

AVHA Board Meeting

Minutes

June 10, 2013

Meeting called to order at 7:40pm

In attendance were (President) Joe McJntyre, (Vice President) Scottie Burnette, (Secretary) Dana Hayner, (Business Manager) Stacie Dayton, (Hospitality) Denae Harris, (Treasurer) Gideon Goodwyn and (maintenance) Art Ray. Multiple homeowners were in attendance as well.

Old Business

A/C for clubhouse-Scottie presented an estimate from Smith & Keene for a mini split system with new duct work. There is a \$600 discount included and the total estimate is for \$9,696.00. A homeowner asked "what's the point of having a/c in the clubhouse?" Vice President responded that the clubhouse is underutilized in the summer months as it gets way too hot in the clubhouse. This was not budgeted for and this issue is tabled for now.

Pathways-Scottie presented an estimate based on 25 miles of paths being 4ft wide which would require a special assessment or a loan for \$264,000,000. This includes demolition and installation. A h/o asks "can we space it out and replace the paths in phases?" Scottie responds that it would most likely be more expensive that way. Joe adds in that James (from Sea Green) will also provide an estimate and that we will have 3 estimates presented to vote on.

Barn-Sheila Coldwell has received multiple warning to remove her vehicle that is leaking (or has leaked in the past) an unknown fluid. Stacie sent certified letters and has spoken to her on a few occasions, as has Joe. Ms. Coldwell advised Joe that her daughter watching her house for her while she is out of town, and that her daughter will take care of it. Joe states that he advised her that on June 11 The Board will have it removed and stored at her expense.

Neighborhood Watch-Art presented the requirements for getting back our lost accreditation.

Art has been in touch with Framingham HOA and they advised there will be a "National Night Out" to get together as a community to show solidarity against crime. It is to be held on August 5, 2013 from 6-9pm. There will be a parade and police, fire trucks, and a school band. The parade will end with a picnic for everyone at the Framingham Clubhouse. The newsletter already went out and we are not able to post this information our website.

Dana had signs made up to put out around the neighborhood reminding residents of the monthly Board meeting, as required by law now. There were 12 double sided signs made at a cost of \$248.61. This was originally requested by a homeowner at the last annual meeting.

The Community picnic was held June 1st and was a success.

New HOA documents-Following the April informational meeting and the new proposed documents being mailed out, a committee was formed to review the new and old documents. The committee consists of 7 association members and meets every week. There have been 2 meetings so far. Stacie Dayton attends the meetings so as to help moderate and answer questions. Committee members are Tessa & Andrew Dysart, Mary Molloy, Jenna Leverette, Keith Panter, Melody Johnson, and Vernell Young.

Stacie had a homeowner ask her several questions while she was at the pool. She passed the questions along to the attorney for answers. Please see attached sheet

New Business

Several homeowners were in attendance, and the following questions were asked by them:

"Behind 6225 Auburn Dr. is a canal. Level Green residents are dumping leaves over the fence, what can we (The Board) do?" Stacie advises that unfortunately The Board cannot send a violation because it is not our neighborhood. If the city is called, the inspector will not go into a back yard to investigate either.

A Bucknell Cir resident states that the canal is backing up due to vandalism. People are throwing trash in the canals. Art responds that the problem is at Providence Rd at Banbury Lakes Apts. There is a fence over the drain that prevents the water from moving through because it gets clogged with trash. He calls the city every summer because it has been an ongoing problem for 10 years. Dana suggests there be a committee formed to organize some kind of community clean up schedule. No one volunteers.

Resident at 6324 Barnard Way states that the triangle area behind Barnard Way and the school needs to be cleaned up. It is too overgrown and criminal activity is being encouraged. Joe encourages everyone at the meeting to call 911 when there is suspected criminal activity going on. If enough people call and express concern, maybe then we can get more of a police presence in the neighborhood.

Another resident of Bucknell Cir wants privacy fences. Stacie advises that in April there was a meeting regarding changing the documents and a committee was formed to come up with revisions. The fence issue is being evaluated. Once the committee is finished, then the documents can only be passed with a 75% vote.

Several homeowners inquired about the pool guess passes and pricing. Stacie and Dana addressed these issues.

