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Date and time: Tuesday, December 3, 2013, 6:30 pm

**Meeting location: Covenant High School
175 Hickory Street, Charlottesville, Virginia**

Note: Notification of this meeting, along with the agenda and all referenced information, mailed via USPS to the membership on Monday, November 18, 2013

Attending:

Members from 16 households

Officers and directors: Dave Cain, President, Cynthia Murray, Vice President, Jim Peterson, Secretary/Treasurer, and Preston Miller, Director.

I. Call to order

Mr. Cain called the meeting to order at 6:39 pm

II. Declaration of quorum

Mr. Cain asked the secretary, Mr. Peterson, to report on quorum. With a total of 119 households, representation from 18 households would be required to achieve the 15 percent threshold necessary for action on agenda items V (Approval of December 4, 2012, Annual Meeting Minutes) and item VIII (Election of officers and board members); and representation from 36 households would be necessary to achieve the 30 percent threshold necessary for action on item IX (Adoption of the Amended and Restated Declaration of Covenants and Restrictions). Sixteen households were represented in attendance (and three more came in prior to the votes) and 31 proxies were received for a total of 47 households represented. Therefore, a quorum was achieved to conduct all business scheduled to come before the membership.

III. Welcome and introduction

Mr. Cain welcomed everyone and introduced the officers and board members present.

IV. Adoption of agenda

Mr. Cain asked if there were any proposed changes to the agenda.

On a motion by Mr. Michael Hightower, seconded by Ms. Barbara Strain, the agenda was adopted as distributed.

V. Approval of minutes of the December 4, 2012, Annual Meeting of the membership

On a motion by Mr. Michael Hightower, seconded by Ms. Barbara Strain the minutes of the December 4, 2012, Annual Meeting of the Membership were approved as distributed.

VI. Year in review

a. President's remarks

Mr. Cain reported on the new trash and recycling service that will begin January 1 with significant savings to the association. We will get rid of the two bin system and the pickup date has been changed to Tuesdays after 9:00 so that trash can be conveniently put out in the morning. Financially we're in good shape. Our required reserve is fully funded so we will no longer need to make annual contributions to the fund. With the new trash pickup contract, we'll be saving \$4,000

per year which makes sense since the truck will only be coming through once rather than twice. There will be no increase for any of the next three years. Also, there is a three-year contract for the common areas maintenance with no increase over the three years. The board discussed the possibility of lowering the association dues for 2014, but to be safe we're holding off on that and next year's board can consider it when planning for the 2015 budget.

People have asked what is going on down at the entrance and it is that cable is being laid for the new cell tower in Mountain Valley Farms. Also, it looks like the development of the Whittington subdivision has begun. Finally, the big item has been the revisions to the association documents including policies and procedures, and the rewrite of the Covenants and Restrictions. For example we will now be able to use email for official notifications rather than the very expensive hard copies through the U.S. mail.

b. Architectural Review Board (ARB)

Mr. Miller reported that 23 applications were processed in 2013. Of these, one was rejected but later approved. A neighborhood-wide walk-through was not conducted this year pending the development of the new ARB guidelines. There were six sales of homes this year and the properties and property files must be reviewed prior to closing to report to the prospective buyer if there are any outstanding violations.

c. Common Areas Committee

Mr. Miller reported that the committee focused on maintenance and the trails this year rather than adding new landscaping enhancements. Plans for 2014 include soliciting input from the community as to what residents would like to see and where efforts should be focused. Ms. Strain asked about the status of replacing the entrance lighting and Mr. Miller responded that it was in the works. Mr. Ron Matthews asked about the pine trees at the Singleton entrance that have died and whether there was any information as to why they died, and were there any plans to replace them. Mr. Miller replied that he did not know why the trees died but that the others are doing well and are screening the basin and so there are no plans to replace them but this is on the list for review.

d. Community Relations Committee

Mr. Cain reported that the Halloween party was the most attended ever. Only one yard sale was conducted this year because past experience showed that the other sale held in the fall had sparse participation. Also, the cookout that had been planned for the summer was cancelled because of too much rain.

e. Neighborhood Watch Committee

Mr. Cain reported that an attorney from the law firm which prepared the revised Covenants and Restrictions suggested that property owners associations should not officially sponsor neighborhood watch programs because it can be perceived that the association is responsible for the safety and security in the neighborhood. They think that neighborhood watch is good, but they should run independently of the property owners association. Next year's board of directors will look further into this issue and come up with a recommendation whether or not the neighborhood watch should be independent of the association.

