

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

Minutes: Board of Directors Meeting, Thursday, February 14, 2013

Meeting called to order 7:00 p.m. by President Roberta Jalbert

Board members present: Roberta Jalbert, Rick Collins, Joe Graham, Donna Phillips, Ed Johnson, Paul Hankla, Wallace Harvey

Members present: Don Nicholson, Nancy Johnson, Barbara and Frank Sargent, Ceil Collins, Ron and Eleanor Montgomery, Barbara Flynn, Jennifer and Adam McLeod, Bud Kreh, Lenora Racer

Minutes from January 10, 2013 Board of Directors meeting were approved as submitted.

President's Report (Roberta): **1)** reported the Firewise pickup now over; thanks to Karen Pilkerton for coordinating; emphasized importance of members submitting log of hours spent on Firewise activities; **2)** the following members have agreed to be candidates to fill Board positions in the April election of officers: Rick Collins, Wallace Harvey, Donna Phillips, Jason Woodward and T. J. Wright; **3)** approved having Bud Kreh write an article related to Malvern home sale statistics for the Spring edition of the Malvern Communicator.

Secretary/Public Relations (Ed): **1)** with Treasurer, a full disclosure packet was prepared and forwarded for Lot 221; **2)** disclosure packet updated to reflect 2012 income, expenses; **3)** spring edition of newsletter deadline will be April 1st – asked Board and committee members to start compiling their reports; **4)** public relations activity report is attached; **5)** there was discussion concerning certain expenses applied to the line item meant for Malvern social events – Roberta confirmed this was decided by the Board last year.

Treasurer's Report (Donna): **1)** written report attached; **2)** motion was made, seconded and unanimously approved to pursue legal action against lot owners whose dues remain in arrears after April 1, 2013; **3)** it was decided annual membership cards would be distributed in conformance with Malvern's bylaws and that the cards would not be associated to payment of dues; **4)** approximately \$7,400 was spent during 2012 on attorney fee expenses including: collection of dues, some of which has been or will be recouped; state mandated requirements to establish policies on complaints and fees; modifying our bylaws to allow recouping attorney fees on collections; **5)** approved having permanent signs made for yard sales.

Architecture Committee (Paul): **1)** no activity; **2)** there was discussion regarding notification of Malvern residents who may not have their street address posted in a conspicuous location which could impact prompt EMS/Police response in cases of emergency.

Common Areas (Rick): **1)** the common area mowing specifications have been revised for 2013 and posted on the website; ads requesting bids have been placed in several local newspapers; **2)** has repaired lights at entrance and drawn a wiring sketch for future reference; **3)** is working on replacing newspaper box locks and keys; **4)** Rick and Wallace will coordinate drawing up a policy guideline for resident maintenance of the portion of their property falling within the road easement; **5)** Rick will evaluate fencing at entrance and begin planning necessary repairs and replacement, including the use of volunteers to accomplish the work once the work is scheduled.

Lake (Rick): **1)** boat and lake rules are under review; **2)** received authorization to proceed with adding stone to dam face to prevent erosion.

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Clubhouse and Pool (Joe): **1)** kitchen renovations currently ongoing; **2)** landscaping and patio repair work is still in a planning stage.

Roads (Wallace): **1)** so far Malvern has been fortunate with minimal snow removal expenses to date; **2)** committee is discussing projects including cutting back trees overhanging roads, adding shoulders, patching, slurry benefits; **3)** a motion was made to reconsider a previous motion that excess funds for 2012 snow removal not used for snow removal by spring be available for road repairs this year and not placed in the reserve fund, as previously approved – motion was seconded and unanimously approved.

Reserve Study Committee (Rick and Ed): **1)** see attached written report.

Security Research Committee (Roberta): **1)** a request for proposal was distributed for review; **2)** a motion was made, seconded and unanimously approved to send a request for proposal to L & B Security for pricing.

Open Forum: **1)** no comments.

New business: **1)** No new business.

Meeting adjourned at 8:58. Next Board meeting scheduled for Thursday, March 14, at 7:00 p.m.

Respectfully submitted,

Ed Johnson, Secretary
Malvern Club, Inc.

Attachments: #1 – Treasurer’s report
#2 – Public Relations report
#3 – Reserve Study report

Malvern Club Treasurer's Report on February 14, 2013

INCOME – Through January 31, 2013

\$525.00 of regular assessments were received – .4% of \$122,850.00 budget.

