

North Fort Homeowners Association 2011 Annual Membership Meeting Synopsis

The Annual Membership meeting of the North Fort Homeowners Association Board of Directors was convened on January 22, 2011 at the Archer Lodge Community Center, President Frick presiding.

Board members present:

Carlton Brown	Burt Smith
Andy Nichols	Bill Takoch (Acting Secretary)
Sam Roberts	

Officers present:

Jay Frick, President
Connie Simpson, Treasurer

Homeowners present:

Calvin Camp	Manny Cruz	Jane Garvey
Ed Jordon	Pam Oldham	Rooney Oldham
Tracey Williams-Pinder	Hernan Rodriguez	Tim Simpson
Roy Stroud	Bonnie Takoch	Gary Turner

Quorum: A quorum was declared by the President at 2:35 PM based on the By-Laws of the North Fort Homeowners Association Section 3.5 and the North Carolina Planned Community Act Chapter 47F. (Copies of the budget for 2011 and the meeting agenda were sent to all North Fort residents via US Mail, regardless of whether they were members of the HOA or not and extra copies were also handed out before the meeting to those present. This information was distributed in accordance with Article 3.4 of the North Fort By-Laws.)

Financial Report: The Income Statement for the period January 1, 2010 to December 31, 2010 was handed out and explained to the group by the Treasurer. She explained that we had one resident who was delinquent on their dues so a lien will be placed on the lot in question. There were no questions concerning the report.

Introduction: Because we had some new attendees at the meeting, everyone introduced themselves.

Budget: The President explained that we had the use of the Archer Lodge Community Hall for two hours so we will try to limit our discussion on the budget to 30 minutes. We will try to be flexible on this guideline, however, to allow for constructive discussion. We have 80 residents who are required to join the Association and we have a budget of \$16,000.

Concerning the Road Maintenance Fund line item, the President explained that we have not collected enough in the past to maintain all of the roads. The \$1200, assuming that Apache gets approved, was being budgeted to cover anticipated maintenance on Macon. Macon was not eligible for DOT take over because there were not enough occupied homes on the street, so we may have to maintain it. Through discussions with the DOT and an Engineering firm and making some assumptions, it was anticipated that we would not need any maintenance on that street for five years. There were no dips and washed out areas and with the limited traffic that street now experiences, it should last that long. One resident stated that he had talked to the local builder and had been informed that builder was making plans to build a home on the street which would give us the required residence requirement. It was explained that the new home would be counted toward making Macon eligible for DOT coverage when the home was occupied. As for Apache, the paperwork has been in the works for three months so we were on a holding pattern waiting for the DOT approval. The monies spent this past year were for sampling and testing to get Apache approved.

Budget (continued): Concerning the landscaping costs, residents asked whether other bids were sent out. It was explained that we had done so in the past but had very few contractors who were interested. It was suggested that we offer the work to someone in the neighborhood. The problem with this suggestion was that the resident would have to have the proper insurance which the contractors had. Also in the past we have had residents do a lot of work at the main entrance but this did not always work out. Often times it were the same people doing the work. We had contacted 6 contractors and only 2 showed up last year. Recently we have had a number of residents contact other contractors and the Board will review their bids. This year's budget was based on the past. It was further added that past year's expenses were \$3600 for lawn maintenance and the rest was spent on the front entrance landscaping. This year our budget was less than what was spent last year and in addition to the \$3600 for maintenance, we had budgeted money for such things as mulching, improved lighting and topsoil/sod for the front. The group was reminded that the previous Board had made sure that we had a 30 day cancellation clause in the contract with the contractor so that if we found someone more reasonably priced and who would do a better job, we could change.

Another resident stated that he objected to the proposed \$200 annual fees and felt we were spending too much on attorney fees. It was explained that the amount in the budget for attorney's fees was in anticipation of costs incurred to enforce the covenants. The residents felt that we should clean up and correct the covenants to more appropriately reflect the community. They were reminded that it took 75% of the owners (which includes the pre-HOA residents) of the lots to approve in writing such a change. With the last survey the Board did a couple of years ago, we only got 62% participation. Getting the 75% approval would be nearly impossible and getting the pre-HOA residents to go along with change would be very difficult. From the feedback to that survey we found that no one wanted to change the covenants. Besides, people have different opinions of what is acceptable as a covenant. Also we have a company out of New York who owned a number of lots in the neighborhood (22) and because they were not residents they were more interested in the financial aspects versus the welfare of the whole community. Because it would be a monumental task to make the changes, the Board opted to try to enforce the covenants in a fair manner. This turned out to be nearly impossible to accomplish. We had tried methods such as talking to people about compliance and we had sent out a quick check list which residents could use to review whether they were in compliance. A year ago we developed a Covenant Enforcement Procedure to address this problem. All of this was to no avail. Presently we have 5 resident complaints which have not been resolved. Four of these complaints came about when a neighbor was asked to abide by a covenant and retaliated by writing 11 complaints on his neighbors. It was suggested that the Board work toward getting rid of the 75% rule in the Covenants.

It was noted that expenses for the pond and the insurance on such were necessary items. We have done nothing relative to pond maintenance for a number of years.

