

MINUTES
SEVEN LAKES LANDOWNERS ASSOCIATION, INC.
OPEN MONTHLY MEETING
MAY 27, 2009 @ 7:30 PM NCH

President Zielsdorf, with all Directors present, called the meeting to order at 7:30 pm. Also present were Community Manager Fulcher, Assistant Manager Beane, approximately 15 residents and a representative from the Seven Lakes Times.

Approval of Minutes: On motions made by Director Kindsvatter and seconded by Director Galford, the **April 29, 2009** minutes, **May 11, 2009 Work Session** minutes and the **May 11, 2009 Special Meeting** minutes were unanimously approved.

MEMBERS COMMENTS:

Jack McCarthy – Mr. McCarthy was disgruntled that the attachments to minutes were not available on the website. Community Manager Fulcher explained that some attachments from the prior fiscal year were not available on the website, but were available for review in the office. All attachments for the current fiscal year are being posted once approved by the Board.

ACTION ITEMS:

Letter of Understanding with West Side: On a motion made by Director Keyser and seconded by Director Galford, the Letter of Understanding was unanimously approved.

Appointment of Temporary Alternate for Greater Seven Lakes Community Council: President Zielsdorf nominated Dennis Roberts as an alternate member to the Council in the event President Zielsdorf was unavailable to attend. On the recommendation of Director Kindsvatter, President Zielsdorf explained to the public that the purpose of the Council is to respond or act on issues outside of the Seven Lakes Gates. After discussion, a motion was made by Director Droppers to appoint Mr. Roberts as the temporary alternate for sixty days. Director Galford seconded the motion and Mr. Roberts was unanimously approved.

Playground Equipment: Manager Fulcher informed the Board that 3 bids had been received for new playground equipment and suggested that the Board approve the bid with Miracle Recreation. He recommended having the equipment installed by the maintenance department for a savings of \$4360.69. Director Droppers asked the question as to when the equipment would be installed and Community Manager Fulcher informed the Board that it would take maintenance approximately 160 man hours to install and should be done 3 weeks after delivery. The purchase from Miracle was unanimously approved after Director Keyser made a motion and Director Caulk made a second.

Recombination of lot 210 with house on lot 209: On a motion made by Director Droppers and seconded by Director Galford, the recombination of lot 209 and 210 was unanimously approved.

DISCUSSION ITEMS:

Speed bump at inside lane at North Gate: Director Caulk explained that the purpose of installing a speed bump is to slow down cars entering Seven Lakes Drive to allow for the five-second delay on the arm of the gate. The speed bumps are 2 ¼” high and will cost approximately \$200. It was decided by the Board to leave this decision to the Community Manager.

COMMITTEE REPORTS:

Security: Director Caulk advised everyone to slow down, as Moore County Sheriff’s Deputies would be using radar within the community. He advised that our roving patrol officers recently completed training in North Carolina Boating Safety and reviewed safety rules and regulations as established in the bylaws and security operations manual. He also reported that all recent complaints involving juveniles had been quickly resolved and the parents had been cooperative. He asked that residences remember to call in their guests as the summer months are usually very busy for the gate guards.

Maintenance: See attached

Architectural Review Board: See attached

Community Standards: See attached

Director Droppers also reported that he has been in contact with 8 management companies and has conducted telephone interviews with several of them. Face-to-face interviews will be scheduled in thirty to forty-five days.

Recreation: Director Keyser thanked his fellow board members for approving the purchase of the playground equipment and invited anyone interested to please join the Recreation Committee. Assistant Manager Beane reported that the pool was open, swim team sign up was underway, swim lessons times had been set up and that water aerobics would begin June 1. He informed the Board that the inspector said that the “kiddie” pool looked good but that an engineer would need to sign off on it. He reported that the stables would be closed June 1-5 and June 8-10 and during this time maintenance would be doing some repairs to the office and bathroom.

Finance: See attached

MANAGER'S REPORT:

Community Manager Fulcher reported that work on the dams would be starting in 3 weeks and that later this summer when the water is lower, video recording will be done inside the overflow pipes of our dams. He advised that the state of North Carolina was looking into certifying association managers and that Chad was taking the course.

ADDITIONAL ITEMS:

Director Shaver informed the Board that the North mailroom had been renovated.

Director Galford commented that he was pleased to see that Chad was taking the certification course and said that Chad already shared useful information with him.

ADJOURNMENT:

On a motion made by Director Kindsvatter and seconded by Director Keyser, the meeting was adjourned at 8:40 pm.

