

**Wolf Laurel Road Maintenance & Security - Homeowners Association
Minutes of the Meeting of the Board of Directors
January 18, 2019**

The meeting was called to order by President Smith at 10:00 A.M.
Directors in attendance in person: Kessler, McCaghren, Pendleton, Romero
Directors in attendance by phone: Krueger, Moeller, Parker, Simmons, Smith
Staff in attendance: Connor, Porche', Wyatt
Audience: 7 in attendance

Welcome

Approval of the Consent Agenda

- A. Minutes of December 12, 2018
- B. Accept the Road Report as Presented – See attached
- C. Accept the Security Report as Presented – See attached

McCaghren made a motion to approve the Consent Agenda. Pendleton seconded. Motion carried 9 – 0.

Finance: Louise Wyatt

See attached for report given at the work session on January 9, 2019.

Report given at January 18, 2019 Board Meeting

Wyatt reported she has made several year end entries and has sent them to the accountants.

Balance sheet differences are due to prepaid insurances, salt and sand, and the sale of the snow blade.

Income - RMS has collected 85% of lots billed and 96% of homes billed for 2018.

Income and expense are in line with the budget. RMS is at 89% of the budget for roads and 93% of the budget for security.

Compared to this time last year (December 2017), income for 2018 was 5% more due to the assessment increase. Expense was 7% more for WLRM and 8% more for WLS.

To date, \$307,000.00 of 2019 assessments have been deposited.

A discussion followed concerning the budget and reserve fund.

Smith made a motion to accept the financial report. Simmons seconded. Motion carried 9 – 0.

Standing Committee Reports

Communications and Community Relations: Larry Smith

Smith reported he has responded to several emails as they come in.

Two articles were prepared for the Top of the Bald.

The letter to the membership went out with the financial statement.

Finance/Insurance: Willie Romero and David Pendleton

McCaghren reported that he has reviewed the reconciliation of the bank accounts and they are reconciled and in agreement.

A. Action on Insurance for Board Member Coverage

Pendleton made a motion to ratify the action renewing the E & O coverage as is. Romero seconded. Pendleton will check on liability coverage for committee volunteers. Motion carried 9 – 0.

Pendleton informed the board that in N.C. nobody's homeowners insurance would pay a volunteer fire department for their services or expenses. Pendleton will be calling the fire marshal to find out what Wolf Laurel has to do to reduce our fire protection rating.

McCaghren inquired about bonding for WL employees that handle money. Pendleton said WL had Employee Dishonesty Coverage for \$50,000.00.

B. Establish Election Date for Carry Over for IRS Records

Smith moved that the board establish Friday, February 15, 2019 as the election date. Pendleton seconded. Motion carried 9 – 0.

Romero reported that he and Wyatt met with a member of the finance committee who is a retired banker to discuss financial policy and how WL should bank the cash we have. They intend to make an appointment with the bank to discuss options.

Legal: Brent McCaghren

A. Waste Water Treatment Plant

Kessler reported that the sale of the WWTP is dependent upon us having a working field bed and septic system which has not yet been installed. Once the system is installed and we are disconnected from the WWTP, we can resume the conversation of divesture, disconnection or sale of the WWTP.

B. Trademark Issue Update.

McCaghren said it was brought to WL attention that another individual/entity was also possibly infringing on our trademark. Kessler contacted the individual and they were most apologetic, was not aware of it and would take measures to correct it.

WL's attorney was contacted by the attorney involved in the other trademark infringement. The attorney and his client were unable to meet so we do not have a response at this time, but should hopefully have it by the end of next week.

Roads: Willie Romero

No Report

Security: Krueger and Parker

Uninvited Guest Proposal – Lloyd Parker

Background: In March HGTV will be airing a show that will feature houses in Wolf Laurel, and from the filming that was observed, several other locations in our development could also be shown. In the exit interview I conducted with Chris Gunter last fall, he reported during Wolf Laurel's busy season that he would turn away two or three people every day who had driven some distance to look at Wolf Laurel. After the HGTV showing we should expect the number of uninvited visitors to significantly increase.

The HGTV show has the potential to provide both national and international exposure to our beloved development. Do we look at the uninvited guests showing up as an annoyance for our gate staff to deal with or should we look at them as potential property owners?

Issue: Is it possible to create a gate admission policy that would allow uninvited guests to look at Wolf Laurel and at the same time maintain our development's security?

Pilot Gate Entry Proposal: For three months duration, after the airing of the HGTV program (April, May and June), pilot a two hour pass that would allow uninvited guest who show up at our gate to drive without escort on Wolf Laurel roads.

