



**SEVEN LAKES LANDOWNERS ASSOCIATION, INC.**  
501 Seven Lakes North  
**SEVEN LAKES, NORTH CAROLINA 27376**  
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**ANNUAL MEETING**  
**MARCH 28, 2010 @ 3:00 PM**  
**WEST END ELEMENTARY SCHOOL**  
**MINUTES**

Present: President Randall Zielsdorf, Sally Kindsvatter, Manila “Bud” Shaver, Denver Galford, Gary Caulk, Bruce Keyser, Kent Droppers. Also, present were Community Manager Alina Cochran, a representative from the Seven Lakes times and approximately 100 residents.

President Zielsdorf called the Annual Meeting of the Seven Lakes Landowners’ Association to order on March 21, 2010 at 3:00 pm in the West End Elementary School Gymnasium.

The Secretary, Manila “Bud” Shaver, verified that a quorum was met in person or by proxy.

A copy of all the Directors reports is attached or available in the office for review.

Service awards presentation was made to Directors Kindsvatter, Caulk and Shaver.

**Election Results:**

A total of 380 votes were cast with the following results:

Melinda Scott	295	Bob Racine	156
Bud Shaver	248	Charles Hannel	119
Chuck Mims	226	Don Truesdell	79

**Adjournment:**

On a motion made by Director Galford and seconded by Director Keyser, the meeting was adjourned at 3:49 pm.

Respectively submitted,

Brenda Massimo

**SLLA Finance Committee Annual Report:** (FY 2010 - D. Galford, Treasurer)

The Finance Committee met each month with the Community Manager to review current financial activity and focus on the financial future of the community. Their tasks included bank reconciliations, yearly budget reviews, long range budget projections, inventory of all properties, and advice on the transition to the management company financial system. The community has definitely benefited from the months of dedication provided by Jerry Grout, Gil Jones, Ed Sanchez and George Temple. Each committee member contributed financial oversight and each member is definitely owed an expression of Thanks for their performance and timely guidance.

Unfortunately, listening to the board candidates concerns, the committee chair was disappointed that the committee's financial accomplishments had not been adequately demonstrated to the members. I am proud of the association's financial procedures and reporting. Please direct your attention to the Financial Transparency Table and take time to assure that your concerns have been addressed. If any questions remain, please contact the Treasurer for an explanation.

The FY 2011 (May 1 2010 – April 30, 2011) SLLA Dues structure is:

Home Owner Dues \$ 900

Lot Owners Dues \$ 570

(Multiple lot owners) \$ 397

Renters \$ 410

The Projected Financial Reserves at the Beginning of the FY 2011 year are:

Restricted Reserves \$ 284,111

Unrestricted Reserves \$ 192,884

**Total \$ 476,995**

The FY 2011 (May 1 2010 – April 30, 2011) SLLA Budget is summarized as follows:

Total General Fund Income

\$1,373,534

Dues (Restricted Reserve) \$ 128,000

Income for Operations & Capital \$1,245,534

Operating Expenditures \$1,100,534

Available for Capital

(Unrestricted Reserve) \$ 145,000

**Financial Transparency Table:** Customer (member) List, Income Report (7 page), Trial Balance, Bill Payments, Inventory, Audited Financial Report, Invoices, Committee Minutes, Yearly Budget, 5/10 Year Cash Flow Budget Projection, 5 Year Capital Budget, Document Request Forms

**Thank You!**

Community Standards Annual Report 2010.3.28

The Community Standards Committee made good progress this year although much remains to be done. Below the highlights:

- . A process for communication was established
  - o Phone call
  - o Letter
  - o Notification Letter
  - o Judicial Committee

- . We began to track violators to see trends and note reoccurring problems with the same landowner.

- . A mild stepping up of rules enforcement was implemented

- . We began to tie the process to more stringent time constraints, attempting to keep violations from lingering

Generally speaking the committee feels that the rules need to be more rigorously enforced to insure that the community lives up to its potential. The major problems appear to be:

- . A few instances of renters and absentee landowners

- . A few habitual offenders

- . A need to clarify some of the language in the rules to give landowners a clear understanding of what is expected.

