

**CHESAPEAKE STATION HOMEOWNERS ASSN.
ANNUAL MEETING
Minutes**

Pavillons on Gordon Stinnett Avenue, Chesapeake Beach, MD.
September 12, 2020 -- 10:00 a.m.

9:30 Registration and bottled water

Call to Order, Introductions, Meeting Agenda: This year our Annual Meeting was held outdoors because of the COVID-19 pandemic, and resulting closure of the North East Community Center. Ownership of 66 properties was represented at the meeting, either by presence or proxy, confirming that a quorum was present. Board President Marta Francis called the meeting to order at 10:00 a.m. Introductions of the current Board of Directors and Committee Chairs were made. New owners of three properties introduced themselves. Members were asked to stand and identify themselves before speaking, especially since all were wearing facemasks.

Approval of Minutes: Paul Doherty, Treasurer presented the minutes from September, 2019. There were no changes to the minutes suggested. The minutes were approved as read.

President's Remarks: Marta thanked the Board of Directors and the Committee Chairs and members for their work for the year and identified Board members who were leaving the Board. She described the need for members to step up and fill these vacancies, and explained there would be an opportunity to add names to the ballot before voting later in the agenda.

Treasurer's Report: Paul Doherty presented the report using a 12-slide handout to members, providing them written detail to examine as he presented the topics. He first presented the year-end financial report for 2019 and the year-to-date report for 2020. The 2019 financial results came in at a net surplus of \$2,253.90 against budget. Our financial status for 2020 is looking good as of the end of July, which is 58.3% of the year. Income is slightly above straight-line at 58.9%, and our expenses are well below straight-line at 44% of the year end budget. Paul then described our Assets of \$251,583.34 and Liabilities of \$15,601.12, with no concerns. Paul stated that there was an audit of our finances in 2020 by the accounting firm of Daly, Hamad & Assoc., PLLC. The auditors concluded that "the financial statements...present fairly, in all material aspects, the financial position of Chesapeake Station Homeowners Association, Inc. as of December 31, 2019 and 2018, and the results of its operations and its cash flow for the years then ended in conformity with accounting principles generally accepted in the United States of America". Paul went on to describe a June 2020 updated study of our Capital Reserves and expenses by Mason and Mason Capital Reserve Analysts, Inc., who had previously performed this work for us in 2001, 2008, and 2014. This update indicates that our Reserve underfunding identified in 2014 has been corrected, allowing us to reduce the Reserve contribution in the proposed 2021 Budget. A two-page Calendar of Expenditures from the report was included in the handout and generated a short discussion of the projections.

The next topic in the presentation was a change in our Management Contract to expand the services provided to our community. Our present contract is limited to financial services, and our expanded contract solicitation included services that assist the Board with managing property maintenance and enforcing covenants, as well as other services such as a 24-hour hot line for emergency requests and an on-line portal which provides owners and the Board with instant access to various capabilities and information such as assessments, service requests, owner communications, vendor management, and access to Association documents. After reviewing bids, the Board selected Sentry Management as our new contractor, with the contract to take effect January 1, 2021. Transition information will be forthcoming. Although this expanded service contract comes at a higher cost, it is more than offset by the reduction in our Reserve contribution. During the presentation there were a number of comments calling for consistent enforcement of the Architectural guidelines.

The Board decided to propose a decrease in the standard assessment in 2021 of \$10.00 per quarter (\$40.00 per year). The proposal also includes a \$2.55 per quarter increase to the Townhouse parking lot assessment, raising it from \$10.45 to \$13.00 per quarter to address underfunding of long-term parking lot maintenance and replacement projections. There was a discussion about parking lot concerns, to include the alley, which is also maintained by the Association and provides access to and additional off-street parking.

The new quarterly assessment will be:

Townhomes = \$198.00

Single family homes (non-townhomes) =\$185.00

Paul continued and presented the budget for the coming year. There were no concerns raised. After the presentation, a motion was made by Bruce Wahl and seconded to approve the budget. The motion carried without dissent and the budget was approved by the members.

Committee Reports:

- **Architectural Committee: Penny Schmidt**
Penny explained that the Committee has responsibility for reviewing and approving anything concerning the outside of the homes and property of the owners to ensure that homeowners are making exterior improvements in harmony with the immediate neighborhood and Chesapeake Station as a whole. She stated that the committee had approved 30 applications during the Spring and Summer.
- **Social Committee: Penny Schmidt**
Penny stated that social activities have not taken place this year due to the COVID-19 pandemic, but we hope to resume next year. The committee does intend to go forward with the Christmas door decoration contest this December.
- **Grounds Committee: Bill Leebel**
Bill was not available to attend the meeting. Marta addressed Bill's written report which follows:

“Maintaining grounds this year has been a challenge due to a number of factors: the pandemic, weather and special requests by residents. We are in the second year of a 3 year contract with Highlands Landscaping. The company maintains the grounds for about 10 months a year. Just as they were getting ready to gear up for the season in early March Covid hit. This impacted the available workforce for Highlands and unfortunately work that was usually completed in a timely manner was not addressed for a while. Additionally Jose had to work with employees who were unfamiliar with our grounds. This year also saw an unusually high number of requests by residents that needed to be addressed. And finally summer greeted us with a hot dry spell followed by a hot wet spell including a tropical storm.

