

The Views of Asheville Homeowners' Annual Meeting

December 10, 2015

Minutes (as approved on 7 Dec 2016)

The meeting called to order by President Bill Uhle at 7:02 p.m. New owners Todd and Sharon Henady introduced themselves.

Roll Call: Homeowners in attendance: Linda Jorgensen, Beth and Skip Garrett, Diane and Neil Altman, Gerry Stanley, Richard and Judy Green, Jill Sagarin and Joe Bonamarte, Bill and Chandra Uhle, Todd and Sharon Henady, Paul and Diane Summey, Dan and Eva Stewart.

Homeowners represented by proxy: Daniel Baseman/Amber Guilfoyle; Jane Robinson; Joanie Alston; Mike and Nancy Osborne; Margaret Lancaster; Steve and Jo Betso; Winston and Susan Carroll. (Quorum established).

Proof of Notice of Meeting: Confirmed by Secretary Diane Summey and the homeowners in attendance.

Reading of Minutes of previous meeting: Waived, no further changes were recommended, and the minutes were approved as posted on the website.

Selection of 2016 Board of Directors: Current Board members Bill Uhle, Richard Green, and Diane Summey were nominated, seconded, and approved by a unanimous vote to serve another term.

Committee Reports:

Architectural Committee: Board currently acting as architectural committee.

Approved modifications to several existing homes (house/door painting; landscape projects/deck work); reminded homeowners that any project affecting the outside appearance require Board approval. Board also approved plans for Lot 99 building; agreement on the maintenance and liability for the retaining wall for Lot 99 to be built on HOA common land is under coordination and still needs final Board approval.

Landscape Committee: Chairperson Joanie Alston was out of town. Bill Uhle presented her report. The agreement with Indigenous Design was changed from piece work to an annual contract beginning as of April 2015. With the landscape money saved this year by the contract, turf restoration and bed mulching along Distant View Drive (DVD) was accomplished. Arborist worked on clearing of invasive vines along DVD and removed several dead trees (along DVD and in the vicinity of Lot 99).

Storm Water Committee: The Storm Water Assessment Report was distributed to all homeowners in May 2015. Overall, the system is performing as designed, but several issues were identified. Eva Steward is working to get bids on determining the extent of the soil depression problem area near 111 DVD. Erosion behind Lots 106-110 was corrected by the affected homeowners. The catch basin across from Lot 93 developed a small sink hole; the catch basin was re-grouted and the asphalt repaired by the City. The City was also asked to inspect, re-grout, and repair where necessary all other catch basins in the system.

Reports of Officers/Unfinished Business:

Treasurer's Report: Assistant to the Treasurer Jill Sagarin reported that the 2015 budget of \$14,310 was over spent by \$1300. This was due to storm water issues and extra legal costs to resolve the issues discussed at the 2014 meeting concerning (1) amending the Declaration of Covenants, Conditions, and Restrictions; and (2) responsibilities for the maintenance and upkeep of the parts of the storm water system that are located on private lots. Jill will also engage the City to determine the reasons for the large increases over the last 2 years in the HOA storm water bill.

President's Report: Bill Uhle discussed the attorney opinions obtained. First, Dungan Law firm maintained its opinion that changing the Declaration required a 100% affirmative vote. A second opinion was obtained from McGuire, Wood & Bissette (MW&B) that the Declaration could be changed with a 67% affirmative vote in accordance with the NC Planned Community Act. The HOA has accepted the opinion of MW&B.

MW&B was then retained to provide an opinion on the storm water system responsibilities (HOA, City, and Private Lot Owners). The parts of the system within the DVD right of way (within 25 feet of the road centerline) are the responsibility of the City. The majority of the rest of the system is on HOA land and is HOA responsibility. The Declaration does not address responsibilities for those parts of storm water system on private property. MW&B's opinion is that private lot owners are currently responsible unless a change to the Declaration is drafted and approved. If the HOA is not able to take over ownership of the system, members questioned how the HOA could enforce private owners to correct problems on their own property. Jill Sagarin said that since the storm water system benefits all homeowners, she is willing to help defray costs if problems arise on private property. Some other homeowners agreed. Richard Green believes the original intent was for the HOA to be responsible for the storm water system. Costs to rewrite the Declaration to address the storm water system and remove all mention of developer rights were obtained (see attachment 2).