The committee is excited about the implementation of Talis as the management company. The systems and databases that they have at their disposal go far beyond anything that we could do in the past. We also feel that the company will give us the rigorous, but fair enforcement that the community needs.

### **Report to the Board**

#### **Annual Landowner's Association Meeting**

**March 28, 2010**

#### **The Architectural Review Board ( ARB)**

Members: Sally Kindsvatter, chairman

Edith Starkey, Mike Cummins, Melinda Scott, Don Fentzlaff

The purpose of the Architectural Review Board, sometimes referred to as the Building Committee, is simply to preserve property values in Seven Lakes. We can all imagine what our community would look like if we had no rules or regulations concerning our property. Can you imagine purple siding and a yellow roof? Or high privacy fences defining the perimeter of our yards? We also try to ensure that new homes fit with existing neighborhoods, trying always for upgrades when possible.

Our five member committee must be approved by the Board of Directors and the chairman must be a member of the board. Along with approving all new construction, the ARB approves alterations and additions. These range from actual additions to docks, exterior painting, new siding and roofs, and fences. Almost any change one wants to make to the exterior of one's house must be approved by the ARB.

This year we approved only three houses – two on the South side and one on the North - compared to last year's nine houses. Of course, the economy is the culprit, although it must be stated that there are not very many buildable lots left here in Seven Lakes.

However, there were 80 special projects, compared to only 63 last year. These included additions, porches, decks, bulkheads, garages, fences, windows, siding, painting and others. This year our ARB concentrated on rewriting some of the rules and regulations to make them more understandable. We were also able, with the help of our new community manager, to streamline the application process, with new forms that are a lot easier to understand. There is now a better way to track and follow procedures when filing an application to the ARB for a house or a special project.

We spent time this year studying septic systems in general and particular problems we have here in Seven Lakes. Charlie Riggs, of the Moore County Environmental Health

Department, gave us a tutorial and we were able to print an informational piece which we posted in the mail rooms.

I want to thank the ARB for their dedication and willingness to visit many properties to get a full understanding of what was needed. We have worked well together. Members are: Edie Starkey, Mike Cummins, Melinda Scott, and Don Fentzlaff.

Respectfully submitted, Sally Kindsvatter, chairman, ARB

## **MAINTENANCE COMMITTEE END-OF-THE-YEAR REPORT SEVEN LAKES LANDOWNERS' ASSOCIATION ANNUAL 28 MARCH 2010 MEETING**

Roughly two years ago I told our then Community Manager, Dalton Fulcher, I had decided to run for the Association's Board of Directors because I had become totally dismayed at the then Association's Board of Directors' hostile public discourse and obvious internal hostility. I had two primary objectives if I were to be elected. One, to add discipline and management to the Maintenance Department and, two, to facilitate his (Fulcher) departure as Community Manager.

I wish to thank all who voted for me and hopefully I have not disappointed you during these past two years as a member of the Association's Board of Directors. Upon election I was selected as Chairman of the Maintenance Committee and published the following "mission statement" for the Committee:

***"The past is prologue and cannot be changed. Let's concentrate on what is required now and in the future to help the Association's Maintenance Department to successfully and efficiently accomplish their tasks to enhance our community's appearance and amenities in a cost effective and timely fashion. Our mission should be one of assistance not criticism nor condemnation."***

Much has been accomplished in the last two years but before highlighting some of those accomplishments I wish to recognize members of the Maintenance Committee. A Committee Chairman cannot successfully get anything accomplished without dedicated committee members. I would like to introduce and give recognition to those members of the Maintenance Committee these last two years. If in the audience I would ask them to stand and remain standing until all have been recognized.

The Committee Members for the 2008-2009 were Jim Ball, Jim

Caudell, Mike Cummins, Jack Fathauer, Frank Hayes, Norm Ihrig and Andy Lowe; and the Members for the 2009-2010 have been Jim Allen, Mike Cummins. Mike Pennington, Andy Smitly, George Stahl and Don Truesdell. All have contributed much but many are not aware of the amount of time and professional effort Mike Cummins has put forth. Last our Maintenance Foreman for seven months – Bob Darr. Please give them all a round of applause for a job well done. Thank you.

