

**Kingstream Community Council
Minutes of the Sept 15, 2016 Meeting**

Public Version

| Attendance | |
|--|----------------|
| Board Members | Present |
| Frank Shaffer, President | No |
| Tyrone Yee, Vice President | Yes |
| Tony DeMattia, Secretary | Yes |
| Morna Ikeda, Co-Treasurer | Yes |
| Paul Williams, Co-Treasurer | Yes |
| Mike Wei, Architecture Committee | Yes |
| Scott Graff, Landscaping Committee | Yes |
| Steve Fast, Pool Committee | Yes |
| Kate Keifer, Activities & Communications Committee | Yes |
| Lisa Cornaire, Management | Yes |

A. Call to Order

The meeting was called to order at 7:00p.m.

B. Approval of Agenda

A motion to approve agenda as outlined was made, seconded and all members approved.

C. Homeowners Open Forum

Ken Neuman attended the meeting to discuss several recent instances of non-standard colors being used to paint shutters and doors. A discussion of possible color palette recommendations being added to the Architectural review process occurred. The following actions have been proposed:

- 1) Send an email blast to community reminding them of the need for an Arch Review Board approval of exterior changes to home.
- 2) Review Arch Review Board statement and propose new language regarding acceptable color palettes to use.
- 3) Lisa Cornaire to send letters to Home owners w/o Arch review approvals.

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

No meeting minutes to review.

E. Old Business

1. New Pool Shed Options:

The Board discussed 8' X 8' and 8' X 10' shed options from Lowes and Home Depot. Mike Wei and Steve Fast to walk site area to the left of pool house (facing pool house) to find suitable location for shed.

2. Tree examination around Pool:

Reston Tree will be asked to come out and examine health of trees round the pool.

3. Pool Renaming & Dedication:

Ceremony was a big success. Receipts totaling \$161.13 for dedication ceremony were submitted for approval and re-imbusement. Board approved 8-0.

4. KCC Monthly Board Email to Community – closed this action

F. New Business

Insurance Quote & Coverage Level Review:

Board reviewed several insurance quotes and approved the Ian H Graham D & O policy consisting of \$1 million in coverage w/ \$1K deductible. Board approval vote 8-0.

Remaining action items:

- 1) Need comparison of insurance value vs replacement value in reserve study to make sure association is 100% covered.
- 2) Extend invitation to our insurance agent to Nov Board meeting to answer any remaining questions regarding insurance coverage.

G. Management Report

NV Pool:

Rob Dean identified there are no major pool expenditures foreseen this coming year. Lisa C to work with NV Pools to collect budgetary estimates for pool management contract cost #'s spanning 2 and 3 year options in an attempt to get better pricing options.

H. Treasurer Report

The Board discussed developing a ladder investment program for the \$505,000.00 in reserve funds to replace the current 100% short term money market accounts. The Board is investigating other options for investing reserve funds in accordance with HOA bylaws to earn better rates of return than a CD.

New signature cards for accounts – no action. Board members (President/VP and Sec) to bring copies of driver license to NOV meeting.

Five year Plan: Projected 5 yr plan target budget #'s for the 4 major community expenditures w/ assumptions on ways to save \$\$.

I. Committee Reports

1. Architecture – all approvals done within 30 days. Mike Wei to work on color palette options for Arch review rules.
2. Activities/Social.
Community Yard Sale scheduled for 9/24. \$50 request for signs approved by Board 8-0.
Halloween and Christmas Yard decorations request for \$50 for signs per event approved by Board 8-0.
3. Landscape. No new report.
4. Communication. No new report.

5. Welcoming. No new report.

6. Pool.

Steve Fast provided pool usage report detailing the # of people that signed in per day per hour.

J. Closed Session

Moved to Closed Session 9:50.

No delinquent accounts to review

M. Adjourn

A motion was made, seconded and approved to adjourn the meeting at 10:00 p.m. The next meeting will be at 7:00 PM on Thursday, October 20, 2016 at the Herndon United Methodist Church, 700 Bennett Street.

