

**Southern Village Homeowner's Association BOD Meeting Minutes
November 1, 2021, 4:00 PM, Zoom**

Present: Susana Dancy, President
Sam Benen
Susanna Trevino
Rana Singh, Vice President
Patsy Smith, Director of HOA Operations, Mill House Properties

Quorum Established, Meeting called to order at 4:05 PM by Susana Dancy
Agenda Approved
September BOD Meeting Minutes Approved

Treasurer Report. Sam opened the budget discussion. Sam reported that he has reviewed with Tara (Finance Manager) the financials and he feels the association is strong financially and management adheres to best standard practices. Patsy shared the proposed operating budget and reviewed the recommended SV HOA annual assessments for 2022. It was noted the rate of inflation is projected over 5% for 2022, and management noted seeing construction costs being as high as 20% higher in 2021. The board discussed the proposed increases:

Homes (detached, townhomes and courtyard homes) 5% increase to \$346.00 (\$330.00)
Condos 10% increase to \$127.00 (\$115.00)
Apartments 15% increase to \$31.00 (\$27.00)
Market Street Association 5% increase to \$1,389.00 (\$1,323.00)

The meeting paused to acknowledge members, Ryan Burk and Amy Drew, who joined the Zoom. Both serve on the Parks & Common Areas Committee. Ryan administered and has collected the results of the recent committee survey sent to homeowners regarding park improvements, specific to Edgewater/Brookgreen Corner Parks. He reported over 200 surveys have been received and overall, the comments are thoughtful. Susana thanked him for leading this effort. Susana then acknowledged Amy and thanked her for all her work on the picnic table painting, board members commented how well they were done and what a great opportunity this was for the community to get involved in the park improvements.

Budget discussions resumed. Sam made a motion to accept the recommend SV HOA annual assessments increases. Rana seconded and the motion passed unanimously.

Meeting paused again to acknowledge Matt Rich, who joined the Zoom. Matt is a homeowner who is leading an effort to clean up Market Park (sand park). Recently it seems there are a lot of cats using the park as a litter box and Matt is working to put together some ideas to address this issue.

BOARD UPDATES

Parks Susana informed the board that the Edgewater Park renovations were complete, and that a survey will be prepared to get feedback from SVHOA members. The Parks & Common Areas Committee survey has received about 200 responses to its survey regarding park renovations at the pocket parks on the corners of Edgewater and Brookgreen.

Susana asked for a review of the proposed 2022 budget lines for parks maintenance and improvements. The board discussed the Park Improvements vs Unanticipated Maintenance and Common Area/Pond Improvements lines. It was decided “improvements” would refer to new construction (i.e., the Edgewater/Brookgreen Corner Parks) and the other line items would be for ongoing maintenance or improvements to the existing parks and ponds. Amy Drew asked about the \$50,000.00 proposed for Park Improvements and it was confirmed that was allocated for Edgewater/Brookgreen Corner Parks.

ARB Sam reported the ARB committee did not meet in October, there were no applications.

Management Updates

Patsy reported there will be two 3-year seats open for election at the AGM. Management will get the word out to homeowners about these two seats. There is one open seat for a 1-year term to fill Susanna Trevino’s seat which will be vacated shortly with her move out of the neighborhood. This seat can be appointed by the board. Susana encouraged this seat be filled by a condominium owner to have fair and balanced representation of homeowners on the board. Susana asked the board to consider nominating condominium owners who may be interested in serving on the SVHOA board.

Patsy informed the board that the 2022 AGM is scheduled for Tuesday, February 2, at 7:00PM, location TBD. Susana and management will work to put together the AGM packet.

Townhomes Patsy reported phase one of TH I siding project is complete.

Townhome budgets were reviewed and discussed. The following are management recommendations for 2022 monthly assessments. Increases are based on upcoming roof replacement projects at TH II and Highgrove TH, trim replacement, and painting at TH I, and Westend TH building of reserve fund for future roof replacement project (2025).

Management recommends a 15% increase for all townhome groups. Rana proposed whether a 10% increase for Westend might be appropriate. Susana and Patsy cautioned that current construction and roofing costs are high and consider possible lower assessment once reserves are funded for the roof replacements. Rana agreed.

TH I 15% increase to \$217.00 (\$189.00)
TH II 15% increase to \$138.00 (\$120.00)
Westend 15% increase to \$234.00 (\$204.00)
Highgrove 15% increase to \$217.00 (\$189.00)

Susana motioned to raise the townhome monthly assessments by 15% across the board, Ben second. Motion passed.

Alleyways Patsy reported the additional work on the alleyway at Tharrington Street and Edgewater Circle to address slope issues and water runoff into a particular driveway was scheduled to take place the week leading into Thanksgiving.

