

Minutes of the Reston Place Homeowners Association
Annual Meeting Held
February 18, 2016

Mr. Johnson stated that with those present and the proxies that had been returned, 103 homeowners were represented in person or by proxy and the Association documents required 162 homeowners be represented for a quorum. Mr. Johnson reminded everyone that the Association documents did allow the meeting to be adjourned and reconvened with no further notice at which time the quorum requirement would be reduced to 89. Mr. Johnson asked if there was a motion to adjourn. A motion was made, seconded and passed unanimously to adjourn the meeting. Mr. Johnson called the second meeting to order and reported that there was a quorum for the Association to conduct business. The homeowners present introduced themselves to those in attendance at the meeting.

Mr. Johnson stated that the next item on the agenda was proof of notice of meeting or waiver of notice. He reminded everyone that a notice for the meeting was sent out within the allotted time allowed in the Homeowners Association documents and everyone had an opportunity to return a proxy. The next item on the agenda was the reading of Minutes of preceding meeting. Mr. Johnson stated that everyone was given a copy of last year's annual meeting Minutes as they entered the meeting. He asked if there were any changes to the Minutes. A motion was made, seconded and passed unanimously to accept the meeting Minutes as written.

Mr. Johnson stated that the next item on the agenda was the reports of Officers. He asked the officers present if they would like to make a report. Those present declined. Mr. Johnson stated that the most important issue in Reston Place was the ongoing roof insurance claim from the March 31st 2015 hail storm. He reminded everyone that several pieces of correspondence had been shared with the homeowners with reference to the claim. The association filed a claim with the association's insurance carrier Philadelphia Insurance Company. The carrier turned it over to an independent adjuster. Phil James the adjuster stated that every roof in the neighborhood had been inspected. A list of approximately 120 roofs was turned over to the association with the understanding that all or part of those roofs would be replaced. The adjuster and Terry Johnson of J.D. Johnson roofing agreed on a cost and Terry was given a go ahead to replace the roofs on the list. Mr. Johnson, Mr. Tsapatoris, and Mr. Kukla pointed out to the adjuster that other homeowners were calling because they felt their roofs should have been replaced as well due to the hail damage. Mr. James the adjuster promised that any homeowner not receiving a new roof would have their roof re-inspected and given the opportunity to meet with an adjuster or roofing engineer to explain why they were or were not getting their roof replaced under the claim. Newer roofs can repel hail better than older roofs which is the primary reason some roofs are not being replaced. Anyone that wanted their roof re-inspected was instructed to contact Mr. Tsapatoris at Duckworth-Morris.

Mr. Tsapatoris passed out the prior year's budget, prior year's actual expenditures and a proposed budget for the coming year. Mr. Johnson reported that the Association budgeted \$444,348.00 not including the insurance premiums and the actual expenses were \$453,255.28 without insurance the

insurance premium. Mr. Johnson proposed that the budget for 2016 be \$452,698.20 without the insurance premium. Everything was within budget with the exception of landscaping, general maintenance, and painting. Mr. Johnson reported that the paint cost had increased due to increases in the cost of paint. He stated that several capital improvement projects had been completed that made the general maintenance appear to be over budget. Those projects included the new fence around the pool, the new fence alongside Snows Mills Ave, and the upgraded pool pump. Mr. Johnson said that the landscaping was over budget due to homeowners requesting trees to be cut down and yards landscaped. The board had recently met with an attorney regarding the association's responsibility with regards to landscaping. The policy should be in place in the near future. The initial indication is that the association is not responsible for cutting down a live tree if it is not damaging a house. Also, the association should not be responsible for sodding a yard if it is shaded by a tree. The funds for the budget overage were removed from the reserves. Mr. Johnson further elaborated that every line item would remain the same with the exception of the accounting & taxes, onsite manager, power, and painting due to an increase from last year. Mr. Johnson stated that there was an insurance premium increase. The fee increase will be effective April 1st and homeowners will be notified of the fee increase along with the meeting minutes.

Mr. Johnson stated that the board had met with the Association's agent several times prior to the insurance renewal. Due to the roofing claim the association's insurance renewal was postponed for thirty days. When it was renewed, it was renewed with a change to the deductible. When the adjuster originally estimated the cost of the claim for the roofing it was estimated to be \$1,800,000.00. This amount was reserved by Philadelphia Insurance Company. When the association's independent agent took it to market for a quote the other companies saw the reserve amount and a large open claim. The association did not receive any reasonable quotes. Philadelphia Insurance Company renewed it with a 4% rate increase which was not that out of line for a renewal increase in this market. The major thing they changed was the deductible. This deductible went from a \$5,000.00 per occurrence to a \$5,000.00 per building deductible for wind and hail. For claims other than wind and hail it is still \$5,000.00 per occurrence but if there is a wind or hail claim the deductible will be \$5,000.00 per home. Mr. Johnson said that their personal insurance needed to be written on a HO6 Policy and homeowners should have the Loss Assessment coverage on the policy increased to \$5,000. In addition homeowners should have Betterments and Improvements coverage. Mr. Johnson explained that since the Association's insurance covered the structures subject to a \$5,000 deductible the HO6 policy was the best match. The Loss Assessment coverage may protect the homeowner against the \$5,000 deductible and is extremely cheap to add to HO6 Policy. Homeowners should make sure they have \$5,000.00 in loss assessment coverage. Mr. Johnson said that some but not all policies allow the loss assessment coverage to cover the deductible. Homeowners should discuss this with their individual insurance agent. The Betterments and Improvements coverage is for improvements that have been made to the homes over the years. The Association's policy only covers the home as they were originally built, so any upgrades, such as replacing carpets with hardwood floors or replacing the counter tops with marble, would not be covered in the event of a claim. In the event of a claim if you have hardwood floor, but the home was originally built with carpet, the insurance company would only pay to put back the carpet. Mr. Johnson stated that he would be willing to speak with anyone's insurance agent who had questions. He said that it had

been his experience that many homeowners' insurance agents did not fully understand the Reston Place insurance situation since it was a little different and it was important that homeowners were insured properly.

Mr. Johnson stated the next item on the agenda was the election of directors. He reminded everyone that the association operated with nine board members and each year at the annual meeting three board members were elected to three year terms. He said that Patty Sturgis, Linda Pruett and Ryan Stallings had one year remaining on their terms. Charlene Dowling, Dolly Anders and Rush Crawford had two years remaining on their terms. Bob Griffin and Claude Wright had been nominated to serve new three year terms along with Caroline Williams. Hal Noble whose term was expiring had sold his home and moved. Mr. Johnson asked if there were any nominations from the floor. There were no nominations from the floor. A motion was made seconded and passed unanimously to close nominations and elect those nominated by proclamation.

Mr. Johnson asked if there was any other business. A homeowner inquired about the number of ducks. Mr. Johnson stated that there were no plans to remove any ducks from the property and that it was a sensitive subject. Some homeowners think there are too many and others have let management know they will be upset if any of the ducks were removed. A homeowner inquired about the bridge at the pond. Mr. Johnson stated that the plan was to repair the bridge. There had been a discussion about removing the bridge but homeowners had let it be known that they wanted the bridge to remain. There various other maintenance issues reported that Mr. Johnson asked homeowners to report to Keith Kukla or Duckworth-Morris after the meeting.

There being no further business the meeting was adjourned.

THE RESTON PLACE HOMEOWNERS ASSOCIATION

By: 

Bob Griffin, President