

Wolf Laurel Road Maintenance & Security Homeowners Association
Minutes of the Meeting of the Board of Directors
May 18, 2018

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

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

Directors absent: Krueger

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

Audience: 5 in attendance

Minutes:

Kessler moved to adopt corrected minutes of the April meeting, which was seconded by Romero and approved 8-0.

Finance: Louise Wyatt

Wyatt presented the financial reports and balance sheet for April 2018. She reported that lot collections are 78% which is slightly higher than this time last year and home collections are 92% which is slightly lower than this time last year. We are one third of the way through the year and we are on track with expenses for both roads and security; the year to date expenses of both budgets are slightly less than one third of the annual budget. Expenses year to date 2018 are slightly higher than 2017, but certain expenses have occurred earlier in the year for 2018 than in 2017.

Kessler asked about the level of aged unpaid assessments. Wyatt noted that very old accounts comprise the majority of our aged unpaid assessments, but that there has been an increase of unpaid accounts delinquent only for 2017 and 2018.

Romero asked about the collection process, noting that should RMS seek financing that our collection rate would affect how much money we could borrow. Wyatt explained that a late charge is imposed if the assessment has not been received by March 2nd, interest is billed on the delinquent account April 1st and each month forward until the assessment is paid. If assessments have not been paid by the beginning of May, the homeowner/lot owner's barcodes are deactivated. The Legal Committee reviews delinquent accounts to determine when it is cost effective to refer the account for legal action, due to delinquent amount, number of accounts, or other circumstances.

Smith added that he responds to every concern or complaint from homeowners about the financial penalties and/or the barcodes being deactivated. Also, RMS makes every effort to get invoices to the

property owners who have moved, changed their address or the forwarding time limit has expired, and that our collection rate is higher than the county's tax collection rate.

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

Since last report: Wolf Laurel has received 8.7 inches of rain with plenty more on the way.

"April 2018 Storm Update" Most of the ditches, roads, and culverts have been either graded, crowned, rolled, cleaned out or repaired on the Yancey County side of Wolf Laurel . WLRM will be transitioning over to the Madison County side when weather permits this process will continue. After all gravel roads and ditches have been repaired WLRM will move onto graveling the roads where needed. Until the weather clears and WLRM starts graveling some of these areas some areas will continue to be muddy and slick please be patient. WLRM will then move onto the numerous slides and creek crossing repairs. There were more slides since the last rain on Laurel Lane, Chestnut and Flame Azalea.

Equipment:

Changed cutting edge on John Deer tractor. Installed new bucket teeth on CAT 416 backhoe bucket. Serviced white GMC pickup. Replaced hydraulic lines on CAT 272 skid steer. Serviced black GMC pickup. Washed and greased all equipment. Demobilized all snow removal and salt distribution equipment. The pull behind roller has been repaired and put back in service. The Mahindra and John Deer tractor is still scheduled for service. The CAT 416 backhoe is still in need of repair. Repaired tarp and bed on the Ford L-9000 dump truck

Roads:

Removed brush from RR0W's. Cleaned all culverts. Graded, crowned, and rolled most roads and ditches on the Yancey County side. Spread, graded, and rolled 3 loads of ABCM road bond on Phacelia LN. Spread, graded, and rolled 3 loads of ABCM road bond on Upper Haw DR. Repaired, graded, seeded and matted damaged creek bank on the RR0W along Birch Springs Lane in coordination with the DEQ and USACE. Removed rocks from roadway left over from crowning. Mowed and weed-eated some roadside green spaces and signs. Dug out silt berms and graded Big Bald RD. extension. Repaired some of the pavement edges where the heavy rains washed away the shoulder stone. Repaired the large slide along lower EL Miner that impacted the roadway and the cart path. This was repaired by WLRM and subcontractor, who has already been paid. Ordered and delivered 22 18"X 20' HDPE pipes for drainage repairs and are schedule for install by Freeman's Construction weather permitting. The 2017 Storm Damage repairs at the Motel, Chestnut LN., and Buckhouse RD. that were scheduled to be repaired in the early spring have been postponed due to scheduling conflicts with the contractor. Had another interested contractor come look at the job and am waiting on a bid from him.

