

ALPINE MOUNTAIN HOMEOWNERS' ASSOCIATION
ANNUAL GENERAL MEETING

July 11, 2020

9:00 AM

Covenant Community Church
11 Rocket Drive
Asheville, NC 28803

AGENDA

- | | |
|--|--------------------------|
| 1. Call to order | Neil King |
| 2. Welcome new owners | Joni Lawler |
| 3. Financial report | Pete Goodson |
| 4. Audit report | Pete Goodson |
| 5. Other reports | |
| a. Road maintenance | |
| b. Gate | |
| 6. Election of directors/officers | Pete Goodson/Joni Lawler |
| a. Nominations for open Director position | |
| b. Vote tally | |
| 7. Budget - New fiscal year 2020_2021 | Pete Goodson/Joni Lawler |
| a. Vote tally | |
| b. Approval of Annual Road Maintenance Budget | |
| c. Approval of Annual General Budget | |
| d. Approval of disposition of residual monies | |
| 8. Open forum - (Limited to 3 minutes per speaker) | |
| 9. Adjournment (Board meeting follows) | |

ALPINE MOUNTAIN HOMEOWNERS' ASSOCIATION

ANNUAL GENERAL MEETING MINUTES

July 11, 2020

9:00 AM

Call to Order at: 9:07 AM

Neil King

- Board Attendees: Neil King, Joanne Milbourn, Pete Goodson, Paris Eldridge, Ken Lugo and Joni Lawler
- General member attendance record is attached
- Great attendance by members

Financial Report

Pete Goodson

- Treasurer Pete Goodson distributed the Actual vs Budget performance for the fiscal year ending June 30, 2020 (report attached)
- In summary, income was \$106,990.11 vs budget of \$101,964.00. Primary difference being collection of road impact fees due to new construction
- Expenses were \$27,950.10 vs budget of \$101,964.00. Primary difference being \$4,750.78 under budget in General Expenses and \$69,263.12 under budget in Road Expenses not yet completed
- Balance in checking account as of June 30, 2020 was \$137,345.00
- Net income for the period was \$79,040.01
- Goodson responded to questions regarding the sizable cash balance in the checking account: A total of \$63,330 is set aside - [\$18,000 for 2 months' worth of expenses until new dues are received, \$9,965 reserve for general expenses and \$35,365 reserved for road repairs] The balance of \$74,015 should be carried forward and applied to road repairs for fiscal 2019-2020

Discussion from the floor:

- Juanita Carrier questioned the size of reserves for road repairs. King explained that the bulk of the reserve was created due to a budget balance from fiscal 2017-2018 when very little work was completed due to the lack of contractor availability. This reserve will decrease as we catch up on the road maintenance. It is not intended to maintain a reserve of this magnitude
- **Motion by King and seconded by Pete to carry forward residual balance of \$74,015 and apply to road repairs not yet completed. Motion passed by raise of hands**
- Goodson also responded to questions regarding legal fee expenditures by noting that over the past 4 years our total expenditure for legal fees was approximately \$400

Audit Report

Pete Goodson

- Treasurer Goodson reported that the annual audit was performed by Lake Wiley Tax & Accounting. Books were found to be in compliance with no irregularities. Report was read and made available for members and is attached with these minutes

Discussions from the floor:

- Barbara Bennett and Juanita Carrier questioned the use of an outside bookkeeper
- Goodson and King explained an earlier board decision to employ an independent bookkeeper to assist in collection of assessments, invoicing, accounting records and preparations for audits. Position also recovers mail from post office and assists with ballot tallies ahead of elections and voting at the annual meeting. Having an independent third party participate in these functions greatly reduces volunteer work load and helps to maintain checks and balances. It was also noted that the bookkeeper does not have check writing authority

- Juanita Carrier explained that in prior years the Board had a volunteer audit committee to review the financials. Goodson expressed he would welcome such a committee should volunteers step forward. However, the audit only costs about \$100 and is a worthwhile investment to have a third-party review.

Other Reports:

Road Maintenance

Neil King

- King distributed a progress report as to activities and expenditures through June 30, 2020 noting that the bulk of repair work is yet to be determined and completed (report is attached)
- Due to abnormally high rainfalls over the past two years the berms and ditches require considerably more work than past years. King, Milbourn and Lawler did another drive around and identified areas of need to assist with contractor pricing for this first phase of work
- King reported once again it has been difficult to procure contractor interest in doing our work however, we're optimistic we have found a local contractor who has the ability and interest in performing all of our road maintenance/repair work, including mowing, tree trimming, culvert cleaning, ditch repairs, resurfacing and snow plowing. We are awaiting pricing from this contractor for the first phase of work and are hopeful a relationship can be established
- Once costs are determined for the first phase of work we will continue identifying/pricing needed work to the extent monies are available

Discussion from floor:

We used to have our own equipment. Why do we not have that now?

