

**Corrotoman-By-The Bay Association, Inc.
Board of Directors Meeting**

14 December 2019

Deb Beutel, President 0903 called to order.

Noted that Mr. Sam Longstreet was not in attendance. All other Board members physically present. There were ten additional community members present.

Announcements from Board:

We have Sentry Management on board providing Financial Management Services to CBTB. There have been some challenges but, please bear with us as we continue to work with Sentry Management to provide more transparency/visibility for Board Members as well as homeowners. Homeowners will have visibility into their accounts and will be able to assess if their annual assessment has been received. If you have an issue or concern please send your inquiry to the CBTB email address CBTBay@gmail.com so that we can track and ensure your receive a thoroughly vetted response.

Secretary's Report: Minutes from 16 November Meeting Reviewed and Approved . These were previously submitted to all Board members for review and were sent a second time with Agenda. A motion to approve was submitted by Ms. Lea Gallogly and seconded by Mr. Kevin MacNair. All approved.

Treasurer's Report: Lea Gallogly.

- The first set of financial reports from Sentry Management presented to the Board. (attached).
- A question arose from Ian Fay as to whether or not the most recent delinquent tax bill had been paid or adjudicated with Rivers Accounting. Lea Gallogly took for action to reconcile with Rivers Accounting.
- Due to a CBTB Members inquiry suggesting that the fees being charged by Sentry Management for Disclosure Packages were in excess of what is allowed, Lea Gallogly provided a copy of the Department of Professional and Occupational Regulation (DPOR) Maximum Allowable Preparation Fees which is based recent changes to the Property Owners Association Act which became effective 1 July 2019. (attached).

Capital Reserve: Jean Ehlman, Chair.

No items from the 2019 expenditures will be reimburse from the capital reserve fund.

The CBTB Association Board through the treasurer at the recommendation of the Finance committee managed and determined that the capital reserve fund be funded to its current level in order to be viable to handle anticipated near future capital expenditures such as the pool and also allow for leverage in negotiations with Banks for a line of credit.

The capital reserve is a management tool and has been used as such by the CBTB Association Board in the past. It is not a document that is required to be followed explicitly. It is considered a guide for management.

The revised capital reserved study in October 12, 2015 shows that the recommended cash flow method at the end of the year should be: 2019 - \$122,879 & 2020 - \$150,103. CBTB Association has \$116,418 in capital reserve fund - December, 2019. The recommended annual capital reserve deposit each year should be \$42,539.

Collections: Now Included in Sentry Management Financial report provided.

Finance Committee: Lea Gallogly, Bill Ehlman, Craig Adler, Sam Longstreet, Cristian Shirilla, Ian Fay. No Report

A motion to approve the treasurers report was provided by Mr. Cristian Shirilla and Ms. Lisa Adler seconded the motion. All approved treasurers report.

Committee Reports:

Architectural Review: Lea Gallogly, Chair. Report attached.

One road deposit (Beutel) is being refunding by Sentry, in process. There is one remaining road deposit on the books (Butler) which is awaiting completion of the home. A site inspection will need to be done in December, if the homeowner is not completed (exterior) they will need to request an extension and provide a new estimated completion date.

Communications: Tara Linne, Chair. No report.

Dock: Rocky Boykin, Chair- No report.

Hospitality: Vacant Need Chair -

CBTB Holiday Celebration on the 28th of December. The event will be a pot-luck (appetizers/deserts), there will be no fee/charge and the DJ will also be available. More information to come. We are looking for a "Sponsor" for this event.

Pool: Lisa Adler, Chair.

Ms. Adler has requested and received the contract from Sevalg for pool maintenance for next year. Costs will remain the same as the previous year, \$4080.00 plus the cost of chemicals. She will forward the contract to treasurer or President for signature and forwarding to Sentry Management. First payment is not due until March 2020. Craig Adler has volunteered to inquiry as to the cost of getting a higher throughout WiFi Service for the Clubhouse in order to provide sufficient bandwidth to support the new security cameras to be installed.

