

## **Cedarwood Estates Homeowners Association, Inc.**

### **Annual Meeting Minutes**

**November 11, 2020**

The annual meeting of the CWE Homeowners Association, Inc. was called to order by President Karlin Bohnert at 7:00 pm. Minutes from the 2019 meeting were approved and adopted as mailed.

Attendees included Trevor Berg, Patrick Boehm, Karlin Bohnert, Cheryl Brown, Patti Cameron, Judy Clouse, Jeff Dowdy, Christina Dupuch, Dean Folds, Marcy Gallagher, Tom Gallagher, Wayne Gay, Barb Harwig, Ernie Harwig, Dana Huskins, Duane Jarnecke, Melisse Latini, Keith Levi, Dollie Llanso, Peggy Low, Margaret McAlister, Nate Merchant, Dale Merrill, Helen Merrill, Bob Morris, Ginny Morris, Judy Scroggs, Sexton, Judy Upjohn, Bill Vindal, and Tony Wilson. With those attending and the addition of proxies, a quorum was met.

**Board/Officer Introductions** – The Officers introduced themselves, including Karlin Bohnert as CWE President; Christina Dupuch, VP and board member; Duane Jarnecke, Treasurer; and Peggy Low, Secretary. Current board members include Margaret McAlister; Tom Gallagher (stepping down for health reasons); Bill Vindal (term expires, not seeking another term); and Bob Morris (term expires; joining Architectural Review Committee).

Karlin welcomed new and returning homeowners, including Susan Spackman (11 Azalea) and Carlos & Melissa Saenz (6 Skyview). She shared goodbyes to departing neighbors Sue and Pete Sevcik, and Doug and Liz Armstrong.

**President's Report** – Karlin Bohnert

#### *Bylaws*

The board undertook the task of getting our bylaws and Declaration updated in order to reflect the North Carolina HOA laws and statutes that were implemented since our bylaws and Declaration were written 32 years and 25 years ago. The process was started last December to handle a homeowner legal matter that had been plaguing the association for many years. Our current governing documents provide little to no guidance on how to handle homeowner grievances properly, both from the homeowner side and the BOD side. The board agreed that to ensure our association handled grievance matters in a legal manner, we should get the governing documents updated to understand the process.

While we were short one vote in order to pass the updated governing documents, we did find out that there were laws already retroactively applied to our homeowner's association the North Carolina passed in 1999. The laws provide us with the legal framework, guidance, and direction to handle disputes. These retroactive laws are now in our governing documents found on the CWEHOA.com website.

#### *Board Size*

Our legal counsel informed us that all officers in our association should be elected first to a board seat by the homeowners, and then appointed to an officer position each year by the board. That is not how we have been running the association. Since homeowners have had interest in participating on the board, albeit in the at-large positions, the BOD put a bylaw change on the ballot in order to provide additional seats for homeowners who wanted to participate. The BOD felt it was important for homeowners to be a part of the process, hence to bylaw amendment to increase the number of board seats from 5 to 7.

### *CWE Websites*

The board implemented two websites. The CWEHOA.com website provides one place to find all the information regarding the association, including monthly financials, ARC forms and road updates. Covenants, rules and regulations are there, as well as a worker contacts spreadsheet which provides contacts of people who have done work in our community. The website is for homeowners only.

A second website is for realtors to use as they put CWE properties on the market. It provides CWE governing documents, background on our community, and information on rentals and home ownership. The website is available for realtors to use, or homeowners can provide it to interested parties when selling their home.

### *Homeowner Meetings*

Due to Covid, we had to implement a Zoom meeting for our annual homeowner meeting. If it is a successful format with more participants, we will continue it in the future.

### **Treasurer's Report – Duane Jarnecke**

The 2020 financial statements, proposed 2021 budget, and annual Treasurer's Notice were sent to members in advance of the meeting.

Current reserves as of September 30 were \$94,069. These funds are for repaving, repairs/replacement of the ground water and sewer system, erosion control. etc. Our operating account balance was \$9,237.

The 2021 budget includes funds for road maintenance, web hosting at \$1,400 per year, and \$5,000 for potential legal expenses.

The board approved a 10% dues increase (\$5 monthly for each homeowner) to cover expenses and allow the association to balance the budget. It also helps build reserves for anticipated future road and/or sewer repair.

