

Wolf Laurel Road Maintenance & Security - Homeowners Association
Minutes of the Meeting of the Board of Directors
October 19, 2018

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

Directors in attendance in person: Kessler, Krueger, McCaghren, Parker, Pendleton, Romero, Smith

Directors in attendance by phone: Moeller, Simmons

Staff in attendance: Connor, Porche', Tipton, Woody, Wyatt

Audience: 14 in attendance

Welcome

Approval of the September 21, 2018 Minutes

Kessler made a motion to approve the September 21, 2018 minutes. Krueger seconded. Motion carried 9 yes 0 no

Finance: Louise Wyatt

Wyatt report there was nothing new on the balance sheet.

Roads and security collections are more than this time last year for homes. Collections for lots are less than this time last year.

There is nothing new as far as expenses except for the 2017 storm damage repairs.

WLRM is around 60% of their budget and security is around 70% of their budget.

Kessler moved to accept the financial reports as submitted. Krueger seconded. Motion carried 9 – 0.

McCaghren said he met with Wyatt and reviewed the financials and reviewed and verified the reconciliation.

Roads: Willie Romero

Introduced newly hired Roads Supervisor (Written report read into the minutes.)

Roads Supervisor Nathan Woody:

- Owner Operator of trucking hauling business
- Foreman for Clifton Hamlin Construction
- Equipment Operator Wolf Laurel RMS
- Volunteer firefighter 14 years
- Married to Jennifer (EMS, daughters Scarlett (4) and Sage (2))

Romero added that Woody is a salaried employee.

October Projects:

- 34 loads of ABC-M gravel have been spread
- Ditch lines have been scraped
- Replace culverts on Birch Springs and May Apple
- Repaired slide on Big Bald Road

Equipment and Materials:

- Sold scrapped metal for a net return of \$1,745
- Sold unusable sand for \$1,000
- Traded welder for \$1,000 off grading work done by Harvey English
- Sold pick-up truck for \$31,000. This vehicle did not meet our needs
- In the process of getting equipment for winter operations

Staffing:

- Current staff of three - Harold (Interim director of roads), Nathan, Ricky (equipment operator)
- Goal is to hire one additional equipment operator (extended a job offer and employee is expected to start in two weeks), Nathan is looking for a laborer, and a part-time employee for winter operations.

October/November Projects:

- El Miner Road culvert
- Adding culverts on May Apple and Flame Azalea
- Spreading 57 loads of gravel (we have received 52 loads of matching gravel)
- Cleaning ditch lines one more time before snow
- Paving repairs in critical areas to mitigate potential winter damage

Budget/Expenses:

- YTD expense is 60% of 2018 budget
- Over-time expense 596 hours at a cost of \$19,560 (due to resignations have operated with partial staffing)
- Future reports will include more detail on expenses and deviations

Security: Ken Porche

(Written report read into the minutes.)

Roving received a call from Oakridge Ct. that there was loud noise coming from down below their residence. Roving searched the area around that area for over an hour could not find anything. He went back to the gate and had no other reports.

Had a complaint of dog barking for 2 days, roving checked 3 roads around the house heard nothing discontinued search for dog barking, or any other noises.

Roving issued 3 trespassing warnings for not having a pass, sticker, or barcode displayed at the Bald parking area.

Had a situation where an x entered thru gate went to homeowner's house messed up the bed and some other things, and then departed. Came to gate told guard what she had done and departed. Property owner came to office asked why she was let in advised him he should get sticker back from her.

We have two new employees at the gate they are Debbie Bailey on first shift, Tiffany Shelton on second shift. Stop by and say hello.

Had two husky puppies get loose from their owners house, one is white/with a little black, the other is red & white.

Mr. English came to see me and requested that get the campers, motorhomes, and trailers moved that he needs to do some work on the parking lots for ski season.

I would like to thank everyone for this year, and as you prepare to leave for the winter, I wish and hope you have a safe journey home.

There will be a crew working near Big Bald for a month or so on the Pisgah National Forest side.

We had a situation late yesterday. The sheriff's dept. was called and they declared it a civil matter. If there is a barricade or tape across the road, do not cross because it is against the law.

