

1. Funds

Q. What safeguards are in place, or will be put in place, to both assure owners that the money is secure and that the collected funds will be spent for only the described work? Examples: How many folks will have access to the funds? Who will authorize payment and how many signatures will be required on disbursement checks? Who decides if some work item is within scope and can be funded by Special Assessment funds or not?

A. Funds from the special assessment are hand carried and deposited in a separate UBS account established for this purpose. Access and signature requirements for the funds are similar to current requirements for reserve funds. A/E, contractor and other project related invoices or progress payments will be submitted on AIA documents, reviewed by the A/E and/or OPM depending on who the invoice is from, and submitted to the Board for payment. The Board has agreed to a scope of work that governs the project. In addition to predetermined design reviews by owners and the Board, any element of work that is outside the approved scope must be reviewed and approved by the board before incorporation into the project.

2. Delinquency

Q. What happens if an owner cannot or will not pay? Will the scope be reduced? Will the work be delayed until the funds are collected? Or will other owners be assessed for the difference to permit the work to proceed? What means will be used to collect those delinquent payments? And of course, if additional amounts are assessed from paying owners, will their additional payments be repaid once the delinquent owner pays?

A. If an owner cannot pay, the Board will exercise all legal remedies as defined by the Virginia Condominium Act or take other action as they deem appropriate. We are not going to address specific what-if scenarios since they are infinite. Design details and budget will undergo continuous review as design progresses and the design will be adjusted as may be necessary in accordance with the approved scope of work.

Value engineering will be part of a continuous process in developing the project such that the project is completed within the original budget at a reasonable level of quality and workmanship while achieving the defined scope of work. The board will make appropriate business decisions as funds are collected and design continues with regard to scope and timing with the intent to implement the approved scope and complete the project by next year as presented to owners at the last Board meeting. If owners are delinquent, and the Board subsequently collects overdue funds, the funds will be used to offset any additional assessments levied against paying owners.

3. Completion

Q. If the project cannot be completed by the end of May 2017 will it be continued during the summer of 2017, or must it be delayed a year? And if delayed a year, will the payment schedule be adjusted so owners don't lose the use of their funds for such a long period?

A. The Board is proceeding with the project with the intent of achieving substantial completion by Memorial Day 2017. If for unforeseen reasons, such as weather constraints, the project is not completed by Memorial Day, the project will continue until completed.

4. Over budget/ Under budget

Q. Should the project exceed the Special Assessment what is planned to make up the difference? Further if the project costs less than the Special Assessment what criteria will be used to determine what happens with the remaining funds?

A. Like all projects of this nature, if the Board has taken all prudent measures to reduce costs and the project still cannot be completed within the current budget, an additional assessment will have to be considered. If the project ends up costing less than the current budget, the Board may consider returning excess funds to Owners. However, there are several open issues that the Board needs to consider. For example, as discussed during the last Board meeting, the original building generator needs replacement. Should this be replaced within the scope of the project or should this be charged against the reserve fund (keeping in mind that previous Boards have failed to budget for this replacement). Before any excess funds are returned, it would be prudent that the Board looks at the financial state of the Association holistically and properly exercise their fiduciary responsibility to Owners. This would be an issue that is discussed with owners before any decision is made.