

## **SVHOA Board of Directors Meeting Minutes**

**Tuesday, May 7, 2024, 10:30 AM, via Zoom**

Present:

Kevin Kelly, President  
Rana Singh, Vice President  
Sam Benen, Treasurer  
Suzanne Lyman, Secretary  
Kim Van Horn  
Michelle Johnson, Property Manager  
Tara Lacara, Finance Manager

Rodger Traynor, homeowner  
Robert Murden, homeowner  
Spencer, homeowner

A quorum was met and the meeting was called to order at 10:35 AM

New business added to the agenda: Suzanne wanted to add the role of the board in forming a Highgrove committee.

The agenda was approved.

### Open comments:

SV Homeowner Bob Murden from Highgrove spoke and mentioned that at the AGM he submitted comments about forming a Highgrove committee to engage in planning and the reserve process. He stated that delays in roof replacements and exterior painting on the back of Highgrove has been costly for its homeowners due to inflation of maintenance costs. He believes that the costs would have been \$91,000 less if the maintenance had been done sooner. So far, 3 of the 4 building roofs have been replaced, as well as the garage roofs, and the last roof is scheduled for replacement towards the end of this year.

Bob Murden said it was estimated that currently, there is only about \$30,000 in the Highgrove reserves and that the exterior trim and painting would be 6 figures. Tara/Millhouse informed us that Highgrove actually has \$36,000 in reserves and that next year it will have \$100,000 without raising dues.

It was suggested by Suzanne that Michelle/Millhouse could send an email to the Highgrove homeowners to recruit homeowners to serve on a committee. The committee could then make recommendations and work with Millhouse on when maintenance could be done.

SV homeowner Spencer said that the roof replacement had depleted the reserves. He also commented that he worked on forming a separate HOA previously and he doesn't favor spinning off Highgrove as its own HOA.

Kim thought that if Highgrove established its own HOA, it could set its own dues as well as consider a special assessment for exterior painting and trim.

Rodger let us know that historically there does exist a Highgrove legal entity and submits that Westend is part of Highgrove. If a committee is formed, it should be formal with elected members. Kim said she thought Highgrove doesn't need to join with Westend if they do not wish to. Bob and Spencer would like the email addresses of the Highgrove homeowners from Michelle/Millhouse, which they are happy to provide.

Rodger spoke about the Gas Powered Leaf Blower ban amendment, and Suzanne suggested moving the discussion of GPLB to open comments. Suzanne noted that the amendment to ban the use of gas-powered leaf blowers in Southern Village has been recorded with the register of deeds in Orange County and is effective immediately though our earlier Statement of Intent stated that the board would begin to enforce it this summer.

Rodger and Kim are working on a draft of a letter to be sent to homeowners before the June 1 effective date of the ban and will send it to the full Board for comments. It will show homeowners what will be sent out by the Board if they make a complaint of a neighbor's non-compliance; it will be sent to noncompliant homeowners from Millhouse.

#### Impervious surface availability on Southern Village

Kim, who also serves on the ARB committee, is concerned about the amount of building and paving by homeowners in their yards, and the impact of this on drainage of water to the ponds. The Town of Chapel Hill has guidelines for this and recently provided Southern Village with updated numbers of impervious surface left per street for each pond. The ARB will remain cognizant of this as more and more homeowners want to build structures and/or add paving and hardscapes in their backyards. Maps have only recently been updated after 4-5 years of no updating.

#### SV Magazine

Kim was concerned about this publication co-opting the name of Southern Village but stated that she is now inclined to let the publication continue and will in fact endeavor to add articles from the Board to the magazine.

## ARB Committee Report

Kim notes that ARB approvals are generally running smoothly. There was a lot of discussion about a playset that was built at 130 Graylyn, as the original proposal which was approved by the ARB committee was altered considerably and neighbors near this home are unhappy with the change in plans and the process involved in the approval. Kevin will work on this with Millhouse separately and thinks that the ARB has done a good job.

Kim wants the ARB to be able to approve or deny cutting down mature trees in SV, even behind fences, as fences can be removed by subsequent owners. Michelle/Millhouse noted that this is not currently within the authority of the ARB guidelines. Kevin thought the Board and ARB together should revisit the ARB guidelines and submit a revision to the Board, since the guidelines have not been updated since September of 2020.

## Finance Committee

Sam used this opportunity to talk about splitting off the townhome entities into their own HOAs. He thinks this would be much better for accounting purposes. Right now, there is sloppy bookkeeping, and the expectations of the TH homeowners may not be met. A separation of funds doesn't legally exist. The process would be fairly simple with an online application, writing bylaws and electing board members. The most important aspect of separating into HOAs is the ability of each TH entity to raise special assessments and set their own dues.

The current bookkeeping task is horrendous according to Sam and he has not signed off on the financials for 5-6 months due to some discrepancies. He stated that you need to look at bank statements and match with financial statements. Michelle let us know that Balance Bookkeeping is taking over and that they use cost centers as a different approach to bookkeeping. Tara will be leaving the position of handling SVHOA finances at the end of May and is hoping to have the financial statements completed at that time.

Sam recommended putting an investment policy in place with, eg. US Treasuries and FDIC insured deposits and we should be cognizant of the duration of the investments so that funds are available for any maintenance work that needs to be done.

Currently, we have investments with Raymond James and the current ladder of maturity is: May 28, June 25, and next spring.

The Board had to dip into savings this last fall because the checking account was getting low. It would be prudent to seek out high rates of return.

