

**Wolf Laurel Road Maintenance & Security Homeowners Association**  
**Minutes of the Meeting of the Board of Directors**  
**November 17, 2017**

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

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

**Directors in attendance by telephone: Moeller, Simmons, Smith**

**Directors absent: McCaghren**

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

**Audience: 6 in attendance**

**Minutes:** Upon motion made by Krueger and seconded by Simmons, the Minutes of October 20, 2017 were approved by a vote of 8-0.

**Finance: Louise Wyatt**

Wyatt 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 84.9% for lots.

Operating expense for road maintenance is 67.75% of the budget and for security operating expense is 76.27% of the budget. Administrative expense for road maintenance is 97.91% of the budget and for security the administrative expense is 71.10% of the budget. The October 2017 year-to-date balance sheet is in line with October 2016 year-to-date balance sheet.

Wyatt reported that in October a homeowner paid a longstanding unpaid account and an appropriate adjustment was made to both "bad debt recovery" and "doubtful account" categories to account for a receipt of the funds.

Romero asked if Wyatt had projected where the finances will be at the end of the year. Wyatt said there were no large anticipated expenses scheduled for that period, and of course unexpected events could occur. Roads will be getting ready for snow removal and security will be focusing on the upcoming ski season, both of which are weather dependant.

Kessler asked if RMS as a whole is going to be within the budget by year end. Wyatt said the RMS operating expenses are within the budget and the administrative expense is high because it includes depreciation.

Shook asked if we make line item transfers. Wyatt said that we do not, but look at the numbers to set the budget for the next year.

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

Since last report: Wolf Laurel has received 10.03 inches of rain along with an additional 3 inches of plowable snow. The majority of this rain fell in the afternoon of 10-23-17 in a 4 hour period causing

significant damage to the majority of the roads in Wolf Laurel leading to 7 landslide areas , 1 sink hole due to a failed drainage pipe, many downed trees , also most ditches and drainage pipes were overwhelmed causing major road damages.

**“Listed below are the damages to the roadways and infrastructure from the 10-23-17 storm not yet addressed.”**

Buck House Rd. right above Town Mt. Rd. in the power line cut very large slide area with significant damage to the road shoulder. Town Mt. Rd. below Buck House slide small slide at culvert crossing. Chestnut Ln. large slide area with significant damage to the road shoulder and the roadway. Big Bald Rd. 2 minor slide areas causing damage to the road shoulder along the pavement. Weaver Ln. slide area some damage to the road shoulder. May Apple Ln. damaged culvert. Silver Knob significant damage to the ditch. Wolf Laurel Rd. slide area at culvert crossing causing damage to the road shoulder. El Minor Dr. slide area damage to road shoulder and private fence. Hotel property a sink hole developed in the parking lot due to a failed drainage pipe causing significant damage to the parking lot below the WWTP. Garden Side Ln. damage to ditch line and roadway.

**Roads:**

Birch Springs Ln. washed out and major road and ditch work had to be done. Puncheon Ln. washed out and major road and ditch work had to be done. May Apple Ln. had significant damage due to the improper drainage installed on the new house seat above the road. 100 yards of material had to be removed from the roadway and the road had to be re ditched along the job site. Flame Azalea road and culvert damage from the damage off of May Apple Ln. was cleaned up and culverts were dug out. Painted Ridge washed out and major road and ditch work had to be done. Pisgah Pass Rd. washed out and major road and ditch work had to be done. Plowed 3” of snow from the roadway and salted all paved roads used 5 hopper loads of salt mix. Closed upper and lower gates on Lucky Way for the winter season. Repaired ditch line on upper Chestnut. Dug out culvert inlet and outlet on Buck House Rd. below the dirt stockpile. Installed safety measures and traffic detours at all unstable slide areas listed above. All paving repairs for the year have been completed.

**Equipment:**

Traded in 2006 Dodge 2500 truck on a 2017 GMC 3500 truck and a new plow has been installed. The Ford L-9000 dump truck is still out of service and is currently having the motor rebuilt I will probably need board approval to pay the repair bill and pick up the truck I will let the committee know when I receive the bill. Changed hydraulic line on the CAT 416 backhoe. Mobilized all snow removal equipment. Studded snow tires have been installed on the Black GMC 3500, White GMC 3500, and Yellow Chevy 2500. All other equipment has been serviced and is in good running order.

