

CHAPEL GROVE HOMEOWNERS' ASSOCIATION

Minutes of the Board Meeting

September 27, 2006

The Board of Directors of Chapel Grove Homeowner's Association met at the offices of Champion Realty on Wednesday, September 27, 2006.

Present were:

Doug Zander – President
Nancy Gossard – Vice President
Luella Bressler - Secretary
Byron Malogrides – Treasurer
Randy Buckley – Member-at-Large
Jim Frank – Member-at-Large
Mike Miller – Member-at-Large

Paul Stearns – Architectural Review Committee
Danielle Mahoney – Communications Committee
Josh Mahoney – Landscape Committee
Kerrie Wilson – ProCom
Gail Kramer – Recording Secretary
JoAnn Simmons – Homeowner
Terry Whitehead – Safety Committee
Three additional homeowners

CALL TO ORDER

Doug Zander called the meeting to order at 7:05 p.m. He noted the Board decided to conduct its executive session first because there hasn't been enough time after the adjournment of the open session of the meetings for the Board to address executive session business.

MINUTES REVIEW

Nancy moved to approve the August Board meeting minutes as written. Randy seconded the motion. There was no additional discussion and the motion was unanimously approved.

PRESIDENT'S REPORT

Doug reported a significant amount of work has been done on the community's behalf during the last month. Planning meetings are being held monthly to help move issues forward so the Board can report on the issues at the Board meetings. Homeowners were encouraged to refer to the community's website because that's where the bulk of the information will be.

TREASURER'S REPORT

Byron Malogrides provided the following report:

- Reviewed the monthly financial report.
- The Board has had a working session to start preparing the 2007 proposed budget. The proposed budget will be mailed to homeowners.
- At this point it appears the 2006 budget will be in excess of \$40,000 – \$50,000. The money will be put into the operating reserve account as was done last year.
- Currently \$283,000 in capital and operating reserve funds.
- There were questions concerning the financial report. Paul asked why there is a \$10,000 deficit. Byron said there isn't a \$10,000 deficit and explained how assessments are received and how bills are paid. A homeowner asked if there can be a modified cash flow statement. JoAnn Simmons said she wants to know how much money the association has collected, how much has been spent, what the balance is and whether the association is in the red or the black. Byron said he can get that information and provided it in that format at the next meeting. He noted the association is in excellent shape right now.
- There is still money in operating reserves from last year which could be tapped into in an emergency in the amount of \$53,000. Byron explained where the association's funds are. Doug also addressed community projects. Kerrie said she has ProCom's financials and are still shifting through Chambers financials. Randy tabled the conversation until homeowner comments at the end of the meeting.

MANAGEMENT REPORT

Kerrie Wilson provided the following report:

1. Transfers of Ownership

1405 Lodi Court – Matthew & Mary Ann Matrese; \$829,350

1407 Lodi Court – John & Dina Rogers; \$828,600

1411 Lodi Court – Jeffrey & Amy Martin; \$807,823

1552 Star Stella Drive – Jacqueline Jaworowicz; \$918,103

2390 Jostaberry – Barry & Ursula Schmidt; \$431,000

2. Projects Completed/Underway

Parking – ABC Service Contract (to be developed along with towing policy)

Communications – ProCom proposed 2007 budget

ACC Committee recommendations (Board vote required)

Collection policy (Board vote required)

Pool – e-mail regarding company developing passes

Sign log (Luella has original and Nancy has copy)

Landscape – Care of Trees \$1050, Knab's \$1175 and Bartlett \$1,995

3. General Matters

Attorney invoice (Board approval to pay)

CPA engagement letter (Board approval and signature required)

State Farm renewal certificate – November 2006 – November 2007 – f.y.i.

“No Soliciting” signs (Board input requested)

SOCIAL COMMITTEE

Jay Duckworth thanked homeowners who participated in the chili cook off and noted it was a great event. Jay stated he was stepping down as the social chair and thanked the community for its support. Doug thanked Jay for his efforts.