Roads & Grounds: James Allen, Chair. No Report. Not in attendance.

Tennis & Golf: Jean Ehlman, Chair. Report attached.

The tennis/pickleball courts will be closed until spring when the courts will be painted and tennis & pickleball lines will be put on the Courts. Please stay off the Courts until the Courts Closed sign is removed. There were thirty-eight family units that paid for use of the tennis courts in fiscal year 2019.

Old Business:

- Shoreline Evaluation Program Analysis for Lots 3-7 was conducted. Final Report Submitted, Title Search for Lots 1 – 7 completed by William Sleath, responses to affected homeowners will be sent out shortly, consolidating all new information after legal review. – Deb Beutel
- Update on Transition of Financial Services to Sentry Management Company – Lea Gallogly
 - Sentry Management Payment, Checks are made payable to Corrotoman By The Bay and not Sentry Management. please update the mailing address for payments to be the lockbox:
Corrotoman By The Bay
PO Box 105302
Atlanta, GA 30348
 - Hopefully everyone has received their account numbers soon. Please also list Lea Gallogly as the point of contact for account numbers, address updates, and contact information updates.
- Status Update on Closeout of Rivers Accounting Services/Taxes Status and Update – Lea Gallogly

New Business:

- Welcome to our New Board Member Carol Greenwalt selected during Executive Session of 16 November 2019.
- New Financial Procedures Update – Lea Gallogly
- A motion to close the second savings account at Sonabank was provided by Ms. Lea Gallogly Cristian Shirilla and Ms. Carol Greenwalt seconded the motion. All approved

Adjournment: Meeting adjourned at 1034.

Next Meeting: Saturday 11 January 2020, 9:00 a.m.

Executive Session : None

Adjournment:

Lisa Adler (2018-21)

Board Member Terms

Deb Beutel (2017-20)

Jean Ehlman (2018-21)
Lea Gallogly (2017-20)
Sam Longstreet (2019-22)
Cristian Shirilla (2019-22)

Ian Fay (2018-2021)
Vacant (2017-20)
Kevin McNair (2019-22)



MAXIMUM ALLOWABLE PREPARATION FEES

Disclosure Packets for Professionally Managed Property Owners' Associations
Includes Fees Updated January 16, 2018 + Law Changes Effective July 1, 2019

Virginia law requires that when selling a home in a property owners' association (POA), the owner must provide a potential purchaser with certain legally required information regarding the home, common areas, and the association. The Property Owners' Association Act (POA Act) calls the legally required information a **disclosure packet**. The packet must be requested by the seller, prepared by the POA, and delivered to the potential purchaser.

Compiling the required documents involves time, effort, and resources, so the law allows the preparer to assess **reasonable fees**, but sets a **maximum amount for such fees**.

The POA Act distinguishes between communities that are "professionally managed" and those run by volunteer member-owners. "Professionally managed" means a common interest community that has engaged (i) a common interest community manager to provide management services to the community or (ii) a person as an employee for compensation to provide management services to the community, other than a resident of the community who provides bookkeeping, billing, or recordkeeping services for that community. (See [§ 55-509](#) in the POA Act)

POAs that **are** professionally managed may charge fees as established in [§ 55-509.6](#) of the POA Act. (See adjacent table.)

NOTE: Effective July 1, 2019, no professionally managed POA may collect fees authorized by § 55-509.6 of the POA Act unless the association is (i) registered with the Common Interest Community Board (CIC Board), (ii) current in filing its most recent annual report and fee pursuant to § 55-516.1, (iii) current in paying any assessment made by the CIC Board pursuant to § 55-530.1; and (iv) provides the disclosure packet electronically if so requested by the seller or seller's authorized agent.

- See page two of this form for more information on association registration.

PREPARERS of DISCLOSURE PACKETS FOR PROFESSIONALLY MANAGED POAs are allowed to charge **no more than the following maximum fees** for *only* the following tasks:

\$117.37 for **inspection** of the exterior of the dwelling unit and lot *if authorized in the declaration* and as necessary to prepare the disclosure packet.