From: Maintenance Committee Chairman (M.G. Shaver)

Subject: 21 May 2009 Maintenance Committee Meeting Minutes

Date: 26 May 2009

CC: 2009-2010 Maintenance Committee Members
Community Manager
Maintenance Department Superintendent

Attachments: A – 7LLOA's Asset List

B - Maintenance Department's 2008-2009 Year- End Report

C - Maintenance Department's 2009-2010 Annual Budget

A. Meeting Location and Time: The 21 May 2009 Maintenance Committee was held at the Maintenance Department office beginning at 10:00 AM and was attended by the following committee members: Jim Allen, Mike Cummins, Mike Pennington, Manila G. Shaver, Andy Smitley, George Stahl, Don Truesdell and Community Manager Dalton Fulcher. Jonothan Bradshaw would like to become a committee member but his schedule does not allow him to attend Thursday morning meetings but is available for Friday morning meetings. Unfortunately however a number of current committee members are not available on Friday mornings. The committee chairman will search for a common meeting time that all can attend.

- B. Maintenance Department Superintendent's Report:** Mr. Darr was not available however, Community Manager Dalton Fulcher reported that all required maintenance tasks to date have been accomplished with some ahead of time. Unfortunately some residents are still putting old lumber and plastic bags filled with debris in the Community Debris Site. A question was raised as to the feasibility of installing a large dumpster for trash other than yard debris. This topic has been discussed in the past and denied because some residents will place their garbage and other undesired items in it.
- C. Community Manager's Report:** The Community Manager provided an overview of the activities occurring within the community and the Association's finances to date. In addition he provided a list of the Associations assets (Refer Attachment A).

D. MAINTENANCE DEPARTMENT'S CHAIRMAN'S REPORT

1. **Department expenditures vs. budget:** The Maintenance Department's ended the 2008-2009 Budget Year (Refer Attachment B) with the Buildings&Grounds Department (623) spending 104.2 % (\$5,679) more than budgeted. The Streets&Grounds Department (560) spent 102.2% (\$4,024) more than budgeted. Contributors to the over budget expenditures were the number of major equipment repairs and an over-expenditure of \$14,622 in Contractor Debris Site. The later being caused by the Department's roadway clean up which had not been accomplished in a number of years. The Maintenance Department's Budget for the forthcoming 2009-2010 year (Refer Attachment C) for Buildings&Grounds (623) is \$135,049 and with the Streets&Grounds (560) budget of \$178,896 that is \$7,994 less than what was spent last year. This is a reflection of the large number of projects that took place during this last year.
2. **Meeting with S&ME Representative:** Don Truesdell reported on our meeting with both Joshua Bell from S&ME and Ken Thomas of the Don Thomas Construction & Trucking, Inc. on 20 May 2009 for the purpose of discussing the maintenance work to be accomplished in accordance with the NCDENR's letter of May 11, 2009 and the Thomas Company proposed Bid Package. The Maintenance Committee has recommend that the 7LLOA accept Thomas's bid as noted below:

Timber Dam	Bid Proposal
Mobilization	\$ 4,500.00
Temporary Erosion Control	<u>\$ 2,500.00</u>
General Subtotal	\$ 7,000.00
-	
Top Soil Procurement&Placement	\$ 1,600.00
Seeding&Mulching (Includes Fert)	<u>\$ 3,000.00</u>
Dam Maintenance Work	\$ 4,600.00
Sub-Total	\$11,600.00
35% Contingency	0.35

Contingency Fee	<u>\$ 4,060.00</u>
Total Estimated Cost	\$15,660.00

Sequoia Dam

Mobilization	\$ 4,500.00
Temporary Erosion Control	<u>\$ 4,500.00</u>
General Subtotal	\$ 9,000.00

Top Soil Procurement&Placement	\$ 6,000.00
Seeding&Mulching (Includes Fert)	<u>\$ 9,000.00</u>
Dam Maintenance Work	\$ 15,000.00
Sub-Total	\$ 24,000.00
35% Contingency	0.35
Contingency Fee	<u>\$ 8,400.00</u>
Total Estimated Cost	\$ 32,400.00

Total Bid Package \$48,060.00

3. **Status of the Association's future management study (Infrastructure):** The Committee Manager provided committee members with an update on the BOD's current activities regarding the BOD's transition study considerations. In response to a question regarding Chad Beane's future with the association it was explained that Chad would be included in the BOD's considerations regarding the Association's future. The Committee Chairman pointed out that regardless of whether a Management Company or a Community Manager is chosen their responsibilities will be limited to managing the Association's operational affairs. Association elected BODs will still have the overall responsibility for determining the Association's future.
4. **The future?** I have been requested by the Association's President to prepare a report regarding the Association's future infrastructure needs. The following are committee assignments.
 - a. Department's Major equipment items (when will it be time to replace?). Mike Pennington and Andy Smitley.
 - b. What and when should outside sourcing be considered? Outsourcing should be considered when specific equipment need to be replaced.
 - c. Paving of Roads – when and at what cost? Jim Allen and Mike Cummins to work with the Community Manager in developing a long range plan.
 - d. Replacement or upgrading of swimming pool – when and at what cost?
 - e. Replacement or upgrading of Association Buildings – when and at what cost?