Total of \$913.03 received for all income categories – .07% of \$125,910.00 budget.

EXPENSES – Through January 31, 2013

Capital Improvements - A total of \$0.00 was expended –0.0% of \$70,959.99 budget.

Reserve Fund Set-aside - \$0.00 – 0.0% of \$30,000.00 budget. (Roads-\$30k)

Improvement Projects - \$0.00 – 0.0% of \$40,959.00 budget.

Operating Expenses - A total of \$1,509.89 was expended – 2.1% of \$71,860.00 budget.

A cumulative total of all funds in the amount of \$1,509.00 were expended – 1.1% of \$142,819.00 budgeted expenditures.

The amount of \$142,819 reflects the following approved increases to the approved budget on October 20, 2012:

- A. Increase to the 2013 budget in the amount of \$7,500 for Reserve Study from the Membership Meeting on October 20, 2012.
- B. Increase to the 2013 Capital Funds from 2012 carryover amounts totaling \$4,759.00 to finish the kitchen renovation as approved by Board of Directors on January 10, 2013.
- C. Increase to 2013 Operating Funds & potentially Roads Reserve from 2012 carryover amount of \$4,650.00 for Snow Removal as approved by Board of Directors on January 10, 2013. Any of these funds not used by the end of spring 2013 will be allocated to the Roads Reserve.

ACCOUNT BALANCES – Through January 31, 2013

1st Bank

Checking Account -	\$3,837.69
Money Market Account -	\$64,379.73
(Includes \$1.5k earmarked for roads maintenance reserve)	
Reserve Account -	\$30,685.73
(\$.5k earmarked for roads maintenance & \$30k earmarked for dam maintenance)	

2nd Bank – (\$80.0k earmarked for roads maintenance)

Checking Account	70.00
Reserve Account – 2 nd Bank	\$80,038.23

Total Funds Available - **\$179,011.28**

On February 6th, \$2,000 was transferred into the roads reserve account so that the anomalies noted above will not be necessary to track in the future.

Malvern Club Treasurer's Report on February 14, 2013

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FISCAL YEAR 2012 & 2013 ASSESSMENTS

Fiscal Year 2013 assessments will become due on March 1st, 2013 for all 234 lots. Notice letters (223) were mailed on February 1st to all lot owners indicating that the 2013 assessment is still \$525.00. The total \$525.00 or a minimum first payment of \$300.00 is due on March 1st and considered to be late if postmarked after March 31, 2013.

All owners were asked to fill out the information regarding members residing within households to assist in the preparation of the new Malvern Identification Cards.

All owners were reminded that it is necessary to fill out a new 2013 boat storage application and include with their 2013 rental fee.

As of January 31, 2013, one lot owner had paid, with dues totaling \$525.00

As of February 14, 2013, 39 lot owners have paid all or some portion of the 2013 dues totaling \$17,105.00.

Therefore, 196 members have until March 31st to pay at least their first increment of 2013 dues.

For 2012, there are still 6 members who have not paid their first half dues and 14 members who have not paid their second half dues totaling \$4,818.00 (includes late fees). The Treasurer is requesting Board of Directors approval to begin further legal action with these members effective April 1st to collect these outstanding dues. These members were provided their 2013 dues notification and notice of 2012 dues in arrears by Certified Mail.

FINANCE COMMITTEE MONTHLY RECONCILIATIONS

The Committee met on February 7, 2013 and reconciled September, October and November 2012 records. The members present were Rick Collins, Ceil Collins, Diane Cross, Ed Johnson, Hazel Kreh and Karen Pilkerton.

The Committee met on February 13, 2013 and reconciled December 2012 and January 2013. The members present were Rick Collins, Ceil Collins, Diane Cross, Hazel Kreh and Karen Pilkerton.

No discrepancies were found and the 2012 ending balance was reconciled with 2012 transactions and the 2011 ending balance. No discrepancies were found. The 2012 Year End Balance Sheet has been noted to be true and accurate and turned over to the accountant to prepare the 2012 Draft Taxes.

Inventory of items maintained by the Treasurer were sighted and all accounted for including new external hard drive for back up of records.

Malvern Club Treasurer's Report on February 14, 2013

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WRITE OFFS of Bad Debt for 2012

Still working with HOA Attorney regarding two accounts to determine final amount necessary to write off as Bad Debt. They both involve bankruptcy and foreclosure actions. It appears that we should receive 65% of one account, but until closing on February 15, 2013, that final amount is still pending.

