

**Malvern Club, Inc.**  
905 Malvern Drive  
Malvern VA 22727  
<http://malvernofmadison.org/>

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Minutes: **Membership Meeting**, Saturday, October 18, 2008

Meeting called to order at 10:05 a.m. by President Jerry Monnat

Board members present: Jerry Monnat, Lee Rees, Ed Johnson, John Haines, Rick Curtin, Barbara Flynn

Quorum: 77 members and proxies counted; quorum requirement met

Handouts:       Ballot #1 re incorporating \$125 special assessment into regular dues category  
                  Ballot #2 re capital improvement expenditure of \$35,000  
                  Financial Report, Recommended 2009 Budget, Projected 5-Year Plan with \$100 dues  
                  increase, Projected 5-Year Plan with NO dues increase, Questions and Answers Re  
                  Recommend Dues Increase  
                  Alphabetic Directory Listing

**Common Areas and Lake:**

Rick reported the dam is issued a certificate by the State once every 6 years. Our current certificate expires in March, 2009. An engineer must perform the inspection and file the necessary paperwork for the certificate to be renewed. We are in the process of finding an engineer and expect to have the paperwork filed before the end of the year.

**Clubhouse and Pool:**

1) The clubhouse HVAC is in need of replacement. 2) We recently had the furnace serviced with the hope the repair would allow us to hold off on the replacement until 2010. 3) With reference to the pool, we are planning to do about \$15,000 worth of repairs to the pool tile and bottom in March 2009. These repairs are needed to in an effort to extend the life of the pool.

**Roads:**

The embankment on the inlet side of the culvert on Liberty Lane has collapsed. Water is also going under the pipe and the concern is the road may be damaged if the culvert is not replaced. We are therefore getting costs to replace the culvert which we feel we need to accomplish in early 2009.

As to the speeding issue: signs meeting current State standards are being installed by Frank Sargent, Rick Collins and Ed. Once the signs have been replaced an engineer will provide a required certification. Then the Board will formally ask the Board of Supervisors to consider adopting an ordinance designating our streets as highways for law enforcement purposes.

**Treasurer's Report:**

Ed gave a brief update on income and expenses. He noted that we have 3 accounts – one checking, two money market accounts totaling \$51,671.24. We have \$92,000+ worth of loans that we have been paying on for a number of years. Next year one of the two loans will be paid off. The Board has come up with plan for the coming years. The 5-year plan provides for care of our common areas, maintenance of roads, clubhouse, pool, lake, dam, mailbox area, playground equipment. State statute says we must have a plan to maintain these common areas. And anything on our 5 year plan must be budgeted for. Our By-Laws require the membership to approve either the budget recommended by the Board of Directors or another budget, but we have to have a budget. For approval of the budget, a majority vote is necessary.

Ballot #1 asks for approval to delete the previously approved \$125 special assessment income category. This has been in place since 1991/1992 when we needed funds to build new roads. At the April membership meeting, it was suggested that we do away with the designation of special assessment and put this \$125 in with regular dues, making dues \$425. (Karen Pilkerton noted that it is stated in our Bylaws Section 9.3 that a special assessment may only be considered for something that comes up that is totally unexpected.) A two-thirds ballot vote by the membership is needed to approve this. Vote: passed with a vote of 73 approved and 4 disapproved.

Ballot #2 concerns \$35,000 in Capital Improvement. Bill Rowe asked why these items were listed under Capital Improvements and Ed explained that it was his understanding that anything over \$500 must be budgeted under this heading. This also requires a two-thirds ballot vote. Vote: passed with a vote of 54 approved and 25 disapproved.

We then moved forward to approval of the 2009 recommended budget, which includes a dues increase of \$100. A member asked if dues could be paid in installments – Ed said yes \$300 by the end of February and \$225 by the end of August. He remarked that the budget handed out to members today is the same as the one in the Communicator, i.e., total dues of \$525 times 234 lots = \$122,850 (or \$23,400 more income to work with per year).

Rick commented on the increase in dues by noting that we have a lot of amenities here in Malvern for everyone to use. After checking with various HOA's in Virginia, he found that we have some of the cheapest dues, and we have a wonderful network of volunteers who contribute to the upkeep of our common areas.

Karen introduced herself as Malvern's Volunteer Coordinator agreeing that we have certain wonderful amenities, and that the Board is mandated by law to keep up these common areas. By using the skills and talents of people living in Malvern who do volunteer work, we have been able to save on painting, landscaping, minimal repair, etc. and we also have residents who donate things to the community. We have major work weekends for volunteers in April and October. She said that, if we do not vote to approve this increase, the Board is not legally responsible to keep up these common areas.

A member said she was told by her realtor when she bought her home that the State probably would take over Malvern's roads. Jerry responded that it is something the Board would love to see happen. But Lee stated that the State of Virginia no longer accepts roads not already in the State system. When the State was willing to take over Malvern roads, it was presented to the membership with the caveat that everyone HAD to agree to dedicate (freely give) the portion of the road easement fronting their property to the State. Even with 100% participation there would have been obstacles, including having to seek a waiver of the Madison County minimum lot size requirement of 3 acres and the requirement to have mortgage companies participate in the agreement. Unfortunately, there were members who would not agree to the dedication which forced the Board to conclude the option was not viable to pursue further. At that time, the request was only asking about Malvern, Covered Bridge, Ashlawn and Old Forge be accepted by the State and the State would have taken the roads as they were 7 or 8 years ago, but we missed our window of opportunity.

Jerry noted that, if the budget was not approved and something came up that was deemed a safety hazard, this would result in a special assessment -- whatever that cost was it would be divided by 234 lots, whether it was roads, pool, etc. – or we would have to take out loans. Board is trying to steer away from loans, as it is much harder to get a loan now and we don't want to put our clubhouse up as collateral. Chas Egen said he had been reading past Communicators and saw that they used to close down the clubhouse during January through March as a way to save money. He wondered if this would be a good practice to reinstate. Jerry suggested he bring it up at the next Board meeting. Joe Graham will bring the clubhouse calendar to the next meeting so we can see if this would in fact be cost effective.

Vote to approve the 2009 budget as presented passed with a majority vote of 68 approved and 7 disapproved.

**New Business:**

A resident said she had put up a “No Trespassing” sign near the pond on her property. She thinks residents may not be aware that the pond is on her property. She worries about children playing around the pond and perhaps an accident happening – also dogs wander near the pond. It was mentioned that our covenants prohibit signs without Board approval. Another resident said she feels safety takes precedence over the “no sign” law. Jerry asked the resident to send the Board a letter regarding her concerns. One member suggested that since there are no leash laws in Malvern or Madison she could call Animal Control. It was then suggested that Malvern adopt a leash law, and Jerry said he would have to receive something in writing from a lot owner proposing this.

**Old Business:**

Karen said that the Rules Committee meets every Wednesday morning at the Clubhouse, and all members are invited to attend. The Committee hopes to have something for members to vote on through our covenants at the April membership meeting.

Paul Hankla raised a question about landscaping at the lake on the loop. Volunteers are working on planting and beautification of this area. Please sign up to volunteer and if you can't help, please donate money so that we can purchase bushes. She said there was a sign-up sheet in the back hall for anyone wishing to do work for our community.

Meeting adjourned at 11:25. The next **Membership Meeting** will be Saturday, April 18, 2009 at 10:00 a.m. at Madison Presbyterian Church.

Submitted by Barbara Flynn, Secretary