\$176.05 for **preparation and delivery** of the disclosure packet in **paper form (for no more than two copies)** OR **\$146.71 total in electronic form**. Only one fee shall be charged for preparation and delivery of the disclosure packet.

\$58.69 for an additional fee to **expedite** the inspection, preparation, and delivery of the packet (if completed within five business days of the request)—but only if the preparer agrees to do so (*optional* at request of seller/agent).

\$29.34 for an **additional hard copy** of the packet (*optional* at request of seller/agent).

Actual cost for third-party commercial delivery service to **hand-deliver or overnight** the packet (*optional* at request of seller/agent).

\$58.69 post-closing fee charged to the purchaser (*collected at settlement*) to update ownership records of the association.

\$58.69 for pre-settlement **updates** to the packet (*collected at settlement*).

\$117.37 for **additional inspection** of the exterior of the dwelling unit and lot *if authorized* by the association declaration (*optional* at request of purchaser/agent).

To account for inflation, the law automatically adjusts the maximum fees applicable to professionally managed POAs every five years, based on the U.S. Average Consumer Price Index (CPI). The General Assembly established the initial cap amounts in 2008. The current fees (**displayed in bold**) are effective as of **January 16, 2018**. The next mandatory CPI adjustment will occur in 2023.

Treasurers Report December 2019

Transition:

1. General. The transition to a professional HOA/POA management company is necessary for a variety of reasons, many of which stem from issues Community members have pointed out in person and via social media. In addition, our previous accountant has expressed a desire to downsize the number of clients in preparation for retirement.

Transition to the new management firm will give us additional oversight/insight. Sentry will ensure we are compliant with State HOA/POA requirements, they will provide oversight and challenge those practices which don't satisfy the Washington Post/common sense test – and most importantly **every** Board Member will have **visibility** into each financial account, Operational, Capital Reserve, and Collections, homeowners will have visibility into their individual accounts as well, in **real time**. The status of funds will be available to you the Community as an attachment to the Board Meetings. Remember, community members can ask questions regarding ANYTHING related to financial records. Please use the [cibtbay@gmail.com](mailto:cbtbay@gmail.com) to make your requests.

2. Progress. Transition to Sentry Management is continuing. Community Members should have received their post cards and initial account letters regarding lots. Issues we are currently working:
 - a. Multiple account letters when more than one lot is owed.
 - i. Billing for Sentry services is based upon each lot within the Community. If you received more than one letter- its covered in the base costs.
 - ii. Sentry has been contacted regarding consolidating adjoining lots. Consolidation is not possible since the accounting system utilized mirrors the local jurisdiction's (count, town) land records which lists lots individually. Consolidation of lots in their system would not only not match up w/local land records, but would also be problematic if an owner subsequently sold the lots separately. An example would be the Dept of Motor Vehicles (DMV) if you have 2 vehicles you get 2 property tax bills and 2 inspection notices, not just 1.
 - iii. Owners can "view" all their accounts within the system. Owners of multiple lots can make a single payment as long as they include all "coupons" or otherwise indicate which lots/account the payment is to be applied to.
 - b. Access to accounts.
 - i. All accounts are currently loaded in the CommunityPro system.

ii. Some community members have received an “invalid account number” message when trying to register. Please contact Karen Pangakis at Sentry Management for assistance. Her contact number is (703) 642-3246 extension 56505.

3. Banking Concerns. An individual on social media expressed concern regarding having to send payments/bills to Union Bank (Sentry’s provider) “lock box” in Atlanta Georgia, removing Corrotoman by the Bay (CBTB) financial matters from the local community. It should be noted that ONLY the **operational** account has been sent to Union Bank/Sentry Management in accordance with the terms of the contract.

It should be noted that even when you use a "local" bank, your money is digitized & could be anywhere. In addition, Unions lockbox system & software tie directly to Sentry's accounting software, thereby automating the posting of payments and the updating of accounts - real time.

