

**Bay Quarter Shores Association
Board Meeting Minutes
January 12, 2008**

Meeting was called to order at 9:00 a.m., John Collier presiding.

Board members present: Mike Silagyi, Michael Goodrich-Stuart, Ruth Franck, Stan Johnson, Fraser Getgood, Gary Morris; also present were Dick Lee, Jean and Jim Ince, Roz Johnson and Tina Morris.

1. Minutes of the December meeting were approved unanimously with no changes.
2. The financial report was presented to the board but not formally adopted since the treasurer was unable to attend the meeting.

Old Business

1. John Collier noted that he has received some e-mails regarding the possible change in dues being considered in light of the state-mandated reserve study. He said that while the budget may be balanced this year, we may find it necessary to increase dues in the future as a result of increased cost of doing business. He also mentioned that it had been 5-6 years since dues have been adjusted, even though Virginia code permits increasing dues annually in line with the consumer price index. Stan Johnson said that it's actually true that this year's budget is *not* balanced, since we are dipping into savings and reducing cash reserves to fund items in the current budget. Mike Silagyi mentioned that while costs of required items and services (insurance, fuel, utilities, etc.) continue to rise, we have maintained dues for some time; at the same time, the association's ability to spend on discretionary items has been reduced as costs outside our control rise. He said that perhaps after a few additional capital items are purchased (i.e. carpet for the clubhouse) we could possibly be able to add to reserves.

John addressed the need for a five-year plan and suggested beginning the budget process for next year in the near future. He also said that any need to adjust dues should be announced as far in advance as possible to permit discussion among members and feedback to the board on any decision that might be made.

Stan Johnson mentioned the state-required reserve study, for which he has agreed to chair a committee. He proposes making a preliminary report to the board in March and John asked for a solid report after that (in April) to be used as part of the budget process. An initial document Stan presented to the board noted a number of points, including that the most recent reserve study was conducted in 2003 (making the association due for another reserve study by state law). Further, Stan's document noted that an association budget should include the current available reserve funds and make public any provisions for adding to reserves; it also stated that the previous reserve recommendation was \$285,000 based on the status of association assets in 2003. Ruth Franck asked whether this amount includes available insurance benefits,

but Stan was not able to answer the question. Others noted that recent capital improvements (rebuilding the clubhouse after the fire; installing a new septic system; replacing the access ramp to the natural area at the end of Bay Quarter Drive) might actually serve to reduce the reserve requirement.

John hopes that by the time of Independence Day, we might be able to announce any possible change in dues so input can be received in a timely manner for discussion at the September meeting. Announcements of plans would be made in upcoming newsletters, on the website (www.bayquartershores.org) and at board meetings to provide time for input and discussion. Any change to dues made this year would show up in this fall's billing statements.

Stan suggested that conducting an in-house reserve study seemed achievable, and offered several names of individuals he felt could be recruited to work with him on a committee. The board concurred with his advice and looks forward to receiving a report from the committee at a future meeting.

New Business

1. John brought up a document he had prepared concerning a member's desire to place a garage on a lot in advance of a residence being constructed there. He wrote preliminary language for the board's consideration and discussion. Essentially, this document as it was written would place financial requirements on members who failed to follow through on constructing a residence if granted permission to construct a garage ahead of said residence. Fraser Getgood indicated he felt that, were we to permit garages without residences, he would rather do so through a change to the covenants than granting waivers; he suggested that instead of placing liens after the fact if people do not follow through, he would prefer a bond be put up that would be forfeited by anyone not following through by building a residence in a specified time when they have been permitted by the board to build a garage in advance. This idea was generally well received since it would provide stronger motivation to those individuals to perform as promised. Gary Morris asked whether it would be possible to require property owners who asked for this type of exemption to also provide a perk test and blueprints for their proposed residence up front, so it's evident that they are actually intending to build a residence and not just put up a storage structure (his suggestion was posed as a way to gauge their sincerity). There was general discussion that centered on the lack of support for making Bay Quarter Shores a community of storage buildings rather than residences. Fraser reminded the board that the discussion was predicated on a request to build a garage by a potential property owner who had not yet closed on the purchase of a lot where the garage would be constructed. This individual wanted to know ahead of the closing date whether the board would approve a boat storage garage be built 1-3 years prior to putting up a residence. Fraser presented the request to the board and a motion was made to deny the request since it does not adhere to the covenants. The