**Maintenance Department Organization:** The Maintenance Department is responsible for maintaining 27 miles of roads, road shoulders, Seven Lakes Drive, 350 acres of land, the dams, the swimming pool, the stables, the Postal Buildings, the Debris Site, the Entrance Gates, the playgrounds, the lakes, and 177 traffic signs plus numerous other Association assets. It is currently organized into the following two sub-departments:

(1) **Buildings and Grounds (Accounting Code-623):** The Buildings and Grounds sub-department responsible for the tasks required on and in the Association's buildings (i.e. – trash removal, change light bulbs, interior and exterior painting, etc.), the stables, the pool, the North Clubhouse, the Gatehouses plus numerous other miscellaneous tasks. Responsibilities also include the Sequoia Point area, docks and beaches. Since 1999 this sub-department has accounted for 44.7% of the Maintenance Department's total expenditures. During 1999-2007 this sub-department's annual expenses averaged \$0.30 per day per homeowner.

(2) **Streets and Grounds (Accounting Code-560):** The Streets and Grounds sub-department includes the maintenance work required to maintain the dams, streets, Seven Lakes Drive, road shoulders and the pasture area. Since 1999 this sub-department accounted for 55.3% of the Maintenance Department's total expenditures. During 1999-2007 this Department's annual expenses averaged \$0.37 per day per homeowner.

As I previously said much has been accomplished during these last two years and I wish to highlight a number of them particularly those I consider extremely important.

**New Maintenance Building:** The 2007-2008 Board

purchased the new “bubble” building for \$15,598.59 that was to be constructed by the Maintenance Department. That Board spent a total of \$21,974.84 on the purchase and construction of this new building that had not yet been completed.

In the Community Manager’s 15 April 2008 report to the 2008-2009 Maintenance Committee he (Fulcher) stated that completion of the new building was put on hold as mowing requirements were demanding the department’s full attention.

At the Maintenance Committee’s 28 July 2008 meeting the Committee Chair, with the Board’s approval, directed the Community Manager to find a suitable contractor to complete the building’s construction prior to fall as no work had been done since April. It was estimated at that time that the total combined cost of the new building was estimated to be approximately \$42,000.

(1) After the new building was approved by the County Inspector it was organized with work benches, tools, and storage of the numerous supplies on hand. Items not needed were discarded.

(2) The availability of the new maintenance building enabled the Maintenance Department employees to clean out the old building, repaint it inside and organize it along with the sheds housing tractors, mowers, the back-hoe, other mobile equipment and miscellaneous supply items.

(3) Cleaned up the Debris Site and the general maintenance area.

(4) Conducted two inventories of the Maintenance Department’s equipment as of 30 April 2008.

One on equipment with a value of \$2,500 or more with the other on equipment with a value less than \$2,500.

(5) Placed Christmas Trees in Lakes Sequoia and Echo.

(6) Cleared roadways of overhanging trees and bushes.

**Refurbished Gatehouses:** Painted the Gate House buildings inside and out and installed new floors.

**Surplus Sale:** Removed discarded boats and trailers from the Sequoia Point Storage area and held a Surplus Sale generating \$1,953.02. Surplus bikes remaining after the sale were donated to

the Sandhills/Moore Coalition for Human Care.

**Stables:** The stables building, horse stalls and fences were repaired and painted and a new latrine was installed.

**Hiring of Bob Darr:** At the Maintenance Committee's 30 October 2008 Meeting the Community Manager (Dalton Fulcher) announced his decision to hire Bob Darr, an Association resident, as the Maintenance Department Supervisor. Since his hire much was accomplished due to his leadership.

**Maintenance Department Priorities:**

(1) **North Side Dams:** All routine Dam maintenance is to be accomplished by the Maintenance Department under the Maintenance Committee's oversight except for that which is contracted by S&ME or other outside contractors.