- Question was raised regarding the HOA owning our own equipment to do some of the road work
- Mark Tokay advised and reminded owners that in prior years the HOA owned a backhoe and purchased snow plows and salt spreaders for member volunteers use. He also described all the issues that prevailed and led to the HOA abandoning this approach such as;
 - ✓ Insurance, injury and potential liability
 - ✓ Repair and maintenance responsibilities and cost
 - ✓ Authorized and non-authorized use
 - ✓ No place to keep the equipment
- King and Lugo reinforced the Boards position not to own equipment
- Juanita Carrier – mentioned that in prior years there was a 10-year road plan. King has never seen a 10-year plan during his 6 years on board. He also feels that due to the nature of our mountain roads and ever-changing conditions a 10-year plan is not realistic. However, it is intended to have a 2-3-year plan going forward

Gate Report

Ken Lugo

- Lugo reported that shortly after replacing the gate equipment the arm was once again damaged by a hit and run. A new arm was ordered but was defective upon receipt. We are awaiting a new arm
- With Board concurrence, Ken and Holly Lugo are looking into camera systems to monitor the gate and perhaps the mail boxes. Board will further discuss at the Board meeting following
- Ken has an inventory of transmitters available for purchase

Discussions from floor:

- Dave Barach reminded Ken to make sure he is aware when code is changed so he can post on the website (AlpineMtn.net)
- King emphasized everyone should make sure their contractors/vendors know the current gate code
- Some discussion around giving contractors a code then removing that code when their work is finished. While the idea is practical this policy places considerable burden on Ken

- Bo Wallace suggested installing a photo eye that could be used at the gate – great idea and worthy of consideration

Election of Directors /officers

Pete Goodson

Due to a vacancy in a Director position the final election for that vacancy was conducted at the meeting.

i) Any member who wrote in a nominee on their ballot for this position, whether by mail or at the meeting, the write-in constituted a vote(s) for that nominee, ii) Any member who mailed their ballot without writing in a nominee, forfeited their vote(s) unless that member gave proxy to another member who was present at the meeting and eligible to vote their proxy, and iii) Any member present at the meeting who mailed their ballot, or brought their ballot to the meeting and did not write-in a nominee, was eligible to vote their ballot at the meeting for any one of the write-in nominees as determined by mailed ballots received or ballots submitted at the meeting.

A special ballot was prepared and distributed at the meeting for use by eligible members present who did not otherwise write-in a nominee. Ballots received by mail were tallied prior to the meeting by Pete Goodson with assistance from our bookkeeper, Andrea Blakenship. Ballots submitted at the meeting were tallied by Pete Goodson and Joni Lawler.

Nominees for the vacant Director position were Amy Wallace, David Urion and Barbara Bennett

While ballots were tallied the following discussion/topics were brought from the floor:

- Daya Singer suggested constructing a directional sign/map of the neighborhood to be erected near the entrance showing the roads. She and David Urion would coordinate this effort and bear the expense and responsibility for installation. There were no objections
- Amy Wallace presented a request from Daya Singer to also erect a sign near the Wade home indicating “no turn around” above the remaining portion of Mountain Creek Drive. There was no opposition
- David Barach will upload the plat to website
- Juanita Carrier would like to remove and repaint the “Do Not Feed the Bears” sign at the entrance gate. There was no opposition

Election results:

The following were elected for terms expiring June 30, 2022:

- Joanne Milbourn, Vice President
- Joni Lawler, Secretary
- Paris Eldridge, Director
- Ken Lugo, Director
- Amy Wallace, Director

Budget – New Fiscal Year 2020-2021

Pete Goodson

- Lower assessment of \$1,209 and Upper assessment of \$,554 narrowly passed
- New budget for fiscal 2020/2021 was submitted for consideration (attached)
- **Motion to approve budget by Bo Wallace, Second by Ben Aceto Passed by raise of hands**

Open Forum:

