

**Wolf Laurel Road Maintenance & Security Homeowners Association**  
**Minutes of the Meeting of the Board of Directors**  
**October 20, 2017**

The meeting was called to order by President Smith at 10:00 A.M.

**Directors in attendance in person: Kessler, Krueger, McCaghren, Moeller, Pendleton, Romero, Shook, Smith**

**Directors in attendance by telephone: Simmons**

**Staff in attendance: Brown, Connor, Porche, Wyatt**

**Audience: 8 in attendance**

**Minutes:** Upon motion and second the Minutes of 9/15/2017 meeting were approved 8-0.

**Finance: Louise Wyatt**

Wyatt reported there was no change in the balance sheet other than an entry recording the allowable discount to the receivables. Wyatt also reported home and lot collections for both roads and security are less than they were this time last year. The amount billed vs. amount collected for homes are at 95.8% and are 85.6% for lots.

Operating expense for road maintenance is 61.1% of the budget and for security the operating expense is 68.27% of the budget. Administrative expense for road maintenance is 92.56% of the budget. Wyatt explained RM Admin. Expense was higher because the depreciation was under budgeted due to getting that figure at the year end when the accountants finish the books. Security administrative expense is 69.11% of the budget. There is nothing out of the ordinary with September 2017 year-to-date balance sheet compared to September 2016 year-to-date balance sheet.

Romero asked whether the board should anticipate before year end any large item to affect our finances. Wyatt commented that other than unexpected severe weather, she did not. The insurance bill is paid in a single annual payment to receive a discount, and appears as a single large item in the month paid that does not correspond to our fiscal year. After payment we adjust our books to allocate the charge over the 12 months the policy covers, and this adjustment has not yet been made. Wyatt did not anticipate a similar item before year end.

**Roads: Jason Brown** (written report read into the minutes edited to condense)

Since last report: Wolf Laurel has received 3.81 inches of rainfall with no significant severe weather events reported. Due to the heavy rains on 10-8-17 we have had one land slide at the end of Buckhouse Road that has been secured and coned off for the time being.

**Roads.** Cleaned up all storm debris from the remnants of hurricane Irma. Mowed all roads, RROW's, and ditches for the year. Built 14X36 shed at the shop for equipment storage. Day lighted Ginseing Trail, sloped banks, graded ditches, graded roadway, and installed 2 new pipes per the work schedule under additional duties for the fall of 2017. Due to the dump truck being out of service RM still has to remove the brush and gravel the roadway to be 100% complete. Finished up

the intersection of Puncheon Ln. and Town Mt. Rd. Watered and rolled main gravel roads for compaction. Spread 1 load of gravel on Puncheon Lane, 4 loads of gravel on Buckeye, 1 load of gravel on Unakite, and 2 loads of gravel on Oakridge, 8 loads total. Paved ditch line on Wolf Laurel Rd. where the ditch line was eating out the pavement. Patched Puncheon Ln. where needed. Patched Valley View Circle where needed. Patched hole in front of the club house. Fixed sink holes on Wolf Laurel Rd. and McKinney Gap Rd. Graded and rolled all gravel roads. Cut shoulders down on Big Bald Rd. and Birch Springs and re seeded them for proper drainage. Re-graded shoulder stone on Wolf Laurel Rd. for proper drainage and pavement edge protection.

**Equipment.** A replacement for the 2006 Dodge plow truck has been located there is 3 different options to choose from all are within the \$37,000 range. All options are new 1 ton, gas, cab and chassis work trucks. The trade in value of the Dodge is between \$3,000 and \$7,000. The price of the new truck does not include a newly installed snow plow (\$7,000) or a utility bed (\$3,500). This item was approved in the 2017 Capital Equipment Schedule by the previous board and is being presented for approval.

The blade on the 305 CAT excavator has been refurbished in house. The 305 CAT excavator and 272 CAT skid steer have been serviced by CAT for their schedule 4 2000 hour service which included all fluids, filters, and safety checks and are in good running order. The Ford L-9000 has been taken out of service due to safety concerns and is back at CAT with some over fueling issues that will hopefully be covered under the pump warranty. The 5083e John Deere tractor is out of service and in the shop due to a top link failure and should be back in service within the next few weeks. All mowing equipment has been demobilized and stored for the winter. All snow removal equipment will be mobilized by the end of the month along with the salt sheds.

Simmons made a motion to authorize and direct Jason Brown to dispose of the existing truck, and to purchase a pick-up truck, bed for the truck, and snow plow; Simmons further moved that the funds for such purchase be drawn from the capital reserve account designated for the replacement of antiquated equipment. Smith seconded the motion. Pendleton suggested to research purchase options, and Moeller was directed to assist Jason as needed with the arrangements. Upon vote, the motion carried: 9 - 0.

