



Pinnacle Mountain Property Owners Association Annual Meeting Minutes for 17 July 2021 at 10:00am

Call to Order

- The meeting was called to order at 10:15am by Chris Roderick.
- Chris explained the voting procedure, using the voting sticks handed out at check-in.
- Members were reminded to slow down, obey speed limit signs (15mph on South's roads, 20mph past the gate) and watch for pedestrians and wildlife. Numerous members have complained about speeding vehicles around blind curves and vehicles not moving over for those walking along the road.
- Meeting minutes from last year were briefly reviewed. No questions or comments presented.
- Quorum was confirmed with 45 lots represented either in person or by proxy. (Quorum requirement is 20% of the membership represented by attendance or proxy.)

Secretary's Report

- Chris presented the Board Secretary's report in Sara's absence.
- The website will need to be updated/transitioned to a new format in the coming months as the current platform is approaching end of life and will no longer be supported. Website is averaging 672 visits per month.

Treasurer's Report

- Fred Mansperger covered the year end financials. Copies were distributed at the meeting. Additional copies of the reports are available upon request.
- The current certified deposits which constitute the POA's emergency funds total \$39,767.25.
- Fred noted that we started the year with 9 delinquent members who had not paid their dues for at least the past year.
 - Thanks to Todd Westover's efforts in selling 2 of those properties, we were able to collect the associated outstanding dues.
 - Of the 7 remaining delinquent properties, 4 owe for the last 2 years, 2 owe for 3 years and one account dates back to 2012 and has an active lien (that needs updated).
 - Fred had approached a legal firm about getting liens on the 2 properties that are 3 years past due, but the law firm was not interested. The new Board will have to seek an alternate law firm to institute these liens and update the existing lien.
- Mark Smith had a series of questions regarding interest expenses, dues income, and other figures in the report which were discussed. Some discrepancies were noted.

Architectural Committee Report

- Sam Fink presented the Architectural Committee report. Two houses have been constructed in the past year, and three more are currently under construction. Two sheds were also installed.
- Sam noted that the committee has struggled with interpretation of the POA's exterior paint color policy, which states that colors should be "Neutral and blend with the environment". Sam noted that statement is vague and open to interpretation. This item was further discussed during New Business.
- Sam also noted that a revised fee schedule had been submitted to the Board regarding the construction application. This item was further discussed during New Business.
- It was noted that questions/concerns regarding modular construction were presented to the Board recently. The Board voted at the last quarterly meeting to include language in the application requiring a meeting between any contractor and the Road Commissioner about delivery of modular construction prior to approval of said application. The Road Commissioner will provide a recommendation to the Architectural Committee/Board on the impact of such construction on a case-by-case basis. Applications may be rejected if it decided that delivery/construction of the modular home would cause significant damage to the road or member properties.
- Sam noted that there are currently at least 5 lots for sale on the mountain to his knowledge.

Road Committee Report

- Frank Stroman presented the road report. A copy of the report will be posted on the website.
 - Concrete strip and ditch maintenance completed on 6/9.
 - Bush hogging completed on 7/13.
 - Grading will commence on 7/19 weather permitting. Grading will start on PRSPOA and work up the mountain.
- Frank explained that per the new road agreement with PRSPOA, we will be managing the South's roads for the next 2 years and will be using Burleson to perform motor grading and ditching work. This method of grading will improve the durability of the South's roads and reduce maintenance costs in the future once proper crown and drainage are established. Further details on the new agreement are included under New Business and the full agreement will be posted on the website.
- It was noted that Mark Stroman sponsored repair of one switch-back (S-curve) on the South's roads in lieu of the application fee for one of the properties he is building. Repairs used the same techniques and equipment Frank will be using on the South's roads to demonstrate the improvements to durability. Currently, the switchback is holding up better than it did under the old grading method.
- It was noted that the front entrance was repaired in late winter using the same techniques and equipment Frank will be using on the South's roads to demonstrate the improvements to durability. The front entrance is still in great shape despite the months of rain and heavy traffic. The grading cost for this repair were handled by Chris Roderick and Frank Stroman due to low budgets and a desire to improve relations/road quality with the South.

