

River Ridge Board of Directors Meeting March 3, 2021

Board Members Present: Terry L. Milligan, President (Boating and Fishing)
Kevin Jetter, Vice President (Golf Course)
Connie Suddueth, Treasurer (Architecture)
Anne Singleton, Secretary (Communications, Entertainment)
Drea Butler, Asst. Secretary (Beautification)
Paul Harvey, (Maintenance)
Robert Frazier (Pool, Security)

Sergeant at Arms: Absent

Property Owners Present: 1

(There was no February BOD Meeting due to BOD members being exposed to Covid)

The meeting was called to order and opened with a prayer at 10:00 a.m. by President Terry L. Milligan at the Kountry Kitchen. Everyone stood for the Pledge of Allegiance to our flag and was reminded to practice social distancing. Per our Governor's orders, the maximum persons allowed in this meeting is 10 at a time, available seat positions were marked with blue tape.

Secretary (Anne Singleton): Minutes from the last board meeting have been reviewed. No changes or corrections. Motion to accept by Drea, seconded by Kevin. Minutes accepted into the record as presented.

Architecture (Connie Suddueth): Currently I have 4 building applications.

Treasurer (Connie Suddueth): Connie Suddueth presented the treasurer's report. We moved 100,000 from Money Market to cover expenditures. Your budgets are Due April 1.

Cash as of March 3, 2021	
Operating Account:	\$ 125,187
Money Market:	\$ 655,699
Reserves:	\$ 456,739
Total:	\$1,237,625

Anne: Should the BOD vote on moving that large of an amount? No, it is all the same money, we continually keep as much as we can in Money Market to gain more interest and move it to checking if needed. I did mention in a Board Meeting a few months back that moving money from Money Market would probably be necessary for expected major expenses including digging the wells for the septic system and pump units.

Beautification (Drea Butler): We've been busy this week painting the marquee and stairs at the front gate. It looks really good. Easter décor will be placed at the front gate as well.

Boating and Fishing (Terry L. Milligan): Every slip (48 in Deer, 40 in Leisure, 40 in Groundhog = 128) has been leased. I am still working on repair quotes for block/brick work down at Groundhog and looking into making it more handicap accessible per a Property Owner's request.

Drea: How much would it cost to extend the parking area at Groundhog and make it more level? How about a drain under it? We could add more boat slips.

I think part of the reason the road at Groundhog is pitched so much is for water runoff. I wonder if we can just cut some of that down to take care of the pitch. We can investigate this. It wouldn't be cheap. Dominion will have to be involved in the addition of boat slips. They turned us down when we asked if we could add more sand at Leisure.

Anne: If we could add slips that would certainly bring in more revenue.

Boat decals are currently \$10 and will go to \$20 March 31. We are required by Virginia law to change over to LED lights. They originally said we had to change them all at once, now they say we can replace with LED as the current ones burn out and this will save us money and LED lights will deter bug attraction. Steve is coming up with a price/plan to possibly change the dock cameras. Our dock cameras are old, and I actually have to stand at the box and roll through hours and hours (sometimes days) of footage. A new system will allow us to download the footage on a jump drive and review remotely. The newly-installed cameras at the dumpsters are working great and the quality of the video is so much better.

Entertainment (Anne Singleton): Nothing to report.

Communications (Anne Singleton): The new paint on the front board looks nice. We only had 7 people show up for the 401K meeting. Steve Hazelwood will have all the data back to the office soon. I was unaware our employees received pay stubs. The 401 information will be on the pay stub. Paychex can offer us a bond for \$150 for 3 years.

Golf (Kevin Jetter): We have a mold problem in the pro shop. Terry and Paul can fill us in on that.

Terry: Donnie Beck was in that business a few years ago and knows the problems mold can cause. We called ServPro and they say it is black mold which is terrible. It can get in your lungs and colonize. They are working on a quote to get rid of the mold, sanitize the AC ducts and insulation. Mold abatement is awfully expensive. All ServPro will do is get rid of mold. RR will have to replace gypsum and reconstruct their demolition. No one can go in the building. The Pro Shop is currently set up outside and fully functional.