VII. Financial Report and 2014 Budget

Mr. Peterson distributed copies of the balance sheet as of November 30, 2013, and a profit and loss report of actual income and expense through November and projections for December (see attached) which projects a net of \$2,758 of revenues over expenditures for the year (and we had budgeted for a \$500 addition to our operating reserve). On the back of the sheet was the balance sheet up through November showing \$21,000 in the account and \$30,000 in the special reserve fund.

The budget for 2014 (see attached) was adopted by the board back in the summer and there is no change in the dues of \$121.00 per quarter. Given the new favorable trash collection contract

amount, the dues could have been reduced by \$10.00 per quarter and still maintain a projected balanced budget and the board will look at this for next year.

VIII. Election of directors and officers

Mr. Cain asked the secretary, Mr. Peterson, to report on the nominations and conduct the elections. As outlined in the agenda mailed to the Membership on November 18, Mr. Peterson and Ms. Shim will continue on the board through 2014 as they complete the second year of their two-year terms.

a. Slate of Officers and Directors

- i. Directors (two year terms): Matt Althoff, Diego Anderson, John Garland and Preston Miller
- ii. Officers (one year term): Preston Miller, president, Matt Althoff, vice president, and James Peterson, secretary/treasurer

b. Mr. Peterson asked if there were any nominations from the floor. Hearing none, he asked if there was a motion for action on the committee recommendation.

c. On a motion by Mr. Pat Campbell seconded by Mrs. Barbara Strain it was moved that the nominations be closed and that the slate be elected by acclamation.

IX. Adoption of the Amended and Restated Declaration of Covenants and Restrictions

Ratification forms were distributed, one form per household, for the voting that will take place on the adoption of the Amended and Restated Declaration of Covenants and Restrictions (C & R). Mr. Peterson noted that the process began at last year's annual meeting when an extended discussion was held as to the need to update and revise the C & R. The legal team then did the rewrite with the intent of not making the C & R more restrictive, but rather to remove outdated provisions and to clean up and simplify the remaining document. Ms. Strain said that normally you get a red-lined version in order for the reader to compare the old with the proposed. Mr. Cain said that the only red-lined version prepared by the attorneys was of the first draft and so a red-lined version of the final proposed rewrite is not available. Mr. Peterson added that since it was a complete rewrite rather than simply amending some of the language, to try to make sense of the red-lined version was not very helpful. Mr. Cain said that it was the intent to not change anything that would result in homeowners now being out of compliance. Instead, such as the revisions pertaining to trash and the prior need to screen the A/C handlers, the new C & R are less restrictive.

Ms. Hightower asked what can be done to enforce violations such as those with the trash cans. Mr. Cain responded that we have always had the authority to enforce the C & R, but did not have the necessary policies and procedures in place, and also some of the requirements were so overly restrictive that there was not the interest to enforce them. The new C & R will resolve these issues.

A question was asked about the portable basketball hoops and Mr. Cain said those are covered in the architectural guidelines, not in the C & R, and they are allowed and will continue to be allowed but not the permanent hoops. Discussion followed about permanent poles and there was disagreement about whether or not they were specifically addressed in the original C & R or just in the original architectural guidelines. In any event, the new draft of the rules and regulations and architectural guidelines will be sent out for review to everyone once the draft is complete, and then the board will have the authority to adopt the final document.

