

Wolf Laurel Road Maintenance & Security Homeowners Association
Minutes of the Meeting of the Board of Directors
September 16, 2016

The meeting was called to order by, **President Beneke**, at 10:00 A.M. He welcomed guests and commented that this is the largest crowd he remembers in quite some time.

Directors in attendance in person: Ames, Romero, Foster, McKnight, McCaghren, Moeller, Potts, and Smith.

Staff in attendance: Brown, Gwozdo, and Wyatt.

Minutes:

Beneke stated the minutes have been circulated by email to directors and have been posted. Asked for a motion to approve minutes as submitted. Upon motion made by **Smith** and seconded by **Foster**, the minutes of August 19, 2016 were approved.

Finance: Louise Wyatt

Wyatt reported that collection of assessments has increased by 8 homes and 12 lots for the year. The only significant difference to the balance sheet is the addition of the new truck for Roads. She also noted that there have been 15 homes sold during the past two weeks, and have closed or will be closing in the next 4 to 6 weeks. Expenses for both operations and administrative are in line with the budget. **Ames** asked if by-laws and covenants are part of closing documentation. Wyatt confirmed they are.

Beneke commented that at the beginning of this calendar year the board had decided to sequester some funds that show up on income statement for equipment purchases and that we have been taking depreciation. Pointed out that for non-profit accounting purposes depreciation does not mean anything. At this time we have about \$97,000 in a separate account. These funds can only be spent with approval by a super majority or 2/3 of the board. The effort is to set money aside for future purchase of equipment.

Smith commented about how the board looks at the budget and operating expenses. The concern is that when you look at the money we have to operate, and monthly operating expenses for the remainder of the year, and then factor in that we have to operate into January before we have the new budget and January collections, we have about \$30,000 in the bank (setting aside the money sequestered). We are continually bumping up into the wall in getting everything done that has to be done. **Beneke** commented that fortunately we have a \$75,000 line of credit if we need to tap to in an emergency.

Roads: Jason Brown

No severe weather events have been reported except for extreme drought like conditions resulting in: poor road conditions, dying trees and vegetation, dust and increased fire danger. The RROW project along Upper Lookout Dr. has been completed. The drainage project at the intersection of Buck House Rd. and Flame Azalea Rd. as of today is completed and will be hydro seeded next week. This project was more than WLRM equipment could handle so two bull dozers were rented to complete the project one from a staff member and one from CAT. Mowing and road grading operations have been on standby

since the last board meeting due to these two large projects and all normal road maintenance will get back on schedule next week. Paving repairs on Oakridge and Hampton Gap are scheduled for when the paving contractor comes up to repair the patches on McKinney Gap left by the water company repairs.

Equipment: Cat 305 excavator sustained a track failure caused by a faulty track tensioner in a very bad location; the part was ordered and the machine repaired and is good running order. Cat 272 skidsteer has been repaired by CAT; parts were covered under previous warranty. 1500 gallon water skid has been installed on the blue International truck and is in good working order. 2003 grey Chevrolet 2500 heavy duty truck (HD) has been traded in on a 2016 GMC 3500 HD. Husquvarna riding mower sustained a motor failure; a new motor has been ordered and will be installed. All other equipment is in good running order. The roads committee has tasked me to come up with Capital improvement program along with a 3 year schedule. I have not had time to complete these projects due to my other obligations. The committee is planning on meeting in the coming weeks and hopes to have something to the board by the October meeting. The drainage projects on Buck House unearthed 2 loads of boulders and were delivered to the office for the POA tennis court bank stabilization project. The POA will be billed \$400.00. **Romero** asked if the motor on the riding mower was under warranty. Jason answered no. He purchased a \$2,000 mower for \$800 at an auction and lost.

Romero complimented Jason and his staff on the completion of the major project on Buck House Rd. and asked if a guard rail was to be installed. Jason explained that the road had been widened by 6 feet and sloped to the inside ditch. He has placed cones along the outside edge of road until Property Owners become accustomed to the change. He added that prior to the project there was only 6 foot of brush along the outside edge and that after the grass comes in he doubts it will look so intimidating. Guard rails are expensive and greatly impact snow removal.

