

Minutes - KFAMA Inc. Annual Meeting, October 20th, 2019

Attending – Susanne Koenig, president; Emily McFarland, secretary; John Womack, treasurer; Lee Snyder, member at large; approximately 25 KFA property owners. A meeting quorum was met.

Welcome and open comment period. One person spoke, to express appreciation for the Board's first year of work and to commend what has been accomplished.

Introductory overview. Business opened by stating the purpose of the meeting: to provide an overview of the year's actions and outcomes. Apologies were offered for the legal language required in the mailed announcements.

Comparison to a household. Managing a household only on a larger scale is essentially the Board's job. Like any household, the available budget directs how much can be done; like a household, the Association functions best with a dependable income - funds are needed for routine expenses, but also for unexpected ones. Snow plowing is a perfect example - a \$20K reserve has been set aside, but \$20K could be wiped away by a single bad snowstorm. Like any household, there are expenses for supplies, materials, services, etc. Mowing - \$3K; Insurance - \$3K; legal advice, printing, mailing ... (please see enclosed financial statement) all expenses familiar to running most households. With \$20K for snow removal set aside and with a \$23K shortage from unpaid dues, the year's revenue was hardly larger than a two-wage household income. It is a very modest amount given the costly challenge of a subdivision major "Fixer-Upper."

Road repair accomplishments. The year's main task has been 'putting out fires'—piecemeal patching worst road problems on a case by case basis, providing at least temporary fixes. Where early summer heavy rains caused serious deterioration, extensive re-grading of roadsides and road surfaces should greatly improve water run-off control. The most dramatic accomplishment is the Wagon Trail Road major restoration project. While costly, the road was washing away into the ravine so was an imperative commitment. When funds become available, areas such as Sprouse Lane and Barbara Lane are designated as priority for attention.

Speed limit signs will be installed soon. In addition to promoting safety, moderate speed is also the best way to help preserve newly graded road surfaces.

Targeted focus is key to improvements. Having sufficient funds is an obvious pre-condition to implementing improvements. The major factor though was focus on what to do and how to get it done--the result of the combined efforts of a dedicated group. This could NOT be undertaken by any single person. Invaluable contributions were made with the help of additional volunteers, lot owners among you. Money is crucial, but hands and minds cooperatively working together provides the true leverage for positive change.

Association administrative functions in place. Aside from roads care, this first year the other fundamental Board accomplishment was setting up the components necessary for a fully functioning Association: 1) the financial tracking system is established 2) service providers were sought and hired 3) board meetings are scheduled monthly as a norm. Each month the financial status is updated; actions are reviewed; issues deliberated; priorities developed and goals proposed. In short, as a group, all association business is considered regularly and set into action.

Bylaws Amendment. A key business item was explaining the proposal to add two additional members to the board. In past meetings, concern was voiced that there should be greater representation on the

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Board by KFA residents. The current Board agrees that additional members would be a vital contribution.

Assuming the community generally favors increasing the size of the board from 5 members to 7, ballots were distributed (in the mailed packet with the meeting announcement). Legally increasing the size of the board first requires amending the Association bylaws. That is what the ballots are for: to “Accept” or “Reject” a change to the bylaws. (This amendment to the bylaws requires more than a simple majority vote; it must have affirmative votes representing 60% of the lots--a “requisite majority.”) To expand the Board the bylaws must be amended; if you approve adding two more members, mark your ballot “Accept.” Please return your ballots to the Association (by email or to KFAMA, Inc. P.O. Box 269, Charles Town, WV 25414 or enclose with your Jefferson Utilities water payment.)

Special meeting. Ballots collected at the meeting are just 30 short of the 60% required. If that number is reached, a Special Meeting must be scheduled within 60 days to elect the additional members. The meeting announcement will be sent by U.S. mail. In the 60-day interim, the positions are filled by Board appointment.