Mr. Cain called for the vote. The members present completed the ratification forms and passed them in for the count. As the ballots were being counted, Mr. Cain reported on the change in the trash collection service, and that everyone should leave their old trash and recycling bins out the last collection of the year so that Allied can pick up the empty receptacles and then the new vendor, County Trash, will deliver new containers.

Mr. Peterson reported the tally as follows: 38 voting yea, 4 voting nea, and three abstentions, and so the rewrite of the C & R was approved.

X. Items from the membership

There were no items from the membership.

XI. Adjournment

On a motion by Ms. Murray, seconded by Mr. Matthews, the meeting was adjourned at 7:46 pm.

Respectfully submitted,

James R. Peterson
Secretary/Treasurer

						2013	December	Total 2013	Total 2013
		Jan - Nov 13	Budget	\$ Over Budget	% of Budget	Budget	Projected	Projected	\$ Over Budget
	Income								
	41000 · ASSESSMENT INCOME	57,838.00	52,796.33	5,041.67	109.55%	57,596.00		57,838.00	242.00
	41500 · Fee Income	175.00						175.00	175.00
	42000 · DISCLOSURE PACKET FEES	84.00						84.00	84.00
	43000 · INTEREST INCOME	109.64						109.64	109.64
	44000 · Misc income	25.00						25.00	25.00
	Total Income	58,231.64	52,796.33	5,435.31	110.3%	57,596.00	0.00	58,231.64	635.64
	Gross Profit	58,231.64	52,796.33	5,435.31	110.3%				
	Expense								
	Write Off (Bad Debt Expense)	8.70						8.70	8.70
	51000 · ACCOUNTING FEES	3,425.69	3,850.00	-424.31	88.98%	4,200.00	1,021.00	4,446.69	246.69
	51500 · BANK CHARGES	7.00						7.00	7.00
	51700 · Addition to Reserve Fund	0.00	458.33	-458.33	0.0%			0.00	0.00
	52000 · Liability, D&O, Bonding Ins	0.00	916.67	-916.67	0.0%	1,000.00	1,000.00	1,000.00	0.00
	53000 · LEGAL FEES	2,726.00						2,726.00	2,726.00
	53500 · LICENSES AND FEES	25.00	137.50	-112.50	18.18%	150.00		25.00	-125.00
	54000 · Membership Fees	0.00	137.50	-137.50	0.0%	150.00		0.00	-150.00
	54500 · MEETING EXPENSE	0.00	91.67	-91.67	0.0%	100.00	670.00	670.00	570.00
	55000 · OFFICE EXPENSE	288.50	458.33	-169.83	62.95%	500.00		288.50	-211.50
	55005 · Association Events	31.00	916.67	-885.67	3.38%	1,000.00	41.00	72.00	-928.00
	55500 · OTHER PROFESSIONAL SERVICES	0.00	183.33	-183.33	0.0%	200.00		0.00	-200.00
	64500 · TRASH COLLECTION	20,923.06	20,973.33	-50.27	99.76%	22,880.00	1,775.50	22,698.56	-181.44
	71450 · Mailbox Maintenance	6.68						6.68	6.68
	74200 · MISCELLANEOUS EXPENSE	50.00						50.00	50.00
	75300 · LANDSCAPING - CONTRACT	20,659.50	19,466.33	1,193.17	106.13%	21,236.00	1,776.00	22,435.50	1,199.50
	75400 · LANDSCAPING - NON-CONTRACT	216.00					475.00	691.00	691.00
	75800 · Signage/Sign Maintenance	60.00	458.33	-398.33	13.09%	500.00		60.00	-440.00
	82500 · LANDSCAPE IMPROVEMENTS	0.00	4,583.33	-4,583.33	0.0%	5,000.00		0.00	-5,000.00
	85500 · WEBSITE EXPENSE	287.80				180.00		287.80	107.80
	Total Expense	48,714.93	52,631.32	-3,916.39	92.56%	57,096.00	6,758.50	55,473.43	-1,622.57
	Net Income	9,516.71	165.01	9,351.70	5,767.35%	500.00		2,758.21	2,258.21

