

**VILLAGE WALK SOUTH OF VERO BEACH
HOMEOWNERS ASSOCIATION, INC.**

BOARD OF DIRECTORS MEETING

FEBRUARY 3, 2009

1. CALL TO ORDER:

Robert McKinley, President, chaired the meeting. The meeting was called to order at 6:02 PM.

The following directors were in attendance:

Hank Schulte
Sandy Fontana
Tom Collins
Bob McKinley
Steve Guest

Deb Coburn, Property Manager, was also in attendance.

Barb Conits was absent due to illness.

Bob McKinley introduced himself and reviewed the agenda for the meeting. He advised the owners in attendance that they would have an opportunity to pose questions and make comments as the second order of business.

2. APPROVAL OF MINUTES:

Motion: to approve the January 6, 2009 minutes – Sandy Fontana, seconded by Tom Collins

Motion: passed unanimously.

3. OWNER'S COMMENTS AND QUESTIONS

Larry Moore of 546 6th Lane advised that the sprinklers in his area were starting up randomly. Tom Collins advised that he would look into the matter.

4. PRESIDENT'S REPORT – Bob McKinley

For the benefit of any new people, Bob McKinley briefly reviewed the history of the storm water and drainage problems. He advised that VWS retained an independent engineer to study the problems, that we have tried to get the

developer and the original project engineer to make good on these problems. To date those efforts have been unsuccessful. In 2008, there was a special meeting of members at which the board was given authority to take legal action and that process has been started in accordance with the requirements of the Florida statutes. Some work has been done on the storm pond / conservation area but has not been finally inspected by St. Johns River Water Management District and until that happens the silk fencing in the area of the pond must remain. He advised that there is poor drainage in specific locations with some driveways having a negative slope. Our engineers have made recommendations to solve these problems and the developer and project engineer have been asked to make good on them. In the new year there has been an offer of settlement from one or more of those parties. They offered \$35,000 in full and final satisfaction and in return for a complete release from VWS. The offer was not a very meaningful effort at settlement. It has been rejected by our attorneys on instructions from the board, but the fact that an offer was made at least gives some minor encouragement.

Bettina Boudrot, who has bought 517 6th Street and will be closing later in February, stated that the plants in the garden beds at that location can't grow because of the soggy soil. Tom Collins undertook to examine the problem with her once she has moved in. Steve Guest indicated that the remediation plans for the drainage do not address that area of the development. Bob McKinley added that none of the systems are designed to work perfectly at all times. It is possible to have some standing water in any location.

As a follow-up to Larry Moore's earlier question about the sprinklers on 6th Lane, Tom Collins advised that the landscaper, Dale, was aware of the problem and was due to attend today. Tom was to speak to him to find out the problem was.

Laura Carson of 552 6th Street asked if the pond work was being done by the developer. Bob McKinley said that we suspect so but can not really be certain who is doing it. Some of the workers were people who had originally worked for the developer but we had never been notified about the commencement of the work or been given any reports.

Nick Molczanow of 498 6th Street asked whether the previous board of directors had been negligent in relation to these matters. Bob McKinley said that the developer, his wife and financial partner were the original board members. When homeowners were elected to the board, the developer's nominees were aware of the problems and had a fiduciary duty to disclose them to the volunteer members and the community. That was never done and the resident volunteers had no way of knowing and were not negligent. Nick Molczanow noted that the problems didn't happen overnight.

5. **MANAGER'S REPORT – Deb Coburn**

The Property Manager, Debbie Coburn, provided information on the special assessments. Counting interest some \$71,540.82 has been received to January 31, 2009. 52 units have paid the entire \$1,000 in full, 41 units have made the first installment of \$500, 3 units have made partial payments and have made arrangements to retire the balance. 6 units have made no payments. One of those has absolutely refused to pay the assessment. Deb Coburn said that a Notice of Intent to Lien cannot take place prior to March 1st (1 month after the final installment is due). Then the parties in question have 10 days to pay, after which the lien can be registered.

Bob McKinley said that we have no tolerance for anyone who refuses to pay. Those who are being reasonable, we will work with.

Motion was brought by Steve Guest, seconded by Sandy Fontana, that a notice of intent to lien be served on the defaulting parties at the earliest opportunity (March 1, 2009) with the exception of those who have been making payments and thereafter proceedings be taken to collect the amounts owing. The motion was carried unanimously.

Deb Coburn advised that two units have been sold recently (Lots 25 and 50) and will be closing later in February.

The 2008 Financial Statements will be available for presentation to the owners at the AGM in March.

6. **TREASURER'S REPORT AND 2009 BUDGET**

The Treasurer's report was given by Deb Coburn due to Barb Conits' absence.

Money Market Account:	\$43,833.42
Operating acct:	\$12,776.87
Special Assessment MMA	\$39,498.04
Reserve Fund Balance	\$24,407
Reserve fund year-to-date	\$15,311.95
Total Reserves	\$39,718.95

7. **OTHER BUSINESS**

A. Steve Guest discussed the up-coming Annual General Meeting scheduled for March 17, 2009 and that notices of the meeting will be going out around the third week of February. He asked Sue Jordan about her efforts to obtain nominees for the two board positions that will be coming vacant. Sue advised that so far she had two nominees: Hank Schulte and Harvey Rendleman.

