

## First Official Board Meeting of Keyes Ferry Acres Maintenance Association (KFAMA)

**Date | Location** 1pm 18 December 2018

270 Industrial Blvd, Kearneysville, WV

**Attending** – all five Board members - Emily McFarland, John Womack, James Nelson, Lee Snyder, Susanne Koenig

**General overview.** This first board meeting of the newly formed KFAMA Corporation addressed tasks necessary to establish a working organization. This included determining the roles of the various board members; acquiring a postal address; setting up a checking account; and outlining internal controls to ensure maximum safeguards, accuracy, oversight and transparency regarding handling of incoming funds and outgoing payments. A QuickBooks subscription was chosen for the accounting platform to track all financial transactions. Setting up these 'housekeeping' concerns was prelude to discussion about determining lot owner fees and committing to distribution of a budget and subsequent billing as soon as possible in the new year, given upcoming holidays. Minutes of each meeting are to be posted online at KFAMA.org.

**Board member roles.** Each board member assumed their functional role as follows: President – Susanne Koenig; Vice President – James Nelson; Secretary – Emily McFarland; Treasurer – John Womack; Member at Large – Lee Snyder.

**Opening a checking account.** A motion passed to assign treasurer John Womack to open a checking account to handle KFAMA funds. With a letter of authorization from president, Susanne Koenig, John will open a checking account for KFAMA business at the Bank of Charles Town (main branch, Washington St.) with an amount of \$250 dollars (an advance from Oak Meadows, LLC against their pending lot fees). Three signatories are to be named for the present, that of secretary, vice president and president. The single debit card will be held by the president.

**Establishing a mailing address.** A motion was passed to rent a postal box at the Charles Town post office. John and James were given the task and the official address has been established as: **KFA Maintenance Association Inc., PO Box 269, Charles Town, WV 25414.** James will serve as main overseer of the post box, collecting mailings such as incoming correspondence and payments received.

**Financial Controls.** John Womack, treasurer and a trained CPA, offered his expertise to act as accountant to oversee the organization and documentation of KFAMA financial activity. Such oversight is predicated on the following internal control guidelines, (each formally proposed in a motion and approved unanimously by the board). These guidelines are set up to establish checks and balances, ensuring maximum possible transparency and safeguards over KFAMA funds:

- I. **First provision. Establishing the logistics of handling receipts.** Checks received via post are to be collected by vice-president James. Documentation of these receipts will be made by photocopy or scan and recorded on Excel spreadsheet by James. He will be responsible for deposit of these receipts and then, by hard copy or email, he will transmit the documentation to the treasurer for electronic entry in QuickBooks. (Determining and naming an initial selection of account categories to organize the books has been assigned to John, for review at the next board meeting.)
- II. **Second provision. Invoices.** Invoices payable by KFAMA are to be reviewed at each monthly board meeting. Making out checks for signature and posting will be handled at each meeting.

- III. *Third provision. Monthly financial report.* For full board review and oversight, at each regular monthly meeting the treasurer will be responsible for submitting a report with current update of the financials, providing a balance sheet with profit/loss statement.
- IV. *Fourth provision. Forming a Finance Committee.* To provide ongoing auditing oversight (and in future to potentially submit a draft on which to base the annual budget) a committee will be sought from the membership of KFA lot owners.
- V. *Fifth provision. Limits upon treasurer.* The role of the treasurer is to conduct oversight of KFAMA finances by organizing information and documenting it within QuickBooks. Further the treasurer should conscientiously be alert to concerns, questions or irregularities that may arise which should be brought to the attention of the board. It is the treasurer's role to outline the financials in a way that is readily comprehensible and accessible for examination upon request by any KFA lot owner member/s. Apart from this oversight, the treasurer is specifically to remain separate and apart from any handling contact with cash, checks or payments.

Authorization was given for John to set up a QuickBooks subscription. John will provide the password to each board member making the data accessible for their review. KFAMA adopts the calendar year starting January for financial purposes.

Before proceeding to contemplate setting the fees owed per lot, discussion hit upon various topics, such as.... When a **lot owner has more than one address on record**, it was decided to use the tax department address for mailings.

