

Villas at Cedar Cove
July 18, 2020
Board Meeting & Renewal of 2020 Budget Ratification

1. Welcome and Introductions:

- a. Meeting called to order at approximately 9:20 am due to an unanticipated delay in meeting packets arriving for the meeting from Excel
- b. Introduction of Board members and meeting participants. Four Board members attended in person and one attended by phone.

2. Renewal of 2020 Budget Ratification (from December 2019 Annual Meeting):

- a. Treasurer. Alan Silver, reviewed the proposed 2020 Budget with 2 modifications, one being the offset of reserve dues in the amount of \$12,980 and the other being the increased allocation to Legal Services in the amount of \$5,000. It was restated that the \$48,000 budgeted in 2020 for the Reserve Fund complies with DUCOIA requirements that a Delaware HOA's Reserve Fund must be funded according to a Reserve Study analysis and the VACC 2020 Reserve Study Update determined that \$48,000 is the amount required in 2020.
 - i. Question: Is there enough money in the budget to allocate \$5,000 to legal fees? Answer: Yes
 - ii. Question: Why is \$5,000 budgeted for legal fees? Answer: The Board cannot anticipate what legal issues might come up from year to year. Typically Excel uses the past year's expense numbers to draft the following year's budget. In 2019, some of the legal fees incurred that year were billed in 2020.
 - iii. Question: why did the Board decide not to purchase wind insurance? Answer: Currently, only one insurance company insures HOAs in Delaware for wind and since the annual premium is approximately \$20,000 and the deductible is approximately \$15,000, the Board felt it was not cost effective to spend \$20,000 per year on wind insurance when establishing a Contingency Fund in the amount of \$20,000 could cover unanticipated emergencies for wind and other things not covered under the required Fire, Hazard and Liability policies. Future Boards could decide to add money to a Contingency Fund if one is established.
 - iv. Question: What happens if a Contingency Fund is established and the cost to repair damages is greater than the amount of money in a Contingency Fund? Answer: A special assessment.
- b. Excel confirmed the quorum requirement for the Board meeting was met with 11 proxies received and 19 units represented in person. (quorum is 1/3 of all units).
 - i. Question whether proxies would be used for Budget Ratification? Answer: No
- c. Excel asked for a show of hands as to whether any owners opposed the budget ratification; 2 hands raised; the proposed 2020 Budget was ratified (less than 51% of members opposed ratification).

3. Property Management Report:

- a. Marc Sharp introduced himself as a new Property Manager with Excel and he is part of the team working with VACC. Follow up items may be directed to Marc at (302) 490-1244. Marc reviewed a list of maintenance and ARC items provided in the meeting packet.
 - i. Question: Why does it take Excel so long to respond to issues; why must we copy Board members to get Excel to respond to issues? Answer: Excel should be responding to issues within 24 hours.
 - ii. Question: Who takes care of removing dead trees in my backyard? Answer: trees planted in yards by owners are owner responsibility to maintain and remove, however, Excel agreed to look at the trees after the meeting; they could be removed at no cost.

- iii. Concern that the July dues invoice was not received by an owner until July 8th; will the Board consider waiving late fees for the July 2020 dues payments? Answer: Yes, the Board will consider the issue.
- iv. Question about when power washing would occur, Answer: Board limited discretionary spending due to COVID-19. In addition, it was not prudent to spend money when the 2020 Budget had not been ratified. After today's meeting Excel will proceed with obtaining estimates for power washing.
- v. Sposato landscape issues – must complete cutback of shrubs around pool area, mow inside pool, take more care not to damage owner property

4. Treasurer's Report

- a. Treasurer reviewed the 2020 financials provided in the meeting packet. It was noted that the current 2020 financials were drafted utilizing 2019 Budget amounts since the 2020 Budget was not ratified last December. After today's budget ratification, the 2020 financials will have to be updated with 2020 Budget amounts.

5. New Business:

- a. President. Valerie Faden, called for a motion to form a VACC Property Management (PM) Selection Committee to be made up of at least 1 Board member and 2 community members and the Committee will follow a 7-step process to make a recommendation to the Board on or before September 15, 2020. Motion was seconded and approved by the 4 Board members remaining in attendance at the meeting. Unfortunately, the excessive heat caused the cell phone to disconnect one Board member from the latter portion of the meeting).
- b. Excel's current contract ends on September 30, 2020 and Excel will be able to submit a response to the RFP developed by the new PM Selection Committee.
- c. Alan Silver volunteered to Chair the VACC PM Selection Committee
- d. The 7 step process the PM Selection Committee will follow:
 - 1. Developing an RFP for Board approval
 - 2. Researching PM companies
 - 3. Collecting and documenting information on PM companies and sending them the RFP
 - 4. Developing interview questions and conducting phone interviews
 - 5. Conducting reference calls and documenting reference information
 - 6. Scheduling phone interviews with Board members
 - 7. Providing the Board with a written recommendation by September 15
- e. Anyone wishing to serve on the VACC PM Selection Committee must send an email to Cheryl@excelpmllc.com with the Subject Line: VACC PM Selection Committee

6. Announcements:

- a. Anyone interested in participating in the 2020 VACC Community Yard Sale should contact Vita Materasso; at least 5 units are needed to hold the sale and the date of the sale is to be determined.
- b. VACC Board Slate of candidates – anyone wishing to serve on the VACC Board of Directors must send a brief biography by November 1, 2020 to Cheryl@excelpmllc.com with the Subject Line: VACC 2020n Board election. All bios received will be distributed to all HOA members and, as always, Board member nominations are accepted from the floor at the Annual Meeting. (The current Board's term ends at the Annual Meeting in 2020).

Meeting adjourned at approximately 10:20 AM.