Potts explained that the Roads Committee is taking a comprehensive approach to safety on the roads. Widening the roads and repairing severe curves and turn offs is the first step as finances allow. At some point the areas which may require guard rails will be reviewed and prioritized. The safety issue will grow as the number of full time residents increase.

Beneke reminded the Board that the new website has a contact page where Property Owners may send comments directly to the RMS Board.

Security: Sandy Gwozdo

1. A property Owner walking in the Silver Fox Lane area reported that a large truck had broken the rail of the guard rail. Patrol responded and documented the scene. Gate Staff held truck on exit for questioning by Patrol. Brown gave estimate of repair cost and the company will be billed.
2. Several reports of barking dog in Pisgah Pass and Painted Ridge area. After several attempts to hear the dog Patrol spoke with the dog owner.
3. Property Owners on Weaver Lane have again experienced damage by delivery trucks attempting to find the Preserve Gate using GPS. A second report from a property Owner on Siler Lane of delivery truck turning in their driveway and causing damage. This area is well marked with signage designating no trucks and no thru road. The companies involved will be contacted regarding these two most recent incidents. Security and Roads will review.

4. Several vehicles were found at the Big Bald parking lot without entry passes. Patrol tagged them. Most likely enter via Preserve.
5. Patrol assisted guest of Property Owner who had locked keys in vehicle at Angelico Ridge Pavilion.
6. Patrol called DOS for assistance in search for guest of Property Owner on May Apple Lane. Guest went for a walk without flashlight and became confused when caught out after dark but managed to find her way home.
7. Once again a Property Owner called the gate for the phone number of EMS. First Responder came through the gate 15 minutes later. Patrol was already on site as he was notified by gate.

Committee Reports:

Communications & Community Relations: John Ames

The new website is meant to be simple, concise, more user friendly and focused on RMS issues and responsibilities. There is a contact page that provides an easy way for Property Owners to send a comment or question to the RMS Board. There is also a contact form for reporting needed road repair or comments regarding road issues. A response will be made in a timely manner by a Board Member or designated staff member as appropriate.

Property Owners have suggested that our emails are too long. So in the future we will send a summary of the report and direct Property Owners to our website for the complete report. Suggestions on how the website can be improve are welcomed.

Finance Committee: Willie Romero

The Committee has begun preparation of the 2017 budget and working with staff towards having a preliminary budget in time for the October work session, and then finalize it for presentation and approval in the November board meeting. Additionally, the committee will be looking at reports to see how they might be enhanced to provide more detailed reporting.

Road Use Fees: John Beneke

In late August the Road Use Committee met with the Security and Legal Committees to develop a plan to implement a user fee for all commercial vehicles. This is an item in the survey that Property Owners felt could generate money for roads. It was also mentioned by Property Owners during the Town Hall meetings to discuss the Road proposal during the summer of 2014. The fact is that many of the commercial vehicles are heavy construction equipment and delivery trucks that do damage to the roads. The repair is paid by the RMS Property Owners. The idea is that those who use our roads, primarily Wolf Laurel Road, and earn an income from the use of our roads should contribute to the maintenance of our roads. This could be likened to the State Road Tax paid by such vehicles. The Board has determined that our Covenants allow for the implementation of such a fee.

The Committee has decided to implement the fee based on the number of wheels of a vehicle. This is only for commercial vehicles not personal vehicles. As per the hand out, a comprehensive list of exemptions has been determined. This list may be modified in the future but the Committee felt it was a good starting point.

We recommend initiating the program on March 1, 2017. This will give us ample time to develop administration procedures. The Security Committee will be charged with administering the program once the fees are implemented. We have determined that a portion of collected fees will go to security for administration. We do not think administration will require additional security staff but will certainly increase their workload.

John **Ames** will be asked to post on our website a schedule of fees, list of exemptions and all available information on the proposed program. We will also have a Town Hall meeting on October 8, 2016 to answer questions in detail and take input from Property Owners; and we will make adjustments to the program as appropriate.

Our goal today is to have the fees approved so that we may begin the implementation process. One reason we are delaying implementation is because we know it will take time to develop administrative procedures. **Beneke** asked if there were any questions from the board and asked for a motion.

