

## Four Seasons Patio Homes Association Annual Meeting Minutes

June 13, 2013

President Robert (Bob) Storck called the meeting to order. We had a quorum since we had 21 homeowners from different properties plus 4 proxies.

Bob introduced the Board Members present: Jack Hackett, treasurer; Allison Sleeman, financial secretary; Martha Wood and Jim Hassmer both Commons Area; and himself as president.

The Membership approved approving the minutes of the June 6, 2012 annual meeting as available at the picnic without being read aloud. Minutes were approved.

President's report given by Bob Storck:

The Financial Secretary and the Treasurer will report on dues receipts and expenditures. These activities are complex and time-consuming, especially on delinquent dues issues, but the CPA firm which conducted reviews for the July 2011 – June 2012 year and the July 2012 – December 2012 half-year found our finances to be in order. These reviews are available on our web site. For the year starting in July, the dues have increased by 5% from \$744 to \$780, and questions can be raised during the financial reporting period.

The Commons Committee will report on the landscaping contract, which costs \$1250 per month, and the tree removal contracts, which were made right after major storms and involved expedited reviews of proposals from a number of tree companies.

My report is focused on corporate governance and rules enforcement. As for governance, we conducted a study of the need for our reserve fund, changed from a money market to a savings account with lesser charges, had outside financial studies conducted, got certified as an association by the Common Interest Community Board, created a complaint procedure required by the CICB Ombudsman regulations, and developed a yearbook or manual of operations for the succeeding board.

As for enforcement, the Financial Secretary will address the work required to collect delinquent dues. There are only a few major delinquents, including one bankrupt member.

As for enforcement of the maintenance standards, other association rules, and county zoning, the Association has not had a full-time, architectural committee member for most of the year. Association members complained reasonably enough about a Monterey Drive house that appeared to be abandoned. We could not contact the owners after many attempts, and we contracted for landscaping and tree removal and will now proceed with adding those charges as dues assessments and attempting to collect. The house will probably be sold, but it is not certain there will be any proceeds beyond what is owed on the mortgage.

Three board members conducted a walkabout to survey the conditions of our houses. In addition to minor problems with shrubs, plants, and grass encroaching on sidewalks, we identified situations which appear to be major violations, some of long-standing duration: (1) an overgrown yard and deteriorating house of a deceased owner, (2) a large, free-standing, and unapproved deck in a back yard, (3) a tenant with a home business, equipment and supplies in the yard, and work trucks in the street, (4) a house with an unapproved porch with walls added later, (5) a house with sheds and cars in the yard, (6) a house with a gravel driveway extension, cars in the yard, and a deteriorating fence. There are also concerns about whether some properties violate the rule on having only a single housekeeping unit.

After the newly-established Architectural Committee is formed, there will probably be discussions with the owners, and we may find some of these situations to be within the rules. If some of the other cases cannot be resolved, before proceeding with having our attorney file civil actions with the resulting costs, discord, and uncertain outcomes, we may be able to hold board hearings with the owners, and if a compliance agreement cannot be reached, then charge up to \$10 per day for a maximum of 90 days for

continuing violations. Some of these situations have been festering for a long time and there have been many complaints, and the new Board and the Association must decide how far to go to in its enforcement efforts.

We have problems, but we also have a great community that can be even better if more members devote some time, even without serving on the board. We've done better with the web site by adding some FAQs and Alerts. We can do more and use it as a better news source with more volunteers. A member suggested we have a listserv too – a good idea if someone can implement it. We now have a spring picnic and a fall ice cream social, but we need more help organizing them. We need more volunteers to deliver the newsletters too. It would be great to have a new sign on Four Seasons Drive and a bulletin board structure at the Monterey – Lake Forest intersection, but we don't have the money and need members to come forward and make them happen. Let's get to it!

Following the President's report, we had the financial reports, first by Allison Sleeman who as Financial Secretary who collects money and then by Jack Hackett who as Treasurer pays the bills.