Duane shared that the board prepared a roads repaving plan which includes a historical review of CWE paving, average expected life of paved roads, and input from an independent contractor. The cost of maintaining our roads is expected to be approximately \$50,000 over the next five years.

Keith asked if the board has a target for reserves and, if reached, if monthly fee increases could be stopped or stepped back. Duane responded that the goal for reserves is \$100,000 to \$110,000 and that the roads strategic plan was to help with future budgeting needs. He also explained that our sewer system is 35 years old and, although the roads committee has done a good job of checking and maintaining it, we might still run into issues due to the age of the system.

Wayne Gay pointed out that the budget had increased 39% over five years and that the 2020 budget had exceeded income. Duane shared that the board had not anticipated the amount of legal work necessary to update our bylaws or the extent of roadside maintenance that would be required this year; both issues have been addressed in the 2021 budget.

Nate Merchant expressed concern that sufficient funds had not been allocated for the roads. Duane did explain that the BOD felt it necessary to plan for the roads repavement that must occur in the next 3 -5 years as asphalt has a 25 year life expectancy. The BOD agreed to stop the \$10 - \$12k repairs since they would be repaved over with the total roads repavement. Duane did explain that if a roads issue came up, then we would tap into our reserve fund to fix it.

The 2021 budget was approved with a 10% dues increase.

### **Road Committee Report – Dean Folds and Nate Merchant**

Dean took over the roads committee temporarily from Keith Levi in the spring. Committee members include Nate Merchant, who will be taking over from Dean, and Melisse Latini. Major 2020 projects included:

- Keith handled a repaving project on Azalea.
- Barrel curbs on Cedar Summit were repaired.
- Duke Energy replaced power lines along Cedar Summit and repaired significant bank damage.
- A major sinkhole on Cedar Summit was filled and repaired.
- Our private sewer system needs to be checked periodically for blockage. Nearly all CWE sewers have been checked by the roads committee, with the remaining to be done before year-end. Some repair was required.

### **Architectural Committee Report (ARC) – Dale Merrill and Judy Upjohn**

Committee members include Dale Merrill (chair), Judy Upjohn and Dollie Llanso. Bob Morris will be joining ARC. Eleven of 13 items considered by ARC this year were approved and one is pending. New ARC forms are available on the website as well as information on what projects need ARC approval.

### **Election of Directors – Christina Dupuch**

The slate of candidates for CWE directors included Judy Scroggs, Melisse Latini, Karlin Bohnert and Nate Merchant (write-in). There were no additional nominations from the floor. Residents voted and, along with the proxy votes submitted earlier, they elected Judy Scroggs, Melisse Latini and Karlin Bohnert. Board terms are three years. Karlin will be filling Tom Gallagher's position, however, and will serve his unexpired term of two years.

Christina thanked Nate for his interest. The board is pleased to see new residents interested in participating and serving on the board. Increasing the number of board seats would allow for more people to serve and is something the board will continue to pursue.

### **Old Business from the Floor – none**

### **New Business from the Floor**

There was significant homeowner discussion regarding the bylaws and declaration. Patrick Boehm suggested that we not let this valuable work go and that we see how we can vote again to get it passed. Tom Gallagher suggested a committee be formed of homeowners to see what can be done. The new BOD will take up this suggestion at their first official board meeting to 1) talk over the idea; 2) assign the co-chairs of the committee; and 3) provide a potential timeframe.

We are still getting homeowner complaints about trash cans not being picked up on time after trash pick-up is completed.

Some homeowners complained about the road repair work done this summer and that they got tar on their cars. Homeowners also suggested that professionals do this work. While the BOD agrees professionals should do the work, the patching of cracks was undertaken to save the HO association money until the major road work is to be scheduled as some of our roads are hitting the 25-year life for asphalt. The board also cannot guarantee that when the road work is done by professionals, that tar won't get on the cars again.

We could not take the vote to expand the board from 5 to 7 as we were one vote short again. There are homeowners who would like to be on the board as "at large" positions, however, since the officers must now be elected by the homeowners and then appointed to their position by the board, we only have one at-large board seat.

Respectfully submitted,

Peggy Low  
CWE Secretary  
November 13, 2020