Old Business: At the 2014 annual meeting, Jill Sagarin proposed changing the date for the single annual assessment payment from January 1 of the year to March 1 of the year. Since the motion required a change to the Bylaws (which requires a 10-day notice before a vote), the motion was voted on at this meeting and approved.

New Business:

Proposed change to Landscape Guidelines: A change to mandate a "good neighbor notification" (to include HOA notification for projects next to common land) for landscape projects that are within 5 feet of neighbor's lot line was presented by the Board and approved.

2016 Budget: Information concerning the three types of accounts allowed by the Bylaws and the 2016 HOA Budget was presented and discussed (see attached information papers). There were no objections to establishing a threshold of 50% of the annual assessment amount as the minimum balance to maintain in the HOA Annual Expenses Account and to move the rest of the HOA funds into a new HOA Reserve Fund Account (to be used for non-routine storm water repairs and recapitalization). A motion to increase the annual assessment for 2016 to \$450 was made but not seconded. A motion to increase the annual assessment for 2016 to \$500 was seconded and approved.

The 2016 baseline budget was approved, and was followed by a lengthy discussion on the priorities between storm water, landscaping, and legal funding needs for the \$2325 available for other items in the 2016 budget and the funds set aside in the Reserve Fund Account. The top priority for the additional funds was determined to be fixing the buried storm water pipe on HOA land next to Lot 111 which has caused a moderate depression on HOA land near where the pipe is thought to end. Several options to address the problem area and the difficulties in getting companies to provide cost estimates were discussed (see information paper). A motion to first clean the leaves from the pipe and then perform a video scope to determine the condition of the pipe (integrity and the conditions at the end of the pipe) was seconded and approved at a cost not to exceed \$800. The results of this investigation will then be presented to the homeowners along with a recommendation on which option to proceed with to fix the buried pipe situation. A **non-binding** vote was then taken to determine how to use any money left after the storm water buried pipe issue is resolved. The second priority was landscape improvements, and the third priority was to rewrite the Declaration to have the HOA accept responsibility of those parts of the storm water system on private lots and to delete all references to developer rights (which have long ago expired).

Further New Business:

Gerry Stanley called attention to invasive vines behind Lot 86. Since these are not visible from the road, the Board feels the HOA cannot afford at this time to remove all invasive vines from all HOA common land and will continue to concentrate on those vines attacking trees along DVD and visible from the road.

Linda Jorgensen has a partially dead tree behind her home and is not sure if it is within her lot or on HOA common land. The Board will look into this,

Jill Sagarin discussed new apartments proposed for corner of Mills Gap and Sweeten Creek. Local HOAs are uniting to fight this proposal. The next Planning and Development Committee meeting will be at City Hall on January 6 at 5 p.m. All are urged to attend. She also mentioned a new social media app called "Next Door" that shares information among HOAs.

Meeting was adjourned at 9:04 p.m.

Attachments:

1. Info Paper: The Views of Asheville HOA Budget
2. Info Paper: Storm water, Landscaping, and Legal budget items for consideration
3. CY 2016 Budget (as approved)
4. CY2015 Income Statement (final as of 31 Dec 2015)
5. CY2015 Expense Statement (final as of 31 Dec 2015)
6. CY2014 / 2015 Income and Expense Statement (final as of 31 Dec 2015)