At this point audience participant Fred Tygart, Vice President of the WL POA and former member of the ARB said that the ARB had completed a study on commercial vehicles a few years ago. According to the DOT, commercial vehicles are responsible for 8 to 10 times more road damage than passenger vehicles. He said this program appears to have merit especially since membership expressed reluctance to increase fees on property owners individually. This approach is appropriate. Tygart suggested that the fee schedule should include vehicles with less than four wheels. He also requested that deliveries to the WPOA be added to the exemption list. **Beneke** said that his comments would be taken under advisement.

Beneke again reiterated the purpose today was to hopefully approve the concept and future implementation of this revenue stream, and indicated there may be future adjustments to the fee schedule. **Beneke** commented one reason we were delaying implementation was because we know it is going to take time to develop procedures. He thanked Lisa Baldwin for her time in gathering program information and fee schedules from 18 communities in the Hilton Head area which was vital to the development of the proposed program. **Beneke** stated the thought today is to approve the concept, fees and future implementation of the program. **Beneke** asked for a motion from the Board, and indicated we would take into consideration the input received in the October 8 town hall and make adjustments as necessary. **Foster** asked to be recognized and moved that the Board adopt the Road Usage Fee Schedule and authorize the Road Usage Fee Committee and staff to finalized the fee schedule and administrate the implementation. Motion seconded by **Ames**.

Discussion: **Smith** reminded the Board of RMS agreements with Blue Mountain, the ski slopes and the Preserve and asked how this program would affect those agreements. **Beneke** promised that each agreement will be reviewed by the committee and Legal Committee to insure that the program will not violate any agreements that may be in place at this time.

Smith asked if there had been or will be an actual discussion with Blue Mountain. **Beneke** replied not at this point. He would rather move to implement and have a discussion later. **Smith** expressed concern that the proposed program goes far beyond the original intent which was to address the damage by heavy trucks. **Smith** further commented that he knows we need the revenue. His concern is the difference between this community and the community cited. Questioned whether the workers and commercial establishment affected by the proposed program were as dependent on Wolf Laurel

Community for their living as those in the Hilton Head area. If not, would commercial interests discontinue service to the community because of the fee? **Smith** stated his second concern was the cost would be passed to property owners and cited an example of property owner having roof repair and getting three estimates each, who would pay the fee, and then fees for suppliers of selected roofer. **Smith** further commented that we have not asked property owners and others like Blue Mountain who would not be getting any of the revenue. He again reiterated he knows we need the revenue but is concerned we have gone beyond the large trucks damaging the roads. He feels this proposal will hurt property values. **Smith** asked if we went forward with a vote, he was requesting a roll call. **Romero** stated the he recognized the need for additional funding for roads but shares some of **Smith's** concerns. **Romero** proposed that the Board wait until after the Town Hall meeting to vote on the proposal. This is a significant proposal, and while the board has the authority to implement, it may be of such significance that it may need a vote by property owners.

Audience member Gene Woolf related an experience with workers for a 4 hour repair job where they made 4 trips through the gate. He felt the fees would be excessive to charge for each trip. **Beneke** explained that fees would be charged daily, monthly or yearly not per trip. Furthermore employees of contractors driving their personal vehicles to a job were exempt. Also exempt were cleaning ladies/men, grounds keepers and others who operated as individuals and not as a business. Woolf asked if this was not comparable to a tax on property owners, **Beneke** stated that he wants to call it a tax, he somewhat disagrees, it was designed to have those that use a service to pay for it, and if compared it to the purchase of a fishing license. Only the Property Owner benefiting from the service would pay if the company chooses to pass the cost of the fee on to their customer.

Resident from Wolf's Head Court commented she was confused and asked if the Property Owners were entitled to a vote, and what is the purpose of the October 8 meeting. Property owner then asked, why not have an assessment if the roads are so bad? **Beneke** stated we tried that. **Beneke** stated that the Covenants permit the Board to implement such fees without a vote by Property Owners. The Property owner then gave an example of how this would impact a particular service provider. **Beneke** explained Property owners who own a business and have already paid road fee are exempt.