PENDING TREASURER ACTION

As of February 14, 2013, all checks received have been deposited and all invoices received have been paid in full. Still awaiting one or two snow contract invoices for payment.

MISCELLANEOUS ITEMS

The Treasurer and the 1st Vice President met with HOA accounting firm regarding the conversion of Quicken to QuickBooks. Currently running two sets of books in tandem to ensure accuracy and until Customer records are fully developed for entry. If all goes well with the conversion over the next couple of months, the Treasurer may be able to refrain from data entry into 2 or 3 excel spreadsheets.

Also beginning discussions regarding the preparation of the first draft of 2012 taxes were held. It was addressed that when the HOA puts funds into the reserve account, they are considered exempt and we do not pay taxes on them. Therefore, we should be mindful of when funds are used from the reserve account as they become taxable income in that applicable fiscal year of use.

The deadline for the Federal Tax is March 15th, so final numbers for both Federal & State Taxes will be provided to the Board of Directors at the March 14th meeting.

Respectfully submitted,
Donna J. Phillips
Treasurer
Malvern Club, Inc.

Malvern Club, Inc.

MALVERN PUBLIC RELATIONS REPORT

1. Events planning meeting held on Sunday, February 3, 2013 at 2:00. Members: Merri Woodward, Ellie Montgomery, Shawna Gates, Jennifer McLeod, Kathy Hensel, Joyce Humphrey, Lenora Racer, Liz O'Neil, Nancy Johnson
 - a. Discussed Saturday, February 16th Winter Social and assigned tasks. Decorating will start on Friday evening at 6:30. Social is scheduled for 7:00 pm on Saturday. This social is for all Malvern adult residents. Residents are asked to bring a dish to share along with the beverage of their choice.
 - b. Discussed getting Malvern residents to form or join a team to walk in the Rely for Life event to be held in Madison on May 18th.
 - c. Next event being planned is the Easter Egg Hunt on March 16th.
 - d. The Malvern yard sale is scheduled for Saturday, May 4th, rain date Sunday, May 5th. Contact will be Shawna Gates.
 - e. Discussed Kickoff for Summer on June 1st to include pool and playground, residents to bring a picnic lunch, hiring a lifeguard. This event will be open to all Malvern Residents.
 - f. 3rd Annual Malvern picnic is being planned for September 15th.
 - g. Halloween and Haunted House is being planned for Friday, November 1st and Saturday, November 2nd.
2. Next events planning meeting is scheduled for Sunday, March 10, 2013 at 2:00 pm at the Clubhouse.
3. Expenses to date:
 - a. Welcome Wagon: \$69.12
 - b. Winter Social: \$34.15
4. Website:
 - a. Added Firewise chipping dates to community calendar
 - b. Forwarded 2013 common area mowing specifications to be posted
 - c. Forwarded December approved minutes and January draft minutes for posting

Submitted by:

Ed Johnson, Secretary
Malvern Club, Inc.
February 14, 2013

MALVERN RESERVE STUDY COMMITTEE REPORT

1. Meeting held at the Clubhouse on Monday, January 28th at 7:00 pm.
2. Members present: Rick Collins, Don Nicholson, T. J. Wright, Barry Cliver, Joe Graham, and Ed Johnson; also present: Roberta Jalbert
3. Discussed proposals received from 4 of the 5 companies that had replied to a request to submit a proposal to perform a “full reserve study”. Agreed not to hire a consultant at this time as it is felt we have sufficient resources to local expertise in determining lifespans and replacement costs of our components.
4. Agreed the next step to finalizing the draft reserve study was having each of the committees (Roads, Clubhouse, Pool, Lake and Grounds) supply specific information as to whether all components in their areas of interest are included, determining total and remaining lifespan of each component and determining repair and/or replacement costs for each component.
5. It was recognized that the information from the various committees needs to be completed within the next several months – ideally prior to the July Board meeting. The compiled information will be necessary in preparing the 2014 budget, including whether there will be a need for recommending an increase to annual dues.
6. The next committee meeting is scheduled for March 11, at 7:00 pm at the clubhouse to get an update on progress of the various committees.

Submitted by:

Ed Johnson, Co-Chair
Reserve Study Committee
Malvern Club, Inc.
February 14, 2013