Normal maintenance requirements are:

(a) Periodic inspection including rip-rak with immediate repair of any serious problem area. The upstream side of each dam is to be mowed and weed-whipped as required while the downstream side is mowed two times per year in accordance with S&ME recommendations. The Maintenance Department also mows and weed-whips the grass on the Association's roads crossing the Country Club's dams.

(b) In S&ME's 17 June 2008 letter it recommended that areas of poor vegetation and surface erosion should be repaired and regenerated. This is why we placed the new purchased sod in the Gate areas using the old Gate sod for dam repair.

(2) **North/South Gates:** Maintain a year round attractive appearance at the entrance gates especially during the warm weather season.

(3) **Sequoia Point and Beach Areas:** Maintain an attractive appearance at Sequoia Point and beach areas especially during warm weather.

(a) Prior to weekends and holidays insure areas are clean with empty trash receptacles.

(b) Immediately after weekends and holidays insure areas are clean and all trash

receptacles are emptied even if it requires overtime work on a weekend.

(4) **Seven Lakes Drive:** Insure that the area and shoulders along Seven Lakes Drive and the pasture area maintain an attractive year round appearance. The Maintenance Department is responsible for removing pine straw and pinecones. Every Tuesday the Seven Lakes Kiwanis Club removes debris and trash from Seven Lakes Drive. Would all the Kiwanis members in the audience please rise to be recognized for their efforts. Let's give them a hand! Thank you.

(5) **Association Buildings and Surrounding Grounds:** Maintain an attractive appearance to the Association's buildings and grounds (Buildings include Association Office, North Clubhouse, Pool area, Postal Offices and stables) plus annually

**Recreation Yearly Report.** Sunday, March 28, 2010

prepare the pool and pool area furniture for use and shutting it down at the end of the season.

(6) **Association Roads:** Insure Association roads are periodically mowed and maintained with priority to Dogwood, Firetree, Shenandoah and Devonshire. Whenever an Association fence or fence post needs to be replaced have it done at the first opportunity. Every two years clear the roadways from overhanging trees and bushes.

(7) **Lakes:**

(a) Apply required weed control chemicals to all North Side lakes annually in May.

(b) Inspect and maintain all beach areas during the warm season for cleanliness and safety.

(c) Periodically check the location of the nowake buoys on Lakes Sequioa and Echo.

All buoys must be a MINIMUM of 150 feet from the shore.

(d) During warm weather season conduct water tests for Fecal and Total Coliform

particularly in the general swimming areas.

**Association Maintenance Policies;**

Policy for Employing a Seven Lakes Maintenance Employee:

*“There are times when an Association Resident will require some assistance for a short-term need (i.e.- moving furniture, yard work, etc.) Those requiring such assistance should submit their request to the Community Manager who will advise the Maintenance Department employees of the need. The Maintenance Department employee willing to provide such assistance is to contact the requesting resident and make arrangements for fulfilling the task. The task is only to be accomplished after 4:00PM weekdays and/or on weekends. Employees are not to wear their Association Maintenance shirt when performing such tasks. It is up to the requesting resident to make his or her own determination as to the value of such a service. Yard debris from such work is not to be disposed of at the Association’s Debris Site.”*

**Association’s Drainage Policy:** At the 11 September 2008 Board Work Session meeting the Board adopted the following Drainage Policy:

*The Landowner’s Association will cooperate with all lot owners, within these guidelines, in finding or assisting individual or multiple lot owners with drainage problems. The Landowner’s Association does not have any responsibility to correct any of the following conditions.*

- 1. Natural drainage onto, from or through lots from land contours or watershed sloping.*
- 2. Natural drainage from roads.*
- 3. Natural or installed drainage or systems within or among lots.*

*The Landowner's Association does have the responsibility for:*

*1. Controlled drainage from common areas and designated recreational areas.*

*2. Run-off from road curbing exit areas where curbing has been installed to protect roadway integrity.*

*3. Catch basins, storm sewers, and drainage culverts.*

*However, the Landowner's Association assumes no liability or responsibility if the landowner has accepted conditions that were present when he/she purchased the property.*

Problem Areas:

(1) The Association cannot force individual residents to have their septic systems cleaned within specified time limits.

