

Southern Village Homeowners Association
Annual General Meeting minutes
Tuesday, February 13, 2024
6:30pm to 7:30pm

Quorum (67) was established by mail. There were 71 ballots.

The minutes from the AGM in 2023 were approved
Sam Benen was elected for another 3-year term

Present:

Kevin Kelly, President

Sam Benen, Treasurer

Suzanne Lyman, Secretary

Kim Van Horn

Michelle Johnson, Property Manager for Mill House Properties

Tara Lacara

A total of 24 participants (including the above) joined the zoom meeting

The meeting was called to order by Kevin at 6:34 PM and he went through the agenda. He said there were opportunities for homeowners to serve either on the board or one of the subcommittees.

Open Comments:

Kim noted that there is an open seat on the ARB. The committee lost two members and gained one and after their next meeting there will only be four members. The committee must have five members to function. They are looking for one new member. The ARB meets one night per month for 1-1.5 hours. Individuals can email Michelle if they are interested and state why they are interested.

Robert Murden spoke about his concerns for Highgrove. He is concerned about exterior maintenance and financial preparedness. He said that 2024 was the fourth year in a row in which annual dues increased by 15%. He requested that 1) budgets, spending accounts and reserve balances be shared with homeowners as soon as they are available. (according to Tara, the final 2023 budget is almost ready), and 2) that the Highgrove Townhome committee be activated. Highgrove townhome owners should have an active role in planning and budgeting. Homeowners need to have an active role in their monthly dues level. The Master association (SVHOA) should be supportive of the sub-associations' (Highgrove) efforts to form a committee and help in determining roles and responsibilities. Suzanne wanted clarification about whether Bob wanted a Highgrove committee or a townhome committee which would be represent all four townhome entities. Bob said he was interested in a Highgrove committee. Historically there was a townhome committee chaired by Rana with one member from each townhome entity. Kim thought that we borrowed against Highgrove's reserves to pay for the ponds, but Tara clarified that we did not borrow against these reserves. There was much discussion about

how much would be in Highgrove's reserves at the end of 2024 and it was estimated that there would be about \$36,000 remaining in reserves after expenses. Bob also noted that in 2020, only half of the painting and trim project was completed, and Michelle said that three out of four roofs have been replaced and the fourth should be completed in 2024. Bob wanted to know what we could do moving forward to plan for these maintenance projects, and is Highgrove looking at another 15% increase in 2025. It was also noted that Highgrove currently pays \$286/month in dues and Kevin estimated that this amount is only 0.5%/year of the property value and that in many cases it is not uncommon to pay 1%/year of the property value in dues. Historically, going back to 2018, Highgrove saw the major expenses coming but there wasn't support for raising the funds. Suzanne commented that a finance committee was recently formed, and it would be a good place to discuss townhome maintenance. A reserve study of all of the townhomes was suggested which Kevin supports and it was decided that a townhome committee and a reserve study would be placed on the agenda for the next board meeting. Rodger suggested that when Highgrove was built, there was probably an HOA which became defunct. They should be setting their own budget and reserves, and he maintained that Highgrove reserves should not be the business of the SVHOA. SVHOA should not be taking care of the townhome entities. Southern Village Master Association hasn't met since 2012. It has delegated some of its authority to the SVHOA which sets reserves for ponds, entrances, etc. Rodger suggested that when Highgrove was built, there was probably an HOA. Suzanne said Mill House typically sets the budgets and contracts the work. She noted that the SVHOA is intimately involved in hiring the contractors to do the maintenance on the townhomes. Tara said Mill House does everything at the discretion of the board and it would be good if every townhome entity had their own HOA. It would be expensive to create bylaws and covenants and it might be difficult to get homeowners to volunteer to be on the board. It would be expensive and difficult to do the legal work to set up and HOA for each townhome. SVHOA has to be involved because there are not separate HOAs. Rodger said Mr. Murden should rally his fellow townhome owners and set their reserves which they have a legal right to do. Kevin stated that we have a fundamental shared interest in the community. He thinks it would be untenable for each of those townhome entities to run with a sense of autonomy. He also wants to make sure homeowners can participate in budgets, reserves and allocation of funds. Rodger said the Highgrove homeowners needs to dig into the past to see if there was an HOA with bylaws. This would be the same for all of the townhome entities and that the HOAs should be resurrected.