- Amy Wallace read a letter regarding road issues and community cohesiveness. The letter primarily expressed the Wallace’s opinion regarding HOA responsibility to improve otherwise unimproved roads and the Wallace’s earlier request to the Board for reimbursement of expenses they incurred to improve Mountain Mint Drive (letter is attached to the minutes)
- King reminded members that the HOA is not obligated to improve roads beyond the condition received upon turn over by the developer. This is a policy that has been followed by the current

board and those preceding. HOA lacks sufficient funds to build or further improve roads. If deviated from this policy the result could likely be, i) deferment of needed maintenance and repairs, ii) increased annual assessments, or iii) special assessments to cover the cost of such improvements

- King also reminded members that many other road segments, such as the upper reaches of Mountain Creek Drive, Mountain Azalea Drive, Lady Slipper Trail and Frazier Magnolia Trail have not been improved and could result in substantial expense to the HOA should we deviate from this policy. He also emphasized that changing this policy would require a vote by the membership as it far exceeds the authority delegated to the Board
- Bo Wallace argued that Mountain Mint Drive was graveled and passable to lot owners in the past. Mark Tokay agreed there was a road bed at one time but it primarily existed only as an ATV path. Wallace believes that the HOA had a fiduciary responsibility for maintaining the road and believes the road was abandoned by HOA
- Juanita Carrier - Former President, Tim Wagner was vague when replying to the Wallace's what the HOA would do regarding Mountain Mint. There is an email to Wallace's from Tim Wagner regarding this conversation (not provided for the record). She feels the Board needs to be more specific in future when someone moves to mountain regarding HOA responsibilities
- Ronnie Johnson – HOA should maintain roads and be a good neighbor. We need to step up and bring the roads to original condition
- Ken Lugo – even if we are not obligated in covenants it was discussed at the May 8, 2020 Board meeting to assist if funds are available which the Board did to the extent of a \$5,000 contribution towards gravel
- Jerry Milbourn – if HOA were to deviate from former policy the issue needs to be brought to the general membership for vote
- Juanita Carrier – buyers in the past have never expected to have the road conditions improved beyond what they were when they purchased their properties
- King closed conversation and advised that the Wallace request was on the agenda for the following Board meeting

Adjournment:

- **Motion to adjourn by Joanne Milbourn; seconded by Amy Wallace and carried unanimously by raise of hands**
- Meeting adjourned at 11:42 AM

July 11th AGM SIGN IN SHEET

1	NEIL KING
2	JoAnne Milbourn
3	Jessy Milbourn
4	JONI HAWKER
5	Lee Barber
6	Peggy King
7	Amanda + Derek Flynn
8	PARIS EIDRIDGE
9	BO WALLACE
10	Ann Wallace
11	Ben Aceto
12	Pete Martin
13	Dave Singer
14	Anthony Thegmartin
15	Doris + John Pace
16	Barbara Bennett
17	Ronnie Johnson
18	Alejo Carver
19	Ken Lee
20	Haley Lee
21	Jeanette Carver
22	Ann Galorelson
23	Susan Varner
24	Paul Varner
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ALPINE MOUNTAIN HOMEOWNERS' ASSOCIATION
ANNUAL GENERAL MEETING

July 11, 2020 - 9:00 AM

Covenant Community Church
11 Rocket Drive
Asheville, NC 28803

FINANCIAL REPORT

Fiscal year 7/1/19 - 6/30/20

As of June 30, 2020

Income for the period:	\$106,990.11
Actual expenses for the period:	\$ 27,950.10
Net income for the period:	\$ <u>79,040.01</u>
Cash on hand (checking):	\$137,345.00
Disposition of residual cash balance:	
Transitional funds (2 months)	\$ 18,000.00
Reserve for general expenses	\$ 9,965.00
Reserve for road repairs	\$ 35,365.00
Balance remaining for road repairs	\$ <u>74,015.00</u>