**Staff:**

2 full time staff have been hired 1 laborer and 1 equipment operator: Dustin Roberts and John White will be joining Mitchell Richie to round out the road crew. Brown also reported that Mahindra Tractors is sending a new tractor for road maintenance to demo. Mahindra is paying for insurance and repairs. RMS is responsible for fuel and maintenance (oil changes) only. The tractor should arrive in the next couple of weeks.

Simmons asked if the repair of the slide on Mayapple was covered by the road deposit made by the homeowner to the ARB. Brown said that the expense of the repair has already been taken out of the deposit. Brown is giving the homeowner and contractor an opportunity to put down gravel. If they do not, RMS will gravel and take it out of the deposit. The deposit is to be maintained at two thirds of the original deposit. Bob Super, ARB Administrator, is in charge of monitoring the deposit level. Simmons also inquired on when the dump truck will be back in service. Brown hopes it will be back next week. Simmons was concerned about safety on the roads that had damage from the storm a few weeks back.

Brown said that the damage is not getting worse and the two areas that had the most damage could easily be detoured.

Brown reminded everybody that we are coming into fire season.

Pendleton asked how RMS handles road issues not on the schedule when homeowners bring matters to the board. Brown said RMS takes care of damage to the roads and road easements as part of responding to storm damage and ongoing regular maintenance. However, many homeowner requests are private property issues, for which there is no RMS budget contingency. While private property issues are the financial responsibility of the homeowner, the board may decide to assist the homeowner, but noted there is no budget for such requests.

Shook asked if the property owner on Mayapple was instructed to put silt fencing around the project. Brown said that it is common building practice to put silt fence where the ground is being disturbed. Shook suggested that two silt fences would have prevented the damage. For future projects, this needs to be taken into consideration.

Romero added that he was glad to hear robust conversation of the board about WL roads. Romero encouraged the board to reassess our current state because we will keep having weather events that will cause damage to the roads. Brown said WL should consider a master drainage plan. All the damage that occurred during the last storm was because of drainage.

Kessler asked with drainage being the most important factor to maintaining our roads, why so far this year we had only utilized one half of the drainage budget. Brown replied that the drainage budget line item was for materials only (culvert pipes) and equipment break down, staffing and other factors affected how much work was accomplished.

## **Security: Ken Porche**

Security met with the Legal committee chairman to discuss security staff's handling of trespassing, hunting, skiers among other issues.

An issue has been recurring with people entering through the back gate to go to Bald mountain parking lot. Roving patrol issued warning tickets on cars parked at the lot, and stopped and escorted to the gate others that were found.

Security discovered and reported a number of water leaks to Carolina Water providing traffic control for one on a major roadway.

Security referred a call to the Sheriff's department concerning a potential domestic dispute on Oakridge Lane. The Sheriff's department referred to Security a call of a homeowner stuck on McKinney Gap.

Security continued monitoring speed through the gate and noticed an improvement following installation of the traffic calming devices.

Security addressed an issue where a homeowner denied permission for a family member to enter the community, but the person proceeded to enter Wolf Laurel anyway without permission. Another family member intervened and the person left the community voluntarily without being charged for trespassing.

Security received a call of a potential broken down vehicle on Tearshirt which was a property owner trying to contend with storm damage.

Roving responded to a fire alarm at the country club clubhouse triggered by a broken waterline. Ebbs Chapel Fire Department responded and cut the lock to enter as no key could be located.

The sting operation that was on the news was not in Wolf Laurel but in Wolf Ridge. Monday 11-20-17 is the beginning of rifle season for white tailed deer, homeowners should be alert to the danger. No hunting is permitted in Wolf Laurel, but is permitted in adjoining areas sometimes accessed through Wolf Laurel. Homeowners are encouraged to report hunting or suspected hunting. Ski season is around the corner, as with deer hunters if you see anything please call the gate. We will be out in force in the most active parts of the ski season. Romero will follow up with Bobby the club manager and make sure Ebbs Chapel has a key to the club house.

