

Officers:

President: Tessa Dysart
 Vice President: Vacant
 Treasurer: Mary Molloy
 Secretary: Andrew Dysart
 Pool Director: JT Fears
 Maintenance Director: Art Ray
 Hospitality Director: Denee Harris
 Architecture Director: Vacant
 Business Manager: Stacie Dayton (Non-Officer Position)

Board of Directors:

Andrew Dysart (Term Expires: 2015)
 Art Ray (Term Expires: 2015)
 Courtney Brown (Term Expires: 2014)
 Denee Harris (Term Expires: 2015)
 Heather Murray (Term Expires: 2016)
 JT Fears (Term Expires: 2016)
 Mary Molloy (Term Expires: 2014)
 Tessa Dysart (Term Expires: 2016)
 Vacant: 2014 Position

Meeting called to order at 6:25pm (at this time a quorum of the Board was present, with four of the seven Board Members present (Andrew Dysart, Denee Harris, Mary Malloy, and Tessa Dysart—Heather Murray hadn't been elected at this point))

Present: Andrew Dysart, Art Ray (arrived at 7:37pm), Courtney Brown (arrived at 6:54pm), Denee Harris, Heather Murray (once elected), JT Fears (arrived at 7:20pm), Mary Molloy, Tessa Dysart, Stacie Dayton

Absent: *None*

Agenda

- **Approve 8/18/2014 Minutes**
 - All Board Members present (Andrew Dysart, Denee Harris, Mary Molloy, Tessa Dysart) voted in favor of approving the August 18, 2014 Minutes
- **President's Report**
 - **Keeping Collections with Thomas, Adams, & Associates (Tessa)**
 - The Board discussed whether to keep our collection accounts with Thomas, Adams, & Associates, even though we have moved other legal services to Inman & Strickler. Tessa believes that it may be less expensive to keep our collections with Thomas, Adams, & Associates, because they handle a lot of collections and are primarily a collections firm. They also do a good job with collections.
 - All Board Members present (Andrew Dysart, Denee Harris, Mary Molloy, Tessa Dysart) voted in favor of keeping our collections with Thomas, Adams, & Associates
 - **Governing Documents Vote Continuation on September 15, 2014 (Tessa)**
 - The vote on the proposed governing documents has been open since May 19, 2014, with a total of four meetings (May 19th, June 9th, July 21st, and the upcoming September 15th meeting)
 - Currently the vote is at 89 in favor of approving the proposed governing documents and 30 opposed (74.79% of homeowners in favor). However, according to our current Covenants, we need 75% of all homeowners to approve the proposed governing documents; therefore, we still need an additional 111 votes in favor of the documents for them to pass, or 37 more against for them to fail.

- Given the lack of interest on behalf of the homeowners in voting either for or against the proposed governing documents, even with all the efforts the Board has put into attempting to get homeowners to vote (including mailing the proposed documents to every homeowner, going door-to-door encouraging homeowners to vote, flyering homes that have not voted, encouraging homeowners to vote via our website and social media, and hosting four Special Meetings with a question-and-answer section to allow for homeowner questions on the issue), it was determined that the best course of action was to close the vote on the proposed governing documents at the upcoming Special Meeting Continuance on September 15, 2014.
- **Rules & Regulations Update (Tessa)**
 - The Rules & Regulations need to be reviewed by the Board and updated, especially concerning the renting of the clubhouse by homeowners, with clearer guidelines given as to what to do when the pool is open and when a homeowner wants to use the clubhouse for multiple weeks in a row
 - The Board will take more time after the Annual Meeting to review and update the Rules & Regulations
- **Treasurer's Report (Stacie/Mary)**
 - **Tax Update / Audit Update**
 - There is no new information from the IRS and we believe that we have solved all our outstanding tax issues
 - Stacie has been inputting our income and expenses into Quickbooks, and plans to have the audit started by the Annual Meeting
 - **Bank Update**
 - The Suntrust accounts were closed and the money was transferred to our PNC accounts (*see previous Minutes for more information concerning our switch from Suntrust to PNC*)
 - **Phone**
 - A few weeks ago the phone in the clubhouse went out and we needed a phone immediately in order for the pool to open
 - Via email, the Board voted to get a pay-as-you-go cell phone in order to have for emergencies like this
- **Business Manager's Report (Stacie)**
 - Stacie has been inputting all our income and expenses into Quickbooks, and plans to have the audit started by the Annual Meeting
 - Stacie will also have all the letters out to delinquent homeowners by the next Board Meeting and then will be able to have them turned over to collections shortly after that
- **Social Committee Report (Courtney)**
 - Nickelodeon is having a day-of-play on September 20, 2014 from 11:00am to 1:00pm
 - Neighborhood Garage Sale scheduled for September 27, 2014
 - Vendor Event scheduled for October 4, 2014 at the Clubhouse
 - Chili Cook Off scheduled on November 8, 2014 at the Clubhouse
- **Nominating Committee Report (Andrew)**