Romero made a motion to amend the motion to postpone the vote until after the town hall meeting. **Ames** asked how one town hall meeting attended by 50 – 80 Property Owners would accurately predict the opinion of all Property Owners. We have discussed this issue for over a year with little interest shown by Property Owners. If this Board asked for a vote by Property Owners on every issue before the Board, we will never accomplish anything. If the Property Owners are asked to vote on any proposal involving any type of increased cost to them, the result will be a resounding no. How do we continue to provide needed services without additional funding? Let the Board vote now, up or down but let's not talk it to death. **Romero** moved that the motion be amended to allow a postponement of the Board vote until after the town hall meeting. **Smith** again commented on his concern that we have not talked to others. **Beneke** responded we were elected by the property owners and have the responsibility to act responsibly. **Smith** again stated the need to hear from others and indicated he would be willing to talk about how much we needed this but suggested we need to hear from others. Property owner from Wolf Head Court interjected she did not know about this proposal and had talked to others who were not aware of it either. **Ames** stated his concern of how a town hall would be representative of the opinion of everyone in the mountain.

Smith suggested that **Romero's** motion be heard and that **Ames** post all information regarding the proposal on the website and he mail the Property Owners. Property Owner Don Mathis stated that he believes property owners should have input first. He appreciates the time and effort that went into developing the proposal but suggested the Property Owners at least be made aware of the proposal. Don Mathis gave an example of a business owner who had told him that he would not do business at the mountain if this proposal was implemented. He added that after the defeat of the road proposal many Property Owners expected a "plan B", and he has talked with many property owners who are willing to put money into fixing the roads. He suggested property owners should have an opportunity to provide input and then the board can take a vote because he recognizes the board has the authority to do so.

Beneke stated we needed to move forward and vote on **Romero's** amendment. **Smith** requested a roll call, and **Foster** asked for **Romero** to restate his amendment. After some discussion on the rules, **Potts** recommended that **Romero** simply move to table the motion. **Romero** moved that the Board table the motion until after the town hall meeting. **Smith** seconded the motion. **Smith** asked for a roll call. **Ames, Beneke, Foster and McKnight voted no. Romero, Potts, Smith, Moeller, McCaghren voted yes.** Motion carried.

Legal Committee: Sharon Foster

MATTERS UNDER REVIEW

1. Collection Matters, I am working with Brent to assist him in taking over supervision of the collection process. There are no problems and several cases have settled.
2. Violation Enforcement Matters. We are working on a resolution of Covenant 3.2's application to a UTV and possible other new forms of transportation (slow moving vehicles and motorized bicycles). I have attached a formal analysis of my position on the applicability of the covenant as written. We have offered an opportunity to be heard to those who wish to use UTVs. At that time, the Board can reevaluate its position if it wishes.
3. Policy and Procedure Handbook. I have had several helpful comments about the Handbook. It is a work in progress. I will hand out the first addition of it at the Board meeting (collection procedures revision).
4. Trademark Issue, nothing to report.
5. Election Procedures Bylaw Amendments I have attached the election bylaw amendment drafts that would prohibit those not in "financial good standing" with the Board to either vote or run for Director. In addition, the amendments would change the date of publication of Board nominees for new Directors to a "date specified by the Board."

These amendments have been previously discussed and requested by the Board, but were deferred until after the recent election. Foster asked Board members to send comments to her on this issue.

Foster stated she was developing an informational letter for new property owners to be handed to them when they register for their entry decals. The letter would help acquaint them with the community and the Covenants.

Road Maintenance & Equipment: Charles Potts

The committee will be meeting prior to the October Board meeting with objective to finalize the capital improvement equipment schedule. In addition we are developing a three year road plan to be updated annually. Drainage is our major concern and we are in a tough spot right now with the extremely dry weather. It will rain and depending on the force and amount of rain we could experience a difficult time. Jason has been able to replace a few culverts and add a few but even with these improvements we have much to accomplish to improve the drainage and improve our infrastructure.

Security: Rebecca McKnight

Due to our Committees meeting with the Road Usage Committee, we are well aware of the responsibility placed on Security Staff by the Commercial Fee Proposal. We will assist staff and make sure security is taken care of.