Election to fill three expiring terms. The three incumbent members ran for re-election and no additional nominations were added to the slate of candidates. All three were elected and will continue to hold the positions they have been serving – secretary, treasurer and member at large. Past objections have been that the board should consist primarily of KFA residents. It should be recognized that this board could not have functioned as efficiently without the time and determination that Emily, in particular, commits to it. Many of you have spoken to her by phone. She is accessible as few others could be; fields calls about problems / concerns, handling issues patiently which most of us wouldn’t care to deal with. She’s attentive to details and follow-through; if something needs to get done, Emily does it.

The financial tracking system is central to Association functioning. With QuickBooks, John has set up a straightforward and transparent system (he invites and encourages anyone to review it simply by request). The treasurer’s function is now solidly established so that, if ever needed, anyone with a financial related background would be able to step in to carry on.

The various personnel and support resources provided by the infrastructure of Snyder companies serve in many ways as stand-in for a management company, which means substantial savings for the Association. Without ‘in-house’ engineering expertise, the cost of the Wagon Trail project would have been prohibitive. Lee Snyder provides that invaluable engineering experience and knowledge.

Many consider the outsized influence conferred by the holdings of the Oak Meadow corporation to be problematic. It definitely poses a unique and complicated relationship between the general community properties and the corporate holding. Yet without the representatives appointed on its behalf, the function of this association would have been detrimentally hobbled. It is also worthy to note that Oak Meadow paid 64 % of all the lot fees collected to date.

Overcommitment of 2019 Funds. The extensive clearing, grading and restoration of White Dogwood Road was a highly beneficial accomplishment. However, it exceeded the intended budget limit. The Association president explained the situation, openly admitting it as an error and not acceptable practice going forward. While the project outcome is a dramatic improvement, the experience taught lessons of what not to repeat. The particular circumstances are that the job was not bid out. Rapid response was required to take advantage of a cost-effective resource that is not always available (millings, used like gravel to surface the roads). Simultaneously with available millings, large project equipment (from Snyder Environmental) became available to do the work. We took advantage of the timing and proceeded with the project. Without charge, Lee Snyder served as project overseer. In the

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desire to take full advantage of the deployed equipment and manpower, the momentum of the project overran stipulated time/cost beyond 2019 budget limits. This has been resolved by an understanding that the work will be reimbursed without profit margin through an extended payment plan. This has provisionally been agreed upon with the adamant stipulation that overstepping Board oversight in the future cannot be allowed.

Community questions. Three main questions were raised by attendees. One is whether the prominent rock at the entry to Cedar Hill Rd. from Chestnut Hill Rd. might be re-painted. Design proposals are welcomed (perhaps to be considered at the time of the Special Meeting?) To submit a design, please contact Emily.

The second question concerned road dues. With fees assessed per lot, residents owning multiple lots face a significantly higher bill than in the past. A two-tiered fee level that potentially offered relief to most who own multiple lots (a larger fee for every first and every fifth lot, with a lesser fee for the 2nd, 3rd, 4th / 6th, 7th, 8th, 9th lot, etc.) has been presented to the Board. The proposal was not made by Oak Meadow, LLC or their representatives and the resident lot owner proposing it made a very compelling case. Yet it was recognized as problematic since such a fee structure would considerably benefit Oak Meadow. Consideration was firmly eliminated though due to various legal objections, the main being that it negates the principle of the law, briefly summarized as - 1 lot 1 vote 1 share.

The third question was how to ensure all residents pay their fair share of road fees. The repercussions of not paying have been outlined and were included in the mailed announcement of the Annual Meeting. Early in 2020, legal action will be taken to collect funds. Pursuing funds is a Board obligation to those who have paid their road fees and we thank you. As a protest gesture, withholding payment has no effectual impact on the authorized standing of the Board or Association; it's the community that is harmed by non-payment because those dues could have been used toward road care and repairs.

In determining the 2020 dues rate, the Board will be guided by, and closely align with, 2019 expenditures.

The meeting adjourned at 4pm. We missed those who couldn't make it. **Thank you very much** to those who attended.

Submitted October 28, 2019 by Susanne Koenig, president

If we don't have yours, to expedite communication please provide your email address. Thank you.