- The Nomination Committee is currently accepting nominees and will review their applications in order to determine who will be nominated by the Committee and presented to homeowners at the Annual Meeting
- The Nominating Committee posted notices that it was accepting nominations on our website, Nextdoor.com, and placed a flyer on all homes in the Association
- **Other Business**
 - **Vacant Board Positions**
 - **Joseph Rodriguez and Joe McIntyre**
 - Both Joseph Rodriguez and Joe McIntyre have missed at least three consecutive meetings, and this was raised as an issue at the last Board Meeting (*see the Minutes from August 18, 2014*)
 - At the August Board Meeting, the Board voted pursuant to Article VIII, Section 1(d) of our Bylaws to send a letter to both Joseph Rodriguez and Joe McIntyre to give them until Tuesday, August 26, 2014 at 5:00pm to reaffirm their desire to remain on the Board, or their position will have been deemed to be vacated.
 - Both Joseph Rodriguez and Joe McIntyre failed to respond to the Board by the August 26, 2014 date, and therefore, both of their positions were deemed to have been vacated pursuant to Article VIII, Section 1(d) of our Bylaws by actions that the Board set in motion at the August 18, 2014 Board Meeting (*see the Minutes from August 18, 2014 for more information*).
 - **Election of A Replacement Board Member**
 - The Board currently has two vacant positions (one with a term expiring in 2016, and another with a term expiring in 2014)
 - Pursuant to Article V, Section 3 of the Bylaws, the Board has the power to fill a vacant Board Position for the remainder of the term
 - It was determined that it would not be efficient to fill the 2014 position, since this position is set to expire and be up for election at this October's Annual Meeting
 - The Board took suggestions as to possible replacements for the 2016 position, and Tessa contacted multiple homeowners from those suggestions
 - The only homeowner that expressed an interest in serving on the Board, from Tessa's contact, was Heather Murray
 - Heather attended tonight's meeting and was interviewed by the board
 - The Board then voted without objection to elect Heather Murray to the Board to serve the remainder of the vacant 2016 term (all Board Members voting in favor: Andrew Dysart, Art Ray, Courtney Brown, Denee Harris, JT Fears, Mary Molloy, Tessa Dysart)
 - **Dues for 2015**
 - Pursuant to Article V, Section 3 of our Declaration of Covenants, our Annual Assessments can be raised by the Consumer Price Index (CPI)

based on the twelve month period that is reported from the most recent July report

- The CPI for the twelve-month preceding period in July 2014 was 2.0% ([see here](#)). Base on our Annual Assessments for 2014 of \$367, the Board is authorized by our Documents to raise the Annual Assessment up to \$374.34.
- The Board discussed that it would be best to keep the Annual Assessment at an even number. The Board discussed two different amounts that would be proper to raise the Annual Assessments. Those amounts were \$374 and \$370.
- The Board voted as follows on increasing the Annual Assessment for 2015:
 - Vote for \$370 for 2015 Annual Assessment
 - JT Fears
 - Vote for \$374 for 2015 Annual Assessment
 - All other Board Members present: Andrew Dysart, Courtney Brown, Denee Harris, Heather Murray, Mary Molloy, Tessa Dysart (Art Ray was absent at this vote)
 - The vote to increase the Annual Assessment to \$374 was passed by the Board
- **Discussion with Attorney**
 - Jeanne Lauer, an attorney with our firm Inman & Strickler was present for part of our meeting. The following issues were discussed with her.
 - **Fence Issue**
 - With the proposed governing documents failing to pass (*see above*), the Board discussed our path forward given that we currently have at least forty-eight homes (18% of total homes in the association) that are in violation of our Covenants (and possibly many more if wire is not allowed under our Documents), with homeowners strongly supporting allowing for more fence options (approximately 75% of all the homeowners that voted, voted in favor of the proposed governing documents; and those documents would have allowed more fence options than the split-rail that are currently allowed).
 - **Ms. Lauer believes that we have three realistic fencing options:**
 - **1) Issue violations against all homeowners that have a fence in violation, and proceed through court as necessary**
 - The potential downside to this is that the court may determine that this provision has been waived as to individual homeowners that have had their fences for a long time, or that received improper authorization from past Boards to build their improper fence. A court could also determine that this provision has been waived for the entire

- Association, due to the high percentage of homes with a fence in violation of our current Documents.
- If we end up in litigation, it could also cost tens of thousands of dollars that the Association cannot afford
 - Ms. Lauer gave an example from 2011 where a homeowners association had to spend over \$130,000 in legal fees when it lost a similar court case
- **2) We can prevent new fences from being built that are in violation, while trying to get current homes in violation to take down their fence once they sell their property.**
 - This appeared to be the least desired option, as it would encourage a lawsuit and possibly open up the Board to more liability due to the lack of equal enforcement of our Documents. It could also cost the Association a lot in legal fees if we are sued (*see the \$130,000 example from #1*).
 - **3) Seek a declaratory judgment from the court to determine if the split-rail fence provision of our documents has been waived**
 - In this option, the Board would ask the court in a declaratory judgment to determine whether our fence provision has been waived. This will give us stronger footing going forward, because then we would have a court order that said that we could enforce the fence provision against homeowners, or that we could not. This option could cost as little as \$2,500.
- The Board will take these options into consideration as we determine how to move forward
 - **Reserve Study / Budget Issues**
 - (*See the Minutes from the previous few months*)
 - The reserve study recommends putting \$176,328 into the Reserve Fund in 2015, which is over \$662 per homeowner
 - The reserve study anticipates that we will need to invest an average of \$44,000 in the reserve study over the next ten years, and an average of \$36,000 over the next thirty years.
 - Ms. Lauer said that we would be subject to the Business Judgment Rule when determining how to fund our reserves in light of our reserve study.
 - While the Board cannot realistically fully fund the reserve fund pursuant to the 2014 reserve study (\$662 per homeowner), the Board should find a way to get on the path to fully funding our reserve fund.