Less than 50% of the Seven Lakes Association septic systems have not been cleaned within the last several years. This can become a major problem!

(2) On 14 September 2008 the Community Manager (Fulcher) claimed he had a Hurricane/Storm Maintenance Department Reaction Plan, however, it was not in writing but should be developed and published

(3) Fertilizer costs have tripled during 2008-2010 along with fuel, pesticides and other hydrocarbon materials.

(4) Residents and non-residents are disposing of nonauthorized materials in the Debris Site (i.e. plastic bags, discarded lumber and other such unauthorized materials etc.)

(5) We have had unauthorized residents telephoning or visiting with our current or future vendors to discuss Association business. As a result there are now vendors who do not wish to do business with our Association.

(6) Our current road "crack sealing" efforts have been extensively delayed due to snow and rain. During this period our rental cost for the required equipment added to our costs since we could not use that equipment during those in climate weather days.

(7) Vandalism: We are still plagued with vandalism. Bathrooms have been vandalized with commodes being plugged or destroyed, lights broken, road sign

vandalized, etc. Boat owners storing their boats at Sequoia Point are encouraged not to leave fire extinguishers in their boats as they are very useful for cooling beer.

(8) Geese continue to be a major problem both for the Association as well as the Country Club. The problem is being studied, as any recommended solution will require state approval.

**Other Comments:**

**Mowing Roadside areas:** A past Community Survey said we should cease mowing roadsides. Many residents wish to maintain their own front roadside areas and don't want them mowed. However, there are 424 empty lots requiring mowing. Not to mow those areas would leave them unsightly impacting adversely on adjoining home values. It costs the Maintenance Department approximately \$10,000 per year to mow those areas and would cost approximately \$18,000 per year if contracted to an outside vendor. We will continue to mow the roadsides by-passing those resident's areas who do not wish them mowed.

**Striping:** It takes a five-man Maintenance crew a week to stripe roads and parking areas with an estimated materials cost of \$3,000. Striping work has been delayed this year due to the requirement to complete road crack sealing which also has been delayed by weather.

**Road Paving:** The Association's roads were first paved between 1973 and 1975. Extensive repaving was again done between 1985 and 1989. To date the integrity of our roads has been maintained by "pouring" or filling in the cracks with liquid asphalt. Except for being unsightly our roads overall are in good shape. However there are several areas that need immediate attention. Initially it was planned to begin paving a section of our roads this coming fall. Both the Maintenance and Finance Committees are now recommending delaying paving until next year because we have four sections of roadway that need immediate expensive road repair on Lancashire, Fox Run, Dogwood and Firetree near Echo Dam.

**Debris Site Chipper:** The use of a chipper at the Debris Site was considered and concluded while providing a benefit to some residents it unfortunately would add significantly to the

Department's total labor cost.

**Cost of Maintenance Department Operations:** Some have accused me of being a wild spender of your dues. I will let you be the judge!

**Year 2008-2009:** For the year 2008-2009 the **Buildings and Grounds Department** was over budget by 0.15% (\$3,004) (Budget \$139,836 vs an expenditure of \$141,958). The primary cause was an increase in salaries with the hiring of a Maintenance Supervisor. Expenditures by this sub-department cost homeowners \$0.34 per day.

**Streets and Grounds Department:** was over budget by 16%. (\$13,964) (Budget \$152,123 vs an expenditure of \$166,070). The principle cause was the cost for removal of the large amount of Debris Site material generated by the extensive road right-of-way clearing that was needed after years of neglect. This caused the Debris Site Contractor cost being 60% (\$13,947) over budget (\$32,022 expenditure vs \$20,000 Budget). Expenditures by this sub-department cost homeowners \$0.40 per day. The combined Maintenance Department total expenditures were 3.7% over budget and cost homeowners a total of \$0.74 per day. The \$15,492 spent for two trucks was initiated by the then Community Manager (Fulcher).