Brown reported that he got a bid from Carter Asphalt on striping WL Road from outside the gate where WL property begins up to right beyond the country club, painting directional lines at the gate

and painting chevrons on the 12 speedbumps, 5 of which are at the gate which is Security's responsibility. The contractor is 3 weeks out which could change due to rain. A vote will be taken under New Business.

Pendleton asked if we are still negotiating with the adjustor on the snow blade. Brown said we were.

Security: Ken Porche (Written report read into the minutes)

John DiPetta's surgery went well. He is home. He will be going back in a week for more adjusting. He will be out for another month or so.

This has been a pretty good month.

We have assisted the different departments on several medical calls on big bald 3 of them were heart attacks or possible heart attacks, all were transported all survived. One broke ankle.

The Big Bald gate is open to home owners with 4wheel drives, they can check out keys at gate, there is only 2 keys.

We've had several calls complaining about dogs barking, we talked to homeowners about the problem.

Had a homeowner call the gate about her dog being sick and she needed help getting dog in car, I went and helped load a 150lb dog which later died after trip to vet.

Responded to call back door open on residence on McKinney gap, found latch was not fastening properly, attempted to call homeowner, number not in service.

Security has been burdened with a problem between two home owners and their dogs on Flame Azalea. Told them to call Sheriff's Office which they did but still trying to involve us with calls and coming by or stopping us when we are on patrol. The one party has been harassing the other all hours of night and day. Told them to call Sheriff's Office.

Romero noted that the limit of responsibility for RMS would be to send a letter to both homeowners citing the covenants on the responsibilities of the property owner concerning dogs.

Romero asked if security is being asked to respond to 911 calls. Porche' said security is responsible for getting first responders where they need to be on the mountain and assist where needed.

Committee Reports

Communications & Community Relations: Larry Smith

Smith distributed a copy of WLRMS website traffic report to board members. Smith sent out the three email blasts that the board requested in the last meeting. The Top of the Bald will be coming out shortly according to Rich Ashley which will have several articles pertaining to WLRMS. Smith said when RMS receives official complaints on various things, he always responds.

Insurance / Finance Committee: Dick Moeller and David Pendleton

Employee compensation will be discussed in Executive Session.

Moeller spoke with Lori from Tim Thomas, CPA who said we should have the audit next month. Smith reminded everyone that this audit was to help WLRMS improve accounting and business practices.

Legal: Brent McCaghren and Cynthia Kessler

McCaghren reported that there was no litigation.

Security:

Shook reported that meetings and negotiations continue concerning the back gate, security as well as construction. Shook reminded everyone that June 1 is the beginning of the official speed warnings.

Road Maintenance & Equipment: Jim Simmons

Simmons thanked Jason and his crew for the job they are doing especially in this inclement weather. Simmons reported that this week he and Brown spent a day driving over all roads to conduct a full assessment of road conditions, trouble spots and potential trouble spots. Simmons noted that a great deal of damage to the roads is a result of homeowners either not taking care of their culverts or ditches, or directing their drainage in an uncontrolled fashion onto the roads.

Simmons added many of the roads appear muddy because of the crowning and ditch grading that is going on. He pointed out that the gravel is not being scraped off the roads, but has been covered up by the mud and as time allows, stone will be spread on top of that.

Simmons reported that based on the current conditions the existing 3 year road plan that WLRM no longer matches the priority of the work needed and will be completely re-done. The current 3 year road plan will be taken off the website with an explanation that a new 3 year road plan will be developed based on the conditions WLRM ran into this year. Priorities have to be adjusted and

reset as far as safety issues, which will be addressed first. The plan would detail the new priority of work and will have budget figures attached to the description of work.

Simmons and Brown met with the contractor that will be handling the two major slides and the motel issue. The contractor is putting some prices together and should be able to jump right on the repairs.

Kessler asked whether the annual 5% increase on assessments is earmarked for the infrastructure work described in the 3 year plan. Romero recalled from his work on the budget that the 5% increase was not dedicated to infrastructure but was to cover our general expenses. Wyatt noted that the 5% assessment increase was approximately an additional \$35,000, insufficient to fund the infrastructure work described in the plan for 2018.