Financial Secretary's report given by Allison Sleeman:

My primary responsibilities as financial secretary are collecting and recording dues and making bank deposits. Again this year I used Software4Nonprofits to track the dues. I wrote approximately 55 letters and sent approximately 10 e-mails to homeowners concerning their dues status.

This year 47 homeowners paid their dues annually, one semi-annually, and most of the rest on a quarterly basis. A few homeowners who would normally pay quarterly dues paid several quarters together when they got behind on their dues.

Currently 5 homeowners have not yet paid their April through June 2013 dues; 2 owe January through June 2013 (2 quarters); 1 has declared bankruptcy and has made minimal payments since then; and 2 have paid very little since January 2012 currently owing \$876 and \$976.

This fiscal year we made a concerted effort to collect seriously delinquent dues. Last summer our lawyer prepared letters to send to 3 homeowners. One homeowner paid all his back dues prior to the letter's being sent. One homeowner let the lawyer know that the couple had declared bankruptcy, and we were not able to collect any of the money owed prior to that time. The other homeowner who received the letter paid the amount due.

This spring we learned that we could have television service disconnected for severely delinquent homeowners. Bob Storck as president sent letters to the three delinquent homeowners (the one who had declared bankruptcy but had not paid since and two who had not paid any dues since January 2012) asking them to pay a specific amount by a specific date and then make monthly payments. All of these homeowners made an initial payment, and one made a second payment. None made monthly payments. Unfortunately, when Bob requested the cut-off of the service, he was told this was not possible after all.

Bob Storck as president, Jack Hackett as treasurer, and I investigated accountants for a financial review. Bob and I attended interviews with representatives of both of the accounting firms selected for interviews, and recommended at a special board meeting held January 9, 2013 that we hire Robinson, Farmer, Cox Associates. At that board meeting 2 visitors attended who were opposed to the financial review, and one former president had communicated to Bob her opposition. The board voted 4-1 to have the review conducted by Robinson, Farmer, Cox. Bob, Jack, and I collected all the documents necessary for the review, which we submitted. We also answered any questions the accounts asked while doing the review. As Bob reported, our finances were found to be in good shape.

Only one house was sold during this fiscal year. I submitted the dues status for the sale, and made sure we collected the dues owed.

Here are some selected dues figures:

- Dues paid in advance during 2011/12: \$ 8,444.
- Dues paid for 2012/13 \$80,037.
- Past dues paid for current year \$ 5,233.
- Past dues for previous years \$ 4,217.63
- Total payments made in 2012/13 \$98,104.63

Treasurer's report given by Jack Hackett:

Jack reported that he has already paid the bills for the maintenance which the Association provided for the Shepperds' house (1464 Monterey Drive)

Jack gave figures and percentages for several large spending items:

• Cable TV service	\$41,947.64	43.38%
• Common area maintenance	\$14,008.59	14.49%
• Security	\$ 5,666.80	5.86%
• Trash collection	\$24,149.50	24.98%
• Tree work including removal	\$ 7,075.00	7.32%

Following the reports, members discussed dues including money for the Commons Area. One homeowner was particularly vocal that the Commons Area near her was not being taken care of.

Commons Area report given by Martha Wood:

The FSPHA sign in our front Commons Area is in bad shape; it has deteriorated across the top but we currently do not have money for a new sign.

We need to spruce up the whole front of the Commons Area on Four Seasons Drive near the FSPHA sign. Mike Fox of NonStop Landscaping has given us an estimate of \$2,650, but we have lacked money to do major landscaping. We do hope to have planting done to provide more color during the spring through the fall.

We lack easy access to much of the Commons Area behind Lake Forest Drive. This means that NonStop must do the work manually which is very labor intensive.

NonStop Landscaping is providing brush pick-up the first Monday of even numbered months. If this special service becomes overbearing, or abused by excessive deposits by homeowners, it will be discontinued, or an appropriate charge added.

