

**3 CHERRY WAY HOMEOWNERS ASSOCIATION BOARD OF DIRECTORS
MEETING MINUTES OF JULY 9, 2024**

1. CALL TO ORDER:

The meeting was called to order by T. Smith July 9, 2024, at 9:30 AM in the 3 Cherry Way Community Center. T. Smith informed the group that the meeting was being recorded to ensure quality and accuracy in our minutes.

2. ROLL CALL:

A roll call was taken of the Board of Director members by M. Barnes, Recording Secretary. As indicated below, there were five directors in attendance, a quorum.

<u>OFFICE</u>	<u>OFFICER</u>	<u>ATTENDANCE</u>
President	Tony Smith	Yes
Vice President	Jim Dellinger	Yes
Treasurer	Karry Brockman	Yes
Recording Secretary	Marge Barnes	Yes
Corresponding Secretary	Cindy Dubac	Yes

3. AGENDA APPROVAL:

- A. K. Brockman/C. Dubac: Motion to approve the meeting agenda (with additions or deletions) as amended to include under New Business, Item 7 K., added for Mr. Handyman of Mooresville for maintenance on two quads. Passed, unanimously.

4. APPROVE MINUTES:

- A. M. Barnes/C. Dubac: Motion to approve the June 11, 2024, 3CW Standard BOD Meeting Minutes. Passed, Unanimously.

5. OLD BUSINESS: None.

6. NEW BUSINESS:

- A. K. Brockman/M. Barnes: Receive and file Resolution without a Meeting for the 3 Cherry Way HOA to remove and/or replace bushes in the community beginning with Royal Anne, Sweet Cherry, and the Clubhouse areas of the community according to the Landscape Plan furnished to the BOD by the Landscape Ad hoc Committee at a cost not to exceed \$10,000.00. Passed, unanimously.
- B. K. Brockman/C. Dubac: Receive and file Resolution without a Meeting for the 3 Cherry Way HOA to purchase replacement table umbrellas for the pool area at a cost not to exceed \$400.00. Passed, unanimously.
- C. C. Dubac/M. Barnes: Receive and file Resolution without a Meeting to authorize the 3 Cherry Way HOA to purchase cabinets for both bathrooms in the Clubhouse and replace the cushions on the bench outside the front Clubhouse door for a cost not to exceed \$500.00. Passed, unanimously.
- D. K. Brockman/C. Dubac: Receive and file Resolution without a Meeting to authorize the 3 Cherry Way HOA to purchase three (3) fire extinguishers, twelve (12) smoke detectors, two (2) CO detectors and two (2) Wi-Fi door locks at a cost not to exceed \$900.00. Passed, unanimously.
- E. M. Barnes/C. Dubac: Receive and file Resolution without a Meeting and Conflict of Interest to authorize 3 Cherry Way HOA to enter into a contractual agreement with LKN Pressure Washing & Home Services, LLC, 157 Blue Ridge Trail, Mooresville, NC 28115 to pressure wash the Clubhouse

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facia, soffit and gutters, the pool deck, sidewalks to the pool, brick columns and steps to the Clubhouse at a cost not to exceed \$1,500.00. Passed, unanimously.

- F. J. Dellinger/C. Dubac: Receive and file Resolution without a Meeting for Mr. Handyman of Mooresville, 121 N. Commercial Dr., Suite C, Mooresville, NC 28115 to install eight (8) posts, bollards, and chain at mailbox building. In addition, the purchase river rock to be installed by HOA volunteers at a cost not to exceed \$3,500.00. Passed, unanimously.
- G. M. Barnes/K. Brockman: Review and approve the request for Architectural or Landscaping Change for 8246 Lambert Ct. to use a nonpermanent white window insert to exhaust hot air from a portable air conditioning unit from guest bedroom window. Passed, unanimously.
- H. J. Dellinger/M. Barnes: Review and approve the request for Architectural or Landscaping Change for 8244 Rainier Dr. to attach flagpole to mortar on the front of the house to hang the American flag. Passed, unanimously.
- I. K. Brockman/C. Dubac: Review and approve the request for Architectural or Landscaping Change for 8547 Christalina Ln. to attach flagpole to mortar on the front of the house to hang the American flag. Passed, unanimously.
- J. J. Dellinger/M. Barnes: Appoint Frank Coletto to the Contract Assist Ad hoc Committee. The term will expire July 9, 2025. Passed, unanimously.
- K. K. Brockman/C. Dubac: Review, approve and file contractual agreement with Mr. Handyman of Mooresville, 121 N. Commercial Dr., Suite C, Mooresville, NC 28115 to maintenance repair, caulk, paint window trim and lentils, and secure soffit and vents at the buildings at Lots 121, 122, 123, 124, 129, 130, 131, and 132 (building at Royal Anne Dr., Sweet Cherry Ln., and Cashmere and building at Royal Anne Dr. and Sweet Cherry Ln.) at a cost not to exceed \$4,900.00. Passed, unanimously.