Smith inquired about the salt inventory. Brown said we have 50 tons on the property and 75 tons that RM is obligated to buy. RM is in good shape as far as salt goes.

**Personnel.** WLRM's working foreman has left WLRM to pursue a better opportunity elsewhere, and one of the operator/laborer has been laid off due to changes in policy. Due to these changes the WLRM crew is down to 2 full time staff. The compensation committee, road maintenance committee, WLRMHOA board, and Director of Roads are working on a plan to hire and retain good hard working, qualified, long-term staff to get back on track. If a solution cannot be resolved some of the normal duties of WLRM will have to be contracted out and any additional duties will have to be put on hold.

Earlene Shofi asked if RM will provide snow removal for the entire parking lot this winter, including the WLPOA's parking lot and parking spaces. Romero reminded the board that RMS is required to

spend RMS money on the roads which are RMS' obligations to maintain. When work is done for other entities on the mountain these entities are charged for the use of equipment, materials and personnel cost. It was observed that the drive and parking area which RMS maintains is part of a one way loop through the village and that plowing the area would be a low burden on RMS, involving little if any cost. Additionally, it was noted that RMS uses the Pavilion for town halls and other community meetings at no cost and that POA and RMS homeowners, their guests and RMS staff use the parking lots in common. Smith moved that RMS plow the parking lot and parking spaces. Pendleton and Moeller agreed. Kessler requested the motion be amended to add that RM track the cost to determine the burden, if any on equipment, materials and personnel in order to fulfill the board's duty of due diligence. The amendment was accepted by a 9 – 0 vote. Upon vote, the motion was approved by a 9 – 0 vote.

### **Security: Ken Porche – Interim DOS**

Security received reports late at night concerning 4 wheelers within Wolf Laurel, and responded to investigate but have not yet caught the offenders.

Security assisted tenants unable to find the vacation rental they rented, first by providing detailed directions, then, when the tenants called lost on the mountain, leading them to the rental property. Security was unable to reach the homeowner concerning the incident, and has had difficulty reaching the homeowner since.

Security received calls from homeowners that the school bus driver was not allowing their children to be left at the back gate. Upon investigation, it was found that the issue was a precaution taken by the Yancey County Sheriff's department. The sheriff's department was searching for a fugitive that had fled a serious crime in Unicoi County Tennessee. This issue was resolved when the suspect was arrested in Hot Springs N.C.

The security team is in the process of preparing for the upcoming SKI SEASON and is revisiting the procedures that we use. We are ordering tags and new signage.

Security has hired 2 new gate employees and has reassigned a gate employee to the roving position. The additional staff and reassignments will help cover for vacations and emergencies that sometimes occur.

As a reminder, the road to BIG BALD closes for vehicle access for the year on November 1, and the gate will be secured until the road is re-opened in the spring.

Security received reports of gunshots fired around the Village Area. It was found to be by the ski slope area which is private property outside of Wolf Laurel's restrictions.

Security received complaints of a Red SUV driving aggressively and observed it "piggy back" through the gate to avoid stopping.

Security is continued to conduct speed checks at the gate to determine the speeds of vehicles coming and going through the gate area. We are advised that the bar code scanner system can be damaged by repeated use at speeds higher than manufacturer recommended (5 to 7 miles per

hour), causing premature failure and replacement of the costly system (approximately \$20,000 expense). In addition, the gate is a congested area, with vehicles and pedestrians crossing the path of entering vehicles, posing a grave safety issue for staff and residents. Security consistently observed excessive speeds through the gate, and the situation has not improved with verbal and written warnings and by the imposition of fines. In addition, in discharging our duties to control speed, security staff is frequently placed in direct conflict with residents. Ken Porche expressed gratitude to the gate staff for the difficult work they do, which does involve enduring bad behavior and abuse from guests and visitors who are hostile over the rules of the Wolf Laurel community.

After all other options had proven ineffective in slowing gate traffic, the IT consultant suggested we install “speed bumps” to slow traffic going through the barcode reader. The Security Committee met to discuss all options to control speed through the gate, including the traffic calming devices which were extensively researched and discussed. The Security Committee determined that traffic calming devices were necessary, and determined that the design installed, the location placed and number was warranted. The cost of \$2500 did not require board action, and was approved by the Security Committee. Romero requested that in the future, even if board action is not required, before committee decisions that are likely to draw community interest are implemented that the committee’s chair circulates an email to the board so that all board members are aware of decision and can be prepared to support the committee’s actions. Smith agreed to circulate an email to the community regarding the traffic calming devices.

