

**Bay Quarter Shores Association
Board Meeting Minutes
October 13, 2007**

Meeting was called to order at 9:00 a.m., Mike Silagyi presiding at the request of John Collier who was traveling on business.

Board members present: Michael Goodrich-Stuart, Frank Klein, Jennifer Troy-Black, Ruth Franck, Gary Morris, Stan Johnson, Fraser Getgood; also present were Dick Lee, Curtis Black, Bob Michael, Jean and Jim Ince.

1. Minutes of the August 11 meeting were approved unanimously with no changes.
2. The financial report was presented by Jennifer Troy-Black. Current assets: \$185,747.18 as of September 30, 2007. The report was accepted unanimously. Jennifer Troy-Black said that one line item for \$175 listed on the report as "do not use" would be investigated.

Old Business

1. Frank Klein accepted the position of Vice President Administration. (Mike Silagyi will serve as Vice President Maintenance.)
2. Mike Silagyi presented the following combined Maintenance and Administration Report:

Clubhouse

The clubhouse was used for two senior pot luck dinners.

The clubhouse was used for a church picnic and by the Marine Corp League for a picnic.

Kevin and Joan Maloy donated \$50 to BQS for use of the clubhouse by the Marine Corps League. On behalf of the BQS directors and membership Mike sent a thank you note to Mr. and Mrs. Maloy.

The exterior bathrooms and showers were activated for use by campers on October 9, 2007. The exterior bathrooms will be closed on January 1, 2008, after the 2007 camping season. The exterior bathrooms will reopen on April 1, 2008, at the start of the 2008 camping season. The showers will be shut off prior to the start of the 2008 swimming season.

RMC will arrive on October 15, 2007, to perform the fall inspection of the clubhouse heating system.

Tree Removal Contract

Mike signed a contract with Robinson's Lawn Service on September 13, 2007, for \$13,775 to:

- Remove 60 trees on the BQS clubhouse lawn area, remove the stumps or grind the stumps in the lawn area, remove all debris
- Power rake the BQS lawn area around the new septic holding tanks, disposal line to the drain field, and where trees were removed to the right of the clubhouse in the lawn area
- Spread grass seed and fertilizer in the power raked areas, 250 pounds of fertilizer, 250 pounds of lime and 100 pounds of grass seed and use the power rake to cover the fertilizer and seed

Work started September 19, 2007 and the estimated completion date is November 15, 2007. Mike made a \$5,000 down payment with \$8,775 balance due upon completion.

In obtaining this bid, Mike noted that C. Frank Hall Hauling did not respond to two telephone calls; James Hall Excavating did not show up for a scheduled site walk through; and Goodman's Tree Service and Excavating chose not to provide an estimate because of their current workload.

Equipment Shed Contract

Mike signed a contract with James Davenport on September 15, 2007, in the amount of \$11,712.68 for construction of the 16' x 30' equipment shed. The down payment was \$5,856.34 and the balance of \$5,856.34 is due when BQS receives a successful final inspection statement or occupancy permit from Northumberland County. Work started Monday, September 17, 2007, and the estimated completion date is October 17, 2007.

These contractors also submitted estimates/proposals:

- Hamlet Construction, Inc.
John Hamlet, \$16,500
- Gardner Construction Company, LLC
Mike Gardner, \$17,175
- A. L. Bowles Construction, LLC
Artie Bowles, \$23,040

Mike called these three contractors, informed them of the decision, and thanked them for taking the time to prepare and submit an estimate/proposal.

These two contractors did not submit estimates/proposals:

- Dutchway Pole Barns
- National Barn Company

VDOT

VDOT installed 25 MPH speed limit signs on the entire length of Cod Creek Drive on September 24, 2007. Mike offers thanks to Frank Stewart and John Collier for their efforts in this year long endeavor on behalf of the association.

VDOT started on October 4, 2007, to clean out the drainage ditches along Bay Quarter Drive. This is another Frank Stewart project that started in the summer of 2006. Stan Johnson mentioned that a culvert along Bay Quarter Drive had been damaged in this process, and said he would make VDOT aware of the situation.

Septic Systems

On September 19, 2007, BQS received three Septic System Pump-Out Program Verification and Compliance Forms from Northumberland County. All private septic systems must be pumped out at least once every five years in accordance with the County's Chesapeake Bay Preservation Area Ordinance. Forms were completed for the clubhouse, campground and barn since these three areas have 911 addresses. A form was prepared for the barn even though we do not have a septic system at the barn. The forms were submitted on September 28, 2007. Copies of the forms are filed in the office.

Pool

The pool has not been covered yet because it has been too warm. Algae will form when warm and dark conditions exist and the water is not circulating. Mike anticipates covering the pool later this month.

Christmas Bonus

Mike would like to request a \$225 Christmas bonus for Bill Sanford our maintenance man. (This was approved in the budget discussion and vote later in the meeting.)