7. TREASURERS REPORT: (k. Brockman)

- A. M. Barnes/C. Dubac: Receive and file Superior Mgt. May 2024 financials documents. Passed unanimously.
1. K. Brockman, Treasurer: Referred to the summary report and the Superior financial report for May 2024, briefly explained the current status of 3CW's financials. Overall, we are under budget so far for the year.
- a) At the end of May 2024, the income was \$270,763.00 compared to the budget of \$237,200.00.
 - b) Contracts are running a little ahead of budget by \$900.00.
 - c) Landscaping a lot of the amount shown on this line item is a carryover from 2023 – November and December that were not paid in 2023 but paid in 2024. If you correct for that, Landscaping is under budget for the year.
 - d) Building Maintenance is under budget.
 - e) Pool is running a little ahead now due to the contract payments are higher during the summer months, and as we approach the end of the year, will fall back into line with the budget.
 - f) Recreational is a little ahead of budget by roughly \$300.00.
 - g) Utilities are just slightly under budget.
 - h) Administrative costs are at budgeted cost.

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- i) Net income at end of May was slightly under \$80,000.00.
- j) Operating Account at the end of May 2024 had \$54,317.00
- k) Pre-Reserves Account at the end of May 2024 had \$50,768.00.
- l) The Investment account at the end of May 2024 had \$1,058,283.00.
- m) Total of all assets at the end of May 2024 was \$1,163,000.00.
- 2. Showed a summary of how the HOA has spread monies from the Operating Account to the Pre-Reserves Account and then to the Investment Account.
- 3. We are positioned to transfer \$30,000.00 from the Pre-Reserves Account to the S.A. Stone Account and invest it in CDs. This puts us right on target as far as meeting all the budget requirements for funding of the reserves with S.A. Stone.
- 4. *BOD Comment: T. Smith:* As far as cash flow, we are alright with all of the funding we approved today.

8. OFFICERS' STATUS REPORTS:

A. T. Smith, President:

- 1. The BOD is working hard, and we are getting a lot of volunteers and we really do appreciate that.
- 2. There was some outside work scheduled for tomorrow at the pool, and, per C. Dubac, it has been put off due to the heat.

B. J. Dellinger, Vice-President:

- 1. Regarding insurance, I am still missing policies, which is not your fault but the insurance company's fault or your agent's fault for not sending in the information.
 - a) There are those whose policies show expired.
 - b) I can furnish a report when the expired policies have been completed.
- 2. Landscaping
 - a) Weather has created problems:
 - (1) The rain in the spring prevented mowing.
 - (2) Summer drought – the grass could not be cut because it would have killed the grass.
 - (3) There are a couple of streets that I have scheduled for tomorrow to have the bushes trimmed.
 - (a) Need to be cautious with outdoor work in the hot weather that can cause heat strokes.

C. K. Brockman, Treasurer:

- 1. The Audit Committee does a complete audit on the Superior financial reports every month. These reports are audited item by item each month and validate that the report is correct. Chuck George prepared two spreadsheets:
 - a) One projects the interest we earn on our investments. Right now we are projected to earn \$80,000.00.
 - b) Another spreadsheet he does is for cash flow that he does every month. The spreadsheet is a guide or a tool that helps us avoid overspending.

D. C. Dubac, Corresponding/Record Retention Secretary:

- 1. LKN Pressure Washing and Home Services will be here on Thursday, July 11, 2024, to power wash the Clubhouse and pool areas.
- 2. A thank you for the ladies on the ACC for completing the Architectural and Landscaping Guidelines for the community.
 - a) The BOD has had their first look at them and am awaiting their final feedback on them.
 - b) Hope to get them out to the community in the near future.

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- c) We would like to have an Open Forum meeting on the Guidelines later on this month to give the community a chance to offer their opinions.
- d) Once the Guidelines are put into place, there will be nothing done retroactively.
- e) The ACC is looking at getting rid of some of the 5,000 bushes in the community.

9. RESIDENTS COMMENTS/Q & A:

A. Q&A discussions included:

1. Dan Okoniewski, 2228 Cashmere Ct.

- a) Landscaping has two functions: one is controllable, and one is uncontrollable.
 - (1) Speaking to the controllable – we have a problem with Bean Bros. and that more needs to be done beyond changing a management position.
 - (2) We waited 2 to 3 months after we were told that we would be getting mulch before going out and buying mulch ourselves and putting it down. This is controllable.
 - (3) We were also told that the landscaping crew was going to spray the weeds before the mulch went down. They did not. This is controllable.
 - (4) We weeded the mulched area twice and the landscaper did not weed nor spray the weeds.
 - (5) Two people came yesterday to trim the bushes. There was no bush trimming for the first 6 ½ months of this year. The two men trimmed five (5) of the bushes and left the trimmings on top of the bushes. This is controllable.
- b) The Reserve Study and the life of the roofs in the community.
 - (1) We are now at the end of the roof life at 15 years to 20 years, which means the roof needs to be repaired or replaced. *BOD Comment: K. Brockman:* The Reserve Study does not have us spending any money on the roofs for another 4 to 5 years from now, which is 2028 to 2029. Life expectancy of roofs is dependent on a lot of factors such as weather conditions and a lot of other variables.
 - (2) If we add money to our reserves based on a conservative end or a very optimistic end, we could be looking at an assessment for repair. *BOD Comment: K. Brockman:* If you want stay after the meeting, I will show you a study that shows our funding of our reserves is on target to meet the Reserve Study target to fund replacing the roofs.
 - (3) I would like to talk to Mr. Handyman prior to them beginning the work or while they are there to understand what they will be doing to that building. *BOD Comment: T. Smith:* The plan for Mr. Handyman is that when they show up to do the work, they will knock on the door and let the owners know that they are there. You are welcome to talk with them. Just understand that they are under contract to the Board to do specific items for a specific price. If you see something, let them know so that they can bring it to the Board.