Denise said she would take over the committee and has some ideas for the future. Jay said he would support Denise with grunt labor and his historical knowledge. Doug asked Denise to work with Jim Frank as the Board liaison so he can bring her ideas to the next planning meeting.

PARKING COMMITTEE

Jim Frank reported town home re-striping will be done on October 11th. The towing policy is being put into place, the association has contracted with a towing company and everything is proceeding according to plan. He noted the parking committee will be working on parking policies.

COMMUNICATIONS COMMITTEE

Randy reported the website is being revamped and noted there are some spam blockers that are being investigated. Danielle Mahoney reported she has been working on the next newsletter and is hopeful it will be completed soon. She also noted Mike Miller has been waiting for her input before he can move forward on website improvements. Mike stated he has devised a way for homeowners to sign up for an e-mail distribution list on the website.

COVENANTS COMMITTEE

Paul reported the homeowner who agreed to spearhead the covenants review and rewrite is unable to continue with that effort. He has identified someone to take over that effort. He noted the Board was presented with a collection policy reviewed by the committee and the association's attorney. There was an extensive review of the proposed collection policy including the pros and cons for having a policy. Doug noted there are many homeowners currently in arrears but only a few with significant dollar amounts. Doug said the whole document was sent to the lawyer so he could enforce the HOA's policy. It was also noted the Board has the unilateral ability to decide how strict it wants to be. After extensive discussion Byron moved to accept the collection policy as written. Nancy seconded the motion. There was no additional discussion and the motion was unanimously approved.

POOL COMMITTEE

Luella said 13 families participated in swim lessons and that 30 – 40 residents used the pool per day. The pool committee will work with the communications committee to offer online swim team registration. She noted the pool committee is considering forming a water polo team. Luella said the big improvement for 2007 will be the implementation of a card scanner system which will deny pool access to any resident who has not paid their HOA dues in full. A storage shed is needed for the pool cover so the pool committee will work with the covenants committee to make sure it's in line with the association's covenants.

LANDSCAPE

Josh reported Kerrie has secured bids to remove three trees on Tilghman. He will review the bids and determine which bid to accept. All the trees in Section 4 have been marked but David Morck (Winchester Homes Land Development Supervisor) indicated they will be taken out and replaced in October. Doug said the paperwork on section 1, 2 and 3 says they were turned over on the same date as section 4 which makes the warranty the same for all the sections. Josh and Doug are working on the front fence which is in disrepair.

SAFETY

Byron reported Terry Whitehead will be working with the social committee on a Halloween safety program for trick or treaters.

NEW BUSINESS

Byron moved to remain with the association's current CPA firm; Goldkang, Cavanaugh & Associates. Randy seconded the motion. There was no additional discussion. The motion was passed with a vote of five in favor of two abstainments. Luella and Jim abstained from the vote.

HOMEOWNER CONCERNS

Doug opened the floor to homeowners and the following issues were raised:

- Byron said he wants to make sure Kerrie understands what Paul is looking for as far as financial data. Paul said he wants to know what has been spent to date and what has been budgeted to date. Paul said JoAnn is also looking for the same information. Paul also thinks as a homeowner he shouldn't have to pay someone else's assessment. Kerrie said the financial report can be tailored to meet Chapel Grove's needs. She also noted financial information is also provided at the annual meeting. Doug reported the Board is in receipt of all financial information but it is not being presented to homeowners in a digestible manner so the Board will work with Kerrie to create reports that clearly show the community's financial status.

A homeowner asked if there is a way to break down the financial expenses per household, i.e. town home vs. single family, i.e. snow removal cost. Questioned whether the single family homes are subsidizing the town homes. Doug said town homes pay \$22 - \$26 more than single family homes. Town home sidewalks, etc are private property. The fees do attempt to contemplate the differences. Doug explained the dollar differences per town home.