Drea: Why don't we go ahead during this process and add an extension to the building.

Connie: What caused it? Where is it coming from?

The original building was built below ground level. We have had a tremendous amount of water damage over the years. This is a work in progress.

We have the Feature Attraction band reserved for Memorial Day, depending on Covid restrictions. We are investigating getting new golf carts, as the expense to maintain them is growing. It is possible we can put some up for sale and recoup some of our money. We are in negotiation with Club Car. Along Leisure's roadway there is a lot of trash to be cleaned up. Trees are not cleared away as of yet. Mr. Hodges gave a price of \$3,000. Joe and I are working on the budget.

Anne: Regarding 90G: What is the status of them wanting trees cut down in a common area?

Unknown. Is this Architectural, Beautification or Maintenance? Unknown.

They need to put in a work order that must be preapproved by the BOD according to the Blue Rules. Connie will give them a courtesy call.

Terry: I received a couple of complaints from Property Owners that Hinda is allowing people through the front and back gates just because they say they are going to play golf.

There is a directional sign for the Pro Shop.

Maintenance (Paul Harvey): The compound looks great. We constantly address water/sewer problems. The digging of the test well is on hold. B&B prefers to wait until the ground is dry. We had to install a new differential in the dump truck and repair the emergency brake on the pump truck. Most of our equipment is in working order. We have a small issue on the Ranger to address. I have requested an increase in the budget to cover purchase of an F450 or F550 dump truck as ours is about worn out. Facility cleanup at the front entrance and on properties that River Ridge owns is in progress. I didn't even realize we had a half-basketball court in Buffalo, on the gravel part of Allegheny Drive, and we have cleaned that up. We separated the 'Jim and Joe Show' in hopes of preventing divorce; they work better individually (*laughter*). Speed bump posts have been painted. Culverts and ditch work is always in progress. It would be helpful to all of River Ridge if Property Owners maintained their own ditches year-round. The recent storm did a lot of damage; we spent about 4 days grading the roads and picking up branches. Regarding the Buffalo bathhouse, we contacted a Property Owner to ask permission if we can cross his lot and tie into his line, which is a pressure line directed to the main line, which would be a straight shot. Nothing will be done on the Property Owner's lot until we have written permission. Our part-timers are working out very well. If we can work it in the budget to get 1 or 2 more part-timers, that would be great. Joe is on ground maintenance, Stanley is doing all the readings and taking care of bathhouses, and I have Steve as well. We have 3 people who can only do so much.

Anne: Regarding the holes on Forest Trail about 29 or 30, some are way overfilled and others not enough. We had a limited supply of Coldpatch so I instructed them to please just put something in to take the sharp edges off.

Terry: Are the additional part-timers you need going to be 'grass cutters' or will they be 'in-addition to?' Grass cutting will be part of their responsibility. We only have 1 mower.

Drea: Regarding the speed bump in Kangaroo. It's dangerous, people still continue to speed. We are literally going to have to cut a part of the road out and build it up and I am not sure it's in our skill set. We will probably need to hire a paving contractor.

Connie: Perhaps you can also get a quote on getting all of Kangaroo repaved. The roads are terrible. I will move forward with getting quotes.

We recently took a new approach to a severe pothole at the corner of Boardman and Cimmaron (Between 93 and 94C). We excavated all the clay and soil and filled it in with #3 gravel, then added a couple of bags of Sakrete in, blended it and paved over it. We are experimenting and this may be the way we patch from this point on. In defense, our workers (myself included) are not skilled in all areas of maintenance. Some areas may be a little ragged, but keep in mind we cannot get skilled labor for what we can afford to pay.

Terry: Consider the backlash from our biggest complainers if we fix a road to a village before we repair the main road.

Anne: I think Fox, Coyote and Eagle Property Owners paid for their own paving. Not sure about Kangaroo.

Terry: These Property Owners paid with the agreement that RR would maintain it, not understanding how exceedingly difficult this is.

Drea: I would pay to have part of Leisure paved.

Anne: Leisure is not designed to be paved. An engineer would have to come in and assess.