Lewis Daniels suggested that the board dedicate work session devoted to the topic as he did not see consistency in the board conversation concerning funding and timeline of infrastructure work. Daniels commented that if the annual 5% increase is not going to be sufficient to pay for what needs to be done, should there be a special assessment.

Brown reminded the board that the 3 year road plan has proven to be successful in so far as it has been implemented. Two roads had been identified as test areas and redone using the methods and materials described in the plan in order to demonstrate the plan on challenging terrain and to demonstrate the impact of traffic on the roads. These two roads, formerly the worst in Wolf Laurel, have performed extremely well over the past several years, requiring far less maintenance than other roads even in the current bad weather. While two mild winters placed the crew ahead of schedule, this year bad weather not only has delayed the work schedule but changed which roads are now highest priorities. Still, the work described in the 3 year plan has proven results.

McCaghren added he had great confidence in Jason and his crew. Weather permitting, WLRM can accomplish what is on the road plan and get the roads to where they need to be. It is just going to take longer than had a special assessment been adopted.

Property and Facilities: Dick Moeller

Moeller reported that the Postmaster in Mars Hill will provide more mail boxes and parcel boxes at no cost to WL with RMS to construct the enclosure for the boxes as part of shifting the boxes at Hampton Gap to the side to open the area for Road maintenance staging. Additional meetings are scheduled on the details.

Moeller reported that he anticipates permit application for the replacement septic system will be made in the coming week. The design of the system is based on the maximum capacity of the building or facility, which exceeds the current demand on the system. Smith said we should have the plan by mid-June if all goes well. Construction could possibly start in July.

ARB: Steve McKnight

Since last report, Bob Super has had several serious inquiries regarding several renovations and a couple of new constructions. This suggests that the 2018 building season will be a busy one. However, I only report the applications that have been submitted, reviewed and approved. Therefore, I will report the approval of three tree applications, five minor exterior, and one major exterior application. This brings the totals for the year to date to: seven tree, 15 minor exterior, five major exterior and 4 interior applications.

Long Range Planning: Larry Smith and Cynthia Kessler

Kessler reported that the internal long range plan has been distributed to the board. Each committee has focused on its short range, mid-term and long range plans which have been compiled into a single document. The board is now reviewing all committees' plans as well as their own.

POA Liaison: Larry Smith

No Report

Old Business:**157 Spring Valley Drive.**

In response to a homeowner's inquiry, Smith reported his summary of the history of the issue in a written report submitted to be included in the minutes:

In the initial construction of Wolf Laurel Road, a culvert was installed to allow passage of water runoff beneath Wolf Laurel Road. The installation of the culvert was located so as to not divert the original course of the water flow. After passing through the culvert the water coursed down a rock cliff and continued in a stream to the creek located at Spring Valley.

In the early 90's a builder constructed two cabins on Spring Valley at this location. In order to create space for the second cabin the builder constructed a catch basin at the foot of the waterfall. He then installed an underground conduit to conduct the water from its original course and diverted the water underground in a southwesterly direction to the creek on Spring Valley.

Approximately 2010 Wolf Laurel Road Maintenance replaced the culvert which was failing with a new culvert. An examination of the concrete at the site of installation revealed no increase in size.

Subsequently during a storm, water entering the catch basin overflowed the embankment. WLRMS was contacted by the owner of 157 Spring Valley. The Roads Supervisor pointed out that the underground conduit was blocked due to a lack of maintenance. The owners wanted assistance from WLRMS in effecting repairs. The Board rejected the request as the work would have been to private property at the behest of the owners. Such an effort would have created a liability where no liability currently existed.

The owners of 157 Spring Valley then contracted the repair from a private contractor. The repair that was effected at the request of the owner directed the water from heavy storms be poured on to the surface as opposed to an underground conduit. Further this water was directed onto the properties of two adjoining property owners. This continued outflow during heavy storms has resulted in significant erosion of property belonging to the adjoining properties. The erosion has occurred within the deeded access granted to the homeowner of 157 Spring Valley for use as a driveway.

The owners have again contacted WLRMS requesting assistance in effecting a repair. Upon a review of the facts, the WLRMS Board has reasserted the original position. 1) We have not diverted the course of the water from the original path. 2) The culvert installation and water flow existed prior to the construction of the cabins or the sale of the property. 3) We were not responsible for the construction or maintenance of the catch basin. 4) We did not design, or participate in, or approve the installation of the installed overflow creating the damage. 5) We cannot assume the liability for effecting repairs on private property.