Without coming to a resolution, the board discussed the issue of **how to handle complaints or communications regarding community concerns**. For instance, how should the urgency to respond (whether personnel need to be sent to handle the situation) be assessed? Who should the contact person be? For the time being, calls about road maintenance issues can be expressed to Emily McFarland, Secretary of the Keyes Ferry Acres Maintenance Association at 304-725-9140. Emily will inform the Board of each road issue brought to her attention.

This relates to a question that was discussed about the cost and **advisability of seeking a property management service**. A management company could potentially be the initial point of contact for reporting concerns, receiving complaints or communications that need attention. Such a company may recommend an attorney that would be involved in handling collections issues. Billing lot owners (whether on an annual, quarterly or monthly basis), could be handled through such a service. James offered to make initial inquiries about the services provided and cost of local property management companies.

The logistics of sending **bills** to lot owners was reviewed. Lee Snyder's company JUI (Jefferson Utilities) has a paid service provided to the cities of Ranson and Charles Town that incorporates billing for various additional services as part of the JUI monthly statement sent to customers. Such a billing service could be provided to KFAMA by JUI, offering a cost advantage and efficiency. But the advantage was weighed against having Mr. Snyder's name coupled with a perception of too pervasive influence upon KFAMA self-determination. The question remains to be resolved.

The potential for **snow clearing services** required in the near future was discussed. The intention to seek proposals from at least a few different providers was affirmed. But since the season has already started there is concern as to whether providers will be available. There was also considerable trepidation about the potential for even a single massive snow accumulation requiring services that could obliterate any proposed budget for the coming year. Potentially it is problematic that a

significant sum from which to make payment has yet to be collected in the KFAMA account. Partial payment of fees owed for Oak Meadows lots could provide initial working funds but that would just be a starting point. In the event of an imminent storm, it may simply be necessary to rely upon an offer extended by Lee Snyder, the continued (billable) snow removal service by Snyder Environmental Services (SES). In the meantime, James will research request for proposal language to use to approach and assess providers regarding their service.

The procedure for deliberating **fees per lot** depended heavily on tallies of past annual expenditures for various relevant categories (gravel and millings; road grading; tree/brush clearing; snow removal, etc.) compiled from Road Fund records. Looking at a range of "Assumed Annual Lot fees" and how they would translate into a "Projected Annual Net Income" we considered an annual net income as low as \$44,700 with graduated steps to an upward net income of \$119,200. The low net income figure could be realized by an annual fee per lot of \$75; the high net income could be realized with an annual fee per lot of \$200. Deciding a fee rate was guided by seeking a balance between having enough funds to simply maintain the roads or collecting enough to budget at least minor improvements to roads and common space. We decided on a fee that should realize an income of \$89,400 which, in the first year, would limit road work mainly to maintenance level.

In the past, those owning more than one lot had differing fees per lot (established by KFA founder Howard Speaks). Lots with a home were billed \$150 but those lots without a home may have been billed just \$75. For these people, we recognize a change in fee per lot will seem significant. In order to build sufficient funds for improvements, in the future the fee per lot almost certainly will need to rise. But for the current 2019 fiscal year, the decision we came to is an annual **fee per lot of \$150**.

**Cost perspective.** For those concerned at an increased lot fee, please consider this perspective - if you own three lots, cost broken down on a per month basis works out to less than \$40 per month. Most people pay more than twice, and perhaps three times, that amount for monthly cable TV service. Roads are a 'service' you use daily as well and maintaining roads can offset costs of wear and tear on tires and vehicles.

**Please see attached pages for the full outline of the budget.**

**January meeting of KFAMA members.** In conclusion, in January 2019 we plan to have a general meeting with the purpose of inviting participation in committees. We'd like this to be a social occasion, so welcome anyone who'd like to be involved in shaping the event. Ultimately, we hope to improve our roads and commons areas, but also promote an involved community.

The meeting concluded at 3:45pm.

Submitted 12/21/18 by Susanne Koenig, KFAMA Inc.

