

**Seven Lakes West Landowners Association  
Board of Directors Work Session  
Tuesday, January 26, 2010  
West Side Park Community Center**

**Call to order:**

President Ron Shepard called the meeting to order at 7:01 p.m.

Directors present: John Hoffmann, Katy Kirst, Karen Milligan, John Goodman, Ed Silberhorn, Ron Shepard, Adam Wimberly, Mick Herdrich, and Ed Tuton. Directors absent: None. A quorum was established.

Also present: Joan Frost, community manager.

**Introduction of candidates:**

In his capacity as chair of the nominating committee, Ed Tuton introduced four candidates for three open positions on the SLWLA board in the upcoming election.

**Don Freiert:** A homeowner since 2007, he became a full time resident in 2009. He, and his wife Joyce, have three children and four grandchildren.

His background includes forty years experience in financial management and marketing in the real estate industry. He is a certified public accountant.

His reasons for seeking the position include a desire to give back to the community, and to preserve a high level of community values.

**Mick Herdrich:** A resident since 2006; he was appointed to the board 2008 as Lake and Dam director. He was also assigned as personnel director, and was given oversight of the West Side Park Community Center.

His educational background includes an engineering degree from the U. S. Naval Academy, and an MBA. His work experience was in human resources with Fidelity Investments and Pfizer. He indicated a preference toward conservatism.

**Jane Sessler:** Has been a dentist for 25 years; having established her own practice, employing four individuals, with the assistance of a SBA loan. She is accustomed to finding “unhappy” surprises under the surface, and is experienced with analysis of these situations and getting them fixed. She and her husband, Dick Williams have resided in the community since 2006. Her voluntary activities include lake clean-up through the Lake Auman Sports Club, as a CERT team member, as a member of the ARC committee, participation in the lake patrol, and the Seven Lakes Sailing Club. She believes that infrastructure improvements and maintenance are major issues facing the community.

**Joe Sikes:** Moved with his wife Sue to Seven Lakes West five years ago. His background includes many years as an officer in Foreign Service of the United States. He feels major issues facing the community include infrastructure, safety and security, and assessing the needs and interests between the generations residing in Seven Lakes West. The situations facing the association are far more complex than their surface appearance would indicate, and he will listen willingly to all input regarding these issues.

## **Director's reports:**

### **Treasurer's report:**

The funds statement dated 12/31/09 was distributed. The treasurer stated that dam reserves have been depleted, and that contingency reserves were reduced by \$84,000 to complete the dam remediation.

### **Community manager's report:**

Joan Frost stated that the annual meeting notice will be forwarded to association members on Friday, January 29.

### **Architectural review committee:**

Adam Wimberly reported that a recent inquiry regarding the possibility of the construction of manufactured or mobile homes in the community has precipitated consideration of a change in association rules. Although ARC guidelines apparently prohibit such structures, he will propose an addition to the rules and regulations to address this issue at the next work session.

### **Community activities:**

Karen Milligan stated that in February, fourteen classes per week, including two new ones for children, are scheduled. Also, a financial seminar is scheduled for Feb. 11<sup>th</sup> at 7:00 p.m. In addition, a financial planning start-up presentation for young families is contemplated.

A forum on continuing care is in planning stages.

Please consult the association web site for schedules and details.

### **Infrastructure:**

Director Goodman declared that fourteen culvert pipes beneath Longleaf Dr. have undergone extensive deterioration, and that estimates for the repair of eleven have been received. With the assistance of Ray MacKay, the sequence of repairs will be prioritized, and work will proceed in the most urgent cases.

John Goodman made, and Mick Herdrich seconded, a motion to approve expenditure of \$6,000, with an additional reserve for contingencies of \$1,500 for removal of trees from dams along Longleaf Dr. In addition, it was moved that an additional \$1,500 be approved for cleaning culverts in conjunction with the tree removal project. The motion carried by a vote of 9-0.

He noted that an additional 37 fire hydrants need to be installed to assure adequate fire protection. Six have been recommended in the proposed 2010 – 2011 budget.

Significant sections of Clay Circle, Owens Circle, and Lawrence Overlook have inadequate 2" fire protection water mains which cannot be connected to fire hydrants.

## **Director's reports (continued):**

### **Infrastructure (continued):**

Director Goodman moved that Ray MacKay compose a letter to residents of the areas identified with the deficiencies, proposing they assume the cost of amelioration. Kathy Kirst seconded, and the motion passed 9-0.

Slots on the landscape committee have been filled with the objective of benefiting the community. Openings for membership on a road and storm drain committee remain, and volunteers should contact John Goodman.