Campground

Some of the dead trees in the campground have been cut up and removed. Other dead trees will be cut up when trailers have been removed for the season.

Old concrete slabs that were used for fireplaces and trash cans have been removed. Concrete blocks and bricks from old fire places that were scattered about were removed. This will reduce the possibility of damage to grass mowers and camping units.

Several campers have already removed their unit. These sites were cleaned of rotten pallets, wooden decks, trash cans, and other discarded personal debris.

NNEC

Northern Neck Electric Company came to BQS at Mike's request on Tuesday, October 9, 2008. Mike accompanied them around the community and identified trees that NNEC agreed to drop to prevent the possibility of future electrical outages from fallen trees. Trees to be removed include two leaning trees along Barn Road, one leaner along Cod Creek Drive, one leaner along Muriel Drive, one standing dead along Bay Quarter Drive, and a dozen dead trees in the campground.

3. There was no building control report. Fraser noted that things have been slow this month.

4. Stan Johnson reported that 35 BQS stickers had been sold at the annual meeting over Labor Day weekend. He said he's planning to mention the stickers in the upcoming newsletter. He also said that he has delayed having signs for the beach area prepared until the placement of floating swimming barriers is finalized. Ruth Franck mentioned that the idea of a floating pier had been discussed, to provide an area for jet skis and kayaks to dock alternative to beaching these vessels in the swimming area. Gary Morris agreed that a floating pier would be helpful in particular to older people boarding vessels.

5. Gary Morris said he had not yet finished obtaining pricing swimming barrier buoys for the beach area. Stan Johnson asked whether it might be beneficial to remove rip-rap from the area to the left of the boat ramp to provide a place for jet skis to come to shore. Stan agreed to research the potential cost if needed. Fraser Getgood said he feels the cheapest solution to the issue of jet skis encroaching on the swimming beach would be to divide the beach into separate areas for swimmers and jet skis.

New Business

1. Mike Silagyi initiated a discussion of the budget, with a presentation on the capital improvements that have been made over the past few years. Included are the reconstruction of the barn; the replacement of the boat ramp, pier and dock in the clubhouse area; replacement of the Presley Creek nature trail ramp; replacement of the clubhouse after the fire; work on the campground bath house, including a new roof, shower and commode replacement; replacement of the clubhouse septic system; grading and gravel placement on Wittstat Lane; construction of the new equipment shed (underway); and, while not a capital improvement, the removal of circa 120 dead and dying trees from the clubhouse and campground areas after Hurricane Isabel (20 trees), Tropical Storm Ernesto (40 trees) and in 2007 (60 trees). Mike also noted the need for three major expenditures in the not-distant future: replacement of the swimming pool (which is leaking); replacement of the tractor; and replacement of the zero-turn lawn more (both in 5-10 years). Mike urged the board to closely examine the proposed budget to identify items which would be “nice to have” compared to essentials, since it has become apparent to the board that the proposed budget exceeds dues income and will require dipping into savings to fund association operations for this fiscal year. (Essentially, two specific one-time costs have created this situation: the need for the new equipment shed and the cost of tree removal. Without these two items, the budget would be nearly balanced in terms of expenditures equaling dues. However, with projected costs rising, and the need for the additional capital investments listed above apparent in the coming few years, members of the board are considering the potential for a dues increase.)

What followed was a detailed discussion of the budget going over all line items, considering the urgency of need for each and determining items that could be cut or reduced. Much conversation resulted in the following sums being allocated in the budget, which was approved 7-1 (Stan Johnson offering the “nay” vote). Jennifer Troy-Black is using the figures below to produce a final approved budget document following the approval:

Cash on hand (money market, checking, petty cash, certificates of deposit) -- \$143,201

Projected Income

Assessment dues -- \$106,150 (some included above)