The following accounts will continue to be maintained as follows:

- a. Chesapeake Bank. Kilmarnock VA based bank. This account will continue to be utilized for “local” activities, a place where donations/fund raisers/community hospitality financial issues will be conducted.
 - b. SonaBank Capital Reserve (CR). Richmond VA based bank. The capital reserve account will remain where it is currently, there is a local “branch” in Kilmarnock.
 - c. SonaBank. Richmond VA based bank. This account had been utilized as a “savings” account for the community. These funds have been transferred to the Operational account at Union Bank. It is proposed this account (not CR) be closed.
4. Disclosure Packages. It is the seller’s responsibility not only to be aware of the disclosure packet (DP) requirement, but to request one immediately upon obtaining a contract on their house/property. All requests must be addressed within 14days. The 14-day time frame is from the statute (Virginia Property Owners Association Act (VPOA)). There is a 72-hour “rush” option for an additional cost. Once the request is received, the clock starts. Sentry does not typically reach out to realtors, it is the responsibility of the homeowner/seller to be aware that a resale disclosure packet must be ordered.

The cost for a DP is \$176, for a paper copy or \$146.71 for electronic packets These rates are in accordance with the State of Virginia’s Dept of Professional and Occupational Regulation (DPOR). To expedite a package (w/in 5 business days) there is an additional charge of \$58.69.

An update to the CBTB Website will be requested/processed to reflect these changes.

5. Contracts. The Community has expressed concern with efforts to develop a roads and grounds contract service. The primary concern is that the existing contractor providing grounds maintenance will be excluded or that there is no one interested in providing services to such a small community.

To date the Community has only 3 contracts for Services. They are:

- a. Financial Management Services
- b. Generator Service, Maintenance/Repair
- c. Heating Ventilation/Air Conditioning (HVAC) Maintenance/Repair

An additional contract for Grounds Maintenance and Road Maintenance is currently in the development phase. It is imperative that the work required by the community in these areas be identified, quantified and documented and the Community remain compliant with all tax filing requirements. In the past, individuals without contract authority have directed local contractors to perform additional services, or services in a particular manner to their liking. This could cost the community additional monies for services not budgeted.

A request for proposal letter and a vendor listing is in the process of being developed. It is anticipated this letter will be released in the next week or to with a proposal suspense date of 31 January. A selection committee has been established to review proposals received and make a recommendation to the Board.

It should be noted that the incumbent Grounds Maintenance contractor will be invited to provide a proposal for services along with a minimum of two other firms. By seeking competition, we are able to validate we are receiving the best price for the services received on behalf of the community.

Collections:

Account prior balances are still being reconciled and loaded. The Sentry collections department has not placed anyone in collection status as of yet. By providing owners with a statement each owner has a chance to receive a **balance due statement** and the opportunity to pay. If they were placed in collections at this time, they would not receive an initial statement from the association.

The basic process of collections remains unchanged. The attorney is the debt collector. By providing one cycle of late letters before placing them in collections will provide a better picture of what is going on and possibly save some legal expenses. As Sentry begins to sort through the collections data, a collections report will become available to all Board Members through the portal providing the Board the ability to provide status to the community.

CORROTOMAN BY THE BAY ASSOCIATION
 B A L A N C E S H E E T
 November 2019

	OPERATING	RESERVE	TOTAL
CURRENT ASSETS			
1015 UNION BANK - CHECKING - PRIMARY	7,410.80		7,410.80
1041 CHESAPEAKE BANK - CHECKING - OPER	3,768.01		3,768.01
1057 SONABANK - SAVINGS - OPER	3,403.06		3,403.06
1067 SONABANK - SAVINGS - RESERVE		113,156.64	113,156.64
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	14,581.87	113,156.64	127,738.51
ACCOUNTS RECEIVABLE			
1210 ASSESSMENTS	42,787.56		42,787.56
1250 LEGAL FEES	12,028.78		12,028.78
1280 DUE FROM OPERATING TO RESERVE		3,300.00	3,300.00
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	54,816.34	3,300.00	58,116.34
PREPAID ASSETS			
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	0.00	0.00	0.00
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TOTAL ASSETS	<u>69,398.21</u>	<u>116,456.64</u>	<u>185,854.85</u>