The President asked whether there was any additional discussion on the budget. In the absence of same, a resident made a motion that the membership approve the budget proposed by the Board and that the membership affirmatively renew and ratify the vote at the last annual meeting that the ceiling on dues be raised to a maximum of \$200 for a period of three years. The motion was seconded. Discussion of same includes a resident's question about the reason for a Legal Reserve Fund. It was explained again that this was for potential attorney fees incurred in the enforcement of the covenants. The attorney's fees were \$225 an hour and if residents were compliant with the covenants, the money need not be expended. With no further discussion about the pending motion, the vote was called. All present voted in favor of the motion to approve the budget and ratify the prior vote to raise the dues caps with the exception of two residents. Therefore the motion passed without amendment.

Covenant discussion: The President explained to those present that the covenants to our development were cut and pasted from other neighborhoods and then recorded at the court house by the original developer. The developer enforced covenants in his own manner and would coerce and take people to court over violations. With his passing, he left the covenants and roads with no one in charge. There was no mechanism to handle violations. The Board has since come up with the Covenant Enforcement Procedure (CEP) but they were met with a lot of resistance. Some residents wanted enforcement and others did not. The Board explained that, to complicate matters, we had multiple addendums (9 different documents) to the covenants which have made enforcement difficult. We try to be impartial but it was difficult. It was suggested that we try to form a covenant committee over the upcoming year. It was pointed out that we really needed residents in the community to volunteer to make this happen. Those at the meeting agreed that the covenants needed to be cleaned up and that we needed a new document. Issues like golf carts and satellite dishes needed to be removed from the document. Some residents stated that they did not have a problem with boats and suggested that those people who own boats should solicit support in the neighborhood to change the covenant language. But they could see problems with the front of homes looking junky. And then how do you determine the cutoff point between a small camper and a 30 foot camping bus or a small trailer and a large construction trailer. Another issue occurred when the property owner of the last 22 lots wanted to change the covenants so that they could build smaller homes on the lots which they owned. A previous Board member informed the group that he had contacted an attorney about cleaning up the covenants. He was interested in developing a concise document for the neighborhood and at the same time not have the Board become the covenant police. But all of this costs money. Investigation into having a Management company handle such things indicated that the costs of such would increase HOA fees to \$400 to \$500 per year which no one would be willing to pay. He found that developing such a document would cost in the thousands of dollars. It was suggested that perhaps the attorney we use now might have a basic HOA covenant document which we could adopt with minor changes. We must keep in mind that there are residents who moved into the neighborhood well aware of the covenants and now want them enforced.

In an effort to resolve the issues above, a motion was made to have the Board shop for a base plan to be used for our covenants along with some amendments to better conform to our community desires. The motion was seconded and the vote in favor was unanimous.

Road Update: The President explained to the group that Apache is awaiting some rubber stamping by the DOT and it should soon be approved. Relative to Macon, we do not have the population density on that street so consequently we have budgeted some money for its maintenance. Our liability for the community streets was once estimated at \$30,000 for road maintenance in the community but with the DOT acceptance of most of our roads, the liability was much reduced. A resident thanked the President for his continued work on the roads.

Dues: A resident questioned why we were asking for an increase in dues to \$200 per year. They were \$65 at one time and a couple of years ago they were increased to \$95. It was explained that as we have become a more professional organization we have had to seek legal advice and we have also had increases due to the lawn maintenance and improvements to the front entrance. It was added that at the last Annual meeting held on March 27, 2010, affirmative action to up the dues limit to \$200 over the next three years was voted on and approved. We had a quorum to do business at that meeting when we had 27 residents represented. The vote to take the affirmative action was approved with only one objection giving us over 96% approval for a cap of \$200. It was suggested by the Board that should anyone have a problem paying the \$200 in a lump sum, provisions could be made to pay over time. A question came up about fees for other communities. The Board cited fees from 5 comparable communities. These statistics were available to those at the meeting.

New Board Members: The president stated that we had no new volunteers to run for the Board. With that said, the present Board members opted to stay on for another year. A resident made a motion to ratify the Board and it was seconded. There was no discussion. The Board membership was ratified with all but one resident in opposition. The President asked for any volunteers relative to the officer positions so that the Board could consider them for appointment. So far we had been maintaining with two officer positions vacant. We needed more interest in filling these positions. A resident stated that the Board and Officer positions were thankless jobs and thanked everyone for staying on.

Open Discussion: The following topics were discussed during this discussion:

1. Residents would like to see some tables and benches placed at the pond.
2. The residents asked when the next community outing was scheduled. A spring date was suggested for the event. We could do another movie night.
3. Residents would like to see a dock/gazebo built on the pond. It was suggested that maybe the Boy Scouts could be involved in such a project.
4. Residents would like to see a Yard Sale this year for the community. May would be the target date for such.
5. Residents were reminded that we needed volunteers for Officers.
6. The Board asked those present to try to make every effort to attend the monthly Board meetings. They were presently scheduled for the third Thursday of each month.
7. The residents were asked for any suggestions they may have to improve the community web site.
8. People need to clean up after their dogs.

Adjournment: A motion was made and seconded to adjourn the meeting. The vote to adjourn was unanimous. The meeting was adjourned at 4:26 PM.