NonStop Landscaping is also doing lawn work for a number of residents of our community.

Commons Area report continued by Jim Hassmer:

Our 4 Seasons Common Areas are 9 areas owned by our Homeowners Association as a whole, which add a park-like look and feel of shade and greenery to our side-by-side private properties. Over the past 12 months, the Board has contracted for and paid \$7,025 (from our dues) for tree work:

- \$1,200 for removal of 2 very large commons area trees downed by March's snowstorm onto property owners' backyards.
- \$2,450 for multiple commons area trees with major splits and hanging limbs from the same storm.
- \$3,375 for a commons areas accumulation over past years of five dead trees and six trees needing major pruning to remove hazardous dead limbs (done last fall)

Unfortunately, high community demand for prompt tree cutting and removal after storms enables tree companies to demand and receive higher prices for service at those times than at slow ones. Since \$7,500 was budgeted for tree work, total actual expenses were \$475 LESS than budgeted.

In the coming 12 months, \$5,000 has been budgeted for pruning of hazardous limbs from commons area trees as necessary, and removal of any hazardous dead or fallen trees.

Also, \$15,000 (that is, \$1,250 a month) is budgeted and contracted for regular maintenance of our commons areas, including summer grass cutting, fall leaf removal, fall or spring mulching, late winter shrub pruning, and year-round removal of brush and trash.

Long-term goals for the common areas include cutting back of overgrowth to open up several currently-unwalkable portions, and shoring up of an eroded creek bank. Commons Areas work continuously needs to be prioritized.

Following the reports of the board members, we discussed some issues which had been raised by members of our community.

Comcast: A large proportion of our budget goes to this service which includes the direct extended basic package. Currently we have an 8 year contract which is not up for several more years. We would need to consult with our attorney to see if we could break the contract.

Security services: Homeowners spoke both for and against continuing this service for which we will soon be having a month to month contract. Molly Rockwell moved and Jan Clatterbuck seconded a motion requesting the Board to study the security contract within 90 days to consider cancelling it. Motion passed.

Trash service: has been excellent. The Association gets a big break in the cost by doing it in bulk. There is very little difference in the cost for once a week instead of twice a week. Lisa Glassco spoke about van der Linde Recycling not running a single stream system. It does not handle household recycling well since various household goods such as plastic needs to be clean and paper needs to be dry. It is better to take household recycling to the McIntyre recycling center.

The dissolving of the Association was brought up since the Board has received two letters recommending it. This would create a huge problem since we have Common Areas. Members were unanimously in favor of keeping the FSPHA.

We had a brief discussion concerning how far the Association should go concerning the upkeep of properties. Could we have houses condemned? Apparently Albemarle County does not have condemning laws.

Proposed By-Law concerning finances:

Article XII, Finances:

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§4. Late Fees. When a dues payment is not mailed or received by the first day of the month after it is due, a late fee will be charged once but not for additional quarters that payment is late. The amount of the late fee will be set by the Board at a monthly meeting when there is no annual increase in dues and when the increase is 5% or less, but the fee will be set by the members of the Association at the annual meeting when the increase is more than 5%.

The By-Law was approved after homeowners understood that what we were requesting was to continue to charge late fees as we have been doing. Some members felt the wording was awkward, but we need legal language for the bylaws.

Election of officers: The Board presented the following slate:

Martha Wood – re-election for second two-year term, John Sleeman, Butch Wells, and David Swanson

Nominations from the floor: Susan Marcell, Mary Hackett, Jan Clatterbuck, and Harvey Sugarman

This gave us 8 candidates for seven slots. Instead of having paper ballots, Harvey Sugarman withdrew his nomination, and the board members were elected by acclamation. Jim Hassmer is also still on the board since he has served only one year of his two-year term.

Bruce Glassco offered to set up a listserv for the Association.

The meeting was adjourned.