

Bel Pre Recreational Association (BPRA) Board of Trustees
Minutes of Meeting of August 9, 2022

1) Call to Order and review of teleconference guidelines

President Purdy called the special meeting to order at 7:35 p.m. The meeting was held virtually via Zoom, with the teleconference participation guidelines in place.

2) Roll Call

Secretary Swan called the roll. Board members present were President Karen Purdy, Treasurer Dave Pullen, Secretary Chris Swan, and Ted Bechtol.

BPRA members Elliot Chabot (BPRA Governing Documents Committee Chair) and Patrick Welteroth (BPRA Trustee candidate) were also present. Also present was Stacey O'Brian (PM+ Reserves). The following Board members were absent: Vice President Mark Foraker, Steve Jennison, Rodney Oo, and Claire Pak. A quorum was not present. Secretary Swan took the minutes.

3) Approval of Agenda

In the absence of a quorum, no motion was made to adopt the agenda.

4) Conflict of Interest Disclosure

President Purdy asked the Board whether, based on the agenda, or on any new business which a Trustee intends to raise at this meeting, does any member perceive the need, or intend, to declare a conflict of interest, as that term is defined in the BPRA Conflict of Interest Policy, with any item proposed for discussion or decision at this meeting. No member responded affirmatively.

5) Statements by Association Members

BPRA members were invited to speak on any items. No statements from association members were made.

6) BPRA Draft Reserve Study Presentation, Discussion and Q&A

Stacey O'Brian (representing PM+ Reserves) gave the Board an overview of the draft Reserve Study (copies of the current draft previously were distributed to the Board by President Purdy). Points raised in the briefing and subsequent question-and-answer session included:

- 2023 is the first year of the study.
- PM+ has tried particularly to abide by the instructions contained in § 6 of the BPRA's November 2, 2021, Reserve Study Request of Proposals (BPRA RFP).
- The recommendations for the first 5 years are particularly important. Maryland state law requires that a new reserve study be conducted in no more than 5 years.
- The BPRA is required to set aside the money specified in the Reserve Study, but is not obliged to actually spend the money in the year recommended by the Reserve Study. The requirement is to have the funds on hand to maintain and or replace the current BPRA facilities, with the expectation that the funds will be used when the maintenance or replacement is needed, based on the actual state of the facility. By requiring that adequate funds be set aside for the maintenance or replacement, the Reserve Study should ensure that special assessments are not needed to keep the BPRA facilities in good repair.

- While virtually no homeowners' association uses the component method in determining their set-aside responsibilities, the reserve study standards of the Community Associations Institute (National Reserve Standards) and the Association of Professional Reserve Analysts (Standards of Practice) both require that the results of the method be disclosed, and so that information is provided in the Reserve Study along with estimates computed using the Cash Flow Method. Section 3 (4th ¶) of the BPRA RFP states that the BPRA's intent is to use the Cash Flow Method.
- The study anticipates initially funding 60-70% of the replacement costs, with 100% being reached by 2032. This will be revised so that 100% will be reached in 3 years, to comply with the requirement that the State Legislature enacted this year.
- Allocation for tree maintenance in the operating budget anticipates that half will come from the annual operating budget and half will come from reserves. Pool and Recreational Facilities Committee Chair Bechtol requested that this be changed so that all of the tree maintenance be included in the operating budget.
- Operating budget surpluses (at the end of the budget year) can be added to the reserves.
- If inflation continues at 9% (instead of the lower rate anticipated in the Reserve Study) by the end of the second year in the study, PM+ Reserves recommends that an update of that part of the plan be considered (to avoid the amount of money being set aside for replacements falling substantially behind what will be actually needed).
- The physical facilities are in good shape considering their age.
- The Reserve Study aims to fund the current level of the BPRA facilities. Capital expenses to upgrade any of the facilities, such as a new bathhouse, new pavilion, new playground, or walking trail -- if any of these are desired by the Community -- would require additional funding, beyond the estimates contained in the Reserve Study. Such funding would need to be approved by BPRA homeowners.
- The Reserve Study aims to keep the current Bathhouse in good repair forever, but does NOT set aside funds to build a new Bathhouse.

7) Other Business

Dolphins Scoreboard

President Purdy reported that John Kominski (Dolphins Swim Team) has taken down the Dolphins scoreboard. Joe Moeller (Pool Property Helpers Coordinator) has recommended that the poles for the scoreboard remain in place. Pool and Recreational Facilities Committee Chair Bechtol also recommends that the poles remain in place.

Pavilion Use Request

A pavilion use request has been received, but in the absence of a quorum, the Board cannot approve the request.

Fence Repair

To complete the fence repair necessitated by the early storm, BPRA had solicited bids from several fencing contractors. Purdy reported that the fence contractor awarded the contract (Potomac Fence) has indicated that the cost of materials is significantly more than originally estimated, for an additional cost of \$1,200 now. Even with this adjustment, Potomac Fence would still be the low bidder on the project. Subject to ratification at a subsequent Board meeting, it was the consensus of the Board members present that the BPRA should accept the increase to the bid.

Annual Meeting Mailing

Treasurer Pullen reported that the cost of mailing the Nominating Committee report to the General Membership was significantly less than the amount that the Board had authorized.

8) Adjournment

There being no further business, the meeting was adjourned at 8:50 p.m. If needed, a meeting of the Board will be on Tuesday, August 16, at 7:30 p, by teleconference, via Zoom. The next regular monthly Board meeting is scheduled for Tuesday, September 13, 2022, at 7:30 p.m., by teleconference, via Zoom.

Respectfully submitted,

-- Chris Swan, Secretary