Diane Summey, Secretary/Treasurer

Attachment 1: Information Paper on The Views of Asheville HOA Budget

- HOA Accounts (as specified in Bylaws)
 - HOA annual expenses
 - Provides for HOA routine maintenance and administrative expenses
 - Should include a reasonable threshold amount for working funds and current contingencies
 - Reserve Fund
 - Provide for non-routine maintenance, repair, or replacement of HOA common elements
 - Majority of the storm water system is on HOA land and considered a common element
 - General Operating Reserve Fund
 - May be established from time to time if desired by the board to provide a measure of financial stability during periods of special stress and other contingencies
- Storm water drainage system
 - Majority of System is on HOA common land and considered a common element
 - Approximately 2,650 feet of underground pipe, 950 feet of ditches, 3600 sqft retaining basin, 11 catch basins, 2 drop inlets, 7 underground junction boxes
 - 20% estimated within DVD street right of way and thus City of Asheville responsibility
 - 15% estimated to be on private lots (Lots 76, 82, 84, 91, 95, 102, 104, 106, 119, 121)
 - Beneficial to all Lot Owners, as any erosion resulting from a system problem could affect all Lots (above and below) within the Subdivision
 - System Components are 15-18 years old, and have a 100 year life expectancy
 - Cost to repair/replace sections of the system will be major expenditures (tens of thousands \$)
- Storm water assessment highlights several problem areas needing attention
 - Within City Right of Way: Seams and inlet pipes within several catch basins need to be re-grouted
 - Within HOA common land
 - Pipe from Catch basin #10 (near Lot 111) is buried and not connected into the system
 - Drain Inlet (behind Lot 113) pipe connections / seams need to be re-grouted
 - Junction Boxes along main line from top to retaining pond need to be inspected, cleaned, and pipe connections/seams re-grouted as needed
- Board of Directors recommends the following
 - HOA Annual Expenses
 - Maintain a minimum balance at the end of the year equal to 6 months of the annual assessment in the HOA checking account to provide for working funds and contingencies (approx. \$6000)
 - Establish a Reserve Fund account for capital repairs to or replacement of storm water components
 - Open a separate account with the excess HOA checking account funds (approx.. \$8000)
 - Increase annually with \$1000 from the annual assessment
 - Use Reserve Funds for any maintenance, repair, or recapitalization of the storm water system components that are the responsibility of the HOA
 - General Operating Reserve: Not needed at this time
 - Annual Assessment
 - Assessment has been \$400 since 2007; US inflation 2007-15 has been 14.8%
 - Increase to at least \$450 (+12.5%) and consider an increase to \$500 (25%) to provide additional funds for storm water system repairs or landscaping improvements

Attachment 2: Info Paper on Storm water, Landscaping, and Legal Budget Items for Consideration

- Storm water system items
 - Correct buried pipe from Catch basin #10 (CB10, next to lot 111)
 - End of pipe buried during construction of 111 DVD, small sinkhole has developed
 - Pipe and CB10 often fill up during heavy rains resulting in water bypassing CB staying on road
 - Three options to correct situation so sinkhole is fixed and does not return
 - Cap 18" pipe at catch basin (City of Asheville)
 - Negates purpose of CB10 original design; results in more water on DVD between CB10/CB9
 - However, no adverse impacts noted since pipe buried in 2001/02
 - CB10 w/in city right of way; would require City approval and be City funded
 - Cap 18" pipe at current end point (Carolina Lawn and Landscape)
 - On HOA land, will disturb less than 500 sqft land, so City approval/permit not required
 - Same increase in water on DVD between CB10 and CB9; but also will allow water to remain within the 18" pipe permanently with no exit/drainage points
 - HOA cost of \$2,375 (large cost since pipe is estimated to be 7-8' below ground level)
 - Extend pipe 60' through HOA land, create a rock discharge apron at exit point (Carolina Lawn)
 - Maintains original design purpose of CB10; water removed from roadway and dispersed
 - Requires City approval since more than 500' land disturbed
 - HOA cost of \$11,450; affordable in 2016 but only by using all \$7,992 of our Reserve Funds and \$750 of our \$6412 working capital/contingency funds in the checking account
 - Re-grout DI-1 (behind lot 113) on HOA land
 - Noted in storm water assessment as a deficiency; HOA cost TBD
- Landscaping items
 - Turf restoration along DVD (Indigenous Design)
 - Includes aerate, over seed, fertilizer, and lime applications
 - HOA cost \$1500 per treatment; Indigenous Design recommends 2x per year (spring and fall)
 - Entrance Bed Improvements (Indigenous Design)
 - Add colorful (reds and/or yellows) perennials to the two beds at DVD entrance
 - HOA cost \$400
 - Continue management of intentional tree plantings along DVD (Appalachian Arborists)
 - Selective pruning of trees, removal invasive trees (princess trees), and removal of invasive vines within approx. 10-12 feet of roadway
 - HOA cost \$1600
 - Pruning of street-side trees (Appalachian Arborists)
 - Selective pruning of volunteer trees within approx. 10-12 feet of roadway
 - HOA cost of \$450
 - Root pruning of all street-side trees (Appalachian Arborists)
 - Correct girdling roots that are evident on red maples, pin oaks, and hemlocks (one hemlock has already died, more likely to die without intervention)
 - HOA cost of \$900
- Legal Items
 - Rewrite Declaration to delete references to "developer rights," clarify amendment procedures, and clarify existing storm water responsibilities
 - HOA cost of \$1,260 (estimates 4-6 hours of work @ \$210 per hour)
 - Rewrite Declaration to delete references to "developer rights," clarify amendment procedures, and have HOA assume responsibility of storm water components on private lots
 - Includes necessary easement documents for each part of the system located on a private lot
 - City would still be responsible for components within the city right of way
 - HOA cost of \$2100 (estimate of 8-10 hours of work @ \$210 per hour)