- Jan Burlee noted a tree near the emergency gate that is severely rotted and has been marked for removal. Frank stated that he is in close contact with Ricky Martin from REMC and will see if they intend to remove the tree.
- Jeanie Cook brought up concerns about kudzu and asked if the association intends to take any action on its control or removal. Options from removal to spraying, and cutting were discussed, but the speed at which kudzu spreads and its resilience makes it difficult to manage, let alone remove. Frank noted that he knows of an applicator that a contractor has sprayed in the past and would get pricing from him on spraying all or some of the kudzu on the mountain so the Board can look at possible funding in the years to come. It is estimated that control of the kudzu will cost several thousands of dollars that are not currently in the association's budget.
- Sam Fink asked about a culvert on Pinnacle Lane that has a failed section. Frank said the Board previously considered culvert repairs and decided to wait for extensive failure before replacing. Since the partial failure is in the ditch, Frank is monitoring and will assess the costs of a partial repair.
- Frank reminded everyone to swing wide on turns, and to please use and encourage contracts/guests to use AWD or 4WD vehicles whenever possible. The members discussed the installation and use of a traffic cone on the first South switchback. General consensus was that this device was proving effective in reducing wear on that location and in improving general driving habits of those using the mountain roads. The audience commended Frank for his innovation and his exemplary service.

Gate Committee Report

- Chris Roderick presented the Gate Committee report.
- He noted that the gate and camera system are functioning well and as intended.
- Monthly maintenance was completed on the cameras and YELP system. It was noted the exit camera failed in February and had to be replaced. Funding for the camera came out of collection of late dues.
- Chris noted minor increases in utility costs (i.e., REMC, AT&T and the gate software) that prompted modest budget increases.
- Policy documents were submitted to the Board in March and were approved. The intent of the policy documents is to provide clear guidance to future Gate Committee members and the membership on how the gate is managed. These documents are available on the website.
- Gate statistics for July 2020- July 2021:
 - 7911 Total Transactions
 - 4924 Clicker entries
 - 2524 Entry Codes
 - 183 Directory
 - 280 Modem to Modem (this is when the Committee send or retrieves data to the gate system)
 - 308 total denied entries

- It was noted that the gate system has done its job and turned away several individuals without proper access to the mountain and aided in the identification of a contractor that caused damage to the roads.

BOD Nominations

- Jeanie Cook requested introductions of all attendees to help new members associate names with faces.
- BOD nominations were announced.
 - Nominees were Chris Roderick, Jan Burlee, Sam Fink, Daniel Beckmann, Dan Mock, Michael Donelli and Mark Stroman.
- The meeting broke for lunch while ballots were printed and distributed.
- Ballots were collected and given to the tabulation committee for counting while the meeting proceeded.

New Business

- The new road agreement with PRSPOA was discussed. As part of this agreement, PMPOA will manage the South's roads for two years at a cost of \$8,000 annually per association. We will also continue to manage the section of road from Nancy Brown's driveway to the gate for a cost of \$750 annually per association.
- PRSPOA will still be responsible for the mowing and bush-hogging of their section of Pinnacle Parkway at a cost of \$600 annually per association. Additional left-over funds from this past year's agreement were rolled over to compensate the mowing budget to ensure the road can be bush-hogged at least once this summer.
- It was noted that the increased cost, \$8,000 dollars in this agreement vs. the \$6,000 that was budgeted last year, was to perform additional work to bring the South's roads up to standard after neglect. It is believed that, after the two additional years of work are completed, the routine work to maintain the road will be less.
 - MOTION
 - A motion was made that, after the 2-year agreement is complete, PMPOA's contribution to the South's roads will be reduced to the previous \$6,000.
 - Pros: Ensure that the budget drops back and is not exploited by future Boards.
 - Cons: Locks the association into a fixed budget where we potentially cannot account for 2 years of increased costs.
 - The motion passed 25 in favor to 3 opposed. A policy document will be drafted and placed in the President's book.
- The 2021-2022 budget was reviewed. Mark Smith restated the importance of a balanced budget and concerns about spending more than could be expected in income with 7 delinquent lots.
 - MOTION
 - A motion was made to limit the Board's ability to access the reserve fund, except in the case of emergency. The exact language is as follows:
 - *It shall be the policy of PMPOA to maintain a balanced budget and not to invade the reserve fund except in the event of an emergency. Examples of an emergency would include, but not be limited to,*

significant damage to the roads due to Mother Nature. Examples that would not constitute an emergency would include, but not be limited to, the cutting of grass, trees, or other vegetation.