Budget for 2022 alley assessment was discussed, Paving Professionals has not submitted a report for the next set of alleys to be addressed in 2022. The report will identify the alleys by 3 categories based on the expert assessment: 1) needs work now, 2) needs work soon and 3) needs work in the future. Based on this assessment the HOA will be able to budget accordingly.

Susana D. made a motion to increase the annual alley assessment by 10% in 2022. Rana second, motion passed.

Alleyway 10% increase to \$120.00 (\$109)

Trees Town of Chapel Hill and Davey Tree have finalized the list for 2021 tree removals.

Ryan Burk asked about tree removal process and notifying homeowners of upcoming work. Patsy explained the trees are owned by the town and they work on their schedule, management is not given advance notice when the town will be working. It was agreed Mill House will notify (by email) owners who have a tree on the list for removal. Patsy made it clear that the town doesn't always get to every tree and will do the best to manage expectations.

Ponds DragonFly is working on scheduling the town inspections. Prior to inspection pond 3 will require dredging. This work has not been scheduled.

New Business Sam, as treasurer, asked the board to consider putting reserve funds into treasury notes, or an account to earn interest for the HOA. Discussion was had and the board agreed to proceed.

Susanna T made a motion to allow Sam Benen to work with Pinnacle and put some of the HOA reserve funds into an interest-bearing account. Rana second, motion passed.

Susanna T. made a motion to adjourn the meeting at 5:17 PM. Sam second. Meeting adjourned at 5:40 PM.

Next Meeting is scheduled for Tuesday, January 4, 2022, at 4:00PM. Location TBD

SVHOA	2020 Actual	2021 Budget	2021 as of 10/31/21	2022 Budget
Operating Income				
Homes (Detached, TH & Courtyard) (664 units)	\$ 219,120	\$ 220,110	\$ 219,780	\$ 229,744
Class III (2 units)	\$ 660	\$ 660	\$ 660	\$ 692
Condos (230 units)	\$ 26,450	\$ 27,600	\$ 26,450	\$ 29,210
Apartments (250 units)	\$ 6,000	\$ 6,900	\$ 6,750	\$ 7,750
Market Street Association	\$ 1,150	\$ 1,323	\$ 1,475	\$ 1,549
Late Fees	\$ 1,880	\$ -	\$ 1,480	\$ -
Reserve Interest	\$ 578	\$ -	\$ 218	\$ -
Other Income (Rentals, Misc.)	\$ 115	\$ -	\$ -	\$ -
Total Operating Income	\$ 255,953	\$ 256,593	\$ 256,813	\$ 268,945

Administrative Expenses				
Admin Misc. & Bank Fees	\$ 205	\$ 300	\$ 5	\$ 100
Audit/Financial Review	\$ 2,950	\$ 400	\$ 360	\$ 400
Insurance	\$ 9,449	\$ 9,800	\$ 9,868	\$ 10,500
Legal	\$ 210	\$ 1,000	\$ -	\$ 1,000
Management	\$ 32,450	\$ 35,000	\$ 35,000	\$ 35,000
Market Street Events	\$ 10,000	\$ 10,300	\$ 10,000	\$ 10,000
NC Symphony Donation	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Printing & Postage	\$ 1,752	\$ -	\$ -	\$ -
Total Administrative Expenses	\$ 62,016	\$ 61,800	\$ 60,233	\$ 62,000

Grounds				
Landscape	\$ 50,861	\$ 53,000	\$ 43,656	\$ 54,590
Mulch All Areas	\$ 9,249	\$ 9,500	\$ 9,527	\$ 9,785
Trees (Grinding/Replace)	\$ 9,060	\$ 10,000	\$ -	\$ 15,000
Trees (Maintenance)	\$ 29,870	\$ 35,000	\$ 23,850	\$ 40,000
Total Grounds	\$ 99,040	\$ 107,500	\$ 77,033	\$ 119,375

Maintenance				
Unanticipated Maintenances (Formerly Unanticipated Capital Expenses)	\$ 6,510	\$ 15,000	\$ 15,314	\$ 15,000
Common Area/Pond Improvements	\$ 10,403	\$ 20,000	\$ 24,303	\$ 20,000
Park-Improvements (Formerly Parks)	\$ 19,688	\$ 30,000	\$ 42,548	\$ 50,000
Pond Care	\$ 5,304	\$ 5,665	\$ 4,080	\$ 5,835
Pond Major Maintenance	\$ 12,903	\$ 10,000	\$ 3,700	\$ 15,000
Total Maintenance	\$ 54,808	\$ 80,665	\$ 89,945	\$ 105,835