Attachment 3: CY 2016 Budget (as approved)

<u>HOA ACCOUNTS BALANCE (as of 31 Dec 2015)</u>	<u>Amount</u>
Annual Expense Account	\$7,125
Reserve Fund Account	\$5,270
General Operating Reserve Account	\$0
Total	\$12,395
<u>2016 INCOME</u>	
Annual Assessment of \$500	\$14,250
<u>2016 EXPENSES</u>	
Landscaping	\$6,728
Indigenous Design Contract (\$519/month)	\$6,228
Includes Mow, Edge, Blow every 10 days, Bed Maintenance, 3x Pruning along DVD, 8x Inspect/clean stormwater ditches	
Arborist/Indigenous Design - tree removal or other work needed due to disease, storm damage, etc.)	\$500
Stormwater System	\$2,400
City of Asheville Tax	\$1,600
Buried Pipe Cleaning / Video Examination	\$800
Legal, Regulatory and Insurance	\$1,350
Tax Prep (Dixon Hughes)	\$350
Legal Advice (McGuire, Bissette & Wood)	\$500
Insurance	\$500
Other Expenses	\$447
HOA Website	\$150
Postage/Supplies	\$75
Annual Meeting	\$125
Miscellaneous	\$97
Reserve Fund Account set aside	\$1,000
Available for other items (Priorities: 1 - buried pipe repair; 2 - landscaping improvements; 3 - rewrite Declaration)	<u>\$2,325</u>
Total Proposed Expenditures for 2016	\$14,250

Attachment 4: CY2015 Income Statement (as of 31 Dec 2015)

Dues	
2015 Dues	\$11,600.00
TOTAL 2015 DUES	\$11,600.00
Other Income	
Asheville Savings Bank	\$33.09
TOTAL NON-DUES	\$33.09
TOTAL INCOME	\$11,633.09

Attachment 5: CY2015 Expense Statement (as of 31 Dec 2015)