Alpine Mountain Homeowners Association

BUDGET VS. ACTUALS: FY 19-20 - FY20 P&L

July 2019 - June 2020

		TOTAL	
	ACTUAL	BUDGET	OVER BUDGET
Income			
Gate Remotes	220.00		220.00
Interest Fees		1,000.00	(1,000.00)
Miscellaneous Income		100.00	(100.00)
Monies Collected			
Administration Dues	93,190.00	100,864.00	(7,674.00)
Donations			
General Donations	200.00		200.00
Total Donations	200.00		200.00
Finance Charges	304.57		304.57
Paypal Service Fees	0.54		0.54
Reimbursed Expenses	575.00		575.00
Road Impact Fee	12,500.00		12,500.00
Total Monies Collected	106,770.11	100,864.00	5,906.11
Total Income	\$106,990.11	\$101,964.00	\$5,026.11
GROSS PROFIT	\$106,990.11	\$101,964.00	\$5,026.11
Expenses			
General Expenses			
Accounting	1,625.00	2,500.00	(875.00)
Electricity and Misc Operations Expense	879.62	950.00	(70.38)
Emergency		4,114.00	(4,114.00)
Gate	4,681.90	1,200.00	3,481.90
Insurance	700.00	750.00	(50.00)
Legal Fees	201.00	3,500.00	(3,299.00)
Trash Removal	5,125.70	4,950.00	175.70
Total General Expenses	13,213.22	17,964.00	(4,750.78)
Roads			
Berm mowing/ trimming	2,392.39	2,500.00	(107.61)
BST Application		7,200.00	(7,200.00)
Culvert & Tree Maintenance	4,065.00	6,500.00	(2,435.00)
Road Repair	7,938.99	63,000.00	(55,061.01)
Winter maintenance	340.50	4,800.00	(4,459.50)
Total Roads	14,736.88	84,000.00	(69,263.12)
Total Expenses	\$27,950.10	\$101,964.00	\$ (74,013.90)
NET OPERATING INCOME	\$79,040.01	\$0.00	\$79,040.01
NET INCOME	\$79,040.01	\$0.00	\$79,040.01



July 02, 2020

To the Board of Directors
Alpine Mountain HOA
Swannanoa, North Carolina

I have Audited the financial statements of the Alpine Mountain Home Owner's Association for the fiscal year 7/1/19 to 6/30/20. These financial statements are the responsibility of the Alpine Mountain Home Owner's Association board of directors. My responsibility is to express an opinion on these financial statements based on my audit.

An Audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. In conducting such test, I found that the financial statements of Alpine Mountain Home Owner's Associations were free of material misstatements for the year referred to above. In my opinion the financial statements present fairly, in all material respects, the financial position of the Alpine Mountain Home Owner's Association.

Before opening my Accounting firm of 19 years, I was the CFO of a large corporation for 12 years. I am not a certified public accountant and made such disclosure to the homeowner association Treasurer, Pete Goodson, and upon examination of Alpine Mountain's Bylaws, we determined that my opinion as an independent, Knowledgeable third party would meet the standards necessary for examination of Alpine Mountain Home Owner's Association financial statements.

Yours truly,

A handwritten signature in black ink, appearing to read "Lynn Sherrill".

Lynn Sherrill

7/10/2020

To: Alpine Mountain HOA Members

From: Amy Wallace

RE: Road Issues and Community Cohesiveness

Members of Alpine Mountain Homeowners Association,

As you all may or may not know, my husband and I purchased land at the end of Mountain Mint in April of 2019. When we purchased the property, we were under the assumption that HOA maintained all roads within the community. Please keep in mind that the definition of the word maintain states: Keep in good condition or in working order by checking or repairing it regularly. We could have not been more wrong. When we first spoke with Mr. Wagner in March, HOA president at that time, he stated that 100% of our dues went to the roads which turned out not to be the case. We were challenged with getting our entire road (approx. 3,000ft) in a passable condition so that our builder and subcontractors could get to our building site. The only way it could be accessed was with a truck or AWD vehicle. The only way to get our Toyota Tundra to fit down the road was if we folded in both side mirrors. There were both trees and a creek running over the roadway. We spoke to then new president of the HOA, Mr. King, several times in May about having the HOA get our road up to at least a passable condition so that we could begin construction, but this was denied by Mr. King. My husband had offered to do all the work completely free of his labor charges. As he is a skilled heavy equipment operator, his normal pricing for this type of work would be \$90 per hour. Mr. King stated that we needed to get the road up to standards (all trees removed, graded, and graveled) and then the HOA would maintain it. He stated HOA was only a maintenance organization. Which I have to say was quite a play on words in the covenants. Which of course, we found absurd. We had no choice but to grade the road and remove all trees that were in or close to the roadway so that we could get to our homesite. We shouldered the cost of all the equipment he used so that he could get the road passable for our contractor and