- The Guest would be required to surrender their valid driver's license and provide a cell phone number to the gate staff in exchange for a two hour pass. This gate visitation program is not designed for local residents so driver's license with a 28754 zip code would not qualify for entry under this program.
- The two hour pass will have a survey on the back for the visitor to fill out before returning the pass for their driver's license.
- The gate staff will photo copy the driver's license and maintain a record of the visit.
- This proposal will require the development of a good, readable map for the entire Wolf Laurel complex. If a usable map cannot be developed in time for this program, the pilot entry program should not be started.
- An information packet about Wolf Laurel could be developed.
- At the end of each month during the pilot, Security would report on the visitors that entered through this program to the board.
- The uninvited guest program would only operate between the hours of 10:00 am and 4:00 pm.

- At the end of the 90 day period the pilot would end and results reviewed. Entry data will be shared with the country club, all internal developments within greater Wolf Laurel and the POA.

Moeller made motion to talk about this proposal and Pendleton seconded. No vote was taken.

Discussion followed :

Krueger asked what the board's responsibility was to property owners; to sell homes or protect owners' property. Krueger added that she could not find anywhere where it says the board is a marketing board for WL. She does not support this proposal.

Smith pointed out that once the property owners replaced the developer, there was **no** entity left within the Wolf Laurel community who saw it as their responsibility or shared responsibility to take up the marketing of Wolf Laurel. Attempts have been made to address this issue. He asked the question, how will Wolf Laurel be marketed? We can say we don't have a role in that, but if we don't, who does? Are we suggesting that no one market WL? Smith said that we can't just say that no one is welcome because that actually hurts the property owners and the value of their property.

Simmons said as much as he admires the idea of promoting WL, he does not like the idea of allowing people into the community who are unfamiliar with the roads, as treacherous as they can be. He said we are opening ourselves up to a liability situation. He feels there are other ways to handle this and is not in favor of giving people a two hour pass to just drive around.

Moeller said he was in favor of the proposal. He said there are going to be a lot of people showing up at the gate because of the HGTV program and if we turn people away, we are going to look stupid.

Pendleton said he understands the security concerns, but also is not afraid of trying a pilot program that is very controlled. Either way, he suggested update WL searches on the web to say if anyone was planning on visiting WL, they need to contact a real estate agent to escort them.

Kessler asked about the program that is in place allowing visitors to enter the community to visit the country club and how it was working.

Lloyd responded to Kessler saying the program seems to be working fine. There have been a couple of incidences where the visitors did not show up at the appointed time.

Krueger agreed that the program works well, but there is limited access to the community. Visitors have a 15 minute window to reach the country club after they enter through the gate. If they do not show up within that time frame, the country calls the gate and security is sent out to find them.

Kessler said she wants to present this community in the most positive light. She wants to welcome visitors but does not think this proposal is ready to be voted on because of the concerns voiced at this meeting and voiced through email.

Krueger encouraged studying the use of an ambassador program where members of the community would volunteer to show visitors around Wolf Laurel.

Parker said that this pilot program will give us a window of opportunity to learn about these people who want to come into our community.

Smith said this program should be for people outside the immediate area.

Pendleton suggested adding information to WL's website on how visitors can make an appointment to come and see Wolf Laurel and all of our amenities.

McCaghren made a motion to postpone this discussion to the work session. Simmons seconded. Motion carried 9 – 0.

Property/Facilities: Jim Simmons

Tim Donovan replaced the panel box and corrected other issues at the maintenance shed.

Simmons, Clifton Hamlin and the Madison County Health Dept. met about the drain field. It was approved. Clifton will start this coming Monday, weather permitting.

Harold Tipton replaced the hot water heater at the gate.

Simmons is looking at shelter drawings for the mailboxes.

ARB: Mike Stapleton (Read into the minutes by Kessler)

The ARB held its monthly meeting Thursday, January 10.

Last month, December 2018, there was;
One tree Application, one minor exterior application and one interior application. The weather has reduced applications as expected.

The open issue of one new construction application having a deposit shortfall has been remedied and is now in compliance with the guidelines.

The continuing open issue of a different new construction site is still being addressed. The application has expired, construction appears to have stopped and the property is no longer in compliance with the guidelines and covenants. No extension has been granted or applied for. The Board and the Administrator are using the enforcement remedies allowed for in the covenants and guidelines in an attempt to address the situation.

Administrator Jared Silver is investigating other lesser issues and we have hopes they will be resolved in short order.