Connie: Can we get an estimate and divide it by the number of homeowners? Good luck with getting them all to agree (laughter). I would like to investigate using recycled asphalt in all the campground sections.

We need to look at getting the paved roads upgraded as soon as possible because we did make that agreement. We have not done our duty here. But we are also getting quotes on doing road repairs in every one of the villages.

Anne: I heard of an estimate of \$1.2 million just to do Boardman and Allegheny. We may need to look at a special assessment to do the roads like we did the pool.

Pool (Robert Frazier): The pool remains closed. We can consider the 'opening' process soon, but it will have to be in accordance with Virginia Covid guidelines; whatever they are.

Security (Robert Frazier): We have a great team. We had 5 certified by Parker to pump propane. We do not have a pool manager or assistant manager as of yet.

Five-Year Planning Committee (Anne Singleton): I only have 8 volunteers so far. I need more.

NEW BUSINESS

Connie Suddueth: I received 3 of 5 sections (about 17 pages) to review so far. It is fantastic. She said we didn't need to pay her anything yet. She suggested running it by the board and then let our attorney look at it (but that might be expensive). I will make copies for BOD members and we all can review.

Anne: At the 401 meeting, employees had questions about vacation, personal and sick time. I told them to talk to you.

It is now all called PTO (Personal Time Off). Cathy is in contact with Paychex to resolve issues. No vacations will be approved from May thru September unless it is preapproved with a month's notice.

Drea: Did you ask her about Covid? Yes.

Terry Milligan: Drea, stay on top of Lot and 911 numbers. There are many places that do not have them. This is a constant safety/security issue. The boat that was down in temporary parking for so very long is now gone.

Robert Frazier: The boat that has been up front for so long is also gone.

Paul, are you and Robert still working on escape routes? *Yes.* Are you still working on the auction? *Yes.*

Connie Suddueth: Last month we had 28 homeowners behind on their Dues. The office and I followed Mecklenburg County requirements and we placed liens on all 28 properties. All have paid except for 13 which amounts to about \$13,000. Russell, the auctioneer, has a deadline to meet if we are doing an auction in August. He needs all the information ASAP. Russell usually researches the titles and places liens, sends letters to the homeowner's; some would pay him, some would come and pay us. Since we have already placed liens on 13, he can just do the follow up and those will be the 13 we auction in August. Last year we pushed it back until October (Covid) and we had 6 Property Owners pay us after our attorney got involved. It costs us \$1,500 per lot, for our attorney to do the lien, research the title and do

the auction. My biggest concern is: As an example: If the homeowner owes RR a \$1,000, and the attorney bills us \$ 1,500, that equals \$2,500 owed to RR. If that Lot only sells for \$1,000, RR is losing money. If the homeowner comes forward and pays before we go to auction, it is nothing out of our pocket. If a lot goes to auction, and sells at a low bid, we lose money.

Something else that happened recently: A Property Owner in Deer advertised on Facebook that his lot was up for sale. An attorney in Boynton (representing the Property Owner) called and said, "The owners are selling a lot and I notice RR has a lien on it." The office (Debbie) confirmed that and also told the attorney the Property Owner also owes us tribunal charges and water and electric bills that have never been paid. The attorney then told the office he would not continue to represent that homeowner.

Another thing to consider is this: If the Property Owner owes us (for example) \$700 and the attorney charges us \$1,500, we can set a minimum opening bid at \$2,200, BUT if the lot does not sell, RR will own it because setting a minimum means RR made the first 'bid.' In my opinion, in the end, an auction costs RR a lot of money. However, with BOD approval, I will go ahead and give Russell the information on those 13 lots?

Paul: Can we move it to October to allow Property Owners more time to pay up? Yes, it's possible.

Terry: Can you negotiate another price since we have already done the liens? Yes, will try.

For the people who have paid, did you incorporate the cost of taking out the lien? Absolutely!

As a related matter, someone called the office and said they were buying a lot without using a Realtor. Debbie informed the buyer that RR requires new lot owners to get an informational packet and when she comes in with her Deed, she will have to pay \$50. So, our new system is working for 'For Sale by Owner' lots. (Those who use Realtors pay this fee in their closing costs).