New Business:

Outlining Election Procedures for 2018

It may seem early, but... here is the relevant information for the election of 2018.

The President is to appoint an Election Committee and the committee is responsible for preparing and mailing and counting the ballots.

Election Date was determined to be Wednesday, August 15th with the new members to be seated Friday August 17th.

The President is to appoint a board member who is not running and three property owners to serve on the Nominating Committee. (Committee members are not eligible to run.) The Committee members are to be presented to the Board on Friday June 15th for the Board's approval.

The Nominating Committee is charged with presenting 2 candidates for each position. The candidates to be listed on the ballot must be presented to the Board on Friday July 20th. (no Board approval at this step)

Nominees from the community may by petition be selected. They must have signatures from 10% of all eligible property owners. Petitions for nomination must be received by Monday July 16th.

The following Director Seats are up for election this year:

Smith is completing a three year term and would be eligible to run for an additional term.

Krueger is completing a final year for a resigned member and would be eligible to run for two more three year terms.

Shook is completing a final year for a resigned member and would be eligible to run for two more three year terms.

There are some very tight deadlines that are created within our election procedure. The Board receives the report from the Nominating Committee on Friday July 20th and the voters are to receive their Ballots on Wednesday July 25th. To accomplish this task in the time period allotted the staff is required to work with the elections committee in advance to prepare the envelopes for mailing. Note many envelopes receive multiple ballots of different colors depending on properties owned. The staff then works overtime over the weekend to get the envelopes mailed by Monday July 23rd.

The other problematic deadline is caused by the petition date of July 16th. The Nominating Committee receives the petitions and verifies the petitions and prepares their ballot recommendations for the Board to receive on July 20th. Since the Board does not actually approve the ballot, the ballots can be printed by the committee prior to the Board meeting.

Approve Bid for Striping Wolf Laurel Road

Simmons moved to approve a \$5,100 bid for striping Wolf Laurel Road and painting safety marking on speed bumps. The motion was seconded by Moeller.

Romero reported that prior to seeking bids for this work the board first determined that there were no plans to resurface the road before it would be time to restripe the road again, and that the existing lifespan of the asphalt with regular maintenance would not present a major issue.

Brown added that the subgrade and structure of Wolf Laurel road are good. Brown said if the cracks are sealed (which is a very labor intensive job), patches are made promptly as needed, and drainage on the edges of the road continues to be improved and addressed as needed, the road would be in good shape for 8 to 10 years.

Simmons said that the money used to stripe WL Road is being spent wisely because of the safety issue, even if it had to be redone each year.

McCaghren asked how long the striping would last. Brown said with the plowing that goes on in the winter time, it would probably last around two years.

Smith noted that there were three ways to “re-pave” WL Road. 1) Compressed asphalt – est. \$600,000. 2) A process called chip and seal or split seal – est. \$200,000. 3) Liquid Seal (not recommended as it is slippery when wet) – est. \$100,000. Brown added that the board should take note of the wear patterns that demonstrate the difference in these methods: the Preserve installed compressed asphalt on Ridgeway to a certain point, and then Blue Mountain installed chip and seal on the balance of the road.

Romero said that a discussion in a work session of the long range plan for WL Road needs to take place.

The motion passed – 8 yes – 0 no.

Set Date for Meeting Date for Marketing Wolf Laurel by the Community

Smith reported that as part of the Long Range Plan for Wolf Laurel and the role of RMS in the larger community “inside the gate” the committee desired to schedule a meeting of different stakeholders in the community. The topic of this meeting will be **"Providing a Welcoming Environment for Wolf Laurel Visitors"**.

Smith would like as many members of the WLRMS board who want to participate, Wolf Laurel Property Owners Association, Wolf Laurel Country Club, Blue Mountain Property Owners Association, The Preserve, Wolf Laurel Road Maintenance and Security, Wolf Mountain Real Estate, Mountain Laurel Real Estate, Black Bear Real Estate, Hicks Real Estate, Memory Mountain, and Ski the Wolf. These entities have in common a concern for marketing Wolf Laurel. It is not our intent to preclude others with a common interest from participating.

