

2008/2009
Annual Report
Corrotoman By The
Bay
Association, Inc.

President's Report

Financial Report

Annual Budget	\$58,200.00
Current Cash Assets as of April 27, 2009	\$74,731.58
Outstanding accounts receivable	
2008 past due assessment	\$1,492.63
2009 Past due assessment	\$7,003.61
Potential Cash Assets	\$83,227.82
Long term delinquent (excluded) liens filed	\$5,429.90
Recent checks outstanding	\$4,548.50
Known Liabilities:	\$0.00
Total Cash Assets and Liabilities	\$78,679.32

Carryover Business From Previous Years

Water Litigation

By order of the Circuit Court of Lancaster County the case Corrotoman By The Bay Association Vs United Water Virginia has been ordered closed and removed from the docket of the court and is hereby discontinued.

No further action is anticipated. The opposing attorney has been notified of the court action.

All files have been returned to Corrotoman By The Bay and reside at the office of Sam Price, our attorney of record. The files will be available for onsite review by members of the community once our attorney has completed his review.

No files may be removed from the CBTB office. If you wish to review the files you may make arrangements with the president to do so.

General Information

Corrotoman By The Bay Association, Inc. continues to operate as a volunteer organization. These volunteers, though small in number, contribute to the operation and management of the community business and perform the work necessary to maintain the community common interests. Without them the community would have to hire the work needing to be done, which is not possible the current dues assessment.

Even with this volunteer effort, it is necessary to place user fees on most of the facilities to provide some of the capital necessary to maintain the facilities.

The board feels a much preferred method of funding would be to do away with all user fees and charge a more appropriate dues on all lots so that the entire community properly contributes to the cost of maintaining the commonly held property and facilities.

Currently a property owner who desires to use all the facilities is charged his/her \$80 dues per lot owned, plus \$75 for a pool pass, \$75 for a tennis court access key, \$100 each time they wish to use the clubhouse, and \$25 if they wish to use the gas grill. The cost to a single lot owner is \$355.

This could all be cover if the dues were raised to \$140 for every lot owner.

Some feel that the people who use the facilities should pay for the facilities. If you read the realty ads, it is obvious that everyone has an interest in maintaining our valuable common property. If a CBTB property is for sale the ad almost always lists the clubhouse, boat ramp, swimming pool, and tennis courts as the assets the seller provides to the buyer. How can lot owners claim these assets this if they don't pay for them?

Where do your current dues go? If you review the annual budget you would see that a large portion of it goes to maintaining the grounds and roadways. There is also a large portion of the expenditure provides accounting and bookkeeping services, utilities must be paid, and office expenses for news letters, printing, postage, and meeting materials come out of the budget. In addition any necessary professional services must be paid including insurance and employee expenses.

The Virginia Property Owners Association Act requires the association to maintain a capital reserve to maintain the common property. This has not been done with the exception of the dock facility. For the past 10 years the money to do this has gone to the water litigation, and all major repairs to the common property have been accomplished through special assessments.

Facilities Report

Clubhouse

The clubhouse has serious construction problems. Evidence has shown the board aware there is an active insect problem in at least the front wall of the building. The activity is obvious. Trim is riddled with insect holes and channels. The extent of the damage is not known. It will be necessary to remove the interior sheeting and examine the framing to determine how extensive the infestation has become.

Once the damage is properly assessed the repairs should be made and proper treating of the insects should take place.

This work should be done in conjunction with replacing the carpet, which is also showing signs of wear. The carpet must be removed so the floor can be drilled and treatment of the insects completed.

The building also need to be insulated. Currently there is very little insulation in the attic of the building. The amount of insulation in the wall is not known but can be determined when the insect problem is addressed.

The total cost of major project will exceed \$15,000.

In addition some of the furniture in the building needs replacing. Stack chairs continually break and folding chairs are being welded back together to make them usable. The association needs to spend approximately \$5000 to provide 50 stackable chairs, 50 folding chairs, and at least 6 new folding tables. The office needs 4 new locking filing cabinets, a new computer desk, and printer. These items will cost about \$1000.

Pool

The pool is one of the most popular amenities and currently meets the needs of the community. It is in relatively good condition given it's age and the fact that it was never properly finished by the developer.