## **Committee Reports**

### **Communications & Community Relations: Larry Smith**

Two emails were sent out to the community regarding the passing of our longtime security director Sandy Gwozdo, and concerning the installation of traffic calming devices and fire pits.

David Biddix reported to the committee on our website use together with his monthly invoice of \$40. Smith recommended that the service continue. Shook made a motion to continue the maintenance of the website by David Biddix at \$480/year, Krueger seconded. The motion passed 8-0.

### **Insurance / Finance Committee: David Pendleton**

The Committee has researched a benefits package for employees, the proposal for which will be taken up in New Business. The Committee has looked at how WL pays their employees, group health plans and retirement options. Pendleton said the committee feels like they have come up with a plan that is affordable and fits into the budget. He said the committee agrees that it would be a good thing to offer WL employees to retain them and to show them they are important.

**Legal: Cynthia Kessler:** No Report

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

In the next few months, the roads committee will be looking at the possibility of having some contract help coming in under Jason's supervision.

### **Security: Carol Krueger** (written report read into the minutes)

It is my pleasure on behalf of the Security Committee to move that Kenneth Porche be appointed Director of Security. He has served as Interim Director of Security since August 1, 2017. Ken has made this statement to our Committee: His job is to protect the residents and enforce the covenants. He has demonstrated his faithfulness to this statement and that he is a dedicated employee who is highly regarded by his staff and property owners. He has a fully cooperative professional relationship with Office Personnel, the Director of Roads and the ARB Administrator. During this time he has taken over all the duties of DOS which include:

1. on call 24/7, to answer and respond to calls from the gate, patrol and property owners

2. Reviewed and maintained all records from Gate and Patrol, which include log in sheets, incident reports, ARB log in sheets, trespassing/abandoned vehicle reports, burn permits and mail room sign in
3. hired, trained and scheduled staff,
4. together with Louise and Suehonor has made changes to our data base operations system making it more secure.
5. responded to reports of Covenant and ARB violations
6. maintained the operations manual
7. reviewed and verified the time cards of the security staff and submit them to the Office
8. managed the entry system
9. managed the camera system
10. arranged for vehicle maintenance and repair

These are just a few of his duties. Ken has firsthand knowledge of the roads and the concerns of property owners. He is forward looking and has ideas on how to make Wolf Laurel more secure. He has asked the Security Committee to review the Standard Operating Procedures so that there is no question about violations. The Security Committee feels there is no better candidate for the job than Kenneth Porche. [Committee Recommendation taken up in New Business]

**Property and Facilities: Dick Moeller: No Report**

**ARB: Steve McKnight** (written report read into the minutes)

As you might expect, we are beginning to see a decline in the number of applications as winter approaches. Since last month's report, there have been only one minor application and three tree applications approved. Bob Super continues to be busy, however, overseeing 18 projects that are still underway. The four new applications bring the total number of applications approved since the beginning of the calendar year to a total of 104.

Kessler asked whether the increases in the 2018 budget both for the ARB administrator and for revenue generated were sufficient and appropriate for the 2018 budget in Mr. McKnight's opinion. Kessler noted that the ARB administrator's expense doubled from 2016 to 2017, and was budgeted to double again from 2017 to 2018. Likewise revenue for 2017 far exceeded expectations in the budget in 2016 and 2017 due to improved management of the ARB, compliance, and homeowner activity, and was projected to increase in 2018. McKnight responded that the ARB committee's goal is to keep ARB fees to a minimum for homeowners while also having ARB fees offset ARB operating expenses and road maintenance costs due to heavy equipment used during home renovations or new construction. So far, the revised fees approved by the RMS board earlier this year are meeting these goals. We will continue to monitor costs and revenues and propose that the RMS board approve adjustments if necessary.