Smith added that being able to park trailers/RVs in the ski slope parking lots is a privilege. A discussion follow on what options homeowners had to park their trailers/RVs.

Standing Committee Recommendations to be Approved by the Board

Communications and Community Relations: Chair - Larry Smith
Larry Veatch, Suehonor Connor

Finance/Insurance: Co-chairs - Willie Romero and David Pendleton
Robin Bradbury, Edgar Bunch, Donny Sanders

Legal: Co-chairs - Brent McCaghren and Cynthia Kessler

Security: Co-chairs – Carol Krueger and Lloyd Parker
Lewis Daniels, Jim Deloatch, Joann Van Hyning, Jim Taylor

Roads: Co-chairs – Dick Moeller and Willie Romero
Ron Coppenbarger, Eddie Shook, Dan Morris

Property/Facilities: Chair – Jim Simmons
Tom Eller, Bob Walker

ARB: Chair – Mike Stapleton
Tom Wrenn

Long Range Planning: Chair – Cynthia Kessler
Jim Klumpp, Bill Kight, Betsy Browne

POA Liaison: Larry Smith

McCaghren asked the board members if there was any committee member that the board would like to have removed for discussion. No names were removed.
Simmons moved to approve the committee list. Krueger seconded. Motion carried 9 – 0.

Standing Committee Reports

Communications and Community Relations: Larry Smith

Several e-blasts have been sent out to the community.

Larry Veatch put a couple of articles in the Top of the Bald for WLRMS.

Finance/Insurance: Willie Romero and David Pendleton

Romero reported as of September 2018, WLRMS's current operating cash totals \$626,187.00 (including \$84,000 in road reserve, \$30,000 in security reserve). This total is down 11% from the prior month. Expenses are running about \$80,000.00 a month.

Pendleton reported the claim on the scraper is still ongoing. He said it will hopefully be resolved by the next meeting.

In the next work session, the board will be focusing on the budget.

Legal: Brent McCaghren

ARB has been alerted about the complaint on Trillium.

Attempts have made to contact the Madison County attorney concerning the deteriorating house on Spring Valley. The attorney has not taken or returned any calls so a follow up letter may need to be sent.

Our intellectual property attorney has been contacted about a possible infringement on our trademark/service mark.

Contact has been made and a preliminary letter has been sent to the attorney who is representing the property owner concerning the lot combination.

Security: Carol Krueger and Lloyd Parker

Krueger thanked the security staff for the job they have been doing.

Krueger gave statistics on the gate activity:

From April 2017 thru September 2018

33,013 people have been checked in by the gate staff

3,360 workers have been signed in

4,860 keybobs

Back gate - 440 people

Incidents – End of December 2017 thru September 2018

82 incidents were taken care of by roving

48 incidents were taken care of by the gate

Back gate: Porche' has been asked to order the equipment (high definition cameras) that needs to be installed. By the end of November there should be a virtual guard at the back gate. The Preserve and Sam Stebbins have been very helpful in getting this accomplished. Kessler asked about the cost sharing. Krueger said the Preserve has agreed to pay \$1,415.61 and WLRMS's estimated balance is \$2,300.18.

Porche' added if the siren detector is not working, the Preserve will pay to replace it as a part of maintenance.

The construction gate is closed and locked.

A discussion about how visitors get through the back gate followed. Smith commented about some visitors that he met at the POA building and wondered how we handle where they go. Krueger pointed out there are some situations we can't control. Porche' stated the

back gate issues passes. Krueger commented that with the new security camera we will be able to see who is coming through the gate.

Roads: Willie Romero

Reported in the Supervisor of Roads report

Property/Facilities: Jim Simmons

Still working on the sewer plant and drain field. Legal is working on a few issues. Simmons will be working on getting the mailboxes and parcel boxes installed.

Also looking at the lots WLRMS owns and what can be done with them.

ARB: Mike Stapleton

Since the last board meeting, ARB has had 6 tree apps, 9 minor renovation apps, 1 major renovation app, 0 interior renovation apps, and 0 new construction apps. One tree and 3 minor renovation apps are pending.

Stapleton reported the ARB is looking into complaints received on a new home construction project that has extended past the two year deadline. The homeowner has been contacted. He said it was in the process of hopefully being resolved.

