

Charleston Village Homeowners' Association

Annual HoA Meeting Held on November 13, 2017

Charleston Village Clubhouse

A quorum was present and the meeting was called to order at 7:00 PM

Minutes approval

The minutes from the 2016 annual minutes were approved

President's report

- Noted that the common area land sale question is still ongoing.
- Noted that the drainage issue at homes along Castleburg is still ongoing.
- Commented that it has been a very busy year for the board
- This is Bob's last year on the board after 9 years
- Stressed that the neighborhood lacks volunteers, several committees need members (landscaping, socials, newsletter, clubhouse, pool, etc.)
- Stressed the importance of homeowners coming to regular monthly board meetings, this is the best way to know what's going on in the neighborhood and shape the neighborhood's future
- Noted that this past year swim team season was the best year in his tenure as president in terms of the board's relationship with the swim team committee. Attributed this to the meeting that was held at the beginning of the season between the board and swim team committee.
- Noted that Karen Bingham does a great job with the clubhouse and socials committees, thanked her for the efforts she does there
- Closed by stressing that homeowners get involved in the community

Treasurer's report

- Overview of year to date spending through October
 - Income comes from clubhouse rentals, late fees, and dues. \$165,000 YTD
 - 28% (\$41,000 YTD) of annual income so far spent on administrative fees (legal, mailings, management contract, etc.) – on par with recent years.
 - 27% on pool expenses (pool maintenance contract). \$38,000
 - Clubhouse (HVAC, repairs, supplies, etc.) 4% of income, \$5000
 - Utilities \$10,000, about 6%
 - Grounds 24% of income, 35,000 YTD (most is landscaping contract)
 - Only thing mentioned around ponds/dams in landscaping contract is mowing grass on dam at Castleburg/Weehawken
 - Remaining 10% left goes to reserves (\$16,000 budgeted for 2017)

- 2018 budget is similar to 2017. Added \$6000 to legal fees based on ongoing issues (drainage, ponds, etc.). Landscaping and management companies were updated and are slightly more expenses
- Reserve study was performed, finalized in January of 2017. With existing rate of reserve funding (currently at \$105,000), firm that performed reserve study estimates that in 3 to 5 years we'll run out on reserves. Can be fixed by raising dues or decreasing expenses (not a lot of room to reduce expenses). Should end 2017 with \$108,000 in reserve fund. This fund is used for large neighborhood projects that aren't budgeted for. The projected reserve expenses factored heavily into the board's recommendation to sell the common area land that is being considered.
 - On average over the past several years we have put \$10,000 per year into the reserves.
 - Homeowner asked what significant expenses over the next several years are
 - \$10,000 in 2019 to replace roofs, \$2700 for exterior doors, \$5000 for pool pump
 - \$15000 for drainage improvements in 2020, \$7500 to replace the straps on the pool furniture
 - Question about how large the deficit against the expected reserve needs will be. Reserve study predicts that by 2035 we'll need approximately \$550,000 - \$600,000 in addition to what is currently projected to be added to reserves. This is a major shortfall that will have to be addressed.
 - Question about whether expenses can be cut. A homeowner commented that in their tenure here, when we've cut large expenses in the past for things like landscaping and the pool those areas end up looking bad

Introduction of board member nominees

- 2 positions coming available (Bob and Tim's seats are up for reelection). These are board seats; the board will internally choose which roles will be filled by whom.
 - Kim Warren is on the ballot
 - Introduced herself by saying the following: Has lived here for almost 19 years. Treasurer for swim team committee. Loves Charleston village, happy to share personal contact information and answer any questions.
 - Joe Pinkus nominated himself
 - Joe subsequently withdrew from the race. Believes that Kim is a good candidate, and wants Tim to stay on the board to see through the current issues.
 - Tim Ruff nominated himself to rerun for the board
- Nominees were unanimously approved by vote of affirmation. No ballots were taken because there were only two candidates for two seats.

Homeowner Open forum

- Rae Eichenbaum asked why a fee isn't collected from the swim team given that they use the pool extensively.

- Board commented that in terms of participation being allowed to all age groups, the socials committee plans events for all age groups but attendance is limited.
- Board commented that we think the swim team is a great benefit to the community and that they pay for the majority of their own expenses (other than the pool itself).
- Rae Eichenbaum clarified that their question is more centered on ways to increase revenue/reduce expenses than a complaint against the swim team.
- Tom Hull suggested that looking to 2018, any net swim team proceeds could be shared with the homeowners' association as a way to increase revenue.
- Frank Martell suggested that board meetings be moved (at least on occasion) to a different night of the week.
 - The board commented that we've heard this request before and will have to discuss. We think it's unlikely that the board will want to meet on a weekend night.
- Homeowner at 2017 Ironsides Ln asked if we know if any of the construction along Old Jenks will result in the road being widened. We know that the road is considered a state road and therefore the developer/town doesn't have to make official changes to the full road, but that changes could happen in the areas of the road immediately bordering the new development. From looking at the plans on the town of apex website it looks like a median/turning lane will be added.
- Board gave clarity on the frequently asked question of whether ponds/dams are insured. We have talked to the insurance agent and learned that we don't have insurance/liability coverage for the existing pond/dam or any damages arising from anything that may happen with them.
- Rae Eichenbaum asked what will happen with proceeds if we sell land. Board responded that it will be put into reserve fund with specific spend items TBD.
- Sean Livernois thanked the board for the time we have put in. Asked what the next steps are for the pond/dam, asked why we aren't considering just breaching the two dams to save money. Board commented that originally, we strongly did not want to sell the land, but after examining the financial aspects we strongly feel that we need to sell the land.
- There was some discussion from homeowners about whether the neighboring property (10-acre parcel) is for sale, under contract, or sold. Sean Livernois commented that he believes it is under contract. Kim Warren spoke up saying that she had been in contact with an agent involved in the transaction who informed her that the property had sold and that she would share this information with the board after the meeting. **Note:** Following the meeting, Kim spoke with the board and retracted her statement. She confirmed that the property is, in fact, still under contract.
- Tracy Taylor commented that homeowners who border common area paid a premium for their lots, referenced a note in a previous meeting minutes that these original owners were promised that 90 feet of buffer would remain behind their properties.
- Tracy Taylor stressed that since the neighborhood doesn't own 100% of either the pond or dam, we shouldn't be responsible for 100% of costs associated with them. Suggested

