

**Seven Lakes West Landowners Association
Board of Directors Work Session
Tuesday May 12, 2009
West Side Park Community Center**

Call to order:

President Ron Shepard called the meeting to order at 9:01 a.m.

Directors present: Adam Wimberly, John Hoffmann, Ron Shepard, Ed Tuton, Karen Milligan, Kathy Kirst, Ed Silberhorn, and Mick Herdrich. Director absent: John Goodman. A quorum was established. Also present: Joan Frost, community manager.

Presidents report:

A proposed letter of understanding between the SLLA and SLWLA was distributed, and will be examined for amendment by the legal director.

The president reported a meeting with the presidents of the SLLA and the McClendon Hills Landowners Association to explore issues common to each community. Once it was determined that future meetings be held, the group decided upon the name of The Greater Seven Lakes Community Council. Members will include the presidents and one board member of each association. The group is intended to advise and inform county and state authorities regarding its stance on issues of importance to the greater Seven Lakes area. It was agreed that water supply, along with safety and security matters are areas of initial primary concern.

Secretary's report:

Correspondence received, along with the absence calendar were circulated.

Minutes of meetings held April 10, and April 14, 2009 were approved without objection.

Treasurer's report:

Kathy Kirst reported that dues payments for fiscal 2009-2010, received prior to the 04-30-09 fiscal year end, will be reported in that years receipts due to the income recognition rules of modified cash basis accounting. After lengthy discussion, Kirst agreed to ascertain whether the association can change to accrual based accounting under Internal Revenue Code section 501 (c) (3).

Ed Tuton made, and Ed Silberhorn seconded a motion to approve the check register, and the motion passed 8-0.

Correspondence from an association member requesting relief from dues payment, arising from financial distress, was discussed at length.

The treasurer noted that the association has one class of membership, and the directors are precluded from making exceptions.

Ed Silberhorn moved that the community manager be authorized to negotiate a separate agreement with the member to accept installment payments, including interest, to discharge the obligation. Adam Wimberly seconded, and the motion carried 8-0.

Community manager's report:

Joan Frost stated that in response to requests for "estate sales," new hang tags will be provided to those seeking entry to the community for such events. Allowable events are limited to members moving from the area, or in cases where the member is deceased. Frost noted that the community has been divided into ten areas for compliance checks by the office staff upon receipt of reports of non-compliance

Director's reports:

Infrastructure:

The receipt of five bids for maintenance of the Lakeway Drive and Gateway Drive entries was reported. Triple S Lawn Care and General Maintenance submitted the low bid totaling \$11,181. Adam Wimberly made, and Kathy Kirst seconded a motion to award the contract to Triple S, subject to a legal review of the document by the legal director. The motion carried 8-0. Subsequently, amendments to the contract by the legal director were read, and upon a motion by Ed Silberhorn seconded by John Hoffmann, the contract was approved by a vote of 8-0.

Discussion surrounding personnel expense at the swimming pool ensued, as the treasurer noted that the projected cost significantly exceeds the budget.

Ed Silberhorn moved that pool employment be limited to three full time equivalents with those filling the slots and the jobs assigned to them being at the discretion of director Herdrich, with a reexamination of the issue once sufficient usage data are gathered to evaluate a possible change in hours of operation. John Hoffmann seconded, and the motion passed 8-0.

Lake and dam:

Director Herdrich moved that a change order in the dam remediation contract be approved to approve installation of a new weighted dam filter, at a cost of \$65,000 by the contractor. The filter is due for replacement, and performance of the work at this time will effectively reduce the outlay by some \$70,000. Kathy Kirst seconded, and the motion passed 8-0.

Herdrich also reported that the dam remediation project is progressing on schedule, and that the depth of slurry installation needed to ensure proper completion has gone to 48' in some troublesome areas. This will correct some evident defects in the original construction of the dam.

Finally, the director reported that some 400 boats have been registered. Some 20% to 40% of forms mailed in have been rejected due to deficiencies in documentation.

Adam Wimberly made, and Ed Tuton seconded, a motion to transfer responsibility for the boat storage yard from the infrastructure committee to the lake and dam committee. The motion passed 8-0.

Legal:

Adam Wimberly moved that a “Letter of Understanding” with the Seven Lakes Landowners association be approved, subject to amendments suggested by the legal director. Kathy Kirst seconded, and the motion carried 8-0.

After an explanation from the Legal Director concerning the procedure and his recommendation that it be implemented, Adam Wimberly moved that the association execute, and record in county property records, a Notice of Status Memorandum regarding deficiencies noted by the ARC at an unsold home on lot # 5504. Karen Milligan seconded, and the motion was approved 8-0.

Community activities committee:

Director Milligan announced a name change of the committee to more accurately reflect its mission.

She emphasized that participation in activities is essential to their success, and encouraged interested parties to sign up early for activities lest the event be cancelled owing to a perceived lack of interest.

Safety and security:

John Hoffmann stated that his function does not include animal control or the investigation of crimes. The community manager should be called when animal control issues arise, and criminal activity should be referred to the sheriff’s department.

The inventory of keys to association properties is coming under control, and procedures are being established to control access to community properties.

Unfinished business:

An update on the status of curbside mail delivery was indefinitely deferred.

An analysis of costs of various community amenities, and establishment of appropriate fees for their use ensued. Ed Silberhorn moved that the issue be tabled until a new budget for fiscal 2010-2011 is formulated. Kathy Kirst seconded, and the motion carried 7-1.

Member comments:

Gayle Mace requested waiver of the \$300 fee for use of the Great Room for a “wardrobe showing” by her daughter in preparation for her participation in the Miss North Carolina pageant. The treasurer indicated that this represents a “category B” event as outlined in the fee schedule. Mrs. Mace assured the directors that the community is invited to the event, that admission is free, and that no funds will be solicited from attendees.

Ed Silberhorn moved that a fee schedule subcategory B-1 be created to cover events presented by not for profit groups; deemed beneficial to the community, after providing proof of liability insurance, at a reduced cost of \$150. Mick Herdrich seconded, and the motion was adopted by a vote of 8-0.

New business:

Visitor passes:

Frequent visitor window stickers are being issued at a cost of \$25.00. The visitors must enter the left-hand entry lane at the main gate for perusal by the gate attendant for security purposes. Only residents with bar code decals may use the right-hand entry lane or the east gate.

Rules and regulations update:

Two readings and public distribution of the updated rules will take place prior to adoption. Adam Wimberly is creating a method via the internet to enable the directors to readily access, amend, and comment upon the proposed changes. The final version may be available by the June work session.

Executive session:

The meeting entered executive session at 1:15 p.m., and exited at 2:07 p.m.

Adjournment:

Without objection, the meeting adjourned at 2:09 p.m.

Submitted by,

Ed Tuton, secretary