1:14 PM Mosby Mountain Community Association
 12/02/13
 Accrual Basis

Balance Sheet

As of November 30, 2013 Nov 30, 13

ASSETS

Current Assets

Checking/Savings

10300 · Cash - VNB - 6409 21,331.77

10500 · ING Direct Savings 30,099.55

Total Checking/Savings 51,431.32

Accounts Receivable

11000 · Accounts Receivable -580.29

Total Accounts Receivable -580.29

Other Current Assets

12000 · Undeposited Funds 131.00

Total Other Current Assets 131.00

Total Current Assets 50,982.03

TOTAL ASSETS 50,982.03

LIABILITIES & EQUITY

Equity

32000 · CAPITAL CONTRIBUTIONS 2,000.00

3900 · Retained Earnings 18,058.18

39996 · RETAINED EARNING 21,407.14

Net Income 9,516.71

Total Equity 50,982.03

TOTAL LIABILITIES & EQUITY 50,982.03

MOSBY MOUNTAIN COMMUNITY ASSOCIATION, INC. -- BUDGET 2014

Categories	Code	09 Budget	10 Budget	11 Budget	12 Budget	13 Budget	14 Budget
Assessment Income	41000	\$61,818.00	\$57,220.00	\$57,596.00	\$57,596.00	\$57,596.00	\$ 57,596.00
Disclosure Packet	42000	\$ 39.00	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Income	43000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Misc Income	44000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Income		\$61,857.00	\$57,220.00	\$57,596.00	\$57,596.00	\$57,596.00	\$ 57,596.00
Accounting	51000	\$ 4,225.00	\$ 3,000.00	\$ 3,000.00	\$ 2,700.00	\$ 4,200.00	\$ 4,200.00
Legal	53000	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ -	\$ -
Taxes and Licenses	53500	\$ 50.00	\$ 174.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00
Meeting Expense	54500	\$ 250.00	\$ 120.00	\$ 120.00	\$ 120.00	\$ 100.00	\$ 100.00
Office Expense	55000	\$ 1,150.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00
Website Expense	85500	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00
Other Services	55500	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 200.00	\$ 200.00
Association events	55005	\$ -	\$ 350.00	\$ 600.00	\$ 600.00	\$ 1,000.00	\$ 1,000.00
Liability, DBO, Bonding	52000	\$ 897.00	\$ 984.00	\$ 1,000.00	\$ 1,200.00	\$ 1,000.00	\$ 1,000.00
Memberships	54000	\$ -	\$ 100.00	\$ 125.00	\$ 150.00	\$ 150.00	\$ 150.00
Common area maintenance	75300	\$19,500.00	\$19,000.00	\$19,000.00	\$19,000.00	\$21,236.00	\$ 16,690.00
Landscaping improvements	82500	\$10,950.00	\$ 8,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00
Signage/Sign Maintenance	75800	\$ 450.00	\$ 1,785.00	\$ 500.00	\$ 250.00	\$ 500.00	\$ 500.00
Mailbox Maintenance	71450	\$ -	\$ -	\$ -	\$ 1,000.00	\$ -	\$ -
Trash Collection	64500	\$20,163.00	\$21,777.00	\$21,777.00	\$22,431.00	\$22,880.00	\$ 22,880.00
Addition to reserve fund	51700	\$ -	\$ -	\$ 4,394.00	\$ 3,065.00	\$ -	\$ -
Addition to operating reserve fund						\$ 500.00	\$ 5,046.00
Snow Removal		\$ 2,500.00	\$ -	NA	NA	NA	NA
Total Expense		\$61,565.00	\$57,220.00	\$57,596.00	\$57,596.00	\$57,596.00	\$ 57,596.00
Quarterly Dues		\$ 129.87	\$ 120.21	\$ 121.00	\$ 121.00	\$ 121.00	\$ 121.00