that rather than incur a special assessment to repair the dams, we could incur a much smaller special assessment to repair the dams.

- Sean Livernois commented that he thinks there are more options available than what were presented (repair, breach, do nothing, sell). Board responded that we see the issue as we have a financial offer of \$375,000 to sell the land, dam questions aside. The question to the neighborhood is whether we want to sell the land to add this money to our reserves.
- Homeowner(s) asked when the process of trying to get votes to sell land will end. Board answered that the only date we know is that the neighboring property is scheduled to be closed on 12/31.
- Tim O'Hara commented that he has been hearing about these parcels of land for many years. If we put the dam issues aside, the land is landlocked, is not used by many residents, and is not accessible by most of the homeowners. The land poses a potential liability, so why not sell it. Commented that the strip of land that provides access to the land is deeded to the Town of Apex.
- MaryAnn Gufshefski commented that several years ago there was a big push to be able to use the land. At an annual meeting, we (the homeowners) tried to get access to be able to use the land, but the effort was unsuccessful and rejected by homeowners who border the property.
- Joe Pinkus asked if we sell the land is there a percentage of profits that will go to maintenance on the other pond/dam. The board answered that this is a good question but we have a significant amount of time before we'll actually get any money. The funds would initially go into reserves, but we don't yet know specifically where they will be used.
- Bob Sevio asked for clarification on how the state can force us to maintain the dam. From emails with the NC regional engineer who reviewed the property, we know that it is our responsibility to maintain the dam and ensure safety of those downstream. The state has enforcement tools to compel us to repair the dam. The state is working to perform another inspection of our dams, but this is not currently scheduled. The dam is currently classified as low hazard (according to our independent firm). This hazard level is based on potential impact if the dam were to fail, not the likelihood or risk of failure.
- Tom Hull raised a concern about the board members going door to door, suggested that this presents a one-sided argument to homeowners. The board stressed that we're simply sharing the issues with homeowners and asking if they consent to the sale or disapprove of it. All homeowners are presented with the option.
- John Barnshaw followed up on Tom's concerns and commented about how the board members approached him for consent on the amendment. The board was careful not to take a position in their discussions with him and presented the facts.
- David Randall commented that he has researched the issue some independently. Learned about the NC dam safety act, believes that our dam is too small to fall under the purview of the state agency but suggested there may be further regulations. He's also talked to Mike Deaton with the Town of Apex about whether the developer could use the pond to retain storm water, he responded that this is a possibility but would

need to go to the corps of engineer. Spoke with the planner at the Town of Apex who commented that high density housing is unlikely to be approved on the property.

- Patty – commented that she wants more options on the consent form. Wants to be able to approve with some additional conditions.
- Bill Ferrell – Owns a home that sits next to the dam in question. He’s unwilling to sign right now because he doesn’t understand ramifications if we do sell. Where will the money go, what will be negotiated?
- Joe Pinkus – Commented that he thinks the most risk we face is a loss of a potential \$375,000 income to the community. He understands the loss to people that border the common land.
- Eric Lynch – Asked whether homeowners who potentially want to sell their homes have any obligation to disclose the ongoing issues. They do not unless there is an official assessment.
- Tracy Taylor asked for clarification about how homeowners could register a no vote. The lawyer advised that a homeowner could get a petition saying no, asked why board members aren’t taking a no form around with the consent forms. The board answered that the attorney addressed this at the special meeting that we don’t need a disapproval form and an approval form; only one is necessary. The board also mentioned that is tracking all responses from every homeowner, including the disapprovals in an excel file.
- Angela Haag commented that she thinks people who disapprove should turn in the consent form with a note saying they disapprove to know which community members chose not to sell the land in case of a special assessment.
- Tom Hull commented that he thinks the common area could be used as a park, greenway could be expanded to it. The board answered that this was explored years back and deemed not viable.
- Tracy Taylor commented that she feels we need a real estate agent to represent the neighborhood in potential sale negotiations. Asked for people who have paperwork about 90-foot buffer, if this is not upheld where does liability lie?
- Mendez – Asked if the reserve study can be made available to homeowners. They can request it directly from RS Fincher.
- Joe Pinkus asked whether the board is reaching to owners of houses that are for rent. The board is working on getting in touch with the actual homeowners; renters cannot sign the amendment.
- Tracy Taylor asked if the consent form is available to homeowners. The form is available on the CV website.

Meeting adjourned at 8:52 PM.