



TOLLGATE ASSOCIATION
Falls Church, Virginia 22046

**Tollgate Association
2012 Annual Meeting**

Date and Time: November 18th, 2012 at 5 pm

Location: 118 Tollgate Way (Donaldson residence)

Attending: For All Tollgate Residents

1. Comments by Jim Hogle & introduction of Board Members-Special thanks to the Donaldson's for hosting the annual meeting.
2. Introduction of Committee Chairs
3. Committee Reports & Introduction of committee volunteers
 - a. (Marie Murray) Landscape-Special thanks to committee members Gayle Phillips, Tom Smolinski, Joe Romer and Bob Donaldson for all their help and hard work this year. Marie also recognized Bob Donaldson for completing the Arlington County Tree Steward program. Bob is now a Tree Steward, and has also been chosen to serve on the City of Falls Church's Tree commission.

The Landscape Committee is responsible for the care of all grassy areas, shrubs and trees outside the walls of individual courtyards, and recognizes the importance of our landscaping in contributing to the overall property values in the neighborhood. Like any investment, our grass, shrubs and trees, need proper care to ensure their continued health and value. The Committee also understands there is a balance between the desires of individual homeowners and the overall appearance of the neighborhood.

The current landscaping contract ends this year. The Committee is working to solicit bids for 2013. Our current landscaping company is interested in continuing the work here. Another company, Bear Dog Landscaping, initially expressed interest in submitting a bid, but subsequently withdrew from the bidding process citing profitability concerns, as has been the case with other companies in years past. The Committee will continue its efforts to obtain other bids.

The Committee recognizes that our landscaping costs are significant, but works hard to keep costs down. Still, certain expenditures such as fertilization, pruning, and mulching, are a necessity in preserving our

landscaping assets and avoiding replacement, which is much more costly than maintenance.

One homeowner has expressed concern regarding the chemical spray applied to our grass. In response, the committee has met with a “green” contractor and has a bid for “green” treatment of the lawns of Tollgate. The committee is now reviewing the chemicals being proposed and comparing the cost differences.

The Committee does not follow a ‘use it or lose it’ approach in managing the landscaping budget. Budget surpluses are returned to the Association fund at the end of the year. As a result of the Derecho storm last summer, we did very little shrub planting in order to divert funds toward covering higher than expected tree costs. We planted bushes at #102, #111 and a Photinia at the end of the street.

Joe Romer recognized the efforts and hard work of our Board and Committee members. Joe stated that issues brought by our neighbors are handled quickly, diligently, and thoughtfully.

- b. (Bob Donaldson) Trees- This summer’s storms brought down the American Beech and Sweet Bay Magnolia in front of #108 and #110, a Redbud at #116, and one tree next to #124. We also lost a Photinia at the end of the street to disease. The Photinia and the trees at #108 and #110 have been replaced, while the remaining trees will be replaced at a future date.

Tollgate is bound by certain requirements that were specified when the development was initially approved by the City. We must obtain a Permit from the City before taking down any tree. The City requires we maintain a certain number of trees, so when we lose one tree, another one must replace it. All replacement trees must be from the City’s list of approved trees.

Bob cited the good working relationship we have with the Greenery, which has made them very responsive to our issues. When the tree in front of #108 was brought down by the Derecho storm in June, the Greenery responded and removed the tree within just a couple of days.

There are several trees in decline that will need to be taken down and replaced, including one in front #105. Also, the pine trees around our perimeter were planted too close together and have started to die. These will need to be replaced in the future.

Fall pruning will begin soon. Pruning is necessary to prevent disease and for safety purposes. This fall’s work will include the Red Maple at #135, the Pecan at #118 and the Japanese Maple at #106.

The Pecan tree in front of the Donaldson’s will be recommended for a special protection status by the City of Falls Church as a Specimen Tree.

- c. (Garry Sauner) Architecture-Special thanks to committee members Tony D'Ermes, Mark Kaye, Marie Murray, and Theresa Romer for their contributions and hard work this past year. New volunteers are welcome to join the committee in 2013.

The Committee addressed a variety of requests this year, and generally works hard to address new requests as quickly as possible. Homeowner's are reminded to refer to our website for architectural guidelines prior to submitting a request to the Committee.

- d. (Garry Sauner) Maintenance- While not officially recognized as a committee, this group focuses on addressing the maintenance needs of the neighborhood. This year we focused on the wrought iron fence at the front of the neighborhood including brushing, painting and welding work. We were unable to accomplish masonry work on the front walls. One contractor fell through, and we were unsuccessful in obtaining bids from other contractors.

Neighbors are asked to pass along recommendations of reputable, competitive masonry companies who might be able to perform this work for us in 2013.

Rat Remediation-Jim provided a summary of the Board's 2012 rat remediation efforts. The Board has contracted with professional pest control companies to control the rat population within our community, but the level of services rendered was disproportionate with the costs incurred. In early 2012, the Board proposed taking on pest control activities to more effectively manage the rat population in Tollgate.

The Board considers public safety its number one priority as it handles pest remediation within the neighborhood. Extensive research was conducted in selecting the proper bait stations and rat poison that minimize exposure to humans and non-target animals while maximizing rat control effectiveness.

There are currently eighteen active bait stations placed along the perimeter of the community. Neighborhood volunteers actively monitor these bait stations on a bi-weekly basis. Proactive monitoring offers a complete picture of rat activity in the neighborhood. By understanding the level and locations of rat activity we are better able to effectively bait and position our bait stations. Additionally, we have realized significant cost savings over the past year. Our annual budget for rat remediation was reduced from \$1000 to \$365.