### **Legal:**

Ed Silberhorn reported that deannexation of property in the Colton's Corner development makes it possible to utilize the one acre plot for future community purposes such as a new mail house, commuter parking, a school bus shelter, etc. Purchase of the property for \$45,000 will be subject to an association vote in the spring.

### **Security:**

John Hoffmann indicated that the irritating accumulations of debris located on non-association property along Longleaf Dr. opposite Fox Den Dr. have been discussed with the owner for action. In addition, he is pursuing action for removal of the large pile of sawdust and wood shavings adjacent to the truss plant near the community center.

Signage for emergency exits under the emergency egress plan will be installed at two sites shortly.

Hoffmann encouraged all residents to have highly visible reflective street numbers on their properties to assist responding personnel in finding proper locations of such emergencies.

He announced that a new initiative called "neighbors watching out for neighbors" will be unveiled shortly.

### **West Side Park:**

Joan Frost related details of vandalism occurring in the rest rooms at Johnson Point and the community center.

### **Treasurers budget presentation:**

The president and treasurer presented a Power Point overview of the proposed 2010 – 2011 budget, including needs for building of reserves for future needs, and answering commonly asked questions regarding the budget.

### **Member's questions and comments:**

Jim Ballew asked why the percentage increase in dues for unimproved was so relatively high.

The treasurer replied that Ray MacKay had preformed a study examining all expenses, and prorated those which did not add value to unimproved lots. The ratio stood at 70% to 75%, taking into account amenities that add value to all properties, such as West Side Park, Johnson Point, and the lake. Etc. The treasurer independently confirmed the accuracy of the analysis using updated information.

**Member's questions and comments (continued):**

Jim Barrett, citing board experience at a Myrtle Beach landowners association, commented upon the significance of the proposed dues increase. He asked where the \$3 million in liquid assets on the 12/31/09 financial statement had gone. The treasurer indicated the actual liquid assets were nearly \$1 million, and that a major misinterpretation was evident. He also inquired regarding planned future dues increases, requested analysis of projected expenses, and suggested the mortgage on the community center be paid off in six years. He indicated that no dues increases are needed. The treasurer agreed to meet with him to review his ideas.

Ronnie Milligan reiterated his long-standing opposition to the annual fireworks display, indicating that an additional \$50,000 in reserves in five years would be desirable. He cited confusing needs with wants in the community.

Charlie Flinchum supported the fireworks, stating that he hosts an annual open house for all, and that the display creates a lasting impression for all attendees that will benefit the community in the long run. He pledged \$100 for the effort.

Jim Ambler, stating that the fireworks display drew him to the community, also pledged \$100 in support.

Mike Foreman asked all opposed to the dues increase to stand, and then all in favor to do so. Of those who stood, it appeared those in opposition outnumbered those in support.

Tom Snead objected to the association setting aside funds for future repaving needs, and suggested repaving of Banbridge Dr, commence before materials costs increase. He suggested debt to finance repaving. The treasurer indicated that the required 80% approval required from all property owners would be unlikely. Further, receiving unsecured financing for such an endeavor would be unlikely.

Jim Barrett stated that the \$100 in additional dues, assessed to then West Side homeowners, was to be placed in an "escrow account" to repay the mortgage encumbrance. A member of the "building committee" had told him so. Although there is no written information to confirm this assertion, he feels the obligation should be repaid in five years. Director Silberhorn pointed out that in addition to mortgage payments, the funds also are used to underwrite the expenses of the building and grounds.

Max Foley noted that security cameras installed at entries do not read license plates. He suggested installation of more substantive barriers, and signs warning of possible damage to autos that attempt to crash the gate.

**Member's questions and comments (continued):**

Jamie Eilert inquired whether there is a long term plan to encircle the entire community with barrier fencing.

John Hoffmann stated that the plan is to fence areas where intrusion seems most likely. Of the nine mile perimeter, some one to one and one half miles of fencing might be needed, at a possible cost of \$450,000. No budget for this item was requested for this year.

A member asked regarding the possible acquisition of property at the east gate. John Goodman indicated that the site could be used for numerous purposes, including a mail house, bus shelter, commuter parking, etc. The Entries Planning Committee and Land Acquisition Committees are studying alternatives.

Mary Price thanked the board for a forward looking budget, and that the dues as proposed are a bargain.

Ruth Caldera encouraged the board to consult with former members to identify ways in which to reduce the proposed increase.

Patti Cleary noted that property taxes, from which the community derives little, have increased 117% on her residence since 2001, while association dues will have increased 21% in the same period.

Tina Darby noted that nothing is in the budget for repaving the dam road. The president iterated that state approval for this project has not yet been received.

Frank Land suggested that a more aggressive approach in repaving projects be adopted.

**Adjournment:**

Without objection, the meeting adjourned at 9:22 p.m.

**Submitted by,**

**Ed Tuton, secretary**