Meeting adjourned at 8:54pm

-Why are we a corporation and not a non-profit? What are the specifics that differentiate the two? If we are a corporation, we can be taken over?

The Association is a *non-profit corporation*. Please that "non-profit" or "not-for-profit" status is solely for the purposes of tax liability. Associations are typically always created as "non-profit," as is Abingdon Village. The purpose of being an actual corporation is to create a "protective shell" from individual member/Board of Director liability that corporate status provides. To that end, also note that the Association, as a corporation, cannot be "taken over". At best, the Association could be potentially dissolved, but that would take a vote and agreement of the membership for this to occur.

-As in our current documents the dues can be raised according to the consumer pricing index, can anything be put in the new documents that states dues are not to be raised? Is there any law, rule, statute that states there are provisions that dues can or must be raised every so often and/or by how much?

Because amendment of the documents requires 75% approval of the membership, yes, there could be a provision in the documents saying that assessments can never be raised if this is a provision that the membership would like to include. However, please note that we do not recommend including such a provision, nor would it be logical to do so. Please note that normal fluctuation in pricing for any service provided to the Association (i.e. landscaping, employee salary, etc.) will, at some point, require an increase in the assessments. As a result, requiring the assessments stay at one particular amount will eventually lead to a shortfall in the budget, which must be compensated in some other way (i.e. special assessment). A gradual increase in assessments is more realistic than passing a special assessment.

-When dealing with contracts, ie; pool, lawn care, the board has made that decision. Do the homeowners have a say in who gets chosen? Must bidding be done? Are you obligated to go to the lowest bidder if you are currently getting quality service for a reasonable price?

The Association is managed by an elected Board of Directors who is tasked with the day-to-day decision making of the Association. In short, no, the homeowners do not have a say in who gets chosen unless the documents require a homeowner vote on such issues. Please note it would be illogical, ineffective, and impossible to obtain homeowner approval on these types of issues, which is why a Board of Directors is elected by the membership to take on these tasks.

As a general rule of thumb, Association's should obtain at least three (3) different bids before entering into a contract with any type of contractor or service provider, and it will be during executive sessions of the Board of Director meetings when such bids are discussed and ultimately chosen by the Board.

No, the Association is *not* required to accept the lowest bid. The Board of Directors has a fiduciary duty to accept and hire contractors and service providers based upon the best interests of the Association. In our experience with Associations, sometimes the cheapest contractor/service provider is not always the best choice. As a result, the Board of Directors should ensure that it is choosing an appropriate contractor/service provider that can best serve the Association's needs, while simultaneously taking cost-efficiency into consideration.

-In reference to the budget, what happens when you are short? What if you run out of money budget for one item do you just take it from somewhere else, how do you justify that? Can you do that?

When a budget has a short-fall, the Association has to find ways to compensate for such shortfalls. Bear in mind that the Association is also required to place money into a reserve fund, as mandated by statute. With regards to the general operating budget, if one line item includes a shortage, while another line item includes an overage, there is nothing wrong with off-setting the amounts to pay for necessary operating expenses. However, if the operating budget in its entirety

has a shortfall then the Board of Directors has the authority, pursuant to Virginia Code Section 55-514, to pass a special assessment for the purposes of compensating for such shortage.

Again, the Association must differentiate the ongoing operating budget (i.e. day to day maintenance of common areas such as the pool, employees salaries, etc.) with the long-term reserves budget, which is supposed to take into consideration long-term repairs and maintenance of the property. If, in fact, both the operating and reserves budget include a shortfall, it is the Board's fiduciary duty to ensure that enough money is raised, whether by increasing the assessments or passing a special assessment, to compensate for any such shortages.

-Are the board members required to go through any training?

While Board Members are not required to go through any training, it is always recommended for Board Members to do so. Please note that homeowners association law includes many intricacies and legal requirements that Board Members may not know. Please note that Community Associations Institute, Southeastern Chapter of VA (SEVA-CAI), provides a plethora of educational programs that the Board Members should strongly consider attending. Specifically, there is a "Board Member Boot Camp" held in November of each year, which is an ABC "crash course" on Associations. For your convenience, I am providing you with SEVA-CAI's website for further information: <https://www.sevacai.org/>