

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

Minutes: Annual Meeting of the Members, Saturday, April 28, 2012

President Joe Graham confirmed a quorum consisting of more than 50 members were present or represented by proxy and called the meeting to order at 10:02 a.m.

President Graham welcomed the membership to the meeting and made a statement regarding proper procedures to be followed during the meeting.

Minutes of October 15, 2011 Regular Meeting approved by voice vote with 1 member opposed.

Vote: the membership voted unanimously by voice vote to elect Wallace Harvey to fill the remaining one-year term of former Board member Jason Woodward.

Nominating Committee Report: Committee Chairman Frank Sargent stated 4 candidates for 3 open board positions had agreed to serve as directors if elected. President Graham asked whether there were additional nominations from the floor – there were none. The 4 candidates introduced themselves to the members: Joe Graham, Brian Paul, Roberta Jalbert and Karen Pilkerton. President Graham asked for members to use their ballot to vote for up to 3 members.

Playground Committee Report: Committee Chairman Joe Graham gave a brief overview of the committee report and recommendation to purchase Miracle Recreation Equipment Company model 718-S069 for a total cost of \$25,200 to include site preparation, equipment, ADA ramp, ground fabric, engineered wood fabric and perimeter border. Installation will be performed by volunteers. Based on the recommendation Chairman Graham made the motion, which was duly seconded, to add \$19,000 to the approved 2012 capital improvements for playground equipment. Discussion included a request for clarification on the total cost, whether commercial playground equipment was required, whether installation by volunteers would invalidate the warranty, whether Malvern was required to adhere to the Americans with Disabilities Act, whether there were less expensive alternatives, whether Malvern was required to have a playground at all and whether an alternative sales representative might not be able to provide a lesser cost. President Graham then asked for members to use their ballot to vote on the question.

Sign Covenant Change: the Board of Directors had recommended that the membership approve a change to the covenant related to signs as follows, “A sign may be erected on any lot that identifies the owner and/or street address thereof. Such sign shall not exceed two square feet in size. No other sign may be erected on any lot without prior approval of the Property Owner’s Association”. It was so moved and seconded to adopt the change. Discussion included what signs were included and a concern whether real estate signs could be posted if the covenant was modified. An amendment to the Board’s recommendation was made and seconded to add a clause stating “One real estate sign may be placed on a property. Such sign shall not exceed five square feet”. The amendment was accepted and then approved by a show of hands. President Graham then asked for members to use their ballot to vote on the motion as amended.

A member then suggested the membership consider the following motion: “No signs shall be erected on the common areas, including roadways excepting by the Property Owner’s Association. No signs may be erected on individual lots except the following: a sign not to exceed two (2) square feet in size may be erected designating the identity of the owner of said lot. A traditional real estate sign not to exceed five (5) square feet may be erected upon the lot that is for sale or rent and must be removed within one (1) week of the final sale or lease of the property”. The motion failed due to a lack of obtaining a second to the motion.

Board Member Reports: President Joe Graham, Secretary Ed Johnson, Treasurer Donna Phillips, Architectural Committee Chair Fran Sestak, Grounds Committee Chair Paul Hankla, Lake Committee Chair Randy Allen,

Malvern Club, Inc.

Clubhouse and Pool Committee Chair Joe Graham and Roads Committee Chair Wallace Harvey all gave brief verbal reports on their activities.

Treasurer Donna Phillips introduced the membership to Malvern's attorney Ami Pape, provided the membership with a comprehensive written Treasurer's report which is attached and provided a membership directory dated Spring 2012. Lastly Treasurer Phillips emphasized the need for membership input on both the 5-year annual plan review and the proposed 2013 budget. The plan is a prerequisite to preparing the 2013 budget.

Voting Results: the voting tallying members, Barbara Sargent, Diane Cross and Nancy Johnson reported the results of ballot votes to President Graham. The results are:

1. By a majority of the ballot votes, the new directors are Joe Graham, Roberta Jalbert, and Brian Paul.
2. Motion on adding \$19,000 to the 2012 capital improvements budget for playground equipment was 76 in favor to 17 opposed. Minimum 62 votes needed for approval. Motion carried.
3. Motion to modify the covenant related to signs to read, "A sign may be erected on any lot that identifies the owner and/or street address thereof. Such sign shall not exceed two square feet in size. One real estate sign may be placed on a property. Such sign shall not exceed five square feet. No other sign may be erected on any lot without prior approval of the Property Owner's Association". The vote was 73 in favor to 20 opposed. Minimum 62 votes needed for approval. Motion carried.

Old Business: **1)** Ann Ferguson thanked members of her Adopt-a-Highway group who voluntarily clean about 2 miles of Oak Park Road twice each year. The members include Angie Wiseman, Claire and Bob Anderson, Nick and Joyce Humphrey, Frank and Barbara Sargent, Pat Rowe, Chas and Joann Egen and Alyson and Minda Swett. Ann asked for volunteers to replace retiring members Claire and Bob Anderson and Angie Wiseman.

2) a member reiterated his concern regarding the damage median tree roots were doing to the pavement in the clubhouse parking lot.

