

SOUTHERN VILLAGE HOMEOWNERS ASSOCIATION, INC.
Minutes of Special Board Meeting held November 18, 2010
at the Southern Village Club

Board Members Present: Jeremy Purbrick (chair), Cindy Gudeman, Paul Rowe, Rainer Dammers

Present for Berkeley: Tony Smith

Guest: Lewis Tisher representing Community Watch
Phil Meyer, Dick Lowe representing TownHome Committee
D.R. Bryan
Melissa, Emilia - residents

This special meeting was called to resolve four unfinished elements of the proposed 2011 budget presented by the Treasurer on 10/19/10.

With a quorum established, the meeting was called to order at 6:05 PM.

1. Ratio of Berkeley management fee to be allocated between Townhomes and Single Family Homes - 2010 actual is 25/75% based on the ratio of homes.

Based on market analysis provided it was noted for management fees Southern Village management fees are below competitive rates. Members of the Townhome committee expressed concern that the issue was brought forward late in the year limiting time to discuss and achieve consensus in the Townhome community. The issue was discussed extensively.

A motion to keep the ratios as is in 2011 with a stipulation to revisit the ratio in 2011 failed.

A counter motion to change the ratio to 37%/63% also failed.

2. Contribution to the Lumina in support of the Police substation - 2010 actual is \$5,000

All members of the community present expressed their appreciation for the presence of the Police substation in Southern Village.

The history of the arrangement and of what the contribution is actually paid for was discussed:

In the past ~\$10,000 was paid towards an off hour police officer to patrol Friday and Saturday nights. More police presence was desired and the Chapel Hill Police agreed to patrol if they get office space for free. An agreement was made for Lumina to provide the space and split an arbitrary 'rent' based on the cost of the off hour officer between Southern Village Center (SV Center) and SVMA which amounts to \$18.62/sqft. SV Center has in the past reviewed Police activity to evaluate the value for the investment or whether to change the use of the space.

Whether crime would increase if the Police Station vanished is unknown.

Lewis Tisher requested on behalf of the Community Watch group to continue the contribution of \$5,000 and combine it with the \$1,000 budget for Community Watch under the responsibility of Community Watch.

D.R. was asked if SV Center would continue to lease the space to the Police without the contribution from the SVMA. D.R. mentioned that he presents only 30% of the owners of SV Center with the other owners living in Raleigh. Personally he would vote for a continuum of the Police substation.

A motion to continue the \$5,000 contribution to the Lumina unchanged in 2011 passed 3:1

3. Contribution to Market Street Association (MSA) for events on the Green – 2010 actual is \$1,960 towards the NC Symphony and \$10,212 towards other events

D.R. presented the 2010 MSA budget. In summary the cost for the NC Symphony is uncovered. Some attendees expressed their opinion that the cost/benefit ratio of the NC Symphony has decreased due to increase in cost for the concerts over the last 3 years.

Cindy expressed her experience as a Realtor that events are very valuable to the neighborhood and maintain value of the neighborhood and homes. She suggested to agree on a base amount to contribute and support fund raising activities for MSA events.

The value of events, different event types and financing for them was discussed at length.

Paul reminded us of the economic situation and that for the first time in Southern Village we have 6 people who have not been able to pay their dues and have a lien on their home.

A motion was brought forward to allocate \$8,000 towards MSA events and support fundraising for the Symphony and additional events.

The question was asked as to why to reduce the contribution in 2011 compared to 2010. It was pointed out that the MSA events budget was reduced by close to \$11,000.

Further discussion occurred about the clarity and transparency of the MSA budget.

The motion passed 3:1.

Tony provided additional information on the split of the management fees in context of discounts in 2011. Based on that information agenda topic 1 was revisited.

A motion to change the ratio to 30/70 failed. A counter motion to change the ratio to 28/72 with the stipulation to revisit the topic early in 2011 for the 2012 budget passed 3:1.

A motion to extend the meeting time to address Agenda point 4 was passed 3:1.

4. 2011 Common Area Maintenance Dues:

	<u>Actual 2010</u>
SVHOA members	\$225
Condominiums	\$79
Apartments	\$14.70

The latest budget numbers excluding the items passed earlier in the meeting were reviewed. Paul pointed out the healthy reserve situation and our legal obligation as a non profit organization.

A motion to set the dues as following passed 3:1:

	<u>2011</u>
SVHOA members	\$200
Condominiums	\$75
Apartments	\$14.70

There being no further business the meeting was adjourned at 8:50 PM