

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

Minutes: Board of Directors Meeting, Thursday, April 12, 2012

Meeting called to order 7:03 p.m. by President Joe Graham

Board members present: Joe Graham, Randy Allen, Donna Phillips, Wallace Harvey, Ed Johnson; absent: Fran Sestak, Paul Hankla

Members present: Don Nicholson, Barbara and Frank Sargent, Jerry Monnat, Barbara Flynn, Jennifer and Adam McLeod, Diane Cross, Karen Pilkerton, Norm and Kathy Hensel, Jason Woodward, Nancy Johnson, Larry and Catherine McClellan, Laura Burbridge, Roberta Jalbert, Liz O'Neil, Shawna Gates, Ellie and Ron Montgomery

Randy Allen stated the meeting was being recorded for personal use.

Minutes from March 8, 2012 Board of Directors meeting and March 20, 2012 Special Board of Directors meeting were approved.

Treasurer Report (Donna): **1)** A written report is included in these minutes; **2)** considering the amount of money in our operating and reserve accounts at Stellar One Bank and the \$250,000 cap on funds insured by FDIC, Donna made the motion to move \$70,000 from Stellar One Bank to Wells Fargo Bank, seconded by Randy, approved unanimously; **3)** the names of the 7 boat owners who have paid for boat storage will be forwarded to Randy so that he will assign boat slips; **4)** asked that the names and information of 7 delinquent homeowners be forwarded to the attorney for further action in accordance with Malvern's adopted Financial Policy, seconded by Ed, approved unanimously; **5)** reported that our HOA attorney, Ami Pape, formerly of Rees Broome, has opened her own firm in Manassas. Donna made a motion to continue using Ami for the next year at which time the Board would evaluate her performance, seconded by Wallace, approved unanimously.

Secretary/Public Relations (Ed): **1)** the community yard sale is scheduled for May 5, 2012. Ads will be placed in the local Madison, Orange, and Greene County newspapers for the April 26th and May 3rd editions.

Roads (Wallace): **1)** is checking with VDOT for contractors who can repair the damaged guard rail near the box culvert on Covered Bridge Drive; **2)** will be meeting with the committee to discuss whether a slurry seal, which is a mixture of asphalt emulsion and fine crushed aggregate, would be a cost effective method to extend the life of pavement on our roads.

Architecture Committee (Fran): **1)** absent – no report; **2)** there was discussion on the status of the application to build a garage on Lot 157. It was decided the committee would meet soon so that a response to the homeowner could be provided by the April 28th Annual Membership meeting.

Common Areas (Paul): **1)** absent – no report

Lake (Randy): **1)** reported 2 boards in particular on the main dock needed immediate attention which he would address next week; **2)** there was concern of blockage at the spillway entrance, possibly by beavers. Randy said he'd look at removing some rocks at the spillway entrance and felt that would alleviate the issue.

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Clubhouse and Pool (Joe): **1)** Mike Perryman submitted a cost proposal for the 2012 pool maintenance. Joe recommended approval. Motion by Donna, second by Randy that the proposal be approved but that the cost of insurance and licensing be added to the total cost; approved unanimously; **2)** pool keys were ordered and are now ready; **3)** new furniture for the clubhouse living room has been delivered; **4)** rental activity is picking up; **5)** new carpet issue remains unresolved with installer and manufacturer. Final payment continues to be held; **6)** reported Mike Perryman is asking for someone to train on pool maintenance to fill in during the summer when Mike is unavailable.

Open Forum: **1)** Wallace read a 1978 era newspaper article regarding sale of Malvern lots

New business: **1)** with regard to our HOA insurance policy, Donna made a motion of increasing our deductible from \$500 to \$2,500, add insurance for non-owned automobile usage, add insurance for coverage of volunteers, add the mailbox building to our covered structures, increasing medical from \$5,000 to as much as \$25,000, and increasing liability coverage from \$1,000,000 to \$2,000,000; seconded by Randy. There was discussion on whether Malvern owned the actual mailboxes. That will be researched and confirmed. The motion was approved unanimously. **2)** Donna made a motion to increase the insurance fidelity coverage, also known as employee dishonesty, in accordance with Virginia Statute requirements, seconded by Randy, approved unanimously; **3)** Donna made the motion to research using an alternative agent if our current agent has not replied to our requests to supply costs by April 28th, seconded by Randy, approved unanimously; **4)** there was discussion among Board and community members about creating a policy for volunteers that is similar to the Bylaw provision of reimbursing Directors for actual reasonable expenses incurred in performance of their duties. The issue died due to a lack of support.

Old Business: **1)** none

Meeting adjourned at 8:08. Next Board meeting scheduled for Thursday, May 10, at 7:00 p.m.

Respectfully submitted,

Ed Johnson, Secretary
Malvern Club, Inc.

Malvern Club Treasurer's Report on Thursday, April 12, 2012

INCOME – Through March 31, 2012

\$77,900.00 of regular assessments were received – 63.4% of budgeted amount of \$122,850.00.

