



Malvern Club, Inc.

905 Malvern Drive

Madison, VA 22727

<http://malvernofmadison.org/>

REGULAR MEMBERSHIP MEETING

October 19, 2019

Draft Minutes

Location: Malvern Clubhouse, 905 Malvern Drive, Madison, Virginia

Sign-in: Members signed in as they arrived, beginning at 9:30 a.m. Proxies were collected and tallied.

Quorum Present: The Secretary reported that 50 lots were represented by members attending or proxies executed. The President announced that the minimum 50-member quorum requirement was met and called the meeting to order at 10:02 a.m.

Officers Present

President:	Rodney Taylor
1 st VP & Secretary:	Fred Bourque
2 nd VP:	Grover Dean
Director:	Doug Beaver
Director:	Rick Collins
Director:	John Shanley

Decisions & Actions

1. The minutes of the April 27, 2019, Annual Membership Meeting were approved by unanimous voice vote.
2. A motion passed to proceed with a vote on a proposed amendment to the Deed of Dedication to add a covenant limiting short-terms rentals (e.g., Airbnb). The vote will begin at the next Annual Membership Meeting in April.
3. The 2020 Operations Budget was approved.
4. A motion passed to have a catered barbeque lunch at the Annual Membership Meeting in April. Members will be encouraged to bring a side dish.

Committee Reports

President. Rodney acknowledged the contributions of Ed Johnson and Chas Egen (IT support) and the Board members during the current year. He noted that four Board seats will be filled at the next Annual Membership Meeting in April. He encouraged members to consider serving on the Board. Board members serve a two-year term.

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Secretary. Fred said that houses and vacant lots are selling at an increasing rate over the past two years and new members are joining the community. He introduced one of our new members, Carolyn Wahl, who is building a house on the Carriage Lane cul-de-sac.

Treasurer. Rodney gave the Treasurer's report in Diana's absence. He provided the following cash balances as of October 9, 2019:

Operating Funds Balance	\$202,404.89
<u>Capital Reserve Funds Balance</u>	<u>\$258,190.57</u>
Check/Savings Account Balance	\$460,595.46

The Reserve Funds account is savings to pay for future planned capital improvements (e.g., road paving, pool resurfacing, Clubhouse roof and furnace). Of the total \$460,595.46 in the accounts, \$237,993.34 is in CDs earning 3% per year or about \$600 per month. Rodney thanked Diana for initiating the CD purchases.

Pool. Fred reported that the Pool was now closed for the year and that it had been another great summer. The Pool was closed for about a week, due to the failure and replacement of the pool pump motor.

Clubhouse. Fred reported that the Activity Center flooring was replaced this week. The carpets in the back rooms were removed, and we installed some of the vinyl flooring that was left over from the Clubhouse renovation. In the big front room and the Pool Restroom we purchased and installed new vinyl flooring.

Grounds. Rick said that Jason Woodward is doing tree trimming along the roadways. Trees and bushes need to be trimmed to 6-8 feet back from the edge of the road and 10-12 feet above the roadway. He said there will be a sign at the entrance on days when the tree trimming is done. Barry Cliver asked if we are billing property owners for the trimming on their lots. Rick said the Board had decided to cover that expense in the budget since everyone uses the roads. He did encourage members to do their own tree trimming and mowing along the roadway. Rick said there are several dead trees on the Clubhouse property that need to be taken down; the big maple might have to be cabled to save it. He said the Board would solicit bids for the tree work. He thanked Debra and Grover Dean for beautifying the entrance, with Don Nicholson and Isaac Woodson's help, and Valerie and José Cruz for donating the flag and flagpole.

Lake. Rick said the new drain will be installed at the dam next summer, as required by the State. A total of \$30,000 has been set aside in the 2019-2020 budgets to cover that expense. He thanked David Kalish for taking the lead to install fencing and a gate on the north dock to keep the geese off.

Roads. Grover reported that the planned paving for the year had been completed. There is still some crack filling to be done either later this year or next year. Also, the drop-off along Sylvan Lane will be addressed when the pavers are out here in 2020.

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Social Events. Fred reminded everyone that this year's Christmas Holiday Party will be at the Clubhouse on Saturday, December 14th, from 3 to 7 p.m. It will be a potluck supper, and everyone is invited. Katie said that Trick-or-Treating in Malvern is planned for Halloween evening, October 31st, from 6 to 8 p.m. She asked that members who would like to have Trick-or-Treaters come to their house, please leave a porch light on.

Firewise. Susan said she is having a frustrating time getting help from the State Firewise Program Coordinator. She is going to keep trying, but if she can't get support from the program she will not be able to continue as Malvern's coordinator. The Board encouraged her to give it one more try and thanked her for her persistence.

