

Board of Directors' Meeting  
Sky Bryce Association, Inc. (SBA)  
January 22, 2021

The meeting of the Board of Directors of SBA was called to order at 9:08 AM by President Jeff Manning via Zoom internet. Also in attendance via Zoom internet were Vice President Tom Wright, Treasurer Debbie Turley and Secretary Deborah Goddard, as well as Directors John Barnes, John Lavelle and Kathy Politis. Office Manager Laura McDaniel was absent.

Approval of the Agenda for the meeting: Motion made by John Lavelle to approve the agenda. John Barnes seconded. Unanimously approved.

Approval of Minutes of BOD meeting held on December 4, 2020: Motion made by John Lavelle to approve the minutes of the meeting held on December 4, 2020. John Barnes seconded. Unanimously approved.

President's Report: Mr. Manning advised the board that two new roads crew employees had been hired, and that former Business Manager Bonnie Henry had departed our employ during the first week of January. The Directors discussed obtaining additional member e-mail addresses from distribution lists of Bryce Resort and the local Lions Club.

Treasurer's Report/Office Manager's Report: No specific treasurer's report this month.

In Ms. McDaniel's absence, Debbie Turley provided an overview of her own efforts to update and streamline office functions upon the departure of Ms. Henry. She said that she had been able to obtain software for Quickbooks online at a discount of 50% for one year. Jason Tate, accountant, will have access to the program and can easily take over, or participate in the functions online. Mr. Lavelle noted that Mr. Tate could handle accounting tasks for \$4,000 per year. Ms. Turley is working to adapt the program to receive member assessment payments online. She is revamping the office files and has obtained attorney approval to purge old records and files.

When office functions are updated, a part-time employee will be hired for up to 20 hours per week. This employee will be responsible for specific tasks to be determined. Ms. McDaniel will now function as Office Manager. Ms. Turley informed the board of Ms. McDaniel's enthusiasm for office changes and for her role in being involved in the changes.

Ms. Turley arranged for a computer update for the sum of \$70 for one year. The office computers previously housed different versions of the same programs, and there was no universal access to data housed on the individual computers. The computers now all support upgraded functions of Microsoft Office files including Outlook, Word, Excel and Power Point. The e-mail platform was converted from Shentel webmail to Outlook. A new "One Drive" drive has been established to house folders and other programs, and it can be accessed through any of the computers. Existing files are being converted to the new formats on the new drive. Ms. Turley confirmed to Mr. Barnes that the newly-developed architectural report spreadsheet will be available to all on the One Drive. The Covenant Violations spreadsheet can be stored there as well, and the directors can get a link to access the drive remotely. Directors discussed that committee chairmen can work to develop their own area of the drive.

Ms. Turley is also arranging for a much-needed update of the employee handbook in accordance with all current Virginia legal provisions, including operations relating to the Covid 19 pandemic. She hopes to have it available for review by the other directors in February. She discussed the current provision of allowing employees to accrue up to 240 hours of annual and sick leave. Under this provision, employees must receive payment for unused accrued hours upon their resignation. It was noted that in a recent case, a departing employee had received over \$10,000 as compensation for unused accrued leave. The new policy will cap accrued leave at 40 hours, and will provide for a more robust leave tracking process.

Mr. Wright suggested that the employee evaluation process also requires revamping in the Employee Handbook. While the current policy provides for performance-based raises, he said that we have actually implemented across the board increases, regardless of performance.

Director Deborah Goddard is working to streamline the property owners resale disclosure packet function. She will research third party companies who prepare and disseminate resale packets for other HOAs. We have experienced a surge in resales over the past year, higher than previous years, but the surge in demand is expected to decrease. Ms. Goddard will check into the cost efficiency of outsourcing this function.

Director John Lavelle provided an overview of the decision to cease current negotiations for property management services with an outside vendor. At the December meeting, the board approved up to \$45,000 for outsourcing certain financial or administrative tasks to Matchbox Company. As the directors are redefining certain functions that can continue to be conducted in house at minimal cost, the principals of Matchbox determined that it would not benefit them economically to provide limited, piecemeal support. Negotiations were amicably suspended, and both parties mutually agreed that the relationship may be revisited in the future. The \$45,000 expenditure may be utilized as needed for additional streamlining of in house office functions.

#### Committee Reports:

Architectural & Environmental: See discussion of new architectural tracking system under Office Manager's Report. The directors discussed previous inconsistencies in obtaining and depositing escrow payments for major architectural requests. Such checks should be deposited into the escrow account rather than the operating account.

Budget and Personnel: Mr. Manning noted that the financials for November had been provided and asked Ms. Turley about the anticipated cycle for completion of financial reports going forward. Ms. Turley hopes to have the yearly budget set up by April or May so that all directors can review it. Mr. Manning also suggested receiving all monthly reports such as financial, patrol, minutes for approval, together, in the form of a "board package."

Legal: Mr. Lavelle previously provided a Legal Committee Report, and he reviewed specific ongoing delinquencies. The directors discussed investigating individuals for assets prior to wasting funds on collection efforts that will not be successful. Mr. Lavelle will follow up with collection efforts on some, and "close" uncollectible balances to remove from the books.

The directors briefly discussed violations of signs, and whether political flags are considered to be signs. If flags are considered to be signs, each flag would have to be approved by the board. The directors discussed obtaining a legal opinion from Chadwick Washington. Mr. Lavelle will send letters to property owners with improper signs, and the board will defer ruling on flags until we hear from counsel. Mr. Wright noted that signs or banners attached to a house or porch were previously permitted by the Business Manager.