**Year 2009-2010:** As of the end of February 2010 the **Buildings and Grounds Department** is 9% over its year-to-date budget (\$10,034) (\$121,516 vs Budget \$111,482). The primary cause is three over budget factors. Utilities (\$1,295), Department Supplies (\$6,985) and Miscellaneous (\$777) supplies. Year-to-date expenditures for this sub-department cost homeowners \$0.32 per day. As of the end of February 2010 the **Streets and Grounds Department** is 13% under budget (\$22,245) (\$147,911 expenditures vs \$170,156 Budget). Year-to-date expenditures for this sub-department costs homeowners \$0.39 per day. Combined Maintenance Department expenditures are 4% under budget by \$12,281 (\$269,427 expenditures vs \$281,638 Budget). Combined Maintenance department year-to-date expenditures have cost homeowners \$0.71 per day a 4.0% reduction from the previous year.

**Maintenance Department Supervision:** Prior to Mr. Darr's appointment as the Maintenance Department's day-to-day

supervisor the past Community Manager (Fulcher) was responsible. Since Mr. Darr's resignation Debbie Caulk has been assigned responsibility for the day-to-day supervision of the Maintenance Department along with her many other duties.

Committee Chairman I am fully convinced that it would be folly and uneconomical to consider replacing or reducing the current Maintenance Department personnel with outside vendors except for selective projects.

Unless you have any questions Mr. President this is the end of my report.

*Manila G. Shaver*

Year 2009-2010 Maintenance Committee Chairman

#### **RECREATION REPORT**

SEVEN LAKES LANDOWNERS ASSOCIATION ANNUAL MEETING

DIRECTOR BRUCE KEYSER

**A year ago, I was elected to the Board of Directors for Seven Lakes North and South. Since then, I have learned a lot about Seven Lakes, its community and some of its inner workings. It has really been a learning experience for me.**

Over the past year, I have been indirectly involved in most of the recreational functions that go on throughout the year. Chad Beane was mostly responsible for heading up the Recreation Department. He did a wonderful job in this regard, and will be sorely missed. I have since tried to pick up where he left off and am finding it to be a somewhat daunting task. However, I have faith in the new management and my team committee members. Over the past year, we have seen the new playground equipment installed, several removed, the Ski Club started, bouys moved and moved back, and several other ideas brought forward, some good, some not.

My committee members and I have spent time discussing the many programs we have had in the past and the ones we hope to continue in the future. Some of these are the Easter Egg Hunt and the Summer Day Camp. The Easter Egg Hunt will be next weekend, on Saturday, April 3<sup>rd</sup>, from 101 at the North Club House, with, as always, a visit from the Easter Bunny. I get the great pleasure of picking up where Chad once hopped. As for the Summer Camp, we are still in discussion, but are unsure whether we will have a full day or a half day camp. While I have children who would benefit from a full day camp, I cannot place my needs above the needs of Seven Lakes. For this reason, I am asking for the good people of Seven Lakes to send me or Alina a note as to their needs for their children this Summer as to what works best, a half day or a whole day camp. Please be honest and understand that Day Camp is NOT an

amenity of Seven Lakes but a program that can be offered to help Seven Lakes' parents. Also please know that the cost is a factor and it is not part of our dues. The camp will cost money from the parent each week. just as it has in the east. As always, if you have ideas for new programs or to improve our current ones, please feel free to talk to me or any of the committee members, Alina Cochran, Laura Douglass, and Jana Snowball, or you may join us. I look forward to serving out my second year on the Board and welcome in the new Board Members.  
Sincerely,

**S E C U R I T Y R E P O R T**  
**M A R C H 2 8 , 2 0 1 0**  
**SEVEN LAKES ANNUAL MEETING**  
**GARY W. CAULK**

I would like to thank the members of the Security Committee, Lt. Tew of the Pinehurst Police Department, Detective Edwards of the Southern Pines Police Department and retired officer William Cullifer.

I would also like to thank Chief Rhyne and Chief Campbell for their advise on many issues and Sheriff Carter and his department for providing our community professional, prompt services.