- f. Other items for consideration – Sequoia Point: The use of Sequoia Point has increased in numbers with both residents and their guests. There is a demand for additional landing space for boats and a need to increase the swimming area. George Stahl and Don Truesdell are to develop a plan for the future use of Sequoia Point as these demands increase.
5. **Roundtable discussion** – A roundtable discussion was held regarding the Association’s limited capability for enforcing undesirable intoxication and other such activities. A concern regarding a previous Lakes and Dams Committee report regarding the low number of resident homes that have had their septic systems pumped out in the last ten years.

D. END OF MEETING

Manila G. Shaver
Manila G. Shaver
Committee Chairman

ARB
Minutes
May 21, 2009

Present: Starkey, Cummins, Scott, Kindsvatter, Beane

A. Minutes of 4/23

B. Introduction of Melinda Scott

C. New Construction

Bob VanHouten presented a plan for lot 2418 Hastings Road. The committee requested a landscaping plan and also explained our requirement for a brick foundation or One approved by the ARB. We tentatively approved the plan but will formalize our Approval at our next meeting.

D. Alterations/ Additions

1. Jay and Gina Reid – 287 Firetree – Fence

Approved with stipulation that Chad will stipulate a vinyl covering on fence

2. Sarah Granthan – 121 E. Shenandoah – fence

Approved

E. Discussion items

1. Need to remove brush and limbs from unimproved lots. (**13.5.1.2**)

2. Discussion of the Rules and Regs section concerning the ARB; the need to define “clear cutting”.

3. Tree removal on improved lots
4. Meeting times -1st and 3rd Thursdays at 8:30 am.

May 19, 2009 Finance Committee Minutes: (Beane, Grout, Jones, Sanchez,
Temple, Galford) 9:00-10:30

Galford opening comments:

Funds Statement Presentation –Auditors recommendation requested by Galford
Trial Balance & Quick Books Cash vs. Accrual – Auditor & staff comments reported

Old

Survey/Comments: Lease stables: Chad stated that cost of Insurance would make it
difficult for any private entity to lease the stables as a profitable business.

Yard Trash Pickup Fee: tabled until 6 month maintenance report is received.

County support for Recreation: Chad has discussed the issue with County officials and
no “check” is forthcoming. He discussed various programs that SL residents
benefit from and joint projects. Reported West End Gym is owned by county.

Bar Code dues credit: support must be generated before any action is taken

Percentage cuts: not in the budget at this time

Vehicle sticker fee: support must be generated before any action is taken

Graduated Amenity Fees: Assistant Manager reported on various thoughts and overall
fee schedule was reviewed

Financial Report Review: noted items to be reviewed are: Income restated for FY 2010

Dues, Trial Balance: prior yr. P&L, A/R balance, reconcile cash vs. accrual

See attached FY2009 Financial Recap (summary and 2 pages of financial reports

Funds Statement – **Dalton** prepared computerized form – circulated and various
reporting options were subsequently considered by G. Temple

Bank Reconciliations – Grout reviewed of checking & investments funds

Same CPAs - Audit is currently in process and Treasure was interviewed

Information Requests – same standard requests; Subsequently Hudson requested VISA
bill and information on \$54 postage reimbursement to Board member

Paving Project Report and Supporting Documentation – Grout/Jones/ Fulcher

Time line should be set next month!!!

Resident input regarding road in front of their property should be requested on
standardized suggestion form and on **UNPAVED ROADS**

Local Office: NC Department of Transportation
902 N Sandhills Blvd. PO Box 1067 Aberdeen 28315
(910) 944-7621 <http://ncdot.gov/doh>

Division of Highways, Board of Transportation
Subdivision Roads – Minimum Construction
Standards January 1, 2000

General Statutes (GS) 136-102.6
Right of Way not less than 45' (waiver, cul-de-sacs)
Width 25', paved 18'(see development maps)

All Procedures, Forms, Report Format, Supporting Maps & Documents, Surface preparation, Road culverts, Alternative surfaces, Sidewalks, curbs, Drainage issues, Existing and Future utility cuts, Environmental concerns,

**Dalton – state residential street requirements – June Write Up
Dalton will recommend sealing in Oct/Nov 2009**

Request Residents input (see Foxfire Times Article)