CORROTOMAN BY THE BAY ASSOCIATION
REVENUE & EXPENSE BUDGET COMPARISON REPORT
NOVEMBER 2019

	CURRENT PERIOD	MONTHLY BUDGET	MONTHLY VARIANCE	9 MONTH PERIOD	Y-T-D BUDGET	Y-T-D VARIANCE	ANNUAL BUDGET
INCOME							
OPERATING INCOME							
4020 ASSESSMENTS - ANNUAL	7,612.50	7,202.67	409.83	68,512.50	64,823.99	3,688.51	86,432
4090 FEES - DOCK/TENNIS/ETC	0.00	232.08	-232.08	2,105.00	2,088.76	16.24	2,785
4100 INTEREST - OPERATING	0.73	0.00	0.73	318.73	0.00	318.73	0
4190 POOL FEES	0.00	600.00	-600.00	10,000.00	5,400.00	4,600.00	7,200
4290 SOCIAL COMMITTEE INCOME	450.48	0.00	450.48	450.48	0.00	450.48	0
4340 INTEREST - RESERVES	38.29	16.75	21.54	38.29	150.75	-112.46	201
4350 INTEREST ALLOC TO RESERVES	- 38.29	0.00	- 38.29	- 38.29	0.00	- 38.29	0
4970	8,063.71	8,051.50	12.21	81,386.71	72,463.50	8,923.21	96,618
4980 TOTAL INCOME	8,063.71	8,051.50	12.21	81,386.71	72,463.50	8,923.21	96,618
EXPENSES							
GROUNDS MAINTENANCE							
6302 ROAD REPAIRS	0.00	333.33	-333.33	0.00	3,000.01	-3,000.01	4,000
6505 TENNIS COURTS	0.00	0.00	0.00	31.00	0.00	31.00	0
6508 GOLF COURSE MAINTENANCE	0.00	7.83	- 7.83	0.00	70.51	- 70.51	94
6510 DOCK MAINTENANCE	0.00	16.33	- 16.33	258.00	147.01	110.99	196
6580 REPAIR/MAINTENANCE -GENERAL	0.00	0.00	0.00	2,944.00	0.00	2,944.00	240
6599	0.00	357.49	-357.49	3,233.00	3,217.53	15.47	4,530

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CORROTOMAN BY THE BAY ASSOCIATION
REVENUE & EXPENSE BUDGET COMPARISON REPORT
NOVEMBER 2019

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	CURRENT PERIOD	MONTHLY BUDGET	MONTHLY VARIANCE	9 MONTH PERIOD	Y-T-D BUDGET	Y-T-D VARIANCE	ANNUAL BUDGET
CONTRACTS							
6901 GROUNDS MAINTENANCE	0.00	1,097.58	-1,097.58	16,413.00	9,878.26	6,534.74	13,171
6937 POOL OPERATIONS	0.00	487.00	-487.00	9,790.00	4,383.00	5,407.00	5,844
6999	0.00	1,584.58	-1,584.58	26,203.00	14,261.26	11,941.74	19,015
POOL/CLUBHOUSE EXPENSE							
7045 POOL REPAIR	358.25	166.67	191.58	358.25	1,499.99	-1,141.74	2,000
7120 WATER & SEWER	45.00	65.08	- 20.08	1,859.00	585.76	1,273.24	781
7899	403.25	231.75	171.50	2,217.25	2,085.75	131.50	2,781
UTILITIES							
7910 ELECTRIC	0.00	288.00	-288.00	3,312.00	2,592.00	720.00	3,456
7930 TELEPHONE	0.00	49.50	- 49.50	258.00	445.50	-187.50	594
7945 INTERNET SERVICE	39.95	79.42	- 39.47	377.95	714.74	-336.79	953
7960 GAS/FUELS	0.00	111.17	-111.17	536.00	1,000.49	-464.49	1,334
7999	39.95	528.09	-488.14	4,483.95	4,752.73	-268.78	6,337
ADMINISTRATIVE							
8020 MANAGEMENT FEE	1,000.00	600.00	400.00	5,200.00	5,400.00	-200.00	7,200
8040 POSTAGE	0.00	94.83	- 94.83	456.00	853.51	-397.51	1,138