- B. Apart from the election of two directors, one matter to be dealt with concerns the funding of reserve accounts. The Florida Statute on Homeowners' Associations requires that reserve accounts be fully funded unless the members vote otherwise. As those in attendance at the December '08 meeting will recall, the board made a decision to only partially fund the new reserve obligations arising out of the addition of roofs to the HOA responsibilities. This was done in view of the fact that members were already dealing with the burden of a \$1,000 special assessment for litigation. The roof obligations translate into about \$43 per household per month which is the amount that should be added to monthly HOA fees to conform with the reserve fund study's projections. At the December meeting the Board decided to increase fees by only \$10 per month for 2009. Under the statute, the members must approve that decision by a majority of votes cast at a meeting of members at which a quorum is present. In order not to have to call a special meeting for that purpose, it will be dealt with at the AGM in March. Bob McKinley pointed out that if the decision is not approved, the fees will have to increase and there will have to be a catch-up assessment. Steve Guest indicated that the short-fall is about \$33 per month. Therefore, if the decision is not approved, there would be a catch-up requirement of 3 months (roughly \$100) and an additional \$33 per month thereafter. The current reserve fund contributions total about \$26,470 per year. In order to achieve full funding that figure would have to increase by about \$33,000.

Bob McKinley offered that if anyone wanted additional information about reserve funding, he would open the floor for that discussion. Tom Collins said that at the last meeting, he passed around a flier from Fannie Mae that the annual budget must have a minimum of 10% contribution to reserves, otherwise, residents will have trouble getting mortgages. Steve Guest advised that we are now contributing over \$26,000 to reserves which is in excess of the 10% requirement. Therefore, we are currently funding to the level required by Fanny Mae.

Joe Woodrich of 521 6th Street asked about the possibility of replacing the roofs with metal roofing, which has a long lifespan and would get rid of the problem permanently. Tom Collins indicated that metal roofs had not been considered but he would look into it. The actual replacement date is many years hence.

Earl Jensen of 691 5th Avenue stated that he had his roof replaced on his house up north and the total came to only \$7,500. He had trouble understanding how the cost of the VWS roofs could be as high as \$15,000 per unit. Bob McKinley indicated that the estimate is for roof replacement in 15 to 20 years and there is an inflation factor.

Larry Moore said that he had a wind mitigation report done recently and it saved him \$175 on the cost of insurance. There followed a discussion on the advisability of getting a group discount for people who would want to have similar reports done. Tom Collins said that he would be talking to an inspector and would try to get a quote and would send an e-mail out to the community.

- C. Steve Guest repeated his plea for owners to sign consents to receiving notices by electronic means (e-mail) as it saves the HOA a lot of money and effort if they can avoid sending notices by registered mail.

- D. Tom Collins reviewed the results of the request for painting quotes for Phase 1 of the project. He said that the low bidder was identified at the last meeting (McLeod) and that not only did he have the lowest bid but he also came well-recommended by Deb Coburn who has dealt with him over many years. The vote to approve the awarding of the contract was deferred from the last meeting. The contract would include the first 4 buildings, namely, the three buildings on 6th Lane and the most westerly building on 6th Street. These are the oldest buildings in the project. The successful bid is \$4,600 per building. The unit owners may separately contract with McLeod for three items at an agreed price: painting of their lanais @ \$95, their front doors @ \$25 and power-washing of their walks and driveways @ \$30. Garage doors are included in the main painting contract.

Earl Jensen asked if the club house was included in the contract. Tom Collins advised that it is not included as we can not afford it this year.

Tom said that Dale Bushong has already started trimming shrubs on 6th lane in preparation for the painter's arrival. He reminded the affected residents that the shrubs would quickly grow back given Florida's climate. The painting will begin this week.

A motion was brought by Sandy Fontana, seconded by Hank Schulte to award the contract as described. The motion was passed unanimously.

Sue Jordan pointed out that the residents should ensure that their windows are closed when the pressure spraying is being done by the painter. Tom Collins advised that he would discuss the matter with the painter and possibly have him deliver a notice to the affected homes.

- E. Tom Collins discussed the problem of the berm along Indian River Blvd. eroding. It has already shrunk by one foot. We had received a proposal from Dale Bushong to sod the berm for \$800 but that decision had been deferred pending consideration of some changes in the berm planting to achieve more sound abatement. That was no longer under consideration and so we should proceed with the sodding. The amount was already covered in the 2009 budget. He moved that the contract be awarded to Dale, seconded by Steve Guest. Motion carried unanimously.
- F. Steve Guest recommended the formation of a Rules Committee to review the existing rules and recommend any changes to the Board. The rules have not been reviewed in two years and there should be a regular process of review. In addition, the rules do not contain an enforcement procedure that should be followed in all cases to ensure that the rules are not being selectively enforced. He said that the Committee should consist of at least one board member and some members of the community. It would probably have to meet about six times to carry out the job. He volunteered to serve on the Committee along with one or more members of the community. Verity

- Minahan (who had drafted the existing rules) and Sue Jordan were identified as potential members of the Committee and agreed to serve. Maureen Collins name was mentioned but she was not in attendance. The formation of the Committee was approved unanimously. Was there a motion?
- G. Bob McKinley thanked Earl Jensen for his work in watering the newly sodded area at the north side of the development leading to the conservation area.
 - H. Bob McKinley said that we should resume having the Friday Night Socials. The next social will take place at the Club House on February 27 at 6:00 PM.
 - I. Joe Woodrich asked whether the painters will wash the surface first? Tom Collins indicated that the painters will power wash the entire painted surface before painting - all the stucco and hardy-board, and trim, not just the walls.

8. ADJOURNMENT

The meeting adjourned at 7:06 PM.