

Community & BOD Minutes

Countryhouse Service Group V, Inc.

DATE October 15, 2024

TIME 9:30 am

MEETING CALLED TO ORDER BY Larry Hicks, President

IN ATTENDANCE

Board members: Larry Hicks, Suzanne White, Tom O'Connell, Diana Sinisi, Glenn Alexander, Martha Martin
Quorum established.

Committee Chairs: John King, Dell Ford

Mill House Director: Michelle Johnson

12 HOA members who introduced themselves

MOTION TO APPROVE THE CONSENT AGENDA

Motion 10-03-24, Approved 10/15/2024, Larry Hicks moved to approve the consent agenda. Diana Sinisi seconded the motion. All others approved.

PRESIDENT'S REMARKS, LARRY HICKS

Landscaping Contract – We approved a 5-year contract with Ruppert Landscaping in after a thorough bid preparation and review process. The landscaping contract has been posted on AppFolio for all to view. An email with the summary of services has been sent to all residents.

Annual Meeting – Sunday November 17th at 7 pm. We require a 10% voting attendance (21 members). Three (3) seats are being vacated and two (2) are up for renewal. The Community and BOD meeting on November 19th is cancelled.

Important Dates

- Beginning Thursday, October 17th you may drop off your composting at the storage shed in the parking area of the Southwest corner of The Gathering Place.
- Early Voting starts this Thursday.

Tree Committee - The Board has established a separate Tree Committee. Originally this was part of the Landscaping Committee. With the amount of time and money being placed on aging trees, we feel the need to place a focus on this effort. The charter will be approved by the Board today.

Roofing Update – Installation of new roofs is underway and is progressing quickly.

Paving has been removed from the capital projects list, in deference to other capital projects including roofs, drainage, and eventually siding. Instead, annual monies will be set aside for paving repairs as needed.

TREASURER'S REPORT, MARTHA MARTIN

We are 79% spent for the current year and on target with our 2024 budget. Martha Martin pointed out that Mid-year adjustments include the interest earned on reserves being absorbed by the Operating Budget. Martha reviewed the Balance Sheet and our bank account balances. Dell Ford commented that the increase for the cost of gutter shields is less than budgeted. Martha will make that adjustment.

Through our internal audit process, we have identified a variance in the monthly reconciliation that dates back to 2022 when we switched from accrual accounting method to cash accounting. We believe the variance is a bookkeeping error caused by (1) \$40,000 being liquidated from the Pressure Washing account, and (2) pre-paid HOA fees that were being credited each month when we were following the accrual accounting method. We have brought the discrepancy to the attention of our bookkeeping team at Millhouse, and they are investigating. Martha Martin and Larry Hicks will meet with Mill House on November 8th to confirm the source of the discrepancy and fix it once and for all. We don't believe there is any malice or missing funds, but rather a bookkeeping error that pre-dates this Board. We look forward to resolving and reporting back to the community.

PROPERTY MANAGER'S REPORT, MICHELLE JOHNSON

- Kingsford replaced 16 garage windows
- Chief Roofing is working on the roofs. An updated schedule will be sent out today.
- Maintenance sent out a list of decks that need repair. This needs to be approved by the Board.
- Mill House is getting estimates on gutter cleanings.
- Mill House received 3 quotes for the garage foundation at 388 Lyndfield. They will submit it to the Board for approval.
- Mill House will issue an updated roofing schedule to the community.

VOLUNTEERING, TOM O'CONNELL

Three seats on three Board will be vacated, two are up for re-election, and two are mid-term. Voting will take place on Sunday, November 17th at 7 PM at The Gathering Place. We have 2 volunteers: Pat Arnold and Betty Robie, who will run for the Board posts, and we are looking for one more. Please contact Tom O'Connell if you have an interest in joining the Board of Directors to help manage Countryhouse. Post meeting note: We have received another entry for the Board of Directors from Bonnie O'Connell.

The Tree Committee members who have volunteered so far: Jim Fink, Tony Daniels, Rex White, Tom O'Connell, Bonnie O'Connell

DRAINAGE & EROSION, JIM FINK (with comments from members and John King)

- The D&E Committee is looking into running a new 24" pipe down Lassiter.
- At this time, they have a good idea of all the drains located near homes.
- The D&E Committee is looking to address known flooding issues:
 - Crossvine – houses with sump pumps
 - Wintercrest east – houses with sump pumps – There are two 8" pipes which are stopped up.
 - During heavy rains the phone box and cable box on Lassiter were partially submerged.
 - Brampton & Linden - John king has photos of water is running over top of catchment basin that feeds in the 20" line. Its clogged and not maintained. John will ask CTI to empty the basin. But, It is important to follow up with the landscapers to keep it clear.
 - Tony Daniels noted that the DOT has looked at ditch on Lassiter. They previously declined to act on the ditch as it does not impede traffic.
 - 385 and 386 Lyndfield Close, John will discuss with Betty
 - 343 Whisperwood side yard drainage from parking area coming from Weald drainpipe
- Jim said homeowners should consider the following tip to make water entry into the crawl space less likely: increase the gap between the crawl space door threshold and exterior ground by shoveling away the soil and leaf litter that has accumulated over time.