CORROTOMAN BY THE BAY ASSOCIATION
REVENUE & EXPENSE BUDGET COMPARISON REPORT
NOVEMBER 2019

	CURRENT PERIOD	MONTHLY BUDGET	MONTHLY VARIANCE	9 MONTH PERIOD	Y-T-D BUDGET	Y-T-D VARIANCE	ANNUAL BUDGET
8060 COPIES/PRINTING/SUPPLIES	469.00	87.42	381.58	721.00	786.74	- 65.74	1,049
8063 CLUBHOUSE & OFFICE SUPPLIES	0.00	25.50	- 25.50	48.00	229.50	-181.50	306
8080 CPA SERVICES	0.00	38.67	- 38.67	206.00	347.99	-141.99	464
8100 LEGAL EXPENSE	707.50	666.67	40.83	10,412.50	5,999.99	4,412.51	8,000
8106 LEGAL EXPENSE - COLLECTIONS	0.00	416.67	-416.67	442.00	3,749.99	-3,307.99	5,000
8120 INSURANCE	0.00	340.92	-340.92	4,140.00	3,068.24	1,071.76	4,091
8143 PERMITS/LICENSES	0.00	15.67	- 15.67	64.00	140.99	- 76.99	188
8190 MISCELLANEOUS	0.00	0.00	0.00	90.00	0.00	90.00	0
8344 HOA DUES & TRAINING	0.00	24.58	- 24.58	0.00	221.26	-221.26	295
8390 ANNUAL CORPORATE REPORT	61.95	0.00	61.95	61.95	0.00	61.95	0
8450 CORROTOMAN EXTENSION PROJECT	0.00	0.00	0.00	2,458.00	0.00	2,458.00	0
8479	2,238.45	2,310.93	- 72.48	24,299.45	20,798.21	3,501.24	27,731
RESTRICTED TRANSFERS TO RESERVES							
9171 POOLED RESERVES	0.00	3,333.33	-3,333.33	41,182.00	30,000.01	11,181.99	40,000
9299	0.00	3,333.33	-3,333.33	41,182.00	30,000.01	11,181.99	40,000
9980 TOTAL EXPENSES	2,681.65	8,346.17	-5,664.52	101,618.65	75,115.49	26,503.16	100,394

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CORROTOMAN BY THE BAY ASSOCIATION
REVENUE & EXPENSE BUDGET COMPARISON REPORT
NOVEMBER 2019

055300

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9990 GAIN (LOSS)

CURRENT PERIOD	MONTHLY BUDGET	MONTHLY VARIANCE	9 MONTH PERIOD	Y-T-D BUDGET	Y-T-D VARIANCE	ANNUAL BUDGET
5,382.06	(294.67)	(5,676.73)	(20,231.94)	(2,651.99)	17,579.95	- 3,776

**** ACCOUNTS RECEIVABLE REPORT**** 055300 CORROTOMAN BY THE BAY ASSOCIATION
 PRIOR OWNER TRANSACTIONS NO ZERO AMOUNTS LISTED
 ACCT# NAME ACCOUNT COLLECTION CLOSINGS
 TOTAL

FOR 11/2019

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TOTAL PREPAYS
 TOTAL ARREARS

GRAND TOTALS> CURRENT AND PRIOR OWNERS:

TOTAL	ANNUAL CURRENT	ANNUAL PAST DUE	LEGAL TOTALS
51,187.66	-3,628.68	42,787.56	12,028.78

	ANNUAL	LEGAL
TOTAL PREPAYS	-3,628.68	0.00
TOTAL ARREARS	42,787.56	12,028.78