2. John Gabor, 2375 Stardust Ct.

- a) If the secondary doors are not bolted shut, the doors will not lock. A communication needs to be sent out to the community. *BOD Comment: T. Smith:* If you have a reason to open the secondary door, there is a slider at the top and bottom and requires some effort to free the secondary door.
- b) You mentioned \$80K in interest from investments. How much of that is taxable? *BOD Comment: K. Brockman:* It would depend on which form is filed: 1120H or a 990 form. A 990 form is for tax exempt status. The 1120H form is for taxes. In the past, the 1120H form has been filed, which is 30% on interest earned. C. George has done a tax liability assessment to keep track of what our taxes/liability will be at the end of the year. We have initiated action

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with the IRS to accept an application for a 501C4 for tax exempt status and then could file with the 990 form.

- c) On the check register, we have drain cleaning and smoke detectors that redacted for some reason. You have an HOA credit card; why is this not being used? *BOD Comment: K. Brockman:* I may have used my personal credit card for smoke detectors and had it reimbursed. *BOD Comment: T. Smith:* To that point, we are trying to save money and I put items on my Lowe's credit card because I get a discount and the HOA does not.
- d) I work part time for a marina, and I go to Lowe's and use my phone number and their credit card, so my discount is applied.

3. Jim McClellan, 8328 North Star Ct.

- a) The first line item under New Business is about spending money according to the Landscape Plan furnished to the BOD. I have never seen this plan. Will that be shared with the community? Also, I am concerned that the plans could possibly be the removal of some of the shrubs.
- b) *BOD Comment: C. Dubac:* There is no problem with sharing that with the community. An executive summary was presented to the BOD earlier this year outlining potential work. The ACC and the BOD are putting together a budget for replacement bushes for the 132 missing bushes. The proposed budget will go to J. Dellinger. I will make a note to send out the executive summary to all of you.
- c) *ACC Comment: M. Mellenthien:*
 - (1) We have talked with seven (7) landscaping/nursery representatives.
 - (2) We have a picture of all of the units' landscaped areas.
 - (3) We couldn't tell which bushes died – just which bushes were missing
 - (4) Fewer bushes will be planted than were planted per the original plan.
 - (5) Some of the bushes were planted too close to the buildings and too close to each other.
 - (6) We are now waiting for the numbers to get back to us for the cost of replacement.
 - (7) We will have the bushes planted in October-November when they have a better chance to live and will require less watering.
- d) *BOD Comment: C. Dubac:* The ACC is looking to submit their quotes to the BOD by July 22, 2024. Then in September, the ACC will meet with the residents who will be getting the bushes to answer questions and have discussions.
- e) *ACC Comment: P. Mercier:* This is a multi-phased project that we are working on. We are fortunate that we can begin to do some of it in 2024. There are other things in the plans for next year that have not been finalized but, hopefully, those items will be put into 2025's budget. One of our goals is to help reduce the cost of maintaining the shrubs.
- f) *BOD Comment: C. Dubac:* We are not removing anything during this first phase. We are looking at replacing those bushes that were removed for any reason.
- g) *BOD Comment: T. Smith:* The BOD will be talking with the ACC. We can talk about, as we get closer to having the work done, having an Open Forum meeting to discuss with the community. Also, for clarification, we have had 2 master gardeners, from outside, plus these ladies go through the neighborhood telling us what bushes need to be pulled out. We want to be able to maintain this community's beauty, and that may mean removing something.

4. Karyl McClellan, 8328 North Star Ct.

- a) Thank you to the BOD and the volunteers for making the community look prettier in here and making this a more pleasant place to live.

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5. Larry Wilson, 8348 Glacier Dr.

- a) When I moved here, the window air conditioning units were not to be installed. Now you are saying they can put an air conditioner up there. *BOD Comment: T. Smith:* No we're not. This is an inside air conditioner with an exhaust placed in the window.
- b) At the end where that rip rap was put in, are the landscaping people going to keep that area cleaned out from weeds, etc.? *BOD Comment: T. Smith:* The landscaping people will be taking care of that, and we have spoken to them. *BOD Comment: J. Dellinger:* They are supposed to do that tomorrow and Thursday.

6. Jenny Toro, 2486 Early Richmond Ct.

- a) I am concerned about raising the dues again. One figure put out there was a 15% increase. One of the reasons we bought here was there was not a lot of amenities, therefore the dues would be lower than other comparable 55+ area communities.
- b) *BOD Comment: T. Smith:