Property and Facilities: Larry Smith & Dick Moeller

1. We have sent to the Board three detailed lists of property owned by RMS. These lists will be amended as we determine which lots are currently designated green space, which are taxed, and which could be sold. Some of the 16 lots currently taxed may better be used as green space as they may not perk and as green space they would not be taxed. Others may be suitable for sale. These are the determinations that we are attempting to make.
2. We have met with Fred Tygart to look at the tennis court bank and will discuss.
3. We received notification from Madison County that the motel property is not suitable for a septic system so will need to address the other option.
4. **Moeller** announced that by switching from Blossman to Suburban RMS could save \$1,000 - \$1,500 annually. He has gone through prior year cost for propane by RMS. Suburban would charge \$1.10 a gallon through the end of 2017 and then 15 cents below the average customer. This is the same deal that the POA has.

Audience participant Gwynne Beneke asked the cost of the new tank. **Moeller** replied there is no cost of tank in the Suburban's proposal. **Foster** stated that seven of us have no idea of the proposal. I'm not saying it is not a great idea just that under the Committee system adopted last year your Committee should have submitted the proposal to each Board Member prior to the work shop. It would have been reviewed and discussed and we would be prepared to vote at the Board meeting. **Beneke** asked that the proposal be submitted and **Moeller** agreed.

ARB: John DiPetta

Steve McKnight and I have met with Bob Super, Jason, and Sandy several times to review all the ARB material and much of its history. I've been going out with Jason and Super to orient myself and better understand the issues facing the Board. Jim De Loach joined us at the last meeting. Our group is well under way in updating the Guidelines and Application Forms. We have also reviewed the Covenants to insure that the Guidelines are in line. Steve McKnight has become the Analysis Guru of our group and is doing a fantastic job. We also began a review of the fees and the fines. The goal is to update all the

documents and submit to the Board for review. We have much ahead of us and look forward to the two additional member's contribution.

Bob Super has 47 years of experience in construction and is an invaluable asset. He has already assisted in expediting the application process. Sandy is first point and once all documents are in she relays the information to Super. During this season the ARB has approved 45 tree applications with 2 currently in house. We have approved 26 major/minor construction applications. Currently we have no projects reported that have not been approved.

A real eye opener for me was accompanying Jason and Super to a lot where a contractor was demanding approval for new construction. The three of us are down in the woods searching for the boundary markers and compare to the land survey. We found that nothing matched up. ARB required the Builder to have a second survey completed prior to any further review by the ARB. Had Super not insisted on an onsite look, the house would have been built with incorrect setbacks, resulting in a mess.

Beneke informed the Board that he had asked DiPetta to create a list of all alleged violations by case and not by name. In this way, as a Board we will be able to see the type of violations and the results of the ARB investigation without knowing the name of the Property Owner. Potts said he was surprised that a property owner would not have a current survey of his property let alone would attempt to build without a current survey of the lot. Beneke pointed out that property owner had had the lot survived last spring. So it was fortunate that errors were discovered.

Long Range Planning: John Beneke

Members are John Ames, Mel Poole and Ken Faliero. **Beneke** ask that each Committee Chair develop a description of duties that will be the Committees responsibility and submit to the Board.

POA Liaison: John Beneke

There was discussion about the tennis court bank and **Smith and Moeller** are working with the POA to resolve this shared issue.

Old Business:

Standing Committees - Becky McKnight

McKnight read the following list of committees and members:

ARB: Chair - John DiPetta, Steve McKnight, Tom Wrenn, Jim DeLoach, Michael Whitt, Bob Super

Commercial Vehicle Road Use Fee Committee: Chair - John Beneke, Lisa Baldwin, Cassandra Bradham

Communications and Community Relations Committee: Chair - John Ames, Mel Poole; Gwynne Beneke; Joyce Poole

Compensation Committee: Chair - Willie Romero, Charlie Potts, Roads Chair Becky McKnight, Security Chair

Executive Committee: Chair - John Beneke, John Ames, Willie Romero

Facilities and Real Property Committee: Co-Chairs - Dick Moeller and Larry Smith, Jameson Cox

Finance Committee: Chair - Willie Romero, Ken Faliero, Jim Hill, John Brackett, Rick LaForge, Tom Eller, Lloyd Parker, Louise Wyatt

Legal Committee: Chair - Sharon Foster, Brent McCaghren, Denis Cohrs

Long Range Planning Committee: Chair - John Beneke, John Ames, Mel Poole, Ken Faliero

Road Maintenance and Equipment Purchase and Repair Committee: Chair - Charlie Potts, Mike Kaney, Steve Rutherford, Jim Simmons, Jason Brown