- A homeowner said he is concerned the water in the pool is too low for the winter. Byron said there is work being done on the steps. Luella will e-mail the homeowners concern to the pool committee chair, Dan Kessler. Doug asked for an update from Luella for the planning meeting. Doug also noted the large umbrella is still up and the toys are still out. Questioned the plan to winterize those items. Randy questioned whether Winchester Homes submitted an ARC form for landscaping at the model home. Paul said no. It was also noted the model home has an irrigation system that did not have an ARC form submitted. Extensive discussion ensued.

- A homeowner reported there was a wrecked Toyota Sequoia in the pool parking lot over the weekend and questioned why a homeowner would park it there. Randy suggested the homeowner contact the management company in the future on similar issues. Kerrie said there currently isn't a rule governing parking in the pool lot and the parking committee would address the situation. Jim Frank questioned whether the parking lot is private property or county property. Kerrie will research the issue. Doug said he doesn't think a one time offense is something to take note of. Jim said if it's a private area then the towing contract may be extended to include the pool parking lot.
- Terry Whitehead said the committee will wait to the spring to do any more safety training however the committee is considering handing out glow sticks and Halloween safety tips for trick or treating.
- Joanne Simmons asked about the October meeting. Kerrie said it is the annual meeting which is the meeting of the homeowners where elections would be held. The current Board has three year terms. Doug said it was decided upon by the Declarant, Winchester Homes, not the Board. Doug said once the Declarant is no longer here the positions can be staggered so Board members don't roll off at the same time. The positions are handled annually to decide which Board members want to hold which positions. Kerrie said the Board handles the reorganization. The community is required to give the community 30 days to review the budget. The annual budget may have to be reviewed in November or December as long as it is approved by November 1st. JoAnn questioned whether the entire meeting will be dedicated to the budget. Kerrie said the Board is not required to show a proposed budget unless assessments are going to be raised beyond what the by-laws allow. Doug said there will not be an annual increase in assessments. JoAnn said there should be a list of new projects and questioned whether or not the projects are open for discussion to the community. Kerrie said the proposed budget does not list proposed items, only figures. Collectively. JoAnn said the Board must have an idea of what expenses and income will be next year so therefore any projects would have to be done within that budget. Byron said the proposed budget will include some items that the Board is aware of.

There was extensive discussion concerning when the budget meeting will be held and what notice needs to be given to homeowners. The issue was tabled until the next meeting. Nancy said she thought Joann would be disappointed when she sees just a budget knowing that she wants to see a list of projects. She noted the budget won't specifically break down items, i.e. the budget doesn't have a line item that says "the fence" but the money is shown in the landscaping or improvements category of the budget. She further explained the Board has not come to an agreement on what some of the large expenditures will be. Another planning meeting will be held and the Board will try to come to an agreement. If it's possible for the Board to come to an agreement and the proposed budget can be sent out before the October meeting it will be. Joann said she would like to know in advance which meeting will hold the budget discussion. Doug said a notice will be sent out.

- Homeowner questioned the number of mailings homeowners are receiving at 39 cents each. Questioned whether some letters could be combined. Randy said the communications committee is working on a registry that would send notices to homeowners via regular mail or e-mail depending on what the homeowner signed up for. Luella encouraged homeowners to use the website.
- Homeowner asked whether the road that goes back to the drainage pond is the HOA's or Winchester's. Randy said he thinks it is still Winchester's. Homeowner reported there were trucks that got stuck in the mud and created ruts in the ground. Josh said David Morck is repairing a lot of the pond areas and any damage Winchester does must be repaired.

- Terry Whitehead said less than two weeks after the pool was built there were cracks in the pool and questioned whether Winchester is planning to take care of them. Doug passed the information to Luella and the pool committee to address the question.

ADJOURNMENT

Jim moved to adjourn the meeting. Luella seconded the motion. There was no additional discussion and the motion was unanimously approved. The meeting adjourned at 8:23 pm.

Approved by: _____ Date: _____
President

Submitted by Gail Kramer/Recording Secretary
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