Collections (arrears) -- \$4,500

Associate memberships -- \$8,000

Campground income -- \$3,000

Pool income -- \$2,000

Interest income -- \$4,000

Misc. income -- \$2,600

Subtotal of all income -- \$130,250

Estimated Expenses

Accounting -- \$11,200

Legal -- \$1,000

POAVA fee -- \$355

Office expenses -- \$2,000

Insurance -- \$13,000

Equipment purchase -- \$2,000

Equipment repair and maintenance -- \$5,000

Equipment fuel -- \$750

Pool and pump house supplies/maintenance -- \$3,000

Janitorial supplies -- \$750

Gravel, sand & grading -- \$3,000

Campground materials (fire rings, etc.) -- \$2,500

Structures & grounds -- \$2,000

Clubhouse improvement (noise abatement, safety rugs, concrete slab) -- \$6,500

Equipment shed -- \$12,000

Pier repair/replacement (groins at point) – removed from budget

Tree removal (dead and dying trees in common areas) -- \$17,000

Riprap – removed from budget

Picnic tables (eight to replace rotting and damaged tables) -- \$1,200

Tennis court (replace fence) – removed from budget

Payroll (maintenance man) -- \$29,120

Payroll (pool manager and attendants) -- \$6,300

Payroll (administrative) -- \$3,500

Payroll taxes -- \$4,000

Payroll (part-time security) -- \$1,000

Travel reimbursement -- \$3,000

Association picnic supplies (food) -- \$3,000

Independence Day fireworks -- \$2,000

Website -- \$350

Utilities -- \$11,000

The board believes that prudent management of costs will still result in the need to reduce the association's savings by approximately \$25,000 to meet this budget. Therefore the potential need to consider raising membership (and associate membership) dues was discussed. Dues have not been adjusted, even for inflation, over the past several years. Furthermore, Virginia law requires an outside review of all property owners' association financial status every five years (called a "reserve study"). A report of this type will be commissioned by the board in advance of any decision concerning a change in dues, to assist the board in determining what level of dues would be in the best interests of the community as a whole. Furthermore, state law requires the association maintain an adequate financial reserve to deal with catastrophic losses (beyond those covered by insurance). Gary Morris will advise the membership as to these circumstances in a letter he will write for inclusion in the upcoming newsletter.

2. Sound abatement for the clubhouse was discussed. While reducing noise may require the addition of carpeting and ceiling sound absorbing materials, the board approved going forward incrementally, with the first stage being the addition of sound absorbing material to walls, to see what effect can be achieved with the least possible cost. In addition, Curtis Black offered his assistance in obtaining security carpets for the doorways to help prevent people from slipping on wet floors.

3. Frank Klein has re-created the www.bayquarter.com website with a new URL (www.bayquartershores.org) that offers the association a no-cost internet presence. This new web address will be publicized in the upcoming newsletter and other association documents.

4. Gary Morris will invite George Kranda to address the board concerning the Presley Creek Association and its goals at the November 10 meeting. Mike Silagyi had previously prepared a list of questions to be offered to Mr. Kranda in advance of his visit, and Gary will adapt that list as he feels appropriate before presenting it to Mr. Kranda.

5. Mike Silagyi prepared a calendar for late 2007 and 2008 events, which was adopted by the board as follows:

November 10, 2007, 9:00 a.m. -- Board of Directors Meeting

December 8, 2007, 9:00 a.m. -- Board of Directors Meeting

January 12, 2008, 9:00 a.m. -- Board of Directors Meeting

February 9, 2008, 9:00 a.m. -- Board of Directors Meeting

March 8, 2008, 9:00 a.m. -- Board of Directors Meeting

April 12, 2008, 9:00 a.m. -- Board of Directors Meeting

May 10, 2008, 9:00 a.m. -- Board of Directors Meeting

May 24, 2008, Pool Opens

Semiannual Membership Meeting & Pot Luck Picnic

4:00 p.m. -- picnic following the meeting

May 25, 2008 Rain Date

June 2008, no Board of Directors Meeting

July 5, 2008 8:00 a.m. -- Board of Directors Meeting

July 5, 2008, Independence Day Celebration

Pot Luck Picnic 5:00 p.m.; fireworks 9:30 p.m.

July 6, 2008 Rain Date

August 9, 2008, 8:00 a.m. -- Board of Directors Meeting, 2009 Budget Review/Approval

August 30, 2008, Annual Membership Meeting & Pot Luck Picnic

4:00 p.m. -- picnic following the meeting

August 31, 2008 Rain Date

September 1, 2008, Pool Closes

September 13, 2008, 9:00 a.m. -- Board of Directors Meeting

October 11, 2008, 9:00 a.m. -- Board of Directors Meeting

November 8, 2008, 9:00 a.m. -- Board of Directors Meeting

December 13, 2008, 9:00 a.m. -- Board of Directors Meeting

6. Stan Johnson brought up three items that will be placed on the agenda for discussion in November. These are:

- A. The possible reinstatement of a Member Work Day
- B. The possibility of establishing the position of Activities Chairman to plan and oversee association events
- C. The potential appointment of a specific board member to act as the association's official liaison to POAVA

7. Ruth Franck will place an item in the newsletter concerning the potential that the invasive plant *phragmites* is growing on BQS common property on Presley Creek. The Northumberland Association for Progressive Stewardship offers free identification and control of this plant.

8. High-speed internet using a line-of-sight system is being considered for BQS. To offer this service, the installation of a pole would be required near the clubhouse. This will be discussed at a future meeting.

Member Time

1. Jean Ince reminded the board that items for the newsletter should be submitted to Michael Goodrich-Stuart for proofreading and editing by November 1. He will then forward items to her as they are prepared for inclusion in the newsletter.

2. Jennifer Troy-Black said that BQS t-shirts are being offered through a local vendor. They will be described on the website and in the newsletter so interested members can order.

3. Several board members noted that will be unable to attend the November 10 meeting due to schedule conflicts. After a brief discussion, it was decided that this meeting should remain on the calendar. Mike Silagyi is checking to see if a quorum will be present.

There being no further business, the meeting was adjourned at 12:25 p.m.