Rana who is a Westend townhomes owner, is ready to start the process of Westend forming its own HOA. The management fee for Mill House would be about \$600 more than they currently pay. It was suggested that the Board could start with Westend forming its own HOA and see how it goes, and then maybe consider the other TH entities forming their own HOAs. Suzanne

suggested sending an email to TH homeowners to see what they think about splitting off. She also mentioned that she lives in TH I which only has 16 units and maintaining of 3-person board might not be sustainable in the long term.

Homeowners in a townhome HOA would pay their dues into their own account and then the HOA would send funds for common areas to SVHOA.

Sam thinks we need to reconstitute the SVMA. If townhome entities split off, this leaves only single-family homeowners making decisions for all of Southern Village.

Kevin wants to see a written structure that we can review, and what legal action is required to start the process. He is concerned that we should not be exposed to unexpected issues.

Michelle/Millhouse noted that the operating budget is extremely tight and that the townhomes would pay for the lawyer to facilitate the separation from their own reserves or from interest earned on their Raymond James investments. Tara noted that legal fees are not budgeted for.

#### Posting income statements and balance sheets on the website

The budgets for operating, alleys and townhomes have already been posted and as stated above, income statements should be ready to post at the end of May.

#### PS Pond inspections proposal for oversight and inspection of ponds

Ian Peterson of PS Pond Inspections is the engineer who has consulted with the Board on the pond 3 repair (under a separate contract from the entities bidding to do the repairs). The Board previously (via email) approved a separate contract with Ian/PS Ponds to oversee the maintenance of the ponds quarterly and also to conduct the annual inspections in October. The inspections at that time will give the board time to request proposals for the upcoming pond repairs in 2025.

#### Pond 3 repair

The replacement of the pipe in pond 3 and the dredging of pond 3 must be completed this year as per our agreement with the Town of Chapel Hill. The Board received several proposals with widely disparate costs for either a corrugated metal pipe or a concrete pipe. It was decided that the proposal from Triangle Pond for the concrete pipe was the most cost effective (\$89K) and the Board (4 members, Sam abstained) voted in favor of this proposal and with going ahead with the pond repair. The Board has budgeted \$100,000 for pond repair costs (separate from/in addition to pond maintenance costs) in 2024.

### Soccer field holes and aeration

Kevin has generously agreed to gather some volunteers and fill the holes themselves. This would involve breaking open the holes, filling with soil and seeding. Aeration costs of \$300 have already been approved at our last meeting.

### Mulching of trees along Edgewater

Flores Landscape submitted a bid for \$250, and since bids below \$1000 do not require board approval, it was decided that Michelle/Millhouse should go ahead and contract Flores to mulch the trees.

### Bare spot at 117 Graylyn

Ruppert submitted a proposal for seeding the bare spot for over \$5000 and Flores submitted a proposal for several options ranging in price from \$200 for mulching, \$900 for mulching & seeding and \$2700 for laying sod. It was decided that the area is not conducive to growing grass and that we should have Flores mulch the trees and include raking and cleanup of the area.

### Pothole behind 200 Parkside circle

We received two proposals for this repair project, both around \$2000. After Michelle/Millhouse detailed her experience with both of the companies, it was decided to go ahead with Asphalt Enterprise's proposal of \$2166 which covered a larger area with asphalt. Kevin noted that there would probably be no effect on the drainage of the area and that water would still run downhill. Rana questioned whether this particular area was scheduled to be repaved in the near future, and Michelle said it was not on the near-term schedule.

### Tree pruning by Davey Tree

We have budgeted \$50000 for tree pruning for 2024, and they have already spent almost \$20,000 to date. It was decided to ask Davey Tree to slow down their service, and was further clarified to ask Davey to first submit proposals to Mill House for any work, rather than acting proactively. (Addendum: after the board meeting, Michelle let us know that in fact our invoices from Davey already total almost \$50,000 to date, and she asked Davey to only propose tree pruning for emergencies). Bartlett was discussed as an alternative to Davey, however Michelle stated that they were historically more expensive.

### Voting in new treasurer so there is overlap

Sam Benen, current Board Treasurer, is leaving the Board since he is moving out of the neighborhood. Suzanne expressed an interest in serving as Treasurer and she was voted into this position by 4 board members (Sam had left the meeting) (Addendum: Sam subsequently voted in favor via email). Suzanne is the new Treasurer effective immediately and is authorized

to conduct banking business. In addition, Adam Jones will continue to be able to conduct banking business. The paperwork will be drawn up by Maria at Pinnacle for the transition. Suzanne will also meet with Sam at Pinnacle to transition authority for the Raymond James investments.

#### Plants at the parks

A proposal for \$1400 was submitted by Leaf Song to visit our parks quarterly in 2024 and recommend plantings/maintenance of plantings. This would not include the price of the plants. It was decided by the Board that our budget is tight right now and we will not hire Leaf Song for this work.

#### Movies on the Green Sponsorship

The Lumina asked the SVHOA for a contribution of \$3000 to sponsor their Movies on the Green this summer. Glee Kids is already sponsoring the kid's movies. It was decided to ask the Lumina if they would be unable to show their movies if we did not contribute, or if they could find another sponsor. (Addendum: Movies on the Green can be operated by Lumina at a loss without sponsorship).

#### New Business

A townhome reserve study was suggested since it has been about 8 years since the last one. Suzanne suggested that the cost for this study be taken out of the reserves of each townhome entity.

The meeting was adjourned at 1:30 PM.