- e. (Wynne Hogle) Social-We had three very successful socials in the past year including our holiday social last December, as well as the fall and spring socials. Good times were had by all. Special thanks to everyone who contributed to these events over the last year.

The committee is currently seeking someone to host this year's holiday social in December.

4. (Bob Donaldson) Treasurer's Report:

- a. 2012 Budget - http://tollgateway.org/budget/2012_budget.pdf

Net Worth as of 11/8/2012 - http://tollgateway.org/budget/2012_net_worth.pdf

Expenses as of 11/8/2012- http://tollgateway.org/budget/2012_expenses.pdf

This year, two board members audited the books and signed off with no issues found.

We were able to increase our liability insurance to \$4 million at no additional cost.

We cancelled our account at BB&T due to unreasonable fees, and moved the accounts to Burke & Herbert. We expanded to three accounts for annual budget items, capital asset, and maintenance items.

We were under budget on several landscaping items, but went over budget on tree removal due to storm damage.

The 2013 budget is pretty much identical to prior years going back to 2006, and dues have remained the same since that time.

- b. Asset Inventory-At the last Annual Meeting the Board recommended, and the Homeowners agreed to, the creation of an Asset Management Plan to comply with Virginia Statue. In 2012, the Board developed a framework for guiding future dues assessments. In building this framework, the Board inventoried the Association's assets and cost categories. Four cost categories were identified including short-term annual budget items, medium-term asset maintenance items, long-term asset replacement items, and special assessment items. The inventoried expenses, combined with useful life and cost estimates, highlighted a deficiency in the asset replacement budget. The proposed 2013 dues assessment is driven largely by the need to address this deficiency.

Ed Hahn presented the Dues Analysis spreadsheet in detail.

In discussing specific budget items, Matt Kahn questioned whether or not we actually own the brick wall at the front. Mark Kaye cited a discussion with City officials in which he asked whether or not they own responsibility for the walls. The City indicated that we would need to research the matter. Question: What documentation exists that specifies who has ownership of the walls? The Board will look into the matter and provide a clear answer at a future date.

There is concern by some homeowners over rising costs in Tollgate. Mark Kaye suggested spreading out our costs to realize annual cost savings. He believes that certain services can be performed for less money, and argued that the Board should consider dues increases within the larger

context of homeowners' budgets, real estate taxes, and federal/state income taxes. Although it is necessary to collect a sufficient amount of money for covering current and future costs, it is also necessary to keep our costs down as much as possible.

Joe Romer mentioned that our aggregate property value is worth \$20 million, and that we are spending one fifth of one percent annually to maintain this property value. Joe also recognized the exceptional, diligent, and thoughtful work performed by Bob, Marie, and others, and believes that our committee and board members should be given some latitude in performing their work.

Matt Kahn contends that the Board should reduce or eliminate costs where possible (ie. social, holiday decorations) in consideration of neighbors who are more cost sensitive.

Mark Kaye commented that this is a small community, and efforts should be made to work with neighbors and get people involved in making decisions as much as possible. Mark acknowledges the importance of maintaining the appearance of the community, but some neighbors are cost sensitive, and dues increases should bare this in mind.

Chuck Murray commented that it is expensive and difficult to defer maintenance and dues increases. Joe believes the board and committees have been exemplary in controlling costs by doing work themselves.

Paul Ehmer believes the proposed dues increase is reasonable.

- c. 2013 Budget-Budget items for 2013 are relatively unchanged compared with 2012.

5. Review of Tollgate Association Measures

- 1. Approval of measure to increase the annual dues assessment effective January 1st 2013 to \$1500 per year, payable by January 31st, 2013.

Yes: 24 No: 5

- 2. Approval of the measure to increase in the annual dues assessment effective January 1st 2014 to the increase in the federal Consumer Price index.

Yes: 7 No: 19

This measure was suggested at last year's annual meeting, and the Board decided to add this item for discussion and voting. At the time, some believed, and continue to believe, that incremental increases tied to the CPI would be more palatable to the community and easier to implement than large, periodic increases.

Steve Lyons expressed concern with this measure because it is inconsistent with our by-laws, which require we come together annually to vote on dues increases. He also believes group discussion and consideration of dues increases is important and valuable. Jim wanted

everyone to at least consider the notion of an automatic increase and its potential to soften the hardship that comes with annual dues discussions. Chuck agreed with Steve's comments, but is generally okay with dues assessments being tied to the CPI. Joe expressed concern that given how difficult it is to pass a dues increase, increases may not happen, even when necessary.

Eric Kirschner expressed concern that it would be difficult to convince people to approve a dues increase above and beyond adjustments tied to the CPI.

Matt indicated that he is unaware of any other townhome community that has an automatic annual dues increase.

Cindy Donaldson cited the city real estate tax credit as a buffer to the \$100 annual increase.

Melhem Melhem argued that the \$100 increase is nominal and unlikely to deter prospective homebuyers. He also believes that maintenance and replacement costs are higher than what Matt indicated they would be.

3. Approval of 2013 Annual Budget

Yes: 25 No: 4

4. Conduct a secret ballot election to fill two Tollgate board vacancies for a 3-year term.

Joe: 19

Rob: 27

Mark: 10

The next Board meeting will be on Saturday, December 8th at 9:00 am. The meeting will be held at the Powell's house (#107).