Some residents voiced concerns about the length of the grass at times. Our contract states that Highlands will provide 24 grass cuttings annually. Since the season starts in mid March and goes until late October that is less than 1 cutting weekly. During July and part of August the grass is cut every 10 days to 2 weeks depending on the growth rate. The decks of the grass cutters are also raised to 4" to keep grass from burning. When identifying issues with the landscaper be aware that he only responds to requests from me or the Board of Directors.

Jobs completed to date in 2020:

- Remove 2 trees in courtyard area behind 7785 C St.
- Plant arbor vitae along Mears Ave.
- Remove trees on stone revetment and trim forsythia on Overlook hill.
- Remove dead arbor vitae along the alley
- Remove 4 black pines adjacent to the RnR.
- Trim trees hanging over 4004 Arcade,
- Trim the old tree on the hill by the Overlook
- Remove tree hanging over the stairs to the Overlook

Jobs pending completion:

- Place the grasses around the electrical box at the Overlook-to be done in the fall.
- Cut back black pines along the gravel path behind 7831 to 7839 C St.

Jobs Identified:

- Remove dead pine at C and 17th
- We identified that some of the beds are looking bad. Nothing we can do in the summer heat and recent lack of rain
- Cut back bushes along the walkway to the bank adjacent to 7832 C. St.
- Remove dead tree along C St. hanging over from the glen.”

A significant discussion ensued during and following the Grounds Report. Becky Wahl stated that she is appalled at how our community looks, presenting photographs of unkempt common areas and citing a letter she sent to the Board requesting removal of trees she believes are a nuisance—one on private property and one on common property. A chorus of owners chimed in, stating their unhappiness with our contractor, Highlands Landscaping. Dave Ferguson informed attendees of difficulties the contractor

had retaining employees during the pandemic, as well as a recent serious health issue with the contractor. While residents expressed sympathy for his situation, they also expressed strong feelings that terms of the contract were either not being met or were inadequate to meet the needs of our community. The Board agreed to address this issue at an upcoming meeting, and invited interested residents to attend.

- **Yacht Club: Dave Ferguson**

There are currently three spaces available in our boat rack for kayaks and dinghies. Annual rental is \$15 for a kayak space and \$30 for a dinghy space. The grounds contractor recently cut a dead tree and removed an overgrowth of vines in the storage area. A resident asked who would clean up trash under the trees in that area, and Dave agreed to do so.

Paul reminded everyone that there was a signup sheet for anyone that would like to join any of the committees.

Old Business:

- Update on CSHOA Governing Documents. Dave stated the update was done to eliminate the old information concerning the developer and to bring the documents into conformance with current law and practice while making them easier to read. The amended Declaration was mailed out to owners last month, and to date, only about 75% of owners have responded with their ballot.
- The expansion of our Management Services Contract was covered during the Treasurer's Report.
- Rentals in the community need to be registered with the Town in accordance with a new town ordinance. Paul also reminded the owners that the HOA needs to be notified as well when a property is rented out. There is a form on line to comply.

Board of Directors Election:

Marta announced that she and Dave Ferguson would not be on the ballot for Board member this next year so there are two vacancies to fill. Current Board members on the ballot for 2021 were Paul Doherty, Charlie Pritchard, and Warren La Heist. Prior to the meeting Ginny Beauchamp volunteered to stand for election and her name was printed on the ballot. Before the vote, Kim Brams, Linda Dodman, Bruce Wahl, and Jim Caldwell volunteered to be nominated and their names were written in to the ballots. At that point, as members were casting their ballots, someone suggested that candidates introduce themselves, which occurred spontaneously even as some turned in their ballots and others departed the meeting after voting. Confusion ensued as a couple of residents wanted to change their votes after hearing the brief introductions, but that was not possible since the ballots were anonymous and there was no way to return ballots to each voter. The vote proceeded and nominees elected to the Board of Directors for 2021 are:

Paul Doherty	Kim Brams
Warren LaHeist	Charlie Pritchard
Bruce Wahl	

New Business:

Paul covered some of the Association's accomplishments over the past year. They included replacement of some walkway signs, repair of the beach fence, installation of a new light at the alleyway stairs, and reseal & restriping of the townhouse parking lots and alley.

- **Open Topics** – Keith Pardieck introduced himself as a member of our neighborhood and the Chesapeake Beach Town Council, and asked for support for reelection. He talked about some of the initiatives of the Council and asked for input from our community.

11:50 Adjournment of Business Meeting

DRAFT