Dalton will start consulting project in 2010

Grout - state level contact established

Jones (Sanchez) – local level contact established

Management Structure Analysis (Board level/Goal 3) Galford reported and will forward report to Ray Pardue long range committee

New

New Projects:

Play Ground equipment purchase procedures followed (Beane)

Proposal actions summary submitted

Comparison to Board FY 2009 approved bid discussed

Three written proposals submitted

Finance Committee asked for options on payment and installation:

Expressed concern in up front payment for only a \$1,000 discount

Expressed concern on in house cost vs. vendor installation analysis

Other:

Next Meeting Date – Tues. June 16, 9:00

FY 2009 Finance Recap:

From May 1, 2008 to April 30, 2009 (FY 2009) the pre-audit Income Statement discloses that the Association generated only \$10,021 net cash. The Budget had planned for \$138,483 cash gain. Thus the combination of less income and more expenditures totaled an unfavorable variance of \$128,462.

The \$128,462 resulted from actual Capital Expenditures exceeding planned Capital Expenditures by \$67,952 and Operations actual results generating \$60,510 less than planned results. The major Capital Expenditures which were not budgeted in the current year were the pool deck, security items, maintenance building, and vehicle purchases. The major Operational variances to budgeted income items were the dues collections, construction fees, and interest income. The larger Operational variances to budgeted expenses which were not netted by income items were departmental supplies and the contract debris cost

It is important to note, that the Community Manager timely advised the Board of Directors of all budgeted variances. The Manager and Finance Committee initiated dues collection actions, assured that all expenditures received advanced approvals, and assured

that funding was available and that the current Board approved all capital purchases that were not budgeted.

The audited statements should be issued in August and discussions with the auditor do not indicate that any problem areas exist. Thus the Auditor's conversion from cash basis to accrual basis reporting should not significantly change the year end results.

Clarification of financial amounts:

\$10,021	(1,266,043 less 1,256,022) – Actual YTD
\$138,483	(1,272,000 less 1,133,517) – Budget YTD
\$128,462	(138,483 less 10,021) – Budget YTD less Actual YTD
\$67,952	(227,952 less 160,000) –Capital Variance
\$60,510	(128,462 less 67,952) or (5,957 plus 54,553) - Inc & Exp Variance

**SEVEN LAKES LANDOWNERS ASSOC.
2009 Actual vs Budget (pre-audit)**

		2008-09	2008-09	Variance	%
		Actual	Budget	Fav (Unf)	
INCOME					
10.General Fund Income					
300	Landowners dues	1,075,610	1,103,000	(27,390)	(2.48)
301	Prior years dues	30,167	20,000	10,167	50.84
302	Paving/dams dues	-	-	-	-
314	Renter dues	22,958	20,000	2,958	14.79
320	Interest on dues	8,641	4,000	4,641	116.03
321	Interest on investments	17,612	35,000	(17,388)	(49.68)
330	Mailbox maint fees	11,458	10,800	658	6.09
331	NCH rental	2,200	3,500	(1,300)	(37.14)
332	Plan Review Fee	6,550	18,000	(11,450)	(63.61)
333	Guest fees	9,383	10,500	(1,117)	(10.64)
335	Summer day camp fees	28,333	11,500	16,833	146.37
336	Boat dock rentals	7,950	7,200	750	10.42
355	NCH playground fund	7,339	-	7,339	-
356	Swim team lessons	-	-	-	-

		7,606		7,606	
357	Misc	15,284	22,000	(6,716)	(30.53)
358	Barcode sales	10,785	6,500	4,285	65.92
359	Paving	4,167	-	4,167	-
360	Dance classes	-	-	-	-
361	Boat stickers	-	-	-	-
Total 10 General Fund Income		1,266,043	1,272,000	(5,957)	(0.47)
Total 50.Capital and Major Repairs		-	-	-	-
Total 49900 Uncategorized Income		-	-	-	-
Total Income		1,266,043	1,272,000	(5,957)	(0.47)

**SEVEN LAKES LANDOWNERS ASSOC.
2009 Actual vs Budget (pre-audit)**

Expense	2008-09 Actual	2008-09 Budget	Variance Fav (Unf)	%
10.General Fund Expense				
410 Board of Directors	20,673	17,800	(2,873)	(16.14)
420 Administration	193,350	197,662	4,312	2.18
510 Security	255,164	248,296	(6,868)	(2.77)
560 Street and grounds Insurance and	182,920	178,896	(4,024)	(2.25)
590 taxes	40,952	35,800	(5,152)	(14.39)
Total 10 General Fund Expense	693,059	678,454	(14,605)	(2.15)
30.Recreation				
620 Administration	67,914	59,217	(8,697)	(14.69)
621 Stables	63,998	64,724	726	1.12
622 Pool	55,493	29,123		