Swimmers may notice the paint on the pool is blistering. New paint has been purchased but it is not being applied this season until we can properly prepare the surface.

Last year's change from attendants to, "swim at your own risk", has garnered an overwhelming acceptance. With this change we reduced operating costs and have been able to extend the hours of pool operation.

The next big project at the pool is preparing the surface for painting and painting the interior. This could cost the community as much as \$6000 if it is done in the next 12 months..

Tennis Courts

The tennis courts are much improved over last year as a result of redoing the surfaces and the purchase of new nets. The cracks were filled on both courts and were taped on one court. A new surface coat was applied to both courts and the lines were repainted. The players donated new benches, making our courts some of the best in the county.

In order to maintain the courts it will require taping and resurfacing the one court not done this past year. This will cost approximately \$12,000 based on what the cost was in 2008.

Drainage was improved to help keep water off the court but more needs to be done.

Roads

One of the most disturbing problems in CBTB is the cost of road maintenance. The climate of the area creates a situation that accelerates road deterioration. Heavy rain causes pot holes to develop and speeding vehicles kick the gravel off into the ditches making road maintenance a never-ending requirement.

In the past CBTB owned it's own tractors that were equipped to maintain the roads with grading done on a monthly basis. After the tractors were sold monthly maintenance has deteriorated to semi-annual maintenance with spot maintenance on problem areas. This is not adequate to keep the roads in good repair.

Recently we had four contractors bid on maintaining the roads. Prices varied from \$350 for a light scraping (plus the cost of gravel) to \$32,000 for 2 inches of gravel over the entire system with proper grading. Because each contractor had their own solution to the roas problem it was decided to continue with our current procedure and plan what we need to do in the future.

The board also authorized paving the first 75 feet of each gravel road as it enters Corrotoman Drive. No estimates on the cost of this application have been obtained at this time.

CBTB should consider the long-term cost of road maintenance and determine the cost effectiveness of purchasing the proper equipment to maintain the roads and do the grounds mowing. The cost of the equipment can be recovered in 3 to 4 years through savings from what now is being spent on contractors.

Grounds and Road Rights of Way

The common area around the clubhouse and the road rights of way are mowed ever 2 to 3 weeks throughout the growing season which begins early in May and ends in October. The cost for mowing the large circle around the clubhouse is \$450 each time and the cost to mow the rights of way is \$450 each time. Currently we budget \$9000 for this service.

Many have expressed dissatisfaction with the mowing work. Some of the people who look out onto the common area desire more mowing. Others who don't have that view wonder why we spend so much money on mowing so often. We hope we have reached a satisfactory middle ground.

Another problem is the mowing of the State of Virginia property. For years CBTB has paid to mow the state owned right of way. The cost of this mowing is a large portion of the cost associated with the right of way mowing. Whether CBTB should be doing this is questionable as we are not only paying for something that we don't own, we are also assuming the liability if our contractor should be involved in an accident while performing unauthorized work on State land. The roads of concern are Corrotoman Drive, Bayview Drive, and Marina Road.

Boat Launch Area and Dock

The dock and boat launch area appear to be in good shape and no major expense is necessary this season. There is a capital reserve fund for the maintenance and expansion of the dock.

Previous plans to expand the number of slips available has been put on hold for this season' although some improvements will be made along the sea wall in the cove to allow boats to tie up along the wall.

Other Matters of Interest

The New Policy Statements

During 2009, the CBTB Association Board drafted new policy statements to replace the out-of-date "Guidelines". The draft policies were developed by members of the board and the community that had a special interest in specific areas and were a broadening and clarification of the old guidelines.

The draft policies were reviewed for legal accuracy and then were adopted by the board. The policies are now part of the guidance that is included in the disclosure packet which should be provided to new property owners before they buy property in CBTB.

The policies also contain procedures to keep the statements current for the future.

Welcome to the new Board of Directors and the new officers.

And finally we wish the best to the new board as they take on the responsibility to conduct the business of CBTB. We hope that the challenges are offset by the appreciation expressed by every member of the community. Now that the water issue is behind us a new opportunity exists to accomplish many of the things for the community.