

SVHOA Board of Directors Meeting Minutes

Tuesday, September 10, 2024, 3:00 PM, via Zoom

Present:

Kevin Kelly, President
Rana Singh, Vice President
Chris Stas, member
Suzanne Lyman, Secretary/Treasurer
Kim Van Horn, ARB Liaison
Michelle Johnson, Property Manager

Meeting called to order at 3:02 PM

Kevin wanted to add a discussion of the grit path near Scroggs to the agenda and comments about the ground-breaking ceremony for the new South Creek development.

The agenda was approved.

Open comments: There were no community members present.

South Creek:

Kevin noted that they were already clearing trees and that retail is scheduled to be ready to move into the new development at the end of 2026.

2025 street tree contract:

Davey Tree has submitted a 2025 budget proposal for tree care totaling \$79,000, which is \$14,000 more than the 2024 budget. This proposal includes pruning trees that overhang sidewalks and streets, storm damage, stump grinding and tree planting, insect control and Deep root injection with Arbor Green Pro. According to Michelle, we had budgeted in 2024 \$50,000 for pruning and spent \$49,000; budgeted \$15,000 for grinding and planting and we have spent \$13,900 (15-30 stumps); budgeted \$5000 for storm damage and common areas. The town of Chapel Hill cuts down trees but the SVHOA is responsible for stump grinding and replanting. Kevin would like a spread sheet of the trees cut. He stated that tree care is a large line-item budget with little transparency. Suggestions for minimizing cost ranged from skipping tree care for a year to simply eliminating specific services such as stump grinding/replanting, pest control and injections. Davey tree also broke out their cost per hour if we just want to contract them on an as needed basis, but Kim stated that sometimes this can cost even more. It was suggested that we could also contact Ruppert and Flores to see if they could do pruning, but Suzanne stated that they may not have expertise in tree management. The board decided to table the

tree contract for now and obtain two more proposals: one from Medrano and one from Bartlett. Kevin also suggested a meeting with Bob Murden, a master arborist, to see if he would be willing to discuss tree care.

Treasurer's Report:

Suzanne briefed the board on our investments. Our previous treasurer, Sam Benen, had invested \$600,000 in treasury notes with Raymond James and at the time he indicated what percentage belonged to Westend, Townhome II, alley, operating and reserves. Two of the treasuries matured in July and Suzanne purchased CDs at First Horizon for Westend, alley and Townhome II. Some of the proceeds were also deposited in the operating and reserve accounts at Pinnacle Bank. The third treasury matures in March and belongs to alley. Suzanne will purchase a CD at that time.

Westend:

Rana would like for Westend to break off as its own separate HOA. In a previous email from a lawyer, the lawyer indicated that all of the homeowners would need to agree to this separation. It was decided that Rana would write a letter to all of the homeowners of Westend to see if they agreed to separating, and that Michelle would supply Rana with the owner's contact information. Rana would share the letter with the board as FYI only since Westend does not need the board's approval. Rana was also informed that Westend would need to pay for the services of the lawyer for this endeavor.

2024 Budget:

Expenditures to date for 2024 are slightly over budget in Administration and Grounds categories, but tracking well in every other category.

Special Assessment:

The proposed special assessment would be implemented to raise the funds for the pond repairs in 2025. These include the replacement of the pipe in pond 2 and the dredging of pond 4. The combined cost of these repairs is \$231,628 using a corrugated metal pipe instead of a concrete pipe (a concrete pipe would cost approx. \$28,000 more). It was discussed that a concrete pipe would be preferable, Suzanne will get triangle Pond to give quote for that.

There are two different views on how to structure the assessed amounts: 1) stratify the payments such that single-family homeowners pay more than, e.g., condo homeowners, and 2) every homeowner pays the same amount. Kevin's view is that we are a community, and we are all invested in the upkeep of the ponds so we should all pay the same amount. Kim's view is related to the land area which impacts the ponds, and the payments should be stratified, and payments should be assessed by unit type. In addition, the board would like to look at the

numbers to be assessed under three conditions: 1) special assessment without raising annual dues (Suzanne will re-run numbers to determine the amount needed by special assessment without raising dues); 2) special assessment with raising dues 10% and 3) no special assessment. Kevin suggested and Kim agreed that if a special assessment is levied, we should not also raise annual dues. Michelle pointed out that the special assessment might have to be only for the amount to cover the cost of the Ponds projects, but Kevin stated that the cost of the whole project, without the 2025 HOA budgeted contribution of \$50,000, would cover that legal argument if it came to that.

The wording in the covenants concerning a two-thirds vote to pass the assessment was discussed and it was decided to have a lawyer look at the wording to make sure we are interpreting it correctly, ie. two-thirds of those members who vote either (in person or by proxy) are needed to pass the assessment. It was also decided to have the attorney look over the letter about the proposed special assessment that would be sent to the homeowners. The board discussed possibly cutting some items from the budget such as the NC Symphony, the Market street events and tree stump grinding/tree replacement to ease the budget. It was noted that with a special assessment we can keep those line items and maintain the current "lifestyle" residents are used to. It was also noted that the reserve study indicated that we should have \$90,000 in reserves at the beginning of 2025. While we will not meet this amount, Suzanne stated that we can probably boost reserves once all of the pond work is completed.

Gas-powered leaf blower update:

There have been 15 complaints so far, two at the same property. Notices were sent out either by email or post and only 4 homeowners responded. The board indicated that it will take action upon any 4th complaint.

Scroggs path grit:

Kevin pointed out that the path near Scroggs elementary is partially washed out. Michelle said that there is money in common area maintenance to upgrade this path. Last year's bill was located, it cost \$2800 to repair, Kevin stated it should be much less this year as a smaller area needs to be repaired.

Kim would like for the board to discuss the special assessment via email before our November meeting.

The meeting was adjourned at 4:38 PM

NOTES:

Alley repairs for Tharrington and Highgrove were approved via email after the meeting; 3 quotes were obtained: Blalock will do the repairs for \$7,843 from the Alley budget line item.

Action items for Nov:

- Suzanne to run special assessment numbers to determine amount needed to cover ponds without annual dues increase
- Board members to communicate via email their thoughts on levying proposed special assessment on different resident/business categories
- Bob Murden/Arborist to be contacted for his thoughts on skipping a year of pruning and tree maintenance, flexibility on annual pest treatment and injections
- Michelle to obtain 2025 tree maintenance quotes from Medrano and Bartlett
- Board members to review Reserve Study to determine proposed 2025 budgeting

OUTSTANDING FOR NOV MEETING AGENDA

Severing land rights from deeds in SV (Kevin)

Reserve study for townhomes

ARB Guidelines to be updated/revised (Kim)