Security Committee: Chair - Becky McKnight, Carol Krueger, Lewis Daniels, Sandy Gwozdo, Ken Porche

Responsibilities:

1. Standing Committees are created for specific duties with each having as Chair a Board Member (except for ARB) who is designated responsibility for that function and who would make any necessary reports at the Board meetings. Community representatives might be in attendance during the meeting if further information is needed, but would not need to participate without being specifically called upon by the Board member responsible.
2. Within the scope of these committees noted above, their purpose is to handle situations that arise, without involving the complete Board. If it is a situation that needs Board approval, then it would be brought to the attention of the Board at a meeting or through email.
3. Chairs will consult with their community members on issues that arise before reporting to the Board.

Relation to Staff:

1. Staff would continue to give their reports at Board meetings, with additional information given by the Board member responsible for that committee.
2. Staff would continue making the decisions regarding their specific duties as they have been doing, but when problems or concerns arise that they are not sure of, they would then contact the Board Member responsible, and he/she would decide if the committee needed to meet and make a decision. This could be done in person or by email/phone.

McKnight moved that all committees and their members be approved by the Board. Motion was seconded by **Smith**. There being no discussion, the Board approved unanimously.

New Business:

1. Medical Evacuation – Landing Areas Beneke:

Thanks to Jason's relationship with the Ebbs Chapel Fire Department and EMS, four landing sites have been located for the landing of medical helicopters. Ken Faliero, WLCC President, Bobby Anglin, the WLCC Manager, Jason and I met discuss the issue. We then met with Ebbs Chapel and representatives of Mission Hospital and Johnson City hospital for a tour of possible sites.

a. The preferred zone is the #14 Fairway and Wonderly Lane. Jason will need to put in some gravel and trim a few trees in preparation.

b. #4 Fairway and Cricket Lane off McKinney Gap Dr.

c. #12 Green is a bit questionable due to wires but could be used in a pinch.

d. The putting green could also be used in a pinch.

The Senior Fire Official on scene will choose the landing site. Someone asked if this was a daylight operation only. Jason replied no. **McCaghren** asked if there would be an official agreement. Faliero nodded yes.

2. Blue Mountain Proposal – **Beneke** reported Barry Vaughn (Blue Mountain) made a proposal that each organization accept an ex officio, non-voting member to the Board of the other organization. Beneke explained that RMS Board has discussed the proposal and believe it to be a first step in building co-operation between the two organizations. **Beneke** asked for a motion. **Smith** so moved and **McKnight** seconded.

McCaghren asked for one stipulation, that the BMA member not be present during any discussion regarding agreements with BMA. Beneke agreed and added that perhaps they should not be present during discussion of legal issues. **Beneke** called for a vote and the motion passed.

Audience Comments:

Beneke asked for any comments not relating to the proposed commercial fees.

Lewis Daniels: I want to applaud your efforts in the approval of an ex officio member exchange with Blue Mountain. It is the most positive thing I heard at this meeting.

Steve McKnight: John **Ames** said comments can be made on the website. I suggest that the handout provided at this meeting be posted to the website. This way the Board will be able to hear comments from those Property Owners unable to attend the Town Hall meeting. **McKnight** asked what number of lot owners are reached by email. **Ames** replied that he thought RMS has roughly 60% of the home owners and 40% of the lot owners. The surveys resulted in a 53% return and 30% identified themselves as lot owners.

Mary Lou McMillian said she was confused as to how the Board would get the word out about the commercial fee proposal and town Hall meeting. Beneke responded that he would consult with the committees but he thought an email would go out announcing the meeting and the proposal would be posted on the website. Unfortunately, not all property owners are willing to give RMS their email address. It is the fastest and most economical form of communicating.

Gayle Barr: Tim Barr my son is a first responder and is usually the first on scene in Wolf Laurel. He has said the lack of house numbers within the community causes delays. He suggests that after calling 911 residents turn on all outside lights. Beneke thanked her for a very useful suggestion and reminded Property Owners that the placement of reflective house numbers may be the single most important thing they can do to assist EMS and fire fighters.

Next RMS Board meeting is scheduled October 21, 2016, at 10:00 A.M. The meeting was adjourned.

Respectfully submitted,

Willie Romero Secretary /Treasurer