- Discussions were held on what constitutes an emergency, including loss of current grading contractor who provides us with below market value rates or another pandemic where we see significant increase in costs to materials and labor.
- Pros: Will help guide the association to a more balanced budget and keeps the reserve fund safe from mismanaged budgets.
- Cons: Limits the Board's ability to respond to changes in financial environment.
- The motion passed 31 in favor to 7 opposed. A policy document will be drafted and placed in the President's book.
- The budget was approved with no objections.
- Discussions were held on the impact fee structure that was put forth for the Architectural Application. The proposed fee structure was \$0 to \$500 for renovations/repairs, \$1000 for additions, \$2000 for new homes 1,000 sq ft to 2,000 sq ft, and \$4,000 for homes over 2,000 sq ft.
 - Debate topics ranged from fairness of the fee to lot owners, new and old, use of the fee's funds, actual impact of construction vehicles, cost of road repairs, compensation for damage to the South's roads, etc.
 - MOTION
 - A motion was made to reduce the fee on new construction (which was at \$1,000 with a \$250 refund upon completion of work) to \$500.
 - Motion passed 27 in favor to 14 opposed. The impact fee document on the website will be revised.
 - MOTION
 - Motion was made to freeze the impact fee at \$500 for two years until Frank has a chance to complete upgrades to the South's roads. The impact of construction and thus the fee, would be reevaluated at that time.
 - Motion passed 26 in favor to 6 opposed. It was noted that freezing the fee would not limit the Board's ability to collect damages from contractors that cause excessive damage to the road. A policy document will be drafted and placed in the President's book.
- Discussion was held regarding the language for color restrictions. Jan Burlee presented some color palettes that could be used to define example colors. Specifying certain color groups, browns, grays, tans, etc., was also proposed. After much discussion there was no clear consensus except that current wording gives the Architectural Committee the ability to deny colors that are bright or extravagant (i.e., pinks, purples, reds, neon colors, and other colors which could be considered obnoxious).
 - MOTION
 - A motion was put forward to keep the wording as is and proceed as we have in the past on the basis that all existing houses are acceptable.

- The motion passed 37 in favor to 0 opposed. No action required.
- Concerns were raised about the new burning regulation that allowed open burning, including land clearing, brush clearing, and recreational burning in accordance with North Carolina fire regulations. The primary concern is that while the North Carolina fire regulations are sufficient in most cases, the circumstances on the mountain (e.g., limited access, sporadic high winds, heavily wooded areas, etc.) present unique challenges and warrant tighter restrictions. It was suggested that recreational fire pits be allowed if they can be accommodated with a reasonable level of safety.
 - MOTION
 - A motion was made to repeal the current burning regulation and re-instate the previous burning regulation (which did not allow for outdoor fires of any kind except grills) while a special committee (appointed by the Board) investigates appropriate means to have safe recreational fire pits. The Board will put together such a committee in 2 weeks from the closure of the meeting and the committee shall have 3 months to develop their recommendations. The Board will then implement a new burning policy based on those recommendations at that time.
 - The motion was passed 23 in favor to 17 opposed. The burning policy on the website will be replaced with the old policy until the board approves the committee's new policy.
 - MOTION
 - A second motion was put forth to amend the current fire regulation to require spark arresters on fire pits and ban land clearing and other such types of fires.
 - The motion failed 18 in favor to 21 opposed. No action required.
- An additional agenda item to discuss the loosening of restrictions on keeping chickens on property as outlined in the existing covenants was dismissed from the agenda.
 - Chris noted that any modifications to the existing covenants would require a vote by 75% of all members and the meeting attendance was not sufficient to meet that level.
- Mark Smith made a call for a higher level of disclosure from the Board regarding matters of interest to the association. He itemized:
 - Board meeting minutes should include more details on the discussion.
 - Incidents of interest, such as the threatening letter that was left on Dan Mock's car last fall, should be made known to the membership.
 - Chris noted that additional efforts will be taken to accomplish both.
- The new Board of Directors were announced as follows:
 - Chris Roderick
 - Jan Burlee
 - Sam Fink
 - Dan Mock
 - Mark Stroman
 - No objections were taken.
- The meeting was closed at 2:55pm.
- The newly installed Board convened to establish roles as follows:
 - Chris Roderick (President)

- Mark Stroman (Vice President)
- Jan Burlee (Treasurer)
- Sam Fink (Secretary)
- Dan Mock (Board Member)
- The first quarterly meeting of the new association year will be August 7th, 1:00pm, at Chris Roderick's house.