### **Committee Reports**

**Communications & Community Relations: Larry Smith** No report.

**Insurance / Finance Committee: Dick Moeller and David Pendleton**

Pendleton reported that the committee met and has other meetings scheduled all to evaluate several issues that raised by the community and staff. Romero added that specifically the committee is evaluating employee salaries and benefits including the addition of health insurance and retirement accounts.

**Legal: Brent McCaghren and Cynthia Kessler**

Kessler reported that a long standing collection matter in litigation was successfully mediated this past month. While the specific terms of the resolution are confidential, we are pleased that the matter concluded with a mutual agreement regarding past assessments and that the properties involved will once again be a productive part of the community.

**Security: Carol Krueger**

Krueger thanked Ken Porche for all he has done for the community. She also reported that the committee has formed a proposed budget for next year.

Smith raised a concern that the lost tenants discussed earlier commented they rented the house from someone other than the owner and that the owner could not be reached by Security at the time of the incident or afterward. Smith requested that if Security is unable to reach the owner, to

send a letter advising the owner that we have been told their house is being held for rent by another party, that we request confirmation of this arrangement from the owners, and request the owners designate who the gate is to contact for authority to allow tenants to pass through the gate.

McCaghren asked if there was proper signage to the home the renters were trying to find. Both Porche and Brown said the signage was there. It was noted that while signage was adequate for those familiar with the area, for convenience of visitors and fire safety reflective, non-combustible street signs and house numbers at the road should be strongly encouraged.

#### **Road Maintenance & Equipment: Jim Simmons**

Simmons thanked Brown and his crew for the work they have done and for being pro-active in avoiding damage. He also pointed out that the ditch paving on Wolf Laurel Road prevented major damage that could have occurred if it were not there. Simmons said he was glad that the truck purchase has gone through.

#### **Property and Facilities: Dick Moeller**

Moeller reported that minor repairs are being done to the WWTP in the range of \$1,500 to \$2,500 dollars split between RMS and the POA. The POA received a letter saying the WWTP was in violation and have received a fine for the violation, which should be handled by the operator.

Brown added that in addition to fixing potholes in the parking lot, he would recommend paving the sidewalk from the parking lot to the RMS office door for the office staff's benefit and safety, noting the cost is well within the paving budget. Moeller endorsed the action.

Smith reported that the lot donation approved at the last meeting had been accomplished. Moeller commented that we needed to contact the tax assessor's office to show the space as greenspace exempt from county taxes.

#### **ARB: Steve McKnight**

Tim Donovan has agreed to serve as a member of the ARB.

Since the last report, we have had a total of 14 applications: nine tree permits, one interior renovation, one major exterior renovation, two minor exterior renovations and one new home construction application. This brings the total number of applications for this calendar year to 109, which more than doubles past applications. It is believed that the increase is due not only to additional activity, but to increased awareness of the ARB process.

McKnight requested again that the ARB Committee receive a copy of the Board Minutes before they are approved. Smith agreed and requested that the board members acknowledge receipt of the draft minutes even if they have no corrections as a courtesy.

Shook complemented the WLPOA on how good the tennis and pickle ball courts look and that first impressions are so important for the community. He also encouraged the WLPOA to put information in the TOB publication about the ARB. McKnight noted that the TOB goes out to more than the RMS community and might cause confusion among other entities (Blue Mtn., The Ridges,

etc.) if ARB information is included. McKnight suggested that an RMS email be used to remind homeowners about the ARB guidelines and requirements.

### **Long Range Planning: Larry Smith**

Smith reported that the committee met and determined its schedule for the year, which will begin in earnest in the spring. The committee discussed the dual purpose of the committee, which includes planning specific to RMS and planning of RMS' role in the broader community. To address RMS larger role, the committee discussed creating a Wolf Laurel Community Task Force that is made up of other community entities to look at mutual issues of interest and collaboration.

### **POA Liaison: Larry Smith**

Smith reported that the main thing they are working on together is the WWTP. The board is going to go into executive session after the board meeting to discuss concepts that Fred Tygart, Dick Moeller, Smith and others have discussed.

### **Old Business:**

Kessler reported the board had deferred action to the October meeting on certain proposed amendments to the organizations bylaws concerning the election of board members as well as certain policies the board would agree to observe in its conduct. Because the board determined that its focus of the October meeting would be on budget issues, and the changes required due consideration by the board, Kessler moved to postpone consideration of the changes to the bylaws to the spring, well before the election cycle begins. Policy changes would be deferred to a later work session that was not defined. Moeller seconded and the motion passed 9-0.