<u>PAYEE</u>	<u>AMOUNT</u>	<u>DATE PD.</u>	<u>COMMENT</u>
LANDSCAPING			
Indigendous Design	\$750.00	04/01/15	½ turf restoration
Indigendous Design	\$750.00	04/07/15	½ turf restoration
Indigendous Design	\$968.00	05/09/15	March & April cut, edge and blow
Indigendous Design	\$484.00	06/11/15	May cut, edge and blow
Indigendous Design	\$484.00	07/08/15	June cut, edge and blow
Indigendous Design	\$637.50	07/08/15	mulch
Indigendous Design	\$559.00	08/18/15	July cut, edge and blow and culvert dig out
Indigendous Design	\$484.00	09/14/15	August cut, edge and blow and culvert clean out
Indigendous Design	\$484.00	10/05/15	September cut, edge and blow and culvert check
Indigendous Design	\$484.00	11/03/15	October cut, edge and blow and culvert clean-out
Indigendous Design	\$484.00	12/08/15	November cut, edge and blow and culvert check
Appalachian Arborists	\$1,000.00	06/19/15	pruning and thinning
Appalachian Arborists	\$360.00	07/28/15	pruning, herbicide, take down chestnut oak
TOTAL LANDSCAPING	\$7,928.50		
LEGAL/ACCOUNTING/BANKING			
Dixon Hughes	\$300.00	03/19/15	taxes
Dungan Law Firm	\$100.00	01/06/15	changing covenants – December 2014
Dungan Law Firm	\$680.50	01/13/15	changing covenants
McGuire Wood Bisette	\$840.00	03/23/15	changing covenants
McGuire Wood Bisette	\$252.00	04/20/15	final revision on changing covenants
McGuire Wood Bisette	\$210.00	07/22/15	review declarations re: storm water responsibilities
McGuire Wood Bisette	\$273.00	09/14/15	review laws re: storm water easements
TOTAL LEGAL/ACCOUNTING	\$2,655.50		
TAXES/FEES			
City of Asheville	\$783.00	06/10/15	Stormwater & replace lost check
City of Asheville	\$806.40	12/02/15	Stormwater & replace lost check
TOTAL TAXES/FEES	\$1,589.40		
INSURANCE			
Nationwide	\$500.00	07/09/15	Liability, D&O insurance
TOTAL INSURANCE	\$500.00		
MISC.			
William Uhle	\$129.06	01/13/15	GoDaddy webhosting
Landworks Engineering	\$3,954.71	04/30/15	stormwater investigation and report
William Uhle	\$100.00	08/18/15	partial refund Lot 97 HOA dues
Jill Sagarin	\$12.18	08/20/15	postage
New Hope Presby Church	\$75.00	11/11/15	room rental fee for annual meeting
Diane Summey	\$15.23	12/11/15	meeting announcement fees
The Workx	\$150.00	12/24/15	examine catchbasin 10 (clean and scope)
TOTAL MISC.	\$4,436.18		
TOTAL EXPENSES	\$17,109.58		

Attachment 6: CY2014/2015 Income and Expense Statement (as of 31 Dec 2015)

	CY 2014	CY 2015
BEGINNING BALANCE:	<u>\$14,290.22</u>	<u>\$17,871.11</u>
INCOME		
Dues	\$11,600.00	\$11,600.00
Non-dues	\$44.55	\$33.09
<u>TOTAL INCOME</u>	<u>\$11,644.55</u>	<u>\$11,633.09</u>
EXPENSES		
Legal/Acct./Banking	\$620.00	\$2,655.50
Dungan Law Firm	\$345.00	\$780.50
McGuire Wood Bisette	\$0.00	\$1,575.00
Dixon Hughes	\$275.00	\$300.00
Landscaping	\$5,694.50	\$7,928.50
Indigenous Design (routine actions)	\$4,120.00	\$4,356.00
Indigenous Design (improvements and emergency culvert actions)	\$1,574.50	\$2,212.50
Arborist	\$0.00	\$1,360.00
Stormwater	\$1,217.28	\$5,694.11
City of Asheville	\$1,217.28	\$1,589.40
Landworks Engineering		\$3,954.71
The Workx (drain pipe)		\$150.00
Insurance	\$450.00	\$500.00
Nationwide	\$450.00	\$500.00
Misc.	\$81.88	\$331.47
Diane Summey (postage)	\$13.00	\$15.23
William Uhle (GoDaddy website)	\$59.88	\$129.06
Asheville Savings Bank	\$9.00	\$0.00
Jill Sagarin (postage)	\$0.00	\$12.18
William Uhle (Lot 97 dues refund)	\$0.00	\$100.00
New Hope Pres. Church	\$0.00	\$75.00
<u>TOTAL EXPENSES</u>	<u>\$8,063.66</u>	<u>\$17,109.58</u>
Actual account balance	\$17,871.11	\$12,394.62
Uncleared check	\$0.00	\$0.00
END OF YEAR BALANCE	<u>\$17,871.11</u>	<u>\$12,394.62</u>