The meeting was set for June 16th at 10:00am in the RMS Office Bldg.

Audience Comments:

Steve McKnight spoke on the leash law for dogs. He cited the covenants: Section VI Subsection 11d requires that owners control their animals. Section VII Subsection 8d lists remedies that the board has for noncompliance including fines. Repeated occurrences, barking animals or dangerous animals, could receive a \$100 fine. These fines could be doubled or tripled for repeated offense. Section VII Subsection 8d allows the removal of an animal that is a nuisance. McKnight pointed out that the board has used these remedies in the past including bringing an owner in and giving them the opportunity to explain circumstances and if the board was not satisfied, requiring that animal be removed. McKnight said that this board should give serious consideration to nuisance animals.

Stephen McKnight commented that the question posed to the consultant commissioned by the board to prepare road evaluation report was what would be necessary to stabilize our deteriorating roads so that they could be maintained with ordinary annual assessments subject to a 5% cap on increases. McKnight said that the board at that time was realistic, understanding that the roads were deteriorating but that the cap on increases limited the resources available for roads. The board had to decide what was necessary, and that is why there was only a plan A, and were no other options in the special assessment vote. McKnight said this is what he recalled attending every

meeting where the issues were discussed. He said the board was persuaded and voted unanimously that this was needed if we were going to be handicapped with the 5% assessment. McKnight said he thought it was good that this is being revisited. He said he did not think the roads, over 10 years, could be brought up to where they need to be. He said Simmons was very honest in his February Roads Report. That the winter had been very hard on the roads and they were in bad shape. It's not because we don't have people that know what to do. It's because we do not have the funds to do what needs to be done.

Mary Lynn McMillan asked if residents were allowed to plant flowers on RMS right-of- ways (Glenaire Triangle) where day-lighting has been done. Kessler said that in response to an inquiry from another homeowner, she inquired and received a list of criteria from Brown that would work with Roads mowing and maintenance. Kessler said she had also contacted Bob Super, ARB Administrator, who asked that an application be submitted. There would be no fee. Since the Glenaire Triangle is on RMS property, RMS would need to know about it which can be done through the ARB form. The resident could do this at their own effort and expense, and must continue to maintain the area and keep it looking attractive. Kessler said she thought it was a wonderful gift to the community. Romero added the same is being done on Flame Azalea.

Pendleton asked Brown to explain the reference in the commissioned road report to bringing the roads to "driveway standard." Brown explained that "driveway standard" was lower than an ordinary road standard, which was in turn lower than state highway standard.

Gayle Barr asked where the money for the road striping was coming from, roads or security. Smith said it will be coming from both roads and security but mostly roads.

Smith said that our road conditions will be discussed further in work sessions and all points that have been brought up will be addressed.

The board entered executive session.

In executive session, the board reviewed and discussed the finance committee' report containing a wage study listing prevailing hourly wages within a relevant geographic area organized by job description in comparison to current staff compensation. The methodology and information sourcing were explained in detail by the committee and fully discussed. The report confirmed that the base wages RMS offers are competitive within the geographic area. The board further reviewed and discussed competitive benefit plans in comparison to current method staff benefits, appropriate methods of recognizing job performance, and compensation equity, again with full and detailed extended discussion. Finally the board discussed a preliminary comment from the auditor questioning why wages adjust mid-fiscal year.

Following full discussion of maintaining existing competitive base wages, the addition of competitive health and retirement benefits in calendar year 2018 valued at approximately \$3,035 on average per employee, appropriate methods of recognizing job performance and the need to address compensation equity, upon motion made by Kessler and seconded by Pendleton, the board approved replacement of the Christmas bonus effective for calendar year ending December 2018.

Following extensive discussion, upon motion made by Kessler seconded by Pendleton, as amended, conceded, and re-seconded, the board approved adjusting the time frame for compensation

adjustments to coincide with the fiscal year, with compensation adjustments to be made based upon performance tied to a percentage scale determined by the board.

The meeting was adjourned by President Smith.

Next RMS HOA Board meeting is scheduled **June 15, 2018, at 10:00 A.M.**

Respectfully submitted, **Cynthia Kessler, Secretary**