Old Business

Short-term Rentals Amendment. Rodney reported on the Board's work since the April Annual Membership Meeting, at which the members voted to develop an amendment to the Deed of Dedication (i.e., the covenants) to set limits on short-term rentals (e.g., Airbnb) in Malvern. He said he had coordinated with the association's attorney to compose the following amendment:

- a) RESOLVED, that the Deed of Dedication be and hereby is amended by deleting the current Section 2 thereof, and replacing it with the following new Section 2:
 2. The lots designated in the subdivision shall be used for residential purposes only, and no profession, business, trade, enterprise or commercial activity of any kind or any nature shall be conducted or carried on upon any said lot or within any dwelling hereinafter erected thereon, without the express written approval of the developer and/or the Property Owner's Association. **No lot or dwelling thereupon shall be rented for revolving use, transient use, or hotel purposes—including use as a bed and breakfast, for short term on-line rental, or the like. No lot or dwelling shall be leased or rented in its entirety for any period less than thirty (30) days.**

The proposed change is the text shown in bold face above. No other changes are proposed. Rodney said the Board had developed a process for voting on the amendment, and he said this process could be used for any future amendment. The State allows HOAs to take up to 11 months to vote on amendments to their governing documents. In this case, the Board will send ballots in the mail to all Malvern property owners at least 6 weeks before the Annual Membership Meeting to be held on April 25, 2020. The voting will start at the meeting. Voting will continue for up to 11 months, in accordance with Virginia law. Rodney said a two-thirds majority is required to adopt the amendment. There are 234 lots, and two-thirds is 156 lots. Voting will continue until 156 lots vote to adopt, 79 lots vote not to adopt, or time runs out on March 24, 2021, in which case the amendment would fail. He said each lot would be allowed one vote, regardless of status (i.e., good standing or not), consistent with our By-Laws.

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A motion was made and seconded to proceed with the proposed process to present the proposed amendment to the general membership for their vote. The motion passed by unanimous voice vote.

2020 Paving Plan. Rodney summarized the long-term paving plan and the anticipated periodic dues increases required to fund it. (This topic was discussed at length at the 2019 Annual Membership Meeting.) He said the first round of paving would be done in 2020. The plan is to pave Malvern Drive from the entrance to the stop sign, and Covered Bridge Drive from the stop sign to its intersection with Liberty Lane/Powderhorn Lane. He said the first short piece of Covered Bridge might not need to be done since it was paved just a few years ago. There is \$265,000 in the 5-Year Plan for 2020 road repairs. Rodney said we would draw \$90,000 from Retained Earnings and \$145,000 from the Reserve Fund. The remaining \$30,000 is included in the proposed 2020 operations budget. He cautioned that the budgeted cost of the planned repairs is an estimate. He said we will do as much paving as \$265,000 will buy next year. Rodney said the Five-Year Plan includes periodic dues increases to defray the cost of the anticipated road repairs, as well as the rising cost of operations. He said, if the membership approves the budget, dues will be set at \$575 for 2020. That's a \$25 increase over this year's dues, generating an additional \$5,850 in revenue. He said about half of the additional revenue will go towards road repairs and the other half towards other operating expenses and the Reserve Fund. Per the Reserve Study and the Five-Year Plan, we anticipate \$25 dues increases every four years until the road repairs are completed. Members can review the long-term paving schedule in the latest Reserve Study which may be found on the Malvern website at <http://www.malvernofmadison.org/DocForm/ReserveStudy.pdf>.

Member Responsibilities. John Dacus asked whether anything can be done to address speeding in the community. Rodney said that this is one of the complaints that the Board receives routinely that are outside the scope of the Board's responsibility and authority. All members of the community agreed to abide by the covenants established in our governing documents and the rules set forth by the Malvern Club when they purchased their property. The Board has the authority to enforce the covenants. There are no powers given the Board to enforce the rules, however; and the speed limit is a rule. Driving the proper speed, stopping at Stop signs, and being courteous to neighbors are things that all Members are expected to do; but these actions are not controlled by the Board. The Board has no power to enforce the speed limit, and the County has no authority to enforce traffic laws inside the development. Speeding has been a persistent problem in Malvern for years, and several remedies have been tried; but some people still drive too fast. Rodney reminded members that they are expected to watch out for pedestrians, avoid distractions, keep their speed down, and drive respectfully.

New Business

2020 Operations Budget. Rodney went over the proposed 2020 operations budget that all members had received in the Fall Communicator. The budget was approved unanimously on a voice vote.

Open Forum

Lunch at Membership Meetings. Rodney asked if there would be any interest in having food at membership meetings. He said it might attract more members, which is a priority, considering we had the bare minimum participation at this meeting. After some discussion that was generally positive, a motion was made to have a catered barbeque lunch at the Annual Membership Meeting in April, at a cost to the association not to exceed \$750. Members will be encouraged to bring a side dish. The motion passed unanimously on a voice vote.

Clubhouse Use Policy. Ellie Tarbous asked whether the Clubhouse could be made available to members for community activities, either without a fee or with a lower fee. Fred said the Clubhouse can be reserved for community events at no charge, so long as the event is open to all members, their families, and guests. Rodney said that the Clubhouse Use Policy has been in effect for many years. It can be changed if that is what the members want, but the Board would not make a change to the policy until the entire membership had a chance to review it. A motion was made to address the Clubhouse Use Policy at the Annual Membership Meeting in April. By a show of hands, the motion failed.

Meeting Adjourned at 12:07 p.m. The next membership meeting is the Annual Membership Meeting, April 25, 2019, at the Clubhouse, with sign-in beginning at 9:30 a.m. and the meeting starting at 10:00 a.m.

Respectfully Submitted:

Fred Bourque
Secretary, Malvern Club, Inc.