Keyes Ferry Acres Maintenance Association

PO Box 269

Charles Town, WV 25414

## **KFA Maintenance Association Inc., PO Box 269, Charles Town, WV 25414**

Date: December 27, 2018

To: KFA lot owners

From: The Board of KFA Maintenance Association

Attached is the first proposed budget from the newly established Board of Directors of Keyes Ferry Acres Maintenance Association, Inc. (KFAMA) as authorized by vote of the Jefferson County Commissioners. The KFAMA Board has decided on a uniform fee per lot regardless of previous billings or payments. **For this first year the proposed annual fee will be set at \$150 per lot.**

There are 757 lots in KFA, so if all lot owners pay the annual fee this would amount to \$113,550. If 79% of that total is received, it will only pay for routine annual expenses of about \$89,400. This amount is an average of what Snyder Environmental has incurred on repairs and snow plowing over the past decade and does not include paving or repaving of roads. Should the amount collected exceed routine expenses, the excess will be allocated toward building a contingency fund.

Please refer to the KFAMA budget outlined for the year 2019 as enclosed. The expectation is that a \$150 lot fee paid for 79% of the lots will be enough solely for routine maintenance this coming year. Once an assessment of needed major road repairs and improvements is made and priorities set, a determination will be made about raising the annual lot fee in succeeding years. Lot owner input on the assessment will be solicited and incorporated into the final document. Given the poor condition of the roads and the cost for improvements, lot owners need to understand that even modest improvements will take years.

This is just the start of what is a long road ahead for lot owners. Active participation by lot owners on committees is an important part of making decisions that are fair for the entire community. Looking ahead to next year, a finance committee of KFA lot owners will be formed whose input regarding the rate will be part of the consideration to determine what is sufficient for upkeep, balanced against what may be required for desired upgrades. Equally important is determining the upgrades and priorities for the roads by an Assessment Committee. You are invited to participate. To join the Finance Committee or Assessment Committee, contact Emily McFarland, secretary, at 304-725-9140.

**Please see attached pages for the full outline of the budget and related historical data. To review deliberations by the board about deciding on the fee, please go to [KFAMA.org](http://KFAMA.org) to read the report of the meeting dated 12/18/18.**

That report outlines the legal recourse available to collect from those who do not pay from now going forward. For those who have paid their fee over the years, thank you for doing what is both right and fair. We hope this new association will serve you well and you will participate in committees to serve your community. You have the power of participation.

KEYES FERRY ACRES MAINTENANCE ASSOCIATION, INC.  
2019 PROPOSED OPERATING BUDGET

**INCOMING CASH:**

Maintenance Association Fees: \$ 89,400

**OUTGOING CASH:**

**Operating Costs:**

Administration	\$ 2,000
Accounting	3,000
Auditing	5,000
Legal	3,000
Mailing including certified	2,400
Liability Insurance	1,700
Subtotal	<u>\$ 17,100</u>

**Maintenance Costs:**

Culvert and ditch grading	5,000
Road grading	10,000
Gravel and Millings	15,000
Asphalt patching	5,000
Tree/Brush removal	4,000
Entrance lighting	600
Mowing	3,000
Snow removal	10,000
Subtotal	<u>\$ 52,600</u>

**Road Reconstruction Costs:**

Road and Park Fund \$ 19,700

TOTAL OUTGOING CASH \$ 89,400

NET CASH FLOW \$ -

Note: See Exhibit C

10/31/2018

**Exhibit C**

**Potential Lot Fee Options**

Assumed Fee level Per Lot	Annual Fee Per Lot	Cost per Month Per Lot	Cost per Week Per Lot
\$75	\$75	\$6.25	\$1.44
\$100	\$100	\$8.33	\$1.92
\$125	\$125	\$10.42	\$2.40
\$150	\$150	\$12.50	\$2.88
\$175	\$175	\$14.58	\$3.37
\$200	\$200	\$16.67	\$3.85

**Estimated Annual Income to the Association Based on 757 lots**

Assumed Annual Lot fee	Resulting total Annual Income	Deduction for Non-Payment*	Projected Annual Net Income
\$75	\$56,775.00	-\$12,075.00	\$44,700.00
\$100	\$75,700.00	-\$16,100.00	\$59,600.00
\$125	\$94,625.00	-\$20,125.00	\$74,500.00
\$150	\$113,550.00	-\$24,150.00	\$89,400.00
\$175	\$132,475.00	-\$28,175.00	\$104,300.00
\$200	\$151,400.00	-\$32,200.00	\$119,200.00

**\*42.3% of non-Oak Meadow owners historically have not paid their road fees  
382 non-Oak Meadow lots x 42.3% = 161 lots won't likely pay their road fees  
Collection of these lot fees will likely require legal action**