Total of \$80,039.96 received for all income categories – 61.0% of budgeted amount of 131,255.00.

EXPENSES – Through March 31, 2011

Capital Improvements - A total of \$37,386.51 was expended –43.9% of budgeted amount

Reserve Funds - \$30,000.00 – 75% of budgeted amount

Improvement Projects - \$7,386.54 -- 16.3% of budgeted amount

Operating Expenses - A total of \$6,607.17 was expended – 14.3% of budgeted amount

A cumulative total of all funds in the amount of \$43,993.71 was expended – 33.5% of \$131,255.00 budgeted amount for expenditures.

ACCOUNT BALANCES – As of March 31, 2011

| | |
|--------------------------------|---|
| Checking Account - | \$7,049.13 |
| Money Market Account - | \$114,215.84 |
| Reserve Account - | \$90,115.13 |
| | (\$70k earmarked for roads maintenance & \$20k earmarked for dam maintenance) |
| Total Funds Available - | \$211,380.10 |

A total of \$87,261.29 of proposed expenditures is still projected for expenditure through December 31, 2012.

Propose moving \$70,000 of the reserve account to Wells Fargo to ensure that we do not exceed FDIC maximums for insurance coverage.

PENDING TREASURER ACTION

As of April 12, 2012, there are no checks for deposit. Two invoices are pending payment based upon election of officers on April 28, 2012 (Commonwealth of Virginia Annual Registration Fee of \$25.00 with complete listing of Board of Directors & CIC Renewal Fee of \$175 with complete listing of Board of Directors).

**Malvern Club Treasurer's Report on Thursday, April 12, 2012
(continued)**

FISCAL YEAR 2012 ASSESSMENTS

Fiscal Year 2012 assessments became due on March 1st, 2012 for all 234 lots. Notice letters (221) were mailed on February 1st to all lot owners indicating that the 2012 assessment is still \$525.00. The total \$525.00 or a minimum first payment of \$300.00 was due on March 1st and considered to be late if postmarked after March 31, 2012.

Additionally, "*The Malvern Club, Inc. Financial Policy 001-2011 of October 13, 2011—Practices for Collection of Assessments and Late Fees within The Malvern Club, Inc.*" was included for information purposes to all lot owners in accordance with State of Virginia requirements regarding new written policies adopted by the Board of Directors.

All owners were reminded that it is necessary to fill out a new 2012 boat storage application and include with their 2012 rental fee. Seven units have applied for boat storage.

As of March 31, 2012, 192 lot owners have paid their dues on time, with dues totaling \$77,900.00 (which include a combination of both the first and second assessment period and partial payments).

As of April 12, 2012, **19 lot owners are delinquent on their 2012 1st assessment payment**, with dues totaling @ \$5,700 and an additional \$570 of applicable late fees.

As of April 12, 2012, 140 lot owners have not paid the second half assessment totaling @\$31,500 that will become due on September 1st. Letters of notice will be mailed in August to these 140 lot owners.

FINANCE COMMITTEE MONTHLY RECONCILIATIONS

During the month of March, the Finance Committee met and reconciled the February 2012 records. The members present were Randy Allen, Rick Collins, Diane Cross, Joe Graham, Ed Johnson and Karen Pilkerton. No discrepancies were reported.

FISCAL YEAR 2012 FEDERAL & STATE TAXES

On March 14, 2012, the Federal Taxes were mailed certified mail and electronically paid on March 15, 2012. The Virginia State Taxes were mailed and paid by check on March 31, 2012.

Many thanks to our new Malvern homeowner, Martin Boone from Wells Fargo, who spent two hours working all options available to get our funds due wired to the IRS special bank by our March 15th deadline. The Finance Committee will be developing a Standard Operating Procedure (to include our newly established Electronic Federal Tax Payment System) for reference and use by all subsequent Treasurers.

**Malvern Club Treasurer's Report on Thursday, April 12, 2012
(continued)**

OVERDUE ASSESSMENTS STATUS – As of April 12, 2012

A total of 19 lots are on the Overdue Assessment Listing:

3 -- Liens amended/filed by Attorney – Further Attorney action to be taken for non-payment of 2012 assessments.

3 – Bankruptcy/Foreclosure Actions – Attorney & Treasurer Action to be taken in 2012 due to non-payment of 2012 assessments.

1 – No contact with Treasurer for payment in full or monthly payments in 2011 – Additional Attorney Action in 2012 due to non-payment of 2012 assessments.

1 – Homeowner has requested meeting to agree upon monthly payments due to financial difficulty and due to non-payment of 2012 assessments.

11 – Demand letters are prepared and will be mailed as required on April 16, 2012 due to non-payment of 2012 assessments.

A total of @\$5,700.00 assessments and \$570.00 in late fees is overdue for the first period of assessments that were due March 31st.

Submitted by

Donna J. Phillips

/signed copy on file/

Treasurer

Malvern Club, Inc.