

## ***Minutes, Chesapeake Station Homeowners Association Annual Meeting, Sept. 20, 2008***

After determining that a quorum was present, including proxies, Board President Jim Mulder called the meeting to order at 10:05 a.m. He asked those attending their first general meeting to stand and introduce themselves. Caroline Amsden, Rusty Kuhns, Mary Ann Mills and Diane Halvorsen did so. Jim then introduced the CSHOA treasurer, Roland Schlehuber, to give his report.

Outlining income and expenses to date, Roland showed the Association's current finances in good balance, with the exception of the Reserve Fund, which was discussed later in the meeting.

Committee reports followed:

**Architectural:** Chair Barbara Fairchild described a busy year, with more than 40 applications for exterior work submitted to the committee. Two of these were rejected, and two other approved with modifications. All others were approved as submitted. One rejection was appealed to the Board, which upheld the committee. Barbara noted that the next Architectural Committee will have to tackle several general issues: (1) redefining approved paint colors to conform with changes in the market and the need to keep paint and vinyl colors in harmony; (2) making provision for hurricane protection (one rejected application was for hurricane shutters); (3) setting up rules for "green" installations such as wind and solar.

**Beach** – Heidi Daniels reported on behalf of chair Rob Crow, who was absent. She noted the success of the spring beach cleanup and thanked all who participated, with special thanks to Sven and Mary Thulin for making their property available for refreshments.

**Grounds** – Chair Pam Johnson reported on an active year, even though a number of projects had to be put on hold for budgetary reasons. She noted that tree removal and replacement at the Mears Avenue entrance had been completed, as had work to repair damage caused by the severe weather this spring, when a tornado narrowly missed us. She reported that a local church had offered free maple and oak trees to the Association, to be planted along C Street, where a homeowner has also volunteered to buy crepe myrtles at her own expense. If the free trees are accepted, volunteers would be needed to help transplant them. Audience member questioned whether crepe myrtles would not be better in any event because they would not grow to the height attained by oaks and maples.

The floor was then returned to Roland, to speak to the **Replacement Fund** issue. He summarized the updated Mason & Mason study on infrastructure expenses that the Association can expect to face over the next few years. The

most pressing, and the most expensive, is the need to replace asphalt in the parking lots. Although it is true that these serve the townhouses, and there is a separate townhouse assessment, at \$38 a year that assessment does not come close to the amount needed. Further, keeping all infrastructure in good repair is to the interest of all homeowners. Mason & Mason shows our Reserve Fund as a negative number because of the obligation we still owe on the loan taken out to repair the damage caused by Hurricane Isabel in 2003. The actual picture is a little better than that, but we still require an infusion of cash if we are to get the parking lots done by 2010 – an urgent necessity, according to Mason & Mason. Roland's analysis shows the minimum needed would amount to an assessment increase of \$320 a year, or \$80 a quarter, for 2009 and 2010. As part of the annual assessment, this would require a two-thirds vote of the members, not just those present at the meeting. It could also be imposed as a special assessment by the Board without any action by the members.

Although a vote was not on the meeting agenda, several members spoke in support of a special assessment. Ginny Beauchamp said, "We've gotten off real cheap, and I'm ready to step up." Duncan Frazer noted that the increase was miniscule compared to the rise in property taxes. Jim then formulated a motion, seconded by Bruce Wahl, to recommend the special assessment to the incoming Board, with the understanding that there would be no increase in the regular annual assessment. Jim called for a show of hands. It appeared that all hands were raised in favor. None were raised in opposition..

**Election of Board Members** followed. Heidi Daniels and John Friel are leaving the Board. Rusty Kuhns and Diane Halvorsen, who have volunteered to run, introduced themselves. No nominations materialized from the floor. Thus the 2008-09 Board will consist of Diane Halvorsen, Rusty Kuhns, Jim Mulder, George Newman and Roland Schlehuber.

The business part of the meeting concluded at 11:45 a.m., followed by a pizza lunch and informal discussion of architectural issues.