BUDGET REVIEW, MARTHA MARTIN

The 2025 Budget was emailed to all Countryhouse HOA members and presented at the meeting. All input is requested by 5 PM on Monday October 28th. On Tuesday, October 29th the Board will meet to incorporate your feedback into the budget plan and approve the budget. We will present the approved budget at the Annual Meeting on November 17th. Please give your feedback to Martha via email: martha_martin@unc.edu or to Millhouse or any of our Board members and it will get back to all of us. If you would like to discuss it in person, please schedule a time with Martha. She is happy to answer any questions you may have regarding the proposed budget. Remember the deadline is Monday, October 28th at 5 PM.

The proposed 2025 budget recommends that we increase our monthly assessment fees by 5%. This will bring the new monthly assessment to \$424.00 starting January 1st, 2025.

Some Increases in the proposed 2025 Budget from the 2024 Budget include:

1. OPERATING BUDGET:

- Insurance is projected to increase across the country and especially after the events in Western NC, so we adjusted our budget by 15% to an amount of almost \$160,000 in anticipation of an increase to our premium.
- We have increased legal fees by \$10,000 as we have been conferring with our attorney Harmony Taylor on issues this year and this seems like a conservative amount to make sure cover that cost.
- We added \$40,000 for mulch and planting. The community has let us know that beautification is important. Through strict budget management, we can add this budget item. We also have \$40,000 planned in our proforma document for FY 2026 and FY 2027 with a 5% increase each year.
- We increased tree removal from \$60,000 to \$80,000
- Landscaping went down slightly because of our new competitive contract
- Drainage repairs were increased from \$5,000 to \$8,000. This does not include the capital project for Drainage & Erosion which is currently being developed by the Drainage & Erosion Committee. They will conduct their due diligence and make recommendations to the Board. This is the same process we used for the capital project on Roofing with the Roofing Committee. We have a modest place holder in the budget for now because the cost is yet to be determined.

2. CAPITAL BUDGET:

Our budget for Capital Projects will decrease 25% in 2025 from 2024. The reserve balance will remain over \$200,000 as required for cash flow. The reasons for lower investment into Capital Projects in 2025 include:

- Reduced budget for Drainage & Erosion from \$70,000 to \$45,000. However, the \$70,000 for 2024 was not spent and would be available if needed. We are waiting on results from the D&E Committee due diligence study and the cost to solve flooding issues in certain Closes.
- We left Paving at \$15,000 although there is no project planned for this expense.
- We reduced Roofing from \$354,900 to \$262,899 because less roofs are planned to be replaced in 2025. There are 25 roofs replaced in 2024 and only 18 in 2024.

Larry reviewed our planning document, which we call "the proforma" for long term capital planning. He identified that there will be a two-year break on roof replacement in 2026 and 2027 because these roofs were installed 3 years later than the 70 currently being addressed and replacement is not needed until that time. Roofs are still under warranty. This mirrors the tactic that was taken in the late 1990s/early 2000s when there was a 3-year break in roof replacement. The two-year break planned for 2026-27 will allow us to build our fund balance back up and prepare for future investments such as drainage infrastructure.

OPEN FORUM

Question: What is the significance of changing the name from reserves to fund balance?

Answer: Larry Hicks said the terms are essentially interchangeable. But it is a clarification that we do not have separate bank accounts, although they are tracked and accounted for separately.

Question: How do we know when the exterior siding on our townhouses needs to be replaced?

Answer: Communitywide we will address this by forming a committee and a capital project. Siding can last up to 50 years.

For a one-off occurrence, John King said siding generally wears on the south side first. It gets brittle and starts to warp. Once we see a separation, cracks, or a hole we have stored siding on site to make a replacement.

When the siding is replaced is important to check on moisture barrier for its presence and its integrity.

Question: What is the legal challenge we are under? And what is the potential cost?

Answer: The claim states negligence over the past 4 years. It is a claim against our insurance coverage. It could take a couple of years to resolve.

Question: Can we back out of the 5-year landscaping contract if we want to?

Answer: Yes, we can, and this is stated in the contract.

Follow-up Question: Will there still be a gardener in residence concept?

Answer: Yes

NEXT COMMUNITY & BOD MEETING

Sunday, November 17th at 7 PM, The Gathering Place

11:30 AM Meeting Adjourned.

Respectfully submitted,

Diana Sinisi, Secretary

Abbreviations:

CSG – Countryhouse Service Group V HOA

HOA – Homeowner’s Association

BOD – Board of Directors

D&E – Drainage & Erosion

RFP – Request for Proposal

HOG – Homeowner’s Guide

FHA – Fearington Village Homeowners Association