Terry L. Milligan: We discussed the purchase of a fire truck previously, and we are all aware our attorney said the liability is too great. With approval of the BOD, this matter is dropped.

We have had no response for a volunteer to chair the Election Committee.

Paul: I was on the committee with Al a couple of times, and I believe I have all that paperwork scanned into my computer. I will forward those to the office. Al did a great job putting those documents together.

I spoke with the County Dumpster Manager. He told me those dumpsters were put here for RR, not for everyone. The rules are that anything that should not go in it i.e., mattresses, the workers would throw them aside and RR would take care of it. For other 'county' dumpsites, yes; they must pick up all that stuff because there is no one else to do it. He said they have 3 locations picked out, close to us, for new Convenience Centers, but he would not tell me where. He also said in about a year and a half our dumpsters will be gone, and RR will have to use the new Convenience Center. Robert Frazier caught someone on video dumping contraband. After we look at all the pictures, if we want to prosecute, it will have to be River Ridge's responsibility to do so.

OPEN DISCUSSION: There are many outsiders using our facility. We can put up a fence to allow RR only, but why waste that money for only a year and a half. Let's watch the camera as much as possible and prosecute. Can we put up a sign that says dumpsters are for RR only? Yes. When the dumpsters are gone, perhaps we can enlarge our storage area.

OLD BUSINESS

Terry L. Milligan: Covenants are ready to go, we need the BOD to vote to get them copied and sent out for vote.

Paul: I make a motion to move forward with the proposed covenant changes.

Connie: I would like to discuss further.

OPEN DISCUSSION: There is concern about this being the last year for the \$400 assessment. When we lose that assessment, RR simply will not be able to operate on annual Dues of \$250. We must raise the Dues \$400 to compensate for the \$400 loss. It will be costly to do a mass mailout to every Property Owner just to vote on a few covenant changes that have nothing to do with major money matters. Why can't we incorporate a Dues increase with the new covenants? The Covenants Committee discussed this issue and felt it will be difficult enough to even get two-thirds of Property Owners to return their ballots; and besides, we cannot use the 'quorum' rule with the covenants. Our current covenants allow a 'two-thirds rule' for special assessment for capital improvement and change in annual assessments. To remain within our current rules and guidelines, this BOD can consider sending out a letter to all Property Owners, calling for a vote on the 'Dues' issue, separate from the covenants, and use the 'quorum rule' if necessary. So, what are the proposed changes, and do they warrant the expense of a vote right now?

There are 9 proposed Covenant changes:

- Most references to "Developer" have been deleted as we are no longer 'Under Construction' and have become an 'Association.'
- All camping lots will have 50-amp service.
- Mobile home sizes must be in accordance with Mecklenburg County regulations and have 200-amp service.
- All references to 'Proxy Vote' are deleted, allowing for in-person or mail-in votes only.
- The penalty for late payment of Dues is raised from \$5 to \$10.
- All building material must comply with Mecklenburg County regulations.
- Covenants shall be automatically extended for successive periods of 5 years.
- Campers or mobile homes older than the period stated in the covenants may be allowed via a waiver upon approval of ALL members of the BOD.
- Stick-built dwellings are allowed. (Camper frames will no longer be required).

Regarding a timeline for a vote on the proposed covenant changes: On advice of our attorney, we will put together a special committee. Their job will be to keep up with the ballots as they come back in. After the cut-off date, the committee will inform the BOD of exactly how many Property Owners have responded. If it is less than two-thirds, we will send the non-responders a second letter again asking for their vote. Up until the time we either get two-thirds of all lot owners to respond either YES or NO, the covenants cannot be changed.

OPEN DISCUSSION: If we include a self-addressed, stamped postcard ballot, we may get a better response. There is really nothing in the proposed changes that should scare anyone. We know there will always be a handful of property owners who enjoy stirring up trouble. The biggest changes are changing 'Developer' to 'Association' and allowing stick-built dwellings. Can we just change the Blue Rules without changing the covenants? Yes, we could, but we should change the covenants which is our foundation. Bringing the covenants up to date is important. The last changes were made in 1970, it is now 2021 and that is 50 years since the Covenants were