Long Range Planning: Cynthia Kessler

Kessler reported the committee has not yet met but will meet in the next couple of weeks.

She has asked each committee to look at their committee's plan on the planning chart and give their feedback on the planning chart that identifies short range, midrange and long term objectives.

Kessler also reminded the committee chairs they were challenged to write their committee's job description, budget as well as populating the committee. This will be assembled into a manual.

POA Liaison: Larry Veatch

Veatch said he appreciated the work roads and security does.

Veatch reported that the POA Board encouraged the resolution of the WWTP and move forward with the plans to install the septic system so we are not dependent on whoever purchases the WWTP.

Veatch pointed out there are a couple of problematic pot holes on El Miner and asked when they would be fixed. Woody said the paver is going to try to get here next week and will be patching the worst of the potholes before winter.

Veatch said the POA will be sending a letter to the Preserve and the stables encouraging them to work together to resolve the issues involving the use of trails, especially where the trails cross the creeks. He said the stables are an asset to the community. Larry Smith added this was between the Conservancy and the stables.

Old Business:

Woodfern Project as Amended

Romero provided a recap of the proposed road project made by Tony Martin. Work is to be completed by Akut-Abuv Paving Services. The project entails use of gravel that is reported to be different than the gravel used by RMS. It is reported the gravel contains more granite. The process and equipment used by the contractor is different than those used by RMS. The proposal also contains recommended practices for future road maintenance and snow plowing which are different than RMS practices. (see attached proposal). Romero reported there are two homes on the road and some lots. The total area to be worked on is 1,050 feet. The cost is to be shared equally by the property owners and RMS. Cost is \$5,250.

Romero reported that conversations with Mr. Martin have been ongoing in an attempt to reach an agreement including conditions for snow plowing. Romero furthered reported the Board had met in special session and had given approval to proceed subject to agreeing on conditions. We have been unable to reached an agreement and the property owner requested his proposal be taken up in this meeting.

Romero expressed concerns about conditions. Kessler reported the contractor was providing proof on insurance and licenses. Kessler advised the board that if we wanted to proceed because we find the price attractive, we can do so because we have done that before including use of other materials. However, if the board believes that RMS will be excused from snow removal and shifting maintenance obligations from RMS to the contractor; that the property owners will be entirely satisfied; that the material is going to have properties that will operate differently, she had been unable to tie down those details. Kessler further commented our road maintenance may void the warranty and we may have to rebuild the road if it fails because of the way we maintained or because it failed just because it just failed.

Further discussion, questions, and comments by individual board members followed regarding maintenance, and obligation to all property owners who may make similar request. Kessler reminded the board that we should remain focused on what we must do for the entire community. Romero responded to a question about a similar

recommendation made by a property owner on May Apple Lane. The board had discussed at the special session and had decided not to approved on account that it involved a single stretch of road as opposed to Woodfern Lane.

Road Supervisor Nathan Woody commented about the challenges that would be encountered by RMS if the proposal for Woodfern was accepted.

After further discussion, Property owner Tony Martin was provided an opportunity to speak about the proposal.

Romero stated the Roads Committee did not recommend approval, and made a motion to reject the proposal. Motion was seconded by McCaghren. After further discussion including what had been approved at the special meeting, the board voted. 9 in favor of rejecting the proposal, 0 opposed.

Authorize Roads Committee to Purchase Used Motor Grader

Romero made a motion to approve the purchase of a motor grader up to \$50,000. Romero said they would utilize operating cash and supplement with the reserve for the purchase. Kessler seconded. Smith asked that there be a 6 vote super-majority because of the potential use of reserve funds. Motion carried 9 – 0.

Romero made a motion to approve the sale of the skidsteer and purchase one that is more suited for what we need with a cost differential of no more than \$10,000. Pendleton seconded. Romero said they would utilize operation cash and supplement with the reserve if needed. Motion carried 9 – 0.

Simmons left the meeting.

New Business:

Salary Increases

Smith said in order to prepare the budget for next year, salary and retirement have to be taken into consideration. He said concerns the board needs to be cognitive of are the competitive labor market for equipment operators and the cost of living.