- Additionally, the Board is required by the Code of Virginia to fund our reserve fund in light of our reserve study
- **Bees on the Path (Andrew)**
 - Andrew looked for the bees that were reported near the path by the school (this was reported via Nextdoor.com), and it appears that they are no longer there
- **Tree Work on Paths just South of Bernard Way**
 - *See attached quotes*
 - There are dead tree branches that need to be removed here. Art got quotes from five tree companies, and the quotes ranged from \$1,395 to \$475.
 - The Board voted for the \$475 quote, by A Top Notch Tree Service
 - Multiple homeowners have used this company and have recommended them to the Association. A Top Notch Tree Service also has good reviews on Angie's List.
- **2015 Budget**
 - *See attached 2015 Proposed Annual Budget with an Annual Assessment of \$425 and attached 2015 Proposed Annual Budget with an Annual Assessment of \$374*
 - **Reserve Fund**
 - The Board voted to put \$36,000 into the reserve fund for next year
 - *See the above section on the reserve fund*
 - This amount is an annual average of the thirty-year total estimate from our 2014 reserve study
 - **Annual Assessments and Pool**
 - The Board determined that it did not have enough funding left to keep the pool open for the 2015 year, given the amount that we are required to put into our reserve fund
 - The Board voted to present two budgets to the homeowners at the Annual Meeting
 - One budget would be for an Annual Assessment of \$374 and would have the pool closed for 2015
 - The Second budget would increase the Annual Assessment to \$425 for three years, and would provide enough funding to keep the pool open at the current hours
 - Because this option raises the dues above the CPI level allowed by our Documents, it would require approval of the homeowners pursuant to Article V, Section 3 of our Declaration of Covenants
 - Therefore, at the Annual Meeting a Special Meeting to Raise Annual Assessments has also been called for the same date and time, to allow homeowners to vote on this increase pursuant to our Documents
 - **Stacie's Salary**
 - Currently Stacie is paid hourly at approximately \$9,000 per year as our Business Manager. It was proposed at a previous meeting to begin paying her at a monthly rate of \$650, for a total of \$7,800.

- This would be a cut to her salary, but Stacie has said that she will make it work, because she knows the financial situation that the Association is in
 - JT raised the issue that Stacie's job should be bid out. It was pointed out to him that this issue has been addressed at previous Board Meetings, and that estimates have been provided for hiring a management company, and that these estimates were two times or more what we are currently paying Stacie. Andrew attempted to point out that we have already covered all this at previous meetings, and JT would not let him speak by interrupting him and speaking over him. Tessa called JT out of order, and eventually, everyone was able to speak their mind on the issue.
 - The Board voted in favor of changing Stacie's salary to a monthly rate with an annual total of \$7,800. The following Board Members voted in favor of this change: Andrew Dysart, Art Ray, Courtney Brown, Denee Harris, Heather Murray, Tessa Dysart. JT Fears abstained.
 - The Board began approved budget items as is laid out in the following two attachments:
 - *See attached 2015 Proposed Annual Budget with an Annual Assessment of \$425 and attached 2015 Proposed Annual Budget with an Annual Assessment of \$374*
- **Homeowner Forum**
 - No additional issues presented by homeowners

At approximately 10:05pm the meeting was continued to Wednesday, September 10, 2014 at 6:30pm, to finish the budget for 2015

September 10, 2014

Agenda:

- **2015 Budget (Continued)**
 - The Board finalized the budgets that it began on September 8, 2014, and the Board approved all budget items as is laid out in the following two attachments:
 - *See attached 2015 Proposed Annual Budget with an Annual Assessment of \$425 and attached 2015 Proposed Annual Budget with an Annual Assessment of \$374*
- **Date for Next Meeting: October 14, 2014**
- **Homeowner Forum**
 - No additional issues presented by homeowners

Meeting adjourned at 8:08pm

Agenda Items for 10/13/2014:

- Homeowner Trees on Association Property (Tessa)

Attachments:

- 9/8/2014 Agenda
- Tree Work Estimates
- 2014 Budget and Expenses by Month
- 2015 High Sierra Pools Quotes
- 2015 Swimco Pool Quote
- 2015 Proposed Annual Budget with an Annual Assessment of \$425
- 2015 Proposed Annual Budget with an Annual Assessment of \$374

Respectfully Submitted,

/s Andrew B. Dysart
Andrew B. Dysart
Secretary
Abingdon Village Homes Association