Submitted by Tony DeMattia Secretary

KCC 5-Year Plan

September 2016

The following text defines and discusses the current and future values listed on the 5-Year Plan chart.

EXPENSES

1. Property Management

Current Contract:

Expires Dec 31, 2017.
3-year contract
3% increase/year

Future Years' Contract Assumptions:

Renewal (consider a rolling 3-year contract?)
3% increase/year

2. Landscaping

Current Contract:

Expires Feb 2017.
2-year contract
10% reduction if paid in full (Apr 1).

Future Years' Contract Assumptions:

Lisa remains comfortable with responsiveness of Frank's.
10% reduction if paid in full (Apr 1).
Longer Contract Period?

3. Pool Management Contract

Current 'NV Pools' Contract:

2013 (\$494/day, 101 days): 1-year contract
2014-2016: 3-year contract
 2014 (\$502/day, 101 days)
 2015 (\$502/day, 108 days)
 2016 (\$534/day, 101 days)
Pool hours same for all four years (11am-8pm x 5 days, 11am-9pm x 2 days)

3. Pool Management Contract (cont.)

Future Years' Contract Assumptions:

Used average cost/day over four years (2013-2016).
2017-2019: 101 days/season, 2020: 108 days/season
White Coat replacement (2018, \$42,000)

Consider Alternate Terms:

2-year or 3-year?

Reduce pool hours by one hour/day (reduces overtime charges)?

Is the three-guard minimum required?

Move to a fixed season length of 101 days (2020 --> 7% savings, ~\$3,500)

4. Reserve Contribution

Terms of Calculation:

Instead of a 'gradual annual increase in Reserve funding', we converted the contribution to a static value across five years (2016-2020).

Total Contribution + Interest Earned --> Average Contribution/year = \$47,633/year
PLUS 1% of Total Reserves (\$505,000) = \$5,000/year

5. Other Expenses

Terms of Calculation:

All remaining expenses in 2015 --> 'Other Expenses' (\$48,000).
Added 1.5% of this value each year.

INCOME

HOA Dues Payments + Other:

\$480 * 388 homeowners, \$240 * 20 Easements = \$191,040
PLUS \$2,000 in incidentals (HOA transfer fees, pool fees, etc)

KCC has a need for increased earnings:

For the next five years, we are doing well because our net profit is near \$0 and are able to absorb cost increases! But, our fixed income will soon not be enough.

Our largest asset, our Reserves (\$505,000), could make money.
Ex, 1% of our Reserves = \$5,050.

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Property Mngt | \$ 20,127 | \$ 20,731 | \$ 21,353 | \$ 21,993 | \$ 22,653 | \$ 23,333 |
| Landscaping | \$ 16,151 | \$ 16,151 | \$ 16,302 | \$ 16,302 | \$ 16,302 | \$ 16,302 |
| Pool Mngt Contract | \$ 54,250 | \$ 53,975 | \$ 51,340 | \$ 51,340 | \$ 51,340 | \$ 54,898 |
| Reserve Contribution | \$ 65,644 | \$ 52,633 | \$ 52,633 | \$ 52,633 | \$ 52,633 | \$ 52,633 |
| Other Expenses | \$ 48,087 | \$ 48,808 | \$ 49,540 | \$ 50,283 | \$ 51,037 | \$ 51,803 |
| <i>Inflation Increase 1.5%</i> | \$ 721 | \$ 732 | \$ 743 | \$ 754 | \$ 766 | |
| TOTAL EXPENSE | \$ 204,259 | \$ 192,298 | \$ 191,168 | \$ 192,551 | \$ 193,965 | \$ 198,969 |
| TOTAL INCOME | \$ 193,000 | \$ 193,000 | \$ 193,000 | \$ 193,000 | \$ 193,000 | \$ 193,000 |
| NET PROFIT | \$ (11,259) | \$ 702 | \$ 1,832 | \$ 449 | \$ (965) | \$ (5,969) |