

Kingstream Community Council
Minutes of the January 15, 2015 Meeting

Public Version - Excluding Minutes of Two Closed Sessions

Attendance	
Board Members	Present
Tim Fouche, President	Yes
Frank Shaffer, Vice President	Yes
Jim Talbert, Secretary	Yes
Morna Ikeda, Treasurer	Yes
Tyrone Yee, Activities Committee	No
Jeff Albanus, ARC Committee	Yes
Jared Spigner, Landscape Committee	No
Tony DeMattia, Pool Committee	Yes
Kate Keifer, Communication and Welcoming Committees	Yes
Lisa Cornaire, Management	Yes

A. Call to Order

The meeting was called to order at 7:03 p.m.

B. Approval of Agenda

A motion to approve the proposed agenda was made, seconded and all members approved.

C. Homeowners Open Forum

One homeowner was present to discuss a financial issue. A motion to go to closed session was made, seconded and all members approved.

D. Review and Approval of the Minutes of the Previous Monthly Meetings

A motion to approve the minutes of the October and November monthly meetings were made, seconded, and all members approved.

The Board discussed Morna's recent study of the Reserve Fund. Frank suggested we add a note indicating the cost of replacing all assets at once instead of, incrementally as planned and estimated in the Reserve Fund. The Reserve Study estimates \$816,000 to fully replace all KCC reserve assets. However, this value does not include the cost to remove the asset nor does it seem to adequately cover installation costs and labor and material costs. Subsequently, we discussed the need to help homeowners better understand how the Reserve Fund works. A short paper was presented that does a good job of explaining the Reserve Fund. It is included as an appendix to these minutes.

E. Old Business

There was no old business.

F. New Business

- a. During the recent holiday break, the Board conducted some business via email communication. Some decisions were made by email voting. The Board officially ratified those votes. Specifically,
 1. Approving the September monthly meeting minutes.
 2. Approving the amount of \$40,381.64 to be deposited as the annual contribution to the Reserve Fund for 2014.
- b. The Board discussed the proposed KCC Policy Resolution No. 2015-1 drafted by our attorney regarding pipestem address signs, pipestem surfaces, mailboxes, and mailbox posts. It was decided to modify items 2, 3, and 4 to use consistent language of “pipestem address signs, pipestem surfaces, mailboxes, and mailbox posts.” A motion to accept as modified was made, seconded and all members approved. The modified resolution is in effect immediately.

G. Management Report

- a. Lisa reported that it is time to send out a letter to all homeowners announcing the Annual Meeting and soliciting nominations and candidate statements for the three open Board positions. The current terms for Jared, Tony, and Jim will expire this year. The deadline for nominations and candidate statements will be February 15. These should be submitted to Lisa.
- b. The Board discussed other topics for inclusion in this letter, including:
 1. Notice of the new KCC Policy Resolution No. 2015-1 mentioned above.
 2. Message to inform and encourage people to sign up for the KCC email list.
 3. A form to verify addresses and emails.
 4. Methodology to determine renters and owners.
 5. Message to inform and encourage people to vote to approve the proposed Declaration changes.
 6. And information about all the new communications methods available (email, Facebook, etc.)
- c. Lisa discussed methods to improve posting information onto the website.
- d. Lisa’s Contract is up in May. She asked if we would consider a three year contract.

H. Treasurer Report

- a. Morna reported that the annual audit has been completed with no outstanding issues. Kathy Beck is our new auditor. There was nothing to vote on. Morna reported that there was \$5.00 left in an account with PNC Bank that was previously closed. Morna will call to have them roll it into our Money Market account there. This account currently contains about \$230,000.

I. Committee Reports

- a. Landscaping. The landscaping contract has been renewed. No other reports.

- b. Activities/Social. Kate led a discussion about creating a long range activities calendar to support better planning of activities. The Board discussed funding, the budget, and keeping within the budget. The current budget for activities is \$2,100. Some of the suggested activities were discussed, including an Easter Egg Hunt, progressive dinner, and a chili cook-off. Board consensus was to hold a chili cook-off at the Hiddenbrook clubhouse on February 28, 2015. A motion to spend \$200 for a chili cook-off was made, seconded and all approved.
- c. Pool. No issues reported other than there is a need to replace a lightbulb.
- d. Communications. Kate sent out a newsletter in mid-December. She reported that since the last meeting there have been 22 new email subscribers for a total of 146. This represents 134 households or 33% of the community. Further analysis indicates a 60% “open rate” of people who received the newsletter and actually opened it. This is a very good statistic and if it increases, we should consider discontinuing the written newsletter in favor of the electronic version. ARC. No additional reports for this Committee. No motions were made at this time. Welcoming. No motions were made at this time.

J. Closed Session

The Board considered financial issues pertaining to three specific homeowners.

Adjourn

A motion was made, seconded and approved to adjourn the meeting at 8:57 p.m. The next meeting will be at 7:00 PM on Thursday, February 19, 2015 at the Herndon United Methodist Church, 700 Bennett Street.

See Appendix which follows.

Submitted by Jim Talbert, Secretary

APPENDIX

Why Does Our Community Need a Reserve Fund?

Equipment and major components (like pool equipment, playground equipment, fencing, etc.) must be replaced from time to time. Virginia State law requires that HOAs plan for these expenses by having a Reserve Study performed at least every five years. It is also a requirement that HOAs have a separate Reserve (savings) bank account for these funds. A Reserve Study is a professional report which outlines for the Board the timeframe and cost for the eventual replacement for these types of items. It also provides a recommended Annual Reserves amount that should be budgeted for so that the future funds are available at the time a particular Item is in need of replacement. Reserve Funds aren't an extra expense – they just spread out expenses more evenly. There are other important reasons we put association monies into Reserves every year:

- Reserve funds provide for major repairs and replacements that we know will be necessary at some point in time. Although a playground may be replaced when it is 25 years old, every owner who shares its use, shares its replacement cost.
- Reserve funds minimize the need for Special Assessments or borrowing. For most association members, this is the most important reason.
- Reserve funds enhance resale values. Lenders and Real Estate Agents are aware of the ramifications for buyers if the Reserves are inadequate. The State of Virginia requires associations to disclose the amounts in their Reserve Funds to prospective purchasers in the resale disclosure package.

Our most recent Reserve Study was completed by an outside company, Community Association Engineering in 2011. It is reviewed several times a year by the association's Treasurer to ensure that the Reserve plan is being followed, plan for the following years' expenses, track actual costs and annual contributions. A copy of the Reserve Study can be viewed on our website at www.kccherndon.org.