

## Minutes for the Reston Place Association Annual Meeting Thursday, March 09, 2017

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### **Call to Order:**

The Reston Place Home Owner's Association annual meeting was held on Thursday, March 09, 2017, at Indian Hills Country Club, 1650, McFarland Boulevard North, Tuscaloosa, AL 35406. Mr. Warner Johnson presided over this meeting, beginning at 5:30 P.M.

Mr. Johnson stated that with those present along with the proxies returned, 152 homeowners were represented in person or by proxy. Association documents require that 162 homeowners should 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 152. 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.

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.

### **Committee Reports:**

Mr. Keith Kukla, Resident Manager, was introduced. Keith proceeded to list current concerns that he is aware of and his actions to address these matters. Items addressed were city trash and/or appliance pickup, barking dogs, mosquito abatement over and above the City of Tuscaloosa's abatement efforts, and contractor trash handling. Keith also briefly described the communications protocol where he is the initial contact for all residents where Association provided services are involved. The work approval protocol has been updated to ensure all work paid for follows the Association Covenants, Conditions and Restrictions. This approval protocol also considers Board approved and documented derogations or constraints evolving over the life of Reston Place. Homeowners were reminded that they should first contact Keith Kukla at (205)345-2251 with any maintenance concerns. Keith will communicate issues that he cannot immediately resolve to Duckworth-Morris.

### **Other Reports:**

Mr. Johnson initiated the budget discussion by explaining prior year spending and projected spending. Spending demands over the past three years on replacement of shrubs, sod, drain maintenance, fascia and soffit repair, tree removal, tree trimming and the like created a cash flow crisis demanding that we, in mid-2016 limit spending commitments to operating cost like insurance, utilities, grounds maintenance and on occasion, repairs of drains or sprinklers where the situation demanded repair. Gutter cleaning was started about three years ago but funds were not available to clean gutters in January 2016 upsetting many people. Your Board had a decision to make on this budget to either reduce services or find a way to continue past service levels. Reston service levels are exceptional when compared to other managed communities and your services are a big reason that Reston Place is such a valued community. Rather than reduce services the

Board considered current and future Association service needs and determined that a minimum fee increase and a one time a year payment of \$200.00 would allow continued services and support the catch up of lagging services. Mr. Johnson stated here that we increased the lawn maintenance portion of the budget and that insurance cost had been reduced using the new carrier (Travelers). This change will be explained later in this meeting. The Board passed the budget including the \$200.00 payment to provide the cash flow to allow catch up of gutter cleaning, to replace drought destroyed shrubs and the like. Mr. Johnson, in answer to several fees related questions, stated that we do not have a deficit spending option to continue services. He also stated that increased funding is needed to maintain the expected level of services of replacing shrubs, repairing fences, and similar services. Mr. Johnson emphasized that we spend, each month, \$16,000.00 on insurance and \$10,000.00 on grounds maintenance before we spend money on fences, shrub replacement and such. The question of opting out of services was asked from the floor and addressed by Mr. Johnson. He replied that only intensifies the maintenance issues that diminish the quality of the neighborhood the option to opt out of services will not available.

Landscaping cost was elaborated on at this point. Approximately one third of spending for the last three years has been non-routine landscaping costs. Tree removal requirements and tree trimming when sod has been replaced has persisted over the past three years with 2015 being the highest of these years. The February 2016 curtailment of financial participation of the Association in tree and sod management exists because of landscaping cost over-runs due to the number of requests for landscaping work. Worth noting here are the elements that make up the majority of the association maintenance cost. Those elements are trees, shrubs, grass, the walks, and the fences along with paint, repair, replacement, and care of exterior building surfaces. All of which are defined as being provided for by the Home Owner's Association in Article Seven.

Gutters, on the other hand, are the homeowner's responsibility. That responsibility entails the care and replacement of gutters, roofs, and down spouts as defined in Article Seven. Gutter maintenance was assumed by the Association about three years ago but has recently been preempted by the financial demands of paint, repair, replacement, and care for exterior building surfaces and the trees, the shrubs, the grass, the walks, and the fences and other exterior improvements. Exterior building maintenance continues to dominate spending out of necessity. Excessive moisture on fascia and soffits and water splashing on to building trim and walls is typically the cause of this damage.