**Long Range Planning: Larry Smith: No Report**

**POA Liaison: Larry Smith: No Report**

**Old Business:**

**BOARD RESOLUTION OF WOLF LAUREL ROAD MAINTENANCE AND SECURITY**  
**IN RECOGNITION AND PROFOUND APPRECIATION OF DISTINGUISHED**  
**SERVICE BY SANDY GWOZDO**  
**DULY PASSED ON NOVEMBER 17, 2017**

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**IN RECOGNITION AND PROFOUND APPRECIATION OF DISTINGUISHED SERVICE BY SANDY GWOZDO**

WHEREAS, Sandy Gwozdo has always been mindful of the interests and responsibilities of Wolf Laurel Road Maintenance and Security and she has worked tirelessly to provide security for and protect the interests and well-being of Wolf Laurel Property Owners.

WHEREAS, Sandy Gwozdo faithfully and with integrity, and great distinction served as Director of Security of Wolf Laurel Road Maintenance and Security for over nine years.

RESOLVED that Wolf Laurel Road Maintenance and Security Board of Directors formally acknowledges and extends its profound appreciation to Sandy Gwozdo for her years of service to Wolf Laurel Road Maintenance and Security Board and to the cause of Security.

Whereas, Sandy Gwozdo is deserving at this time of special recognition and commendation. Now, therefore, be it resolved that the Wolf Laurel Road Maintenance and Security Board does hereby recognize and commend Sandy Gwozdo for her unfailing commitment to the betterment of Wolf Laurel for these past nine plus years.

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President, Larry Smith

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Chair, Security Committee, Carol Krueger

Krueger moved that the board approve and adopt this resolution. Kessler seconded. The motion passed: 8-0.

Krueger moved that the board approve the Security Committee's and the Compensation Committee's recommendations to appoint Ken Porche as the Director of Security on the terms set forth in the committees' recommendations which are also reflected in the proposed 2018 budget. Shook seconded. The motion passed: 8-0.

## **New Business:**

### **Fringe Benefit Package for Employees 2018**

Pendleton reported that the committee worked with Dan Gilbert Insurance who provided 4 quotes on group health and life insurance for those eligible employees that work 30 or more. Pendleton said they chose the quote that best fit our organization at the best price. The committee recommends the following health and life insurance package be adopted noting that the proposed 2018 proposed budget reflects the following: 1) that RMS adopt the Health Insurance quoted and that RMS pay 100% of the employees' portion. Spouse and dependent coverage would be available for the employee to purchase at the employee's expense. Dental and vision coverage will be available for the employee to purchase at the employee's expense. 2) that RMS pay 100% of a group life insurance provided in the amount of \$50,000 to all eligible employees that work 30 hour or more even if the employee does not participate in the group health insurance. Spousal and dependent life insurance (limited coverage) would be available for purchase by the employee at the employee's expense. If approved, the plan would be in place to begin January 2018 covering all eligible employees. The edibility waiting period for new hires will be determined at a later date.

Pendleton reported that the committee recommends that RMS adopt the committee's proposal to offer a Simple IRA Plan to eligible employees together with a 3% matching contribution plan which is available to anyone who makes \$5000 or more/year. Pendleton noted that the cost to RMS of the match shown in the 2018 budget represent the maximum cost, and would vary depending on participation. The retirement plan would be in place for qualified employees employed in 2018 immediately. New hires would have a one-year eligibility waiting period.

Shook and Romero each commented that RMS should provide health insurance benefits from the date of hire, and the committee's recommendation was so modified.

Romero made a motion to adopt the Fringe Benefit Package, the motion was seconded by Kessler. The motion passed 8-0.

### **Christmas Bonus for Employees 2017**

Smith recommended that WLRMS pays the Christmas bonus at the same level as last year and was seconded by Kessler. The motion passed 8-0.

### **Decision on Second Vehicle for Security**

Porche reasons for replacing the truck that is no longer in service are as follows. That vehicle has been expensive to maintain. Not having a second vehicle has deprived the homeowners the services they expect and have asked for. Porche added the second vehicle has already been approved. Porche looked at many vehicles (300+) before deciding on the 2010 Toyota Tacoma.

Romero said the reason the Jeep was purchased was to replace the truck which was approved by the board. There was no intention of keeping the truck because it was too expensive to maintain. He added that there was not approval for a second vehicle. Krueger clarified that Security was asking for a second vehicle.