The ARB asks that property owners please remember that before you begin exterior or interior property modifications or improvements, please remember that many of these require an ARB permit. This includes chopping certain trees. Call the ARB administrator if you have any questions or need to begin the permitting process. He is here to help. This will ensure your project is in compliance with the Guidelines and covenants. Remember the fees from these applications help ensure our roads are repaired and maintained and our neighborhood is one that we all can be proud of.

We would like to thank Jared Silver the ARB administrator for the good job he is doing.

POA Liaison: Larry Veatch (Read into minutes by Smith)

1. The POA is working to support the effort to maintain the equestrian service in our community
2. We continue to work toward moving the playground
3. We are making progress toward having hot water available in the Community Center / Barn and in the Pavilion
4. We have decided to add a small late fee for dues not paid by April deadline
5. Valentine's Day Party has been planned
6. We appreciate Larry Smith's contribution to the TOB with the articles Forest Service and Water Tank Safety
7. We continue to appreciate the work that is done by the WLRMS

Long Range Planning: Cynthia Kessler

The committee is continuing to work on assembling data for the reserve study to identify saving targets for Wolf Laurel's future capital needs. We have assembled information from our existing sources, including depreciation schedules, inventories, and insurance schedules. The next step will be to enlist the assistance of the facilities committee to breakdown the lifespan of our buildings into their separate components (roof, heating etc.), and to work with our roads committee to identify projected costs of re-paving.

While the committee did not meet this past month, the chairman facilitated a joint meeting of the chairmen of the Security and Roads committees. The meeting's summary was distributed to the board of directors for comment, and discussed at the work session on January 9. The points of agreement of the committee chairmen, as revised to incorporate comments of board members were presented for approval by the Board of Directors:

There is an acknowledgment that all power and responsibility resides in the Board of Directors of the Association under the Covenants, except and until the Board delegates responsibility and authority to an individual. Committee chairmen and committees serve "at the pleasure of the Board." The Board of Directors expressly confirms the following matters:

1. The Roads Committee and the Security Committee are different than other board committees because each division has employees charged with performing the division's work, sizable budgeted expenditures, and ongoing daily operations that must be performed. These two divisions require express delegation of the scope of authority and responsibility, and operate as agents of the Board with the ability to bind the Association within the scope of their authority.
2. The chairmen overseeing these divisions need authority to spend money without Board approval for routine expenditures, within budgeted line items. Such ability to spend money is also subject to all of our other financial policies, for example the requirement to get multiple estimates on expenditures of a certain size.

a. "Routine expenditures" are ordinary, ongoing repair, replacements, maintenance, or replenishment of supply stock, which are anticipated in the regular operation of the division. Routine expenditures are not major expenditures, capital expenditures regardless of size (such as a \$500 pickup truck), large or recurring repair expenses in connection with a capital asset (such as spending more money on an old vehicle than it's worth), unexpected unbudgeted expenses, or the purchase of a not previously owned type of item that has an ongoing cost or that could have policy implications or for which rules of use would need to be established.

b. Prior Board approval is required for all expenditures, except for routine expenditures. Prior Board approval is required for the purchase, sale or disposition of any capital asset. In situations of an emergency, that is, a necessary expenditure is required that is not routine, not budgeted, and is so urgently needed it cannot wait for a Board meeting or for Board approval by email, then the expenditure may be made in compliance with the Board's existing policy for emergency expenditures.

c. Budget line items, when approved by the Board, expressly authorize the chairmen to spend money within those categories, up to the budgeted limit for the line item, subject to our other financial policies.

3. It is the chairman's responsibility to identify any matter, issue or expense that may have policy implications and raise the issue with the Board. This responsibility does not relieve the Board of the same obligation; any Board member who identifies the need for a policy is obligated to raise the issue.

4. It is the Board's responsibility to set overall compensation, benefits, employee job descriptions, and personnel policies applicable to employees and to designate a "point person" to communicate Board decisions to employees appropriate to the particular decision. For example, the Board may designate the insurance agent to explain our health insurance to employees, a staff supervisor to convey the amount of a raise, or a Board member or chairman for a change of policy.

5. It is the chairman's responsibility to supervise the division's supervisor. While the Board will set some guidelines as to frequency of reviews, format of reviews, and approve the supervisor's job description, the chairman will act in the chairman's discretion, exercising due care, best judgment, and being fully accountable to the Board.

6. The chairman does not directly supervise subordinate employees which is the responsibility of the division's supervisor. Issues observed by the chairman shall be directed to the division's supervisor. This said, chairmen will maintain an open door policy to receive questions, information, or concerns from subordinate employees. The division's supervisor in supervising employees shall act at the direction of the Board and the division's chairman.