Romero said he has met with Wyatt and is working to come up with competitive pay for WLRM employees. Krueger said the Security Committee has submitted their recommendations to the Finance Committee and will be meeting with them.

Retirement Option Selection

Pendleton explained last year WLRMS matched up to 3% in the Simple IRA Retirement Plan.

Romero said the company match YTD is \$6,570. Currently there are 5 active employees participating which means about 1/3 of our employees participate. Romero said the finance committee recommended continuing the company match of 3%.

Romero made a motion to continue the company match of 3%. Pendleton seconded Motion carried 8 – 0.

Discussion on Use of Security Equipment

The board discussed the use of radar, body cameras and flashing lights by the security staff and how it could affect insurance coverage. Kessler made a motion to suspend radar and body cameras for a period up to 30 days while the security committee is developing appropriate procedures. Romero seconded. Motion carried 8 – 0.

Romero made a motion to put a temporary stop on the use of flashing lights other than emergency situations warning or assisting people until due diligence is done. Parker seconded. Motion carried 7 – 1 (Krueger).

Smith suggested that the security committee may want to look at hiring a deputy from the county that would be a WL deputy and WL would pay that deputy's salary for the time they were working for WL. That person could ultimately become the DOS for WL.

Audience Comments:

Charles Potts: Encouraged the board not to leave residents out when making decisions on how to handle speeders. He said you have to enforce the speed limit in order to get people to slow down.

Potts asked the roads dept. to address the trees that hang over McKinney Gap and cause drivers to have to drive on the wrong side to avoid them.

Potts encouraged the roads committee to look at the equipment account, schedule equipment that needed to be replaced and budget for those replacements. He said the roads crew needs an adequate roller.

Steve McKnight: He said it is well documented that speeding is a real problem on this mountain that places owners in jeopardy. Anybody that has a fiduciary obligation that is aware of the problem and does not successfully address it is liable. He asked the board if they were going to suspend the methods of correcting the problem how were they going to continue to honor their obligation under the covenants to stop speeding. He said there needs to be an alternative to stop speeders during this suspension.

Parker said that unless RMS misrepresents by making statements to the effect that WL roads are safe roads and make warranties to that affect, RMS is not exposed to liabilities, unless RMS fails to properly repair the road within a reasonable length of time. He said we impose the speed limit as an organization, but as a civil group the only way we can enforce it is to ultimately sue our residents. He said he recognizes the danger and does want to solve the problem to make WL a better place to live.

McCaghren said the covenants allow WLRMS to send letters and impose a fine or penalty such as deactivating the barcode.

Tony Martin spoke on how important is it to have insurance and to be covered. He has filed a formal complaint with the N.C. Contractor Licensing Board against Kimberly Freeman who is the license holder of Freeman Construction. The complaint alleges that they are not adhering to any national, state, local or regional building codes. They are not properly repairing the lines or the road surface after they excavate. Martin also called the regional manager of Carolina Water and notified them of the issue.

Lynn Cagney: Asked if the culvert that was replaced on Valley View, which is becoming a ditch, was on the schedule for repair to put it back to the way it was. Smith said the intent is to pave it if WLRM can get a contractor up here. Romero said he would look into it. She asked what WLRM does with brush and debris. Smith said a lot is burned at the maintenance shed. Her concern is that it is pushed off the sides of the roads which cause a fire hazard. Smith said the Forest Service has the grant to dispose of (chip) what has been pushed off the roads. Romero said he would follow up with Woody to make sure debris is properly disposed of.

She suggested that an AED device be purchased to keep in the security truck.

John Beneke complimented the ARB in their handling of the new home project next to his house. He said homeowners have a right to expect that they are safe from speeders. He asked the security committee to publish the meeting they have concerning the handling of speeding. He said he hoped they would figure a way to get around the risk and develop policies and procedures which can resolve that situation. He asked Pendleton to clarify what insurance claim he was speaking of in the committee report. Pendleton said it was dealing with the snow plow blade. He asked if an e-blast could be sent out letting people know the minutes have been put on the website.

Next work session is **November 7, 2018 at 10:00am**.

Board meeting is **Friday, November 16, 2018 at 10:00**.

The meeting was adjourned by President Smith.

Respectfully submitted,
Willie Romero, Secretary