluates funding based on three methods:
  - Association Plan method, which is CPCA's current contribution plan to meet future obligations.
  - Cash flow method. Looks at 30 years based on expenses and what the work will be, averaged over 30 years, indicating can meet obligation by stepping up contributions (adjusted for rate of inflation), so is predictable what will be requested to sustain requirement.
  - Finally, component method only looks at next time we will do the work. Does not level out expenses to get a nice even flow. May make sense for a new community with fewer homes, but not for an established community.
- Right now, the cluster is contributing \$12,800 next year (FY17), \$320 per owner for the year. This accounts only for the capital items, not operations. Concluded per the cash flow plan, current contributions is light, should be contributing \$404 per owner, which is \$84 extra per year. The component method was far higher and was excluded. This also includes contingency for unforeseen event (extra expense for roads, or rebuilding docks).
- Major components:
  - 82% going into pavement and sidewalks
  - 18% for annual allowances and other property features
- The private streets are the primary capital expenditure for the neighborhood. The components we need to keep in good repair:
  - Asphalt. Need to seal any open cracks. Some areas with light pavement failure, but felt it would be 6 years before milling was required as long as we fix and maintain now. This maintenance would also improve curb appeal, which impacts property value. Potential costs/recommendations include:
    - Sealing open cracks
    - Sealcoat all asphalt
    - Continue fix sidewalks, curbs and gutters
    - Update signage
    - Future maintenance to dock and retaining wall could be costly
    - Steps going down to dock are uneven, fix when contractor is out for asphalt work
    - Replace asphalt trail from Tier 1 to main road.
  - If everything were to break today, it would require \$232k to fix. But spread out, along with the \$87k
- Reiterated we want each resident to pay their fair share.  $\$16,150 / 40 = \$404$  per family per year. Over a 30 year period, this community will have to be prepared to spent 631k.
- Noted that this is a moving target, since once road work is done, may be able to reduce assessment in the future.

- After the Board gives feedback, will provide that back to PM + so reserve study can be finalized and accepted as submitted. This study will go into resale packages and becomes an official document for the Cluster.
- Steve asked, 1.95% for inflation and 3.12% for interest. Steve noted we have not averaged over 1% for the last several years invested in CDs. John H. added that over 30 years, 3.12% doesn't seem unreasonable. Ben noted that if the interest were decreased, it would increase the recommended additional assessment to the Cluster.
- John N. asked Ben to discuss what happened several years ago when the Cluster reserve fund was underfunded had to take a bank loan of \$70k to pay for the last milling. If the reserve fund is not sufficient when the time comes, then a special assessment would have to be taken out to cover the difference, which unfairly burdens the home owners owning at that time, and costs more due to additional interest payments.
- There are 5 factors for the annual contribution. If you change any of the 5, it impacts the contribution necessary.
  - Cost to residents
  - Money in bank
  - Contributing
  - Useful life of the asset
  - Contingency
- Last note, if you save the money, spend the money. Tendency is not to spend the money. Every thing that the cluster does to will make the property look better.

## **OLD BUSINESS & COMMITTEE REPORTS**

- The Board approved the minutes from Board meeting of April 19, 2016.

### **Treasurer's Report**

- Steve presented the Treasurer's report.
- Current balance of \$26,484 in the checking account. Reserve fund is over \$88k, getting just over 1% ROI between 5 CDs.
- One delinquent Q1 dues payment.
- Q2 dues payments are forthcoming.
- Account has completed annual financial review, which looks good. Steve will then send to Mike Savage for distribution on the website.
- John H. also noted he had sent Mike updates for website

### **Grounds Report**

- *Kate presented the grounds report prior to the meeting via email.*
- **Status of Work**

- The planting around the peninsula between tiers 1 and 2 is completed. Plants were damaged by Dominion contractors but promptly replaced after Kate contacted them.
- Replacement of oak leaf hydrangea (under Cardinal guarantee) is pending.
- Erosion mitigation at end of tier 4 above the path with 6"X6"X6ft timber is pending.
- Slope below tier two (to the right of road on the way down to tier 3 and 4) is looking a shabby. Kate will ask Cardinal to clean it up.
- **Tree Maintenance**
  - Tree maintenance (Bonilla and 2 other firms) will be explored before next board meeting and proposals presented.
  - Quote for removal of overgrown shrubs around lakefront trees will be obtained from Cardinal and circulated to Board for approval next week. Linda Jones elaborated that there are a few beds down by the dock which have not received any care for the last few years and are overgrown.

### **Roads Sidewalks and Homes**

- John H. recommended moving forward with crack sealing and topcoat as well as the repairs to alligating. Steve added it might not be in the budget to do all three, but suggested doing crack sealing and fixing alligating now, and topcoat next year.

### **Social**

- Nothing planned.

### **Other**

- A resident has requested that the Board remove trees and scrubs not specified in the cluster's original plat. The Board discussed and felt CPCA has acted within the bounds of Fairfax county landscaping ordinance.
- Resident also asked to have the Cluster cleanup and/or pay for cleanup of rear gutters clogged with leaves from Cluster trees. Board's policy has been that Cluster does not perform or reimburse for maintenance to Cluster homes.

### **NEW BUSINESS**

- Republic trash removal has requested a .36 cent per home per month rate increase (\$12 per month) to support new Fairfax county fees. John H. noted Republic has yet to reduce the fuel surcharge added when gasoline hit \$4, and felt this surcharge was unwarranted. John H. to follow up with Republic.

### **MEETING CLOSE OUT**

- Date/location of next Board meeting: To be held at the home of Steve Cristofar on Tuesday July 12, 2016.

**Meeting was adjourned at 8:30 PM.**

Minutes Submitted by John Hills