### **New Business:**

**2018 Annual Assessment.** Smith opened discussion of the 2018 budget reviewing the progress made by the organization since 2007 in addressing a number of financial challenges, including the historic underfunding of RMS, improvements made in assessment billing and collection, the creation of a reserve in operating funds to address emergencies, the creation of a segregated reserve to address anticipated capital equipment needs, and commissioning a formal road study to identify the need and cost to repair and replace aging infrastructure. Smith reported that when a community referendum rejecting a special assessment to fund the overhaul of road infrastructure occurred the Roads Committee developed a three year rolling plan of addressing infrastructure and road maintenance. As previously reported by former committee chair Charlie Potts, drainage poses the greatest threat to our aging infrastructure and drainage must be addressed ahead of all other road and infrastructure work. So far, while a great number of aging culverts have been replaced, if we proceed at the same pace as in prior years, with a 5% budget increase each year, it is anticipated that it will take 10 years to accomplish the work that was identified in the road study. Smith noted that some residents have objected to this timeframe, and if the community desired to accelerate the work, that a special assessment would be required, but this should be a decision of the community.

Shook moved to increase the annual assessment rate 5%, Krueger seconded. Discussion followed.

Romero questioned whether the 5% increase would be for both the road assessment and the security assessment, noting that the roads needs have been fully explained to the board, but that Security's needs have not been expressed. Krueger advised that staffing needs and compensation evaluation would require an increase on the security assessment. Romero noted that some organizations prepare drafts of the budget first before discussing increases and McCaghren noted that other organizations begin with a zero based budget, and while not that extreme, was it possible to review a budget prepared on a lower increase, perhaps 2.5% and identify what services would have to be curtailed so that the community would know what RMS would not be able to do. Kessler expressed concern that in two years at the present rate the annual assessment would be increased to a threshold figure that the community will want to know the board has considered alternatives to increasing the assessment to the maximum amount allowed each year. Kessler expressed concern that the board was being asked to set the assessment rate without the breakdown of financial information. Wyatt explained, and Shook confirmed, that the current needs were evaluated at the committee level. Road Committee and the Security Committee were provided historical cost information in order to extrapolate the 2018 budget for their needs as an initial step of the budget process. Upon review of past costs, and anticipating the known needs for the coming year, both committees recommend that the assessments for 2018 be increased 5%, understanding that greater increase, while it may be needed, is not permitted under our covenants.

Upon a vote the motion to increase annual assessments 5% was approved 9-0.

Smith moved that in light of the approval of the 2018 assessment amount that the compensation committee's report for salary and benefits will now be finalized and discussed in the November board work session, and then the budget for 2018 would be finalized and presented for adoption at the November board meeting. Krueger seconded and the motion setting the time frame was adopted 9-0.

**Proposed merger of Glenaire lots.** Smith reported that a property owner had requested to combine Lots 610 and 611 on Glenaire. McCaghren asked if the lots met all the policy for merging lots, including both lots being under common ownership. Smith said that the lots physically met the qualifications, but we would have to check on the ownership. McCaghren moved for approval of the merger, subject to determining that both lots were under common ownership, and subject to our policy requiring back assessments to be paid if the lots were split in the future, Kessler seconded. The motion passed 9-0.

Pendleton revisited a comment made earlier that the rear property gate was intended to be used as the sole construction entrance for all construction vehicles and material delivery to projects occurring in other communities within the gate but outside of Wolf Laurel. McCaghren agreed to review the agreements with Blue Mountain and others to confirm, and if this is the case, then the gate should begin directing traffic accordingly.

## **Audience Comments:**

Steve McKnight commented on reaching the \$1,000 milestone for assessments in two years, noting that assessments are much higher in other sections of the mountain. He said, if he remembered correctly, that the assessment for a lot, with or without a home, in Blue Mountain or The Ridges are about \$1,800. He said the assumption is that when you buy a lot you are going to build on it and if you don't build on it you are going to drag the community down.

Earlene Shofi commenting that recently the POA has reduced rates for lot owners.

Ken Faliero questioned the timeline of 10-12 years for completing road and infrastructure improvements and challenged the calculations of repaving Wolf Laurel Road, which he understood to cost \$600,000. Smith reported that Wolf Laurel Road is structurally sound and does not require major re-construction. Drainage issues have been addressed ahead of schedule by shuffling the schedule for replacing culverts, widening ditches and paving a stretch of ditch. Therefore a lighter less expensive re-surfacing could be done. Smith explained that the road's appearance is the principal issue and that other community entities within the gate have pushed for the road to be resurfaced and re-striped to achieve the long range goal of 'paving from gate to gate.' Smith reported that he is in contact with other community entities to see if their interest in the road being re-surfaced and re-striped is sufficient to motivate their financial participation in accelerating the timetable.

The meeting was adjourned by President Smith.

Next RMS HOA Board meeting is scheduled **November 17, 2017, at 10:00 A.M.**

Respectfully submitted, **Cynthia Kessler, Secretary**