subs. Loads of trees and shrubbery were removed from the roadway during this time and Mr. King did rent a woodchipper for a day which helped. As my husband graded this road, he started finding lots of gravel which proves this road was once graded, graveled, and had culverts placed for drainage. Obviously over the year's foliage/trees had grown over the road, culverts were clogged by leaves and such and the creek eventually rolled over the road. None of which had been properly maintained over the years. When we started having equipment brought in, the road would get worse every time and would have to be regraded and have some type of gravel put down to try and bypass the mud issue as a creek crossed right over the roadway. All of the delays in Mr. King coming to a contract agreement and obtaining easements (there were no prior easements for Mountain Mint) with Duke Power only added to the road frustrations as it was hard to keep passable for our subs and they would frequently get stuck in the mud as well as some of the bigger trucks (dump truck) having issues trying to turn onto our road from Wildflower due to poor drainage management on the road side. And like I mentioned above, there were no utility easements for Mountain Mint. A survey was required to obtain the easements needed for us to have power run to our home. Mr. King sent an email to the Customer Rep for Duke Power, Jennifer Blankenship, and stated that he would cover the cost for the survey. Mr. King obtained a quote for \$2,400. Our surveyor accomplished this for \$995. My husband and I ending up paying for this survey out of pocket in order to obtain easements for all property owners on the road. The initial grading and tree removal also made a way for the power lines to eventually be ran down the road. Bo buried the conduit for the power lines the entire length of the road (approx. 3,000ft) and did not charge his labor fee for any of the work he completed as promised and we paid a fair amount of cash out of pocket for equipment and other items needed for the road so believe me when I say that we have contributed to this endeavor in a big way.

Mr. King did eventually agree to cover \$5,000 (amount of the road impact fee we paid) of cost for gravel to be put down after our road was graded. Although, I never seen this reflected in the minutes so I'm not sure if the board voted and agreed on this \$5,000. After the power lines had been placed. \$5,000 was just enough to put a layer of base gravel down the approx. 3,000ft road. Crushed concrete was \$8 a ton compared to \$14 a ton for road bond. Crushed concrete was the only thing we could get that would almost cover the entire length of the

road and stay within Mr. King's HOA \$5,000 budget. So essentially, that is all the \$5,000 covered. Crush and run gravel still needs to be added the length of the road to complete it.

To date, we have spent \$25,000 out of our pocket to get Mountain Mint up the standards it is at now and it is still not complete. As a result of our work, all landowners including Mr. King, now has open access to their properties with any type of vehicle. Also, as a result of us getting all easements signed for Duke power, all landowners on Mountain Mint have transformer junctions on their property. All these additions increased the values of these properties by providing infrastructure that it lacked before. 15 Mountain Mint sold shortly after Duke Power installed power capabilities and sold for more than the asking price. This property had been on the market for well over a year. There was also a piece of property on Mountain Mint that was for sale and in the ad, it stated "with infrastructure in place" which made this property more appealing to prospective buyers all due to the work my husband completed. We are requesting, for a second time formally, that a portion of our costs be reimbursed to us by the HOA and we are only requesting that only \$14,500 be reimbursed to us. HOA board has all receipts, invoices and their questions have been satisfied. We do not think our request is unreasonable as the road budget carries a large surplus every year. Which should be used to improve the roads, make our roads safer for our neighbors, and keep road improvements in line with the growing amount of homes being built on the mountain. Furthermore, I believe that the decision to reimburse us should be put up for a vote from all HOA members, not just the sitting board members. If the HOA members are the ones paying the dues, wouldn't it stand to reason they would get to choose how their money was spent. Just my opinion.

The main reason I wanted to give a brief synopsis of our issue was to not "call out" board members by any means, I simply want to help keep this from happening to any current or future homeowners in Alpine Mountain. The information we received from HOA before purchasing was so vague and we asked the then president, Tim Wagner, if we could have access to the HOA website so that we could learn more about the community and we were denied. We had no idea what we were in for. Almost feel like we were involved in a bait and switch scenario and feel like we have been greatly taken advantage of. My husband got involved with the HOA almost immediately after we purchased our land and

immersed himself into making this community wonderful, making the roads safe, and devoted himself to getting to know all his neighbors on the mountain. He is the extravert between the two of us. He is a retired, disabled Veteran of the Iraq War and brotherhood means everything to him. He would give you the shirt off his back if he could. That's why he has spent so much of his time volunteering for this community and continues to. I have a sneaking suspicion that my husband is the first person a lot of you call when you need assistance and that's a great thing. We know that this community is something amazing, but then again how could it not be nestled amongst the trees in the breathtaking Blueridge Mountains in my beautiful home state, it's just going to take a little tweaking of sorts to get everyone on the same page and bring this cohesive community back to life.

I am asking that this letter be included in the July minutes.

Amy Wallace