



Sovereign Oaks HOA Board Meeting Minutes (Approved June 7)

Monday, May 3, 2021
28 Hawberry Court

Attendees:

Mark Jordan, President
Kirsten Kern, Vice President
Brad Allen, Secretary
Art Mandler, Treasurer
Mike Newton, Member

Mark Jordan called the meeting to order at 11:35 a.m.

Previous Board Meeting minutes (5 April 2021) were approved unanimously.

Treasurer's Report – Art Mandler (see attached for details).

- **Spending:** HOA expenses are running below budget. At 1/3rd of the way through the year, YTD expenditures at month end totaled 21% of budget. There has been less spending thus far on facilities and other items. No legal expenses were incurred during the month of April. Barring any unforeseen expenditures, the HOA should meet its spending budget for the full year.
- **Balance Sheet:** Equity (excluding builder deposit reserves) total almost \$720,000. Of that amount, approximately \$80,000 is committed to 2021 budget items. The HOA should expect to end the year with equity (road repaving reserve fund) in excess of \$600,000.
- **Income:** Four HOA fee invoices remain unpaid: Lot #9, Velimesis; Lot # 18, Ripmaster; Lot # 64, Taylor, Lot # 83, Cole. Monthly interest charges have been applied to all outstanding invoices, beginning in March. In addition to those unpaid invoices, Lot # 19, Valiante, paid the invoice but has not paid interest due. At six months, an additional late fee of \$150 will be applied to unpaid invoices.
- The Treasurer's Report was accepted as submitted.

Committee Updates

- Facilities – Mike Newton —
 - i. Paving repairs around the front gate approach will proceed in late May or early June, dependent on favorable weather. This will require blocking the exit side during repaving. A notice will go out to the community alerting them. The paving contractor will be out next week for a pre-installation check. The bid price has not changed.
 - ii. The road bond applied by Matt Kern on the shoulder along Wandering Oaks Way remains intact and will not be included in the upcoming repaving.



- iii. Repair of the Greenhouse is still pending on the availability of funds in the second half of the year. Materials shortages (roofing material) still remain an issue.
- DRC Update -- Mike Newton
 - i. As discussed last month, construction delays and extended periods of inactivity have pushed completion on Lot #55 (Tremlett) well beyond the 18-month contractual obligation the contractor (Livingstone) agreed to when they pulled their original building permit in August of 2019.
 - ii. Mark Jordan communicated with Livingstone after the last BOD meeting and they committed to a June 30th completion date. However, progress still seems slow and there is little evident activity on site.
 - iii. The lack of progress, and especially the lack of installing proper runoff drainage to the back of the lot has caused significant channeling and erosion on the intended driveway and access road for the adjacent Lot # 56, which is intending to commence construction. They are unable to access the site with the driveway in its current condition.
 - iv. While a handful of other Lots have also exceeded the 18-month window, none has been this far beyond that limit. The Board has, in the past, allowed some leeway. In particular cases, the contractor had proactively addressed the pending deadline and asked for an extension. That is not been the case with Lot 55.
 - v. Mike Newton also noted that six other houses have been completed all of which commenced construction after this project began.
 - vi. Kirsten Kern noted that Livingstone is “over extended” based on her observations of their presence at other developments in the region.
 - vii. The Board discussed imposing a fine on the contractor, particularly if he does not meet his most recent June 30th commitment. The DRC will draft a letter to Livingstone reinforcing the importance of meeting the June 30th commitment, and especially the importance of addressing site drainage issues so as not to delay adjacent construction. The DRC will also communicate with the Lot owner concerning the steps that are being taken.
 - viii. In a separate discussion, Mike Newton informed the board of a potential dispute concerning Lot # 89 (Milbourne) whose final plan was denied based on the exterior siding material specified. It is the same material that was applied to the garage/apartment built on the site, the plans for which were reviewed by the previous DRC under the developer, TFM. The earlier DRC neither approved nor denied the siding in that plan so it was “deemed approved” after 45 days, as provided in the by-laws. That 45-day period coincided with the handoff of DRC responsibilities to the current resident-run DRC. Mike Newton indicated that Mr. Milbourne will provide supplementary information to the DRC as to why he thinks the siding applied to his garage under the above-described circumstances is also appropriate for the main residence.



ix. SmartFellers Tree Service came onto SO last month and chipped several brush piles that had been pulled onto the road shoulders along Trail Top Drive. The residents whose brush was cleared will split the cost. Mike indicated that he is looking for another wood chipping company to come and do the same with other clusters of houses and will see if residents want to have the opportunity to have brush chipped once or twice per year, at their expense. The chips would be retained by the community, avoiding the haul fee.

- Trails & Landscape -Mark Jordan
 - i. The upper portion of the trail along Musterfield Creek to the top of Wandering Oaks Way was cleared and widened by members of the committee. (Matt Kern, Joe Stelpflug, Dave Werle).
 - ii. The Committee has identified several priority projects: rail installation on the footbridge, improve drainage on the public trail behind Lot #27, improving the public trail alongside Lot # 73, laying wood chips on the access trail from Wandering Oaks Way to the greenhouse and in the area of the footbridge across Bull Creek.
 - iii. Bush hogging on undeveloped lots remains undone on three lots (# 6, #10, #19). The committee will contract to have bush hogging done on these lots and bill the owners and will communicate with the affected lot owners about the importance of having their lots cleared annually.
 - iv. The Committee received a new contract from the landscape contractor, Laurel Crest, extending the current contract through the end of 2022 at the current price. Some mowing along rights-of-way has been eliminated due to development, where the right of way becomes the owner's responsibility. The landscaper will instead mow the trails and tops along drainage basin impoundment ponds.
- Social & Communication Update — Art Mandler; As noted last month, the committee is planning on bringing a food truck into the neighborhood in June. No date has been set.

II. Discussion Topics

- **Annual Meeting:** Mike Newton reported that the dates of Thursday September 16th or 23rd are open at the Riceville Fire House. At this time, the Department is not allowing in door gatherings. That may change by September, but the HOA should be prepared to hold it outdoors, if need be.
- Voting by written ballot will be implemented at the meeting. Candidates for three open board seats will be solicited in the next few months. Write in candidates will also be allowed.
- The Board discussed allowing attendance at the meeting via Zoom, as was done last year. While this is viewed as a genuine positive step for Lot Owners currently residing outside of the area, in-person attendance is to be encouraged. In addition, the logistics



of Zoom voting and speaking, particularly in an ad hoc, outdoor setting, were problematic last year. As a result, the Board will only allow in-person or proxy voting, and will encourage residents to either attend in person or designate a proxy.

- Potential agenda topics include:
 - i. Annual Budget (vote required)
 - ii. Status of Road Repaving Fund
 - iii. Election of Directors (vote required)
 - iv. Committee Reports
 - v. Call for volunteers
 - vi. Adopt-a-Road partnership
 - vii. Trail extensions within SO
 - viii. SO Website and Communications Update
- There was a general discussion about whether the Board should establish an Advisory/Review Board as spelled out under the North Carolina Planned Communities Act, to hear appeals from HOA members of board-imposed fines. After discussion, it was generally agreed upon that an advisory panel is not necessary as there have been very few instances of imposition of fines on HOA members.

The meeting was adjourned at 1:03 p.m.