Kevin thought we had some good plans for follow-up.

Karen Levine shared her concerns about the trees in Southern Village and the way mulch is piled up on the tree roots. She said several trees have been lost. They might have been saved if the mulch had not been piled up. She wanted to know if an arborist could check to see if the mulching is being done properly. Mill House contracts with Davey Tree and Michelle will talk to them as well as Ruppert who does the mulching. Kevin wanted to know what sets the protocol for mulching and wants to determine if there is a difference between what the landscaper does and what the arborist recommends. Bob said he is a Master Arborist and would be willing to volunteer to look at the situation. Kevin thought it would be helpful if Karen had any examples that could be forwarded to Ruppert.

Mike was concerned about the land rights separation and Kevin described the recent case in which a company called Groundly (in New York) purchased a house on Calderon and wanted to sell the house only and lease the land to the prospective buyer. Kevin believes this is a predatory practice and that the company has no investment in our community. He noted that the board talked about doing some legal work to see what our options are. Kim noted this was a way to purchase property at less than market value and questioned how we manage a company that doesn't work towards our community.

Lou shared his concerns about a tree in front of his house between the sidewalk and the street that is dead, and it has been about a year and the tree hasn't been removed by the town. He said that a branch fell and could have hit him. Someone came by to look at it, clipped a branch and left. He said the tree needs to come down. Michelle stated that she would make sure the tree was on the list for Chapel Hill to remove. The town removes the tree and SVHOA will plant a new one.

Drew had a question about the lack of speed tables or speed bumps on Glade. Kevin said this is a town issue and that there is an online reporting system to bring this to the attention of the town. Tara said that in the past the police and fire departments came out and that there might be concerns about parking and emergency vehicle access. This could be a reason that speed bumps were not put in place. Rodger thought that the town could approve the placement of the speed bumps and we could pay for it.

Opening Comments were closed.

Treasurer report:

Sam said we are in a position to avoid a special assessment or borrow. The reserves are sufficient, and the bulk is in US Treasuries earning 5% interest. Inflation has impacted HOA maintenance costs. In addition, we had an adverse ruling on our ponds with a 6-figure bill which is why annual dues had to be increased by 15% thus making a special assessment unnecessary. An increase of 15% is the maximum dues can be raised annually without a vote. We are getting a good value for our dues even though the rate of increase annually is alarming. Sam stated that he hopes we can slow down the dues increases. Sam also noted the formation of a finance committee and a contracts' review committee. We also undertook a reserve study to make sure we are properly reserved going forward. Even with the pond situation, we are properly reserved and can avoid a special assessment. Sam said he is continuing to work with Tara on completing the 2023 budget. Sam wants to put in place durable processes that future treasurers can work with. There is one tax ID and one tax return filed for SVHOA although there are different "pots" of money for the various townhomes, common areas, alleys and courtyard homes. This is not legally binding. Over the course of 2024, Sam would like to clean up some of the ambiguity revolving around the Southern Village Master Association and the 12 sub-associations of which SVHOA is one. If we want to change the rules, we have a clunky process.

President's report:

Kevin mentioned the progress on the parks, the efforts of the sustainability committee which includes the compost initiative and the ban on gas-powered leaf blower initiative. He also referred to the statement he wrote that went out in the packet to all homeowners. The biggest thing is the pond situation. He agreed that we need to maintain proper reserves for the future.

Other comments:

Mike wanted to know about maintaining ponds as we go forward. (inaudible)

Suzanne said that going forward, we will engage a company to maintain, mow and inspect the ponds so that we are more prepared for upcoming pond repairs. She also mentioned that we have received advice from two different experts on how much we need to budget annually for pond repairs.

The meeting was adjourned at 7:30 PM.