7. Except for routine expenditures, all staff expenditures shall require the chairman's approval before the expense is incurred. Each month the chairman shall discuss with the division's supervisor the next month's anticipated expenditures and review the prior month's division's expense report. Any unauthorized expenditures or expenditures that are questionably routine or non-routine shall be addressed immediately by the chairman. Each quarter the chairman shall review a compensation report for the division's employees detailing wages, benefits and overtime and monitor staffing levels and appropriate use of overtime. It is the responsibility of the chairman to identify and report to the Board matters that these reviews reflect.

8. Committees are not decision making bodies; the Board makes all decisions, approves all policies and takes all actions of the Association. The Board may send an issue to the committee

requesting the committee develop a recommendation or series of alternatives, and the committee will study an issue, debate alternatives in a vetting process, and propose a recommendation to the chairman. If requested by the Board the committee's report will include viable alternatives together with the committee's consensus of the best alternative under the circumstances.

9. Personnel matters are not a committee function. This responsibility resides with the chairman and may not be delegated by the chairman to the committee.

10. Committees serve to assist the chairman as needed by the chairman. Chairmen shall propose the appointment of committee members to the Board for approval or removal. Committees may contain a full time resident committee member to assist the chairman, supplement the chairman's experience, or to serve in an advisory capacity, but shall not replace or assume the role delegated by the Board to the chairman. In the event the chairman is unable to fulfill the chairman's responsibilities, the Board shall replace the chairman.

Kessler asked for a motion that the board adopt the ten points of agreement of the joint committee chairmen so that these can be used by the board as guidance for the administrative work that comes ahead for the board with the amendments made by McCaghren. Pendleton made the motion, Smith seconded. Motion carried 9 – 0.

Old Business:

None

New Business:

- A. President's request to form an Ad Hoc Committee for the purpose of studying issues and preparing recommendations on community fire safety.

McCaghren made a motion to approve the President's request to form an Ad Hoc Committee (consisting of Larry Smith, Ken Porche, Nathan Woody, representative from Ebbs Chapel VFD, ARB and previous members of the Fire Wise Committee) to look at how to make Wolf Laurel a safer community. Pendleton seconded. Motion carried 9 – 0.

- B. Accept donation of a 10,000 gallon water tank from Ebbs Chapel VFD as a water source.

McCaghren made a motion to accept the water tank donation. Romero seconded. Carried 9-0.

- C. Approve expenditure of \$8670.00 for installation and water connection of the water tank:
Installation by Clifton Hamlin - \$6170.00
Connection by Carolina Water - \$1100.00
Water line and back flow preventer by Freeman Const. - \$1400.00

McCaghren moved to approve the expenditure. Pendleton seconded.

Discussion followed concerning reimbursement of the water tap fee, an easement agreement with the owner of the property in which the water tank will be located, timing of the installation, where the money for these expenditures will come from and participation from the other homeowner associations.

Motion carried 9 – 0.

D. Board action on issue of Road Supervisor Travel

Romero withdrew his request for the Roads Supervisor to be able to use the company vehicle for travel back and forth from work to home.

Pendleton made a motion that the use of a personal vehicle for Wolf Laurel business purposes or for being recalled to work after completing ordinary duties would be reimbursed at the allowed IRS rate with exception of the ARB Administrator. McCaghren seconded. Motion carried 9 – 0.

E. Board action of standing committee issues.

Delayed to next meeting

Pendleton pointed out that the board needs to have a discussion about maternity leave at some point. Pendleton and Kessler will research options and report back to the board.

Audience Comments:

Becky McKnight made a clarification for committee members to be covered under WL insurance policy, the board has to do is to have the Chairman of the committee announce the members of their committee at a meeting and this would be included in the minutes.

McKnight asked if the proposal by Parker was approved by the complete Security Committee. Parker said the proposal was submitted to the board by a committee co-chair. Kessler said each Security Committee members' opinions on the proposal were shared with the board.

Steve McKnight requested that the board rethink the idea of not having the staff reports made at the monthly meetings. He also asked the board to clarify what qualifies as a consent agenda item. McCaghren said that a consent agenda item is an item that was discussed at a work session for which there is unanimous agreement on the item and any board member, if an item is on the consent agenda, can ask to have the item removed.

On January 22nd the Board, by electronic mail, voted unanimously to approve a raise to Nathan Woody upon the completion of his probationary period, which raise shall be documented in his personnel file.

Next work session is February 6, 2019

Board meeting is February 15, 2019

The meeting was adjourned by President Smith.

Respectfully submitted,

Willie Romero, Secretary