Porche added that the board approved a second roving patrol. He also said a truck was needed to carry equipment for clearing the road of trees when the roads crew was not on the mountain. He gave 2 main reasons why Security needs a second vehicle. 1) Security needs to have enough vehicles to cover the property (81 mile of road). 2) To assist one another in Security's services to the mountain (road control, accidents, water leaks, catching trespassers and violators).

Shook commented that WL has been extremely fortunate when it comes to snow events. He also said that if we ever had to deal with a fire situation, two vehicles would be much better than one if there had to be an evacuation. Shook said if there were stranded homeowners, because of snow or down trees from a fire, that second vehicle could save lives.

Smith asked what price range Porche was looking in. The Toyota pickup with tax, title and taxes cost \$19,196.30. An extended warranty on the power train ranged from \$1695 to \$1868. Krueger made a motion that the board authorize the Security Committee to buy a pre-owned pickup truck with a cap of \$20,000. Shook seconded the motion. Kessler asked for clarification of whether the purchase would be from the reserve account or operating account. Krueger clarified the purchase would be from the operating account.

Romero stated that he does not agree with purchasing a second vehicle because it is not needed. He added that in the event staff used their personal vehicles they should be reimbursed mileage. He said the board and community needs to reassess what level of security are we providing and how much the community supports spending for that level of security. He said that there is growing community opposition to Security trying to be the "police." He said there are bigger needs on the mountain than an additional vehicle. He said assessments have continued to increase 5% a year and he doesn't see an end to it unless the board strategically looks at the needs of this mountain and make some decisions. He stated he will vote against the purchase.

Smith questioned why the expenditure was coming from operating funds instead of the reserve. He expressed a concern that the purpose of the reserve was to fund equipment purchases and if the board isn't using the reserve when equipment purchases occur, we undermine the purpose. Wyatt responded that insufficient funds exist in the reserve.

The motion passed 5-3, with Romero, Kessler and Moeller dissenting.

### **Policy with Regard to Preserve Guests**

Smith referred this to the Legal Committee for the committee to review the deeds between Bald Mtn. and The Preserve to ensure that we are observing our ongoing agreements.

### **Adoption of Budget for 2018**

Wyatt introduced the 2018 budget which had been distributed to the board in advance for review with a few preliminary explanations. Pendleton moved that the 2018 budget be approved, which includes within the budget the fringe benefit package for 2018 approved earlier in the meeting. Pendleton continued the motion stating that while the budget includes an allowance that the board may use for the adjustment of base wages when compensation is taken up at a later meeting, that approval of the 2018 budget is not an approval of an increase of wages. Krueger seconded.

Kessler noted that the budget was predicated on the director of roads recommendation to switch from a 5 man road crew to a 4 man road crew and to freeze hourly wages at 2017 level for 2018 to control costs in order to provide an allowance to adopt a fringe benefit package. Noting that the line item for contract labor under road maintenance was increased, Kessler asked the finance / budget committee to confirm that the cost savings resulting from the reduction in the crew and wage freeze was not undone by the increase of contract labor line item expense. The committee indicated it was OK.

The motion passed 7-0.

### **Audience Comments:**

Becky McKnight commended the board on the way the meeting was conducted and how the board approved the wishes and needs of Security personnel. She also shared that Security Staff made a moving tribute to Sandy Gwozdo following her demise by providing an escort together with formal gestures of respect.

Steve McKnight commended the board for addressing the benefit portion of staff compensation, noting the essential need to attract and retain quality staff to provide the highest level of service to the community.

McKnight also asked if the ski slope was current on their assessments. Wyatt said they still owe on 2016 assessments and the 2017 assessments will be billed December 2017. McKnight asked if there was a time limit on the contract WLRMS has with the ski slopes and if / when it comes up for renewal, requests the board revisit it. He says funds are coming out of WLRMS budget to operate something that is an accommodation to the ski business.

Ken Porche thanked Wyatt, Brown, Connor and the Security committee for their support during his time as the Interim DOS.

Krueger moved to adjourn. Shook seconded. The meeting was adjourned by Cynthia Kessler, Secretary.

**Work Session December 6, 2017 10:00 AM**

**Board Meeting December 15, 2017 at 10:00 A.M.**

Respectfully submitted, **Cynthia Kessler, Secretary**