New Business: **1)** President Graham discharged all committees and stated committee appointments will come once the 2012-2013 board positions are established. **2)** Wallace Harvey advised membership he would be making inquiries as to costs associated with placing a tar and chip treatment to our roadways in order to extend their useful life by an estimated 3 to 5 years and which would also benefit adherence of future repaving onto the existing surface. **3)** Member Merri Woodward reported on behalf of several members who had formed an "events" group that had been instrumental in hosting several community events in 2011 and 2012: a picnic including games and food, a Halloween "trunk or treat", haunted house and hayride, a Christmas cookie exchange and a Winter Social. Merri stated the events were well attended, a lot of fun for all, and that there had been many positive comments. However, the expense of notices, signs, mailings, decorations, prizes, supplies, etc. had been paid using a combination of personal out-of-pocket money, several donations and, in the case of the haunted house, a small entrance fee. The group desires to plan and host additional community functions in the future, including a Fall picnic and another Halloween party. Merri made a motion that the membership consider approving an amount of up to \$500 to cover direct costs to host these functions. A member asked to amend the motion to an amount of up to \$1,000. The motion, as amended, was seconded. By a show of hands a majority of the members present approved the motion to allot an amount of up to \$1,000 to cover direct costs to host upcoming community functions through the end of 2012.

There being no further business to bring before the membership, the meeting was adjourned at 11:33 a.m. The next Regular Membership Meeting is scheduled for Saturday, October 20, 2012, at 10:00 a.m.

Respectfully submitted,

Ed Johnson, Secretary
Malvern Club, Inc.

Malvern Club Treasurer's Report on Saturday, April 28, 2012

INCOME – Through April 27, 2012

\$85,225.00 of regular assessments were received – 69.4% of budgeted amount of \$122,850.00.

Total of \$88,640.71 received for all income categories – 67.5% of budgeted amount of \$131,255.00.

EXPENSES – Through April 27, 2011

Capital Improvements - A total of \$37,461.54 was expended –44.0% of budgeted amount

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

Improvement Projects - \$7,461.54 -- 16.5% of budgeted amount

Operating Expenses - A total of \$9,014.26 was expended – 19.6% of budgeted amount

A cumulative total of all funds in the amount of \$46,475.80 was expended – 35.4% of \$131,255.00 budgeted amount for expenditures.

ACCOUNT BALANCES – As of April 27, 2011

1st Bank

Checking Account -	\$4,567.04
Money Market Account -	\$122,289.02
Reserve Account -	\$20,642.70

(\$.5k earmarked for roads maintenance & \$20k earmarked for dam maintenance)

2nd Bank – (\$70.0k earmarked for roads maintenance)

Checking Account	100.00
Reserve Account – 2 nd Bank	\$69,900.00

Total Funds Available - \$217,498.76

A total of **\$84,779.20** of planned expenditures is still projected for expenditure through December 31, 2012.

PENDING TREASURER FINANCIAL ACTION

As of April 27, 2012, there are no checks for deposit. All invoices have been paid.

For your reference – all monthly written Treasurer's Reports are included as a part of the minutes each meeting and may be reviewed at the following website:

<http://malvernofmadison.org/minutes.shtml>

**Malvern Club Treasurer's Report on Saturday, April 28, 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. Eight units have applied for boat storage.

As of April 27, 2012, 17 lot owners are delinquent on their 2012 1st assessment payment, with funds due totaling @ \$4,850 and an additional \$520 of applicable late fees.

As of April 27, 2012, 138 lot owners have not paid all of their second half assessment totaling \$31,025 that will become due on September 1st. Letters of notice will be mailed in August to these 138 lot owners.

OVERDUE ASSESSMENTS STATUS – As of April 28, 2012

A total of 17 lots are on the Overdue Assessment Listing:

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

9 – Demand letter process in place for overdue 2012 assessments. If no success after full process completed, these cases will be brought to the Board of Directors for approval for further Attorney action.

As voted at the last Board of Directors meeting, we have decided to continue with Lella Amis (Ami) E. Pape, P.C. as our Attorney of Record, following her opening of her own law office in Manassas.

**Malvern Club Treasurer's Report on Saturday, April 28, 2012
(continued)**

FINANCE COMMITTEE MONTHLY RECONCILIATIONS

Since the Fall Meeting, this Committee has done an extremely large amount of due diligence on all of the Financial Records from January 2011 through February 2012. An eleven page detailed review package is used monthly to ensure that all transactions adhere to standard accounting practices. Because of this concerted effort, no funds have had to be expended by outside professionals for this monthly/annual review.

The primary members who accomplished this tedious task were Randy Allen, Rick Collins, Diane Cross, Ed Johnson and Karen Pilkerton.

Additionally, a Standard Operating Procedure is being developed for all processes utilized by this office for use by the backup Treasurer, Randy Allen and any subsequent Treasurers. Detailed records of all purchases and upgrades to Malvern Club materiel is being gathered in a central binder for use should we encounter an event and it be needed for insurance documentation. The review of the current insurance policies continues. We want to ensure that Malvern Club has the best coverage and adequate insurance should it be needed due to unforeseen circumstances. We also want to ensure that we comply with all evolving Virginia State requirements for minimal provisions regarding insurance coverage.

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 prepared and mailed on April 15, 2012. This year we paid \$393 in Federal Taxes and \$79 in Virginia State Taxes.

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.

Submitted by

Donna J. Phillips

Treasurer
Malvern Club, Inc.