Utilities				
Electric	\$ 2,750	\$ 2,500	\$ 2,312	\$ 2,575
Storm Water Charge	\$ -	\$ 1,600	\$ -	\$ 1,648
Trash/Recycling (Weekly Service)	\$ 7,828	\$ 10,000	\$ 6,721	\$ 10,300
Water	\$ 1,200	\$ 1,600	\$ 1,597	\$ 1,648
Total Utilities	\$ 11,778	\$ 15,700	\$ 10,630	\$ 16,171

Total Operating Expenses	\$ 227,642	\$ 265,665	\$ 237,841	\$ 303,381
---------------------------------	-------------------	-------------------	-------------------	-------------------

Net Income (Loss)	\$ 28,310	\$ (9,072)	\$ 18,972	(\$34,436) = T
--------------------------	------------------	-------------------	------------------	-----------------------

Courtyard Homes (10 Billing Units)	2020 Actual	2021 Budget	2021 as of 10/31/21	2022 Budget
Operating Income				
Annual Assessment	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Total Operating Income	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Operating Expenses				
Landscape	\$ 3,561	\$ 3,700	\$ 3,057	\$ 3,811
Management	\$ 1,200	\$ 1,300	\$ 1,300	\$ 1,300
Total Operating Expenses	\$ 4,761	\$ 5,000	\$ 4,357	\$ 5,111
Net Income (Loss)	\$ 239	\$ -	\$ 643	\$ (111)

Alleyway (426 Units)	2020 Actual	2021 Budget	2021 as of 10/31/21
Operating Income			
Annual Assessment	\$ 40,975	\$ 46,434	\$ 46,652
Reserves Interest	\$ 2,703	\$ -	\$ 438
Total Operating Income	\$ 43,678	\$ 46,434	\$ 47,090

2022 Budget	2022 Budget
No Increase	\$115- 5%
\$ 46,434	\$ 48,990
\$ -	\$ -
\$ 46,434	\$ 48,990

Operating Expenses			
Landscaping	\$ 1,800	\$ 2,500	\$ -
Maintenance/Repairs	\$ 250	\$ 72,000	\$ 75,880
Management	\$ 2,500	\$ 2,700	\$ 2,700
Total Operating Expenses	\$ 4,550	\$ 77,200	\$ 78,580

\$ 2,500	\$ 2,500
\$ 80,000	\$ 80,000
\$ 2,700	\$ 2,700
\$ 85,200	\$ 85,200

Net Income (Loss)	\$ 39,128	\$ (30,766)	\$ (31,490)
--------------------------	------------------	--------------------	--------------------

\$ (38,766)	\$ (36,210)
--------------------	--------------------

Townhome I (16 units)	2020 Actual	2021 Budget	2021 as of 10/31/21	2022 Budget
Operating Income				
Monthly Assessment	\$ 32,815	\$ 36,672	\$ 29,343	\$ 41,664
Reserves Interest	\$ 195	\$ -	\$ 75	\$ -
Total Operating Income	\$ 33,010	\$ 36,672	\$ 29,418	\$ 41,664
Operating Expenses				
Building Exterior	\$ 2,074	\$ 3,000	\$ 934	\$ 3,000
Gutter Cleaning	\$ 812	\$ 600	\$ 120	\$ 600
Landscape (Contract)	\$ 5,356	\$ 5,700	\$ 4,598	\$ 4,735
Landscape (Non-Contract)	\$ 150	\$ 1,500	\$ 150	\$ 1,500
Management	\$ 2,400	\$ 2,600	\$ 2,600	\$ 2,600
Mulch	\$ 1,009	\$ 1,100	\$ 1,040	\$ 1,071
Painting, Repair & Replace	\$ -	\$ 75,000	\$ 65,449	\$ 50,000
Termite Inspection	\$ 560	\$ 700	\$ 560	\$ 700
Total Operating Expenses	\$ 12,361	\$ 90,200	\$ 75,450	\$ 64,207
Net Income (Loss)	\$ 20,649	\$ (53,528)	\$ (46,032)	\$ (22,543)

Townhome II (55 units)	2020 Actual	2021 Budget	2021 as of 10/31/21	2022 Budget
Operating Income				
Monthly Assessment	\$ 69,102	\$ 79,860	\$ 65,670	\$ 91,080
Reserves Interest	\$ 3,276	\$ -	\$ 1,723	\$ -
Total Operating Income	\$ 72,378	\$ 79,860	\$ 67,393	\$ 91,080

