

Annual Meeting: Soapstone Cluster Board
March 15, 2025

Annual Budget and Director Elections

Question 1: Accepting the proposed budget for FY2025-26 as presented.

Result: Approved

- 46 – Yes
- 1 – No

Question 2: Acknowledgement that the proposed budget requires a quarterly assessment of \$470.00

Result: Approved

- 46 – Yes
- 1 – No

Question 3: Approve transfer of \$42,847 from the FY2025-26 Budget into the reserve fund.

Result: Approved

- 45 – Yes
- 2 – No

Question 4: Approve transfer of any excess monies from the FY2024-25 budget to be added to the Operating Reserve Fund for FY2025-26

Result: Approved

- 47 – Yes
- 0 – No

Question 5: Approve of a resolution dated March 15, 2025 as follows: Resolved, that any excess of membership income over membership expenses for the year ended March 31, 2026 shall be applied against the subsequent tax year member assessments as provided by IRS Revenue Ruling 70-60.”

Result: Approved

- 46 – Yes
- 0 – No
- 1 – No vote

A motion to approve meeting minutes from the 2024 Annual Meeting was made by Kate and the motion was seconded by Amy.

Board Director Election Results

46 total responses (58%) on Board Directors ballot.

Results:

- Jeff Davis: 38
- Sebila Raubacher: 46
- Adam Smith: 34
- Jonathon Vaughn: 21

Jeff and Adam and Sebila Executive Directors. The official transition is immediate.

Wood Hollow Property Management Progress

Debra and Addy discussed the accomplishments of the past year, including significant work done on retaining walls in the cluster, the approval and funding of a playground project, and substantial tree work. They also mentioned the need for further tree work and the ongoing process of clearing funds for the playground. Debra emphasized the importance of managing the property's size and activities, and Addy highlighted the benefits of using Brightview for landscaping and leaf pickup.

Addressing Cluster's Financial Overrun

Debra discussed the financial situation of the cluster, highlighting a \$13,000 budget overrun due to unexpected federal and state tax hits and legal fees. She explained that the tax burden was due to significant interest income from CDs, which is now taxable. The legal fees were mainly for recruiting a new board and addressing delinquencies. Debra also mentioned an increasing level of assessment delinquencies, which could lead to a financial crisis if not addressed. She emphasized the need for immediate attention to this issue.

Economic Outlook and Budget Challenges

Debra discusses the challenging economic outlook for the coming year and its potential impact on the organization's finances. She mentions that they are locked into contracts for the next year, with some mid-year expirations, and explains that the budget is very lean with negative net income. The board explores the possibility of investing in Treasury bills, but Debra advises consulting with a CPA due to regulations on short-term investments. The discussion also touches on the organization's property boundaries, with Addy offering to provide a map to residents. Rachele seeks clarification on the increase in state and federal taxes due to higher interest income, which Debra confirms is because they have previously not been taxed on interest in prior years.

Trash Collection, Tree Services and Tax Reduction

Debra discussed the ongoing issue of trash collection costs in Reston, mentioning that

Reston Association is evaluating the possibility of having Fairfax County collect trash. Debra mentioned the need to address the deteriorating tree canopy, which is a significant liability for the community. She acknowledged that the new board will face challenges in managing these issues.

Jeff asked about the delinquency fees in the budget, to which Debra explained the process of collecting fees and the potential legal fees associated with it.

Rachele proposed working with the board and other investment firms to explore ways to reduce tax liabilities and interest income. Debra clarified that the current CPA contract only covers tax filing and audit, not consulting services. Rachele suggested exploring alternative tree maintenance contractors to mitigate risk. Addy confirmed that due diligence was done in selecting the most economical vendor for tree services.

Debra the importance of cataloging all trees to ensure cost-effective tree management and safety.

Financial Management and Reporting Discussion

The board discusses financial management and reporting, focusing on how prepaid assessments are reflected in financial statements. Debra explains that prepaid assessments appear in the balance sheet but not in the statement of revenues and expenses. The group also addresses concerns about sidewalk maintenance and the process of foreclosure for unpaid assessments. They consider updating the cluster's bylaws to better align with current needs and discuss the importance of following proper procedures for any changes.

Improving Communication and Information Accessibility

The meeting covered improving communication and information accessibility within the community. The team discussed the need for a centralized platform, such as a Google Drive, to store and share documents, including financials, meeting minutes, and bylaws. They agreed to update the existing website and utilize the Google Drive for easier access to information. The team also decided to discontinue the Facebook account due to spam and privacy concerns. The new board was tasked with setting up a meeting schedule and determining roles. The fiscal year was confirmed to run from April 1 to March 31.

The group discusses communication methods for reaching residents, including the use of Hubspot, a free CRM platform, for sending emails. They note that about 40-50% of residents read the communications. The board is required to send meeting notices 7 days in advance. Some residents have issues receiving emails, possibly due to security settings or outdated contact information. The group also discusses welcoming new residents, with board members personally visiting new homeowners. They acknowledge

a recent influx of new residents and the need to integrate them into the community. The meeting concludes with thanks to the outgoing board and welcome to the incoming board.