Mr. Lavelle said that several members have unsightly vehicles improperly situated on their property. He will arrange for Ms. McDaniel to send the owners non-compliance letters. Untagged vehicles are permissible if they sit at least 20' from the road. We must afford the owners the right to attend a hearing. If they don't attend, we can charge violation fees. Mr. Lavelle noted the importance of having a good tracking system of these violations; i.e., does it show as an outstanding balance on their assessment invoice if they are charged for a covenant violation?

The directors also discussed several color code violations. Ms. Politis noted that yellow doors are a symbol of certain internet bed and breakfast rental companies, in order that the renter can more easily identify a property they have booked. The board discussed the benefit of a paint color palette. The board also discussed a property wherein the owner had chickens. They requested an additional 60 days to remove the fowl. Office Manager McDaniel asked them to put it in writing for the Board's consideration.

Mr. Lavelle discussed the amount charged by the law firm for collections versus the amount collected. While the legal costs of collection are high, we are netting at least some return. The directors discussed the need for a more economical path to collections. Mr. Lavelle noted that he wants to focus on the \$600,000 in accumulated delinquencies and a method to reduce legal fees. He said that Ms. McDaniel now files liens and would like to have her do more of that process in-house, to avoid the accompanying legal fees. Doing in-house asset investigations (do the owners have other properties; are they paying taxes, etc.) might reduce the legal costs. A collection agency is another possibility. Mr. Lavelle noted that the law firm and Jason Tate use different accounting formulas. Mr. Lavelle will have the flexibility to tell the attorneys/accountants to delete certain uncollectible items off the books.

Mr. Manning noted that in the past, SBA was unable to take back lots that owners no longer want because SBA would then be required to pay taxes on the property. He questioned the possibility of making such areas “green spaces” -- common areas which would not require taxes. Mr. Lavelle had looked into this in the past and was told no, but he will revisit the matter with the Shenandoah County Treasurer.

Long-Range Planning, Publications and Liaison: None.

Patrol Committee Report: The board was previously provided with a copy of the monthly patrol report. Ms. Politis commended Chief McDaniel and the officers in obtaining \$20,000 worth of digital radios from county police at no cost, and commended their good working relationship with the county. Mr. Manning praised patrol officers for their plowing assistance during the November snow storm.

The directors discussed the need to hire a part-time patrol officer, and Ms. Politis will discuss it with Chief McDaniel. Mr. Wright noted that SBA has operated with additional officers in the past. Mr. Lavelle questioned the patrol core hours and how many hours are required. What is our current schedule of patrol coverage versus a desired schedule of coverage? When do we get the most calls?

Mr. Manning brought up several aging vehicles in the patrol fleet. In the past, SBA reviewed replacement of aging vehicles when they reached 100,000 to 120,000 miles. Perhaps that mileage can be pushed higher based on the life of modern vehicles. Other local businesses use 160,000 miles as a base, but sometimes goes higher. Ms. Politis will discuss this with Chief McDaniel. She will also seek to identify the amount of maintenance previously spent per vehicle versus its mileage.

Roads Committee Report: Mr. Manning gave an update and said that Daniel Dove is doing a great job in his new position as foreman. The crew did an outstanding job with snow removal. Mr. Wright reported that Daniel seems to feel more comfortable with his current crew. Mr. Manning said that Daniel may feel that we do not need a 6<sup>th</sup> crew member.

Mr. Manning noted that there had been one complaint in which a snow plow created a divot in a homeowner’s driveway, allowing the mud and rain to erode the driveway. Daniel and his crew responded and immediately repaired the damage.

Mr. Manning provided an update to two equipment repair issues discussed at the December meeting. We received a final quote on clutch replacement for a trailer. The estimate for the trailer needing replacement was \$13,000 to \$15,000 to replace, and \$8,000-\$9,000 for a new bed. The base is in good condition, and it is just the frame that is rusted. Daniel is going to attempt to repair it by welding new material. The cost is an estimated \$2,000 and Daniel will make the repair in the next couple of months.

Mr. Lavelle addressed the question of what annual amount we should budget and spend on capital equipment replacement and building replacement each year, and that we should review the guidelines.

Stoney Creek Sanitary District Liaison: Mr. Wright reported that he had sent letters regarding establishing better liaison to state and county representatives and has received one response offering a list of resources. Activity on this initiative will pick up in the spring when the budgetary process begins.

**Unfinished Business:**

Resale Packages: See discussion in Office Manager's Report.

Architectural Packages: See Office Manager's Section and Architectural Committee section.

New Business: Mr. Barnes departed the meeting early, and Mr. Manning reported that Mr. Barnes had accepted a contract for the purchase of his home, and that he will be leaving the area and resigning from the board. Mr. Manning asked the directors to give thought to candidates to fill the remaining two years of Mr. Barnes' term. We will also need the new person, or one of the existing directors, to serve as Architectural Committee Chairman. Mr. Lavelle noted that recommendations for the vacant director position should be people who are willing to put time and effort into SBA operations and activities.

Mr. Lavelle noted that perhaps it is not necessary to fill Mr. Barnes' position, and Mr. Manning stated his preference to fill it. Mr. Lavelle also suggested that the board consider having a director dedicated to each specific section of Sky Bryce, as different sections have different problems.

Comments from Non Board Members on Agenda Items: None.

Next Board Meeting: The next meeting will be February 19, 2021 at 9:00 AM.

Adjournment: John Lavelle moved to adjourn at 11:08 AM. Debbie Turley seconded; unanimously approved.

Respectfully submitted by:  
Deborah Goddard, Secretary  
Board of Directors  
Sky Bryce Association, Inc.