Operating Expenses				
Building Exterior	\$ 3,927	\$ 2,500	\$ 4,776	\$ 3,000
Gutter Cleaning	\$ 1,450	\$ 1,500	\$ 300	\$ 1,500
Landscape (Contract)	\$ 19,570	\$ 21,000	\$ 16,798	\$ 17,301
Landscape (Non-Contract)	\$ 2,130	\$ 4,000	\$ 4,145	\$ 4,000
Management	\$ 8,250	\$ 9,000	\$ 9,000	\$ 9,000
Mulch	\$ 3,966	\$ 4,100	\$ 4,084	\$ 4,207
Painting & Trim Repairs	\$ 101,478	\$ -	\$ -	\$ -
Roof Replacement	\$ 22,797	\$ 57,000	\$ 67,542	\$ 45,000
Termite Inspection	\$ 1,925	\$ 2,100	\$ 1,925	\$ 2,100
Total Operating Expenses	\$ 165,492	\$ 101,200	\$ 108,570	\$ 86,108

Net Income (Loss)	\$ (93,114)	\$ (21,340)	\$ (41,177)	\$ 4,972
--------------------------	--------------------	--------------------	--------------------	-----------------

Highgrove (48 Units)	2020 Actual	2021 Budget	2021 as of 10/31/21	2022 Budget
Operating Income				
Monthly Assessment	\$ 94,617	\$ 108,864	\$ 88,573	\$ 124,992
Reserves Interest	\$ 3,312	\$ -	\$ 1,716	\$ -
Total Operating Income	\$ 97,929	\$ 108,864	\$ 90,289	\$ 124,992

Operating Expenses				
Building Exterior	\$ 9,470	\$ 5,000	\$ 9,283	\$ 5,000
FA Contract	\$ 2,400	\$ 2,520	\$ 2,400	\$ 2,646
FA Electric	\$ 2,075	\$ 1,890	\$ 1,715	\$ 1,985
FA Inspection	\$ 1,118	\$ 158	\$ 1,457	\$ 166
FA Repairs	\$ 982	\$ 2,500	\$ 4,740	\$ 3,500
Gutter Cleaning	\$ -	\$ 1,500	\$ 1,500	\$ 1,500
Irrigation Repairs	\$ 2,186	\$ 2,000	\$ 573	\$ 2,000
Landscape (Contract)	\$ 12,154	\$ 13,000	\$ 10,433	\$ 13,000
Landscape (Non-Contract)	\$ 3,830	\$ 3,000	\$ 1,306	\$ 3,000
Management	\$ 9,200	\$ 10,000	\$ 10,000	\$ 10,000
Mulch	\$ 1,658	\$ 1,700	\$ 1,708	\$ 1,700
Painting & Trim Repairs	\$ 117,328	\$ -	\$ -	\$ -
Roof Replacement	\$ -	\$ 95,000	\$ 94,451	\$ 100,000
Termite Inspection	\$ 1,680	\$ 2,100	\$ 1,680	\$ 2,205
Water (Irrigation)	\$ 4,115	\$ 3,150	\$ 3,076	\$ 3,308
Total Operating Expenses	\$ 168,195	\$ 143,518	\$ 144,321	\$ 150,009

Net Income (Loss)	\$ (70,266)	\$ (34,654)	\$ (54,032)	\$ (25,017)
--------------------------	--------------------	--------------------	--------------------	--------------------

Westend (22 Units)	2020 Actual	2021 Budget	2021 as of 10/31/21	2022 Budget
Operating Income				
Monthly Assessment	\$ 47,804	\$ 54,120	\$ 44,216	\$ 61,776
Reserve Interest	\$ 38	\$ -	\$ 32	\$ -
Total Operating Income	\$ 47,842	\$ 54,120	\$ 44,248	\$ 61,776
Operating Expenses				
Building Exterior	\$ 2,291	\$ 2,500	\$ 1,677	\$ 2,500
FA Contract	\$ 1,200	\$ 1,300	\$ 1,200	\$ 1,300
FA Electric	\$ 1,469	\$ 1,700	\$ 1,092	\$ 1,700
FA Inspection	\$ 831	\$ 900	\$ 860	\$ 1,000
FA Repairs	\$ 3,973	\$ 2,500	\$ 2,492	\$ 2,500
Gutter Cleaning	\$ 120	\$ 400	\$ -	\$ 400
Landscape (Contract)	\$ 6,541	\$ 7,100	\$ 5,614	\$ 5,783
Landscape (Non-Contract)	\$ 3,375	\$ 6,500	\$ 11,452	\$ 5,000
Management	\$ 4,000	\$ 4,400	\$ 4,400	\$ 4,400
Mailbox Replacement	\$ -	\$ 2,500	\$ 2,989	\$ -
Mulch	\$ 1,442	\$ 1,500	\$ 1,485	\$ 1,530
Termite Inspection	\$ 770	\$ 800	\$ 770	\$ 800
Total Operating Expenses	\$ 26,013	\$ 32,100	\$ 34,032	\$ 26,912
Net Income (Loss)	\$ 21,829	\$ 22,020	\$ 10,217	\$ 34,864