Mr. Johnson addressed the annual fees, reading from the documents the verbiage covering annual fees. Attorney Chris Jones has drafted a document interpreting the language of the Reston documents verifying that the board has specific authority to assess fees in the manner being used in 2017. This is not a special assessment but a fee assessed once each year in addition to monthly fees. The purpose of the fee is, exclusively to promote the health, safety, convenience, and welfare of the residents in the properties and for the improvement and maintenance of the common area, the limited common area, and the townhomes and garden homes situated upon the properties (Article 4, Covenant For Maintenance Assessments Section 2.). Special assessments are for the purpose of defraying the cost of construction, reconstruction, or replacement of a capital improvement upon the common areas or limited common areas and apply specifically to the year in which these costs are planned.

The \$200.00 additional fee will help fund initial gutter cleaning where they are causing structural damage and creating added repair costs. Secondly, this money will be used to defray exterior maintenance repairs resulting from home damage over the past few years. Thirdly, on an as needed but board agreed to basis, landscaping will be addressed, as will the landscape support systems including drainage and the sprinkler systems. Should there be any significant accumulation of funds; those monies will be placed in a Capital Reserve Account.

Concerns were voiced about a number of issues including neighborhood appearance and potential marketability of the neighborhood, management of visible personal property and trash set out timing. Discussed here were related Association Covenants, Conditions and Restrictions and future expectations as to the general information notification process. The gist of that discussion is that Duckworth-Morris and the Board make a concerted effort to better inform the Association as to all matters that impact some or all Reston residents especially when it comes to financial matters. The board will begin meeting at three-month intervals after this annual meeting to address new and ongoing issues; safety concerns due to what appears to be lack of maintenance, and to perform a reserve study to address long term capital needs. At this point, it was pointed out that there was a calculation issue on the handout presented detailing 2016 costs. The impact of the calculation issue would require clarification for the Board before finalizing the fees as currently stated. Mr. Johnson stated a corrected copy of the budget would be mailed to all homeowners along with the annual meeting minutes.

Mr. Johnson stated the Association's insurance was put out to bid and the association received an offer from The Cincinnati Insurance Company through USI and from several carriers through The Fitts Agency. The board met and decided to go with the Travelers Insurance Company through the Fitts Agency with David Fitts remaining the Association's agent. The Association saw a reduction in the premium from \$187,605.00 to \$168,708.00. In addition the deductible on wind and hail claims was reduced from \$5,000.00 for each affected home to 1% of the value of each affected home. 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 1% of the value of the affected home. This change in the deductible structure would save Homeowners in the range of \$900,000.00 in the event of a catastrophic loss. He stated that due to the better deductible the Board chose to go with the Travelers policy over the others offered. 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 protects 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 less 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.

### **Election of Directors:**

Mr. Johnson stated that 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. Mr. Bob Griffin announced that he wishes to relinquish the remaining two years on his term if the membership elected a replacement. His resignation was accepted and the Association thanked him for his devotion and work over the twenty years he has served on the Board and as Board President. Mr. Johnson reminded everyone that when Mr. Griffin took over as Board President it

was a very contentious time for the Association. He said that Mr. Griffin' leadership had been a great twenty year time in the Association's history. Afterwards, with some discussion, it was agreed that John Austin, who volunteered to fill Bob Griffin's remaining term, would assume the position vacated by Mr. Griffin. Turning again to election of directors Mr. Johnson said that the terms for Patty Sturgis and Linda Pruett are expiring and Ryan Stallings, due to other obligations is coming off the Board. Linda Pruett is willing to serve another term. Charlene Dowling, Dolly Anders, and Rush Crawford have one year remaining on their terms. Claude Wright and Caroline Williams have two years on their terms. Mr. Johnson asked if there were any nominations from the floor.

**Main Motion:**

With no nominations from the floor, the motion was made, seconded and passed unanimously to close nominations and elect those nominated by proclamation. The Board members are now Mr. Claude Wright, and Ms. Caroline Williams with two years remaining on their term; Mr. John Austin who is serving the remainder of Mr. Griffin's term; Ms. Charlene Dowling, Ms. Dolly Anders, and Mr. Rush Crawford who have one year remaining on their term and Ms. Linda Pruett, Ms. Caitlin Tubbs, and Mr. Elliott Jones are beginning new three year terms.

**Adjournment:**

There being no further business, A motion to adjourn was voiced, seconded and agreed to at 7:43 P. M.



Caroline Williams  
Reston Place Owners Association Secretary

4/7/17  
Date of Approval