- motion to approve this request was denied unanimously; Fraser will make the individual aware of the board's position in writing.
2. Fraser reported on a circumstance where a single lot on Circle Drive is being used as the site for two separate septic installations for homes on nearby lots. His concern about the situation is that it might not be clear whose responsibility it is to maintain the lot. John Collier said that he recalls original plans for the "septic lot" (A-106) had a residence proposed there along with its own septic system in addition to one system serving another lot, but the plans Fraser showed the board on January 12 indicated no structure planned for the lot – just two septic systems serving nearby lots. John said he felt this change of plans might permit the board to negate its prior position on the request. Fraser will contact the builder (Greig Saville of Northumberland Enterprises) and ask for more information; in addition Fraser will let him know that he (Saville) will be held responsible by the board for maintenance and dues payments on that lot as long as he owns it. Any issues that arise concerning its condition down the road will be handled by Compliance.
 3. The board discussed the potential placement of an internet service utility pole on the clubhouse grounds. A motion was made and unanimously approved that if a formal proposal is put forward by the internet provider to any officers of the association, those officers being approached have the authority to agree on behalf of the association *provided* free wireless internet service is made available to the association on the clubhouse premises as a quid pro quo. Any changes to the agreement as described in this motion would require the motion to be reconsidered and potentially amended or rescinded at a future board meeting.
 4. Michael Goodrich-Stuart announced that the flood insurance policy for the clubhouse has been received and will run through October 2008.
 5. Stan Johnson discussed further research he has undertaken on compliance following a discussion at a previous board meeting about the potential financial penalties that could be placed on members for non-compliance to association rules and covenants. Stan said the nature of these financial penalties for covenant violation offenses is spelled out in Virginia Code. In particular Covenant 5K states that "No lot owner in Bay Quarter Shores shall develop, undertake construction, change or allow their property to deteriorate in such a way as to preclude the full development or safety of the adjoining neighbors' property." The board wishes to clarify its understanding of this item in the covenants and will publish its official position in a future issue of the newsletter.
 6. Stan initiated a discussion of Community Clean-Up Day, which is scheduled for April 12. He provided the board with a list of potential projects, which included (among others) work to be done on the canoe launch and access road; roadside trash pickup; various landscaping items; tree plantings at the clubhouse; and barn area sports facilities maintenance. He said the possible cost of providing a large dumpster for use during Clean-Up Day would be \$500. The board discussed this cost in light of budget issues and decided it would not be advisable to expend the money at this time. As envisioned by Stan, Clean-Up Day would commence in the morning immediately following a regular board meeting, and would end around lunchtime with a spaghetti meal. Roz Johnson and Jean Ince volunteered

- to work on the food. Further publicity about this event will be published in the newsletter, and a sign will be placed at the subdivision entrance.
7. Stan briefly brought up the POAVA (Property Owners Associations of Virginia), which is having a quarterly meeting April 17th in Aquia Harbor located in Stafford County. He said he would want to discuss this further at the February meeting.
 8. Ruth Franck is in the process of assembling a list of appropriate sources for the disposal of various items (such as obsolete electronic equipment, hazardous wastes, household debris, old automobiles, etc.). This list will be published in an upcoming issue of the newsletter. Board members suggested it might be worthwhile to include hours of operation for the two solid waste disposal centers in Horsehead and Lottsburg, along with a list of the items accepted at those sites. Anyone with additional information that would be helpful is encouraged to contact Ruth directly.
 9. Mike Silagy presented the following maintenance report:

Campground

Cleanup in the campground continues.

Camp lots that have been vacated have been regraded. Dead trees are being cut down. The smaller pieces of wood are being stacked for use by the campers and larger pieces are being removed by people who are burning wood for heat. The old rusted fire place grills have been taken to the trash along with all the old, red picnic tables. New picnic tables will be built by Bill Sanford starting next month. Three brick fire places that were falling apart have been removed. All of the old concrete pads for the brick fire places and trash cans have been removed. Three abandoned platforms have been removed.

BQS took delivery of 15 new campfire rings. Not all of them will be placed in the campground at this time. They will be placed in the campground as they are needed. Those that are not in use are being stored at the barn. The cost was \$150.

Pillars

The two pillars on each side of the BQS entrance need to be sand blasted painted. Mike received an estimate of \$1,000 for sand blasting and asked the board members their feelings on whether this should be done. The board felt that this could instead be a task performed at Community Clean-Up Day. Stan Johnson said he has a sand blaster; Fraser Getgood has an air compressor. They offered these pieces of equipment for use on Clean-Up Day.

Member Time

1. Jean Ince reminded the board that a mid-March mail date for the newsletter is planned to permit members time to plan to attend the Community Clean-Up Day. As such, all items for the newsletter are due March 1st. Michael Goodrich-Stuart asked that any items be funneled through him for proofreading, and he will forward to Mr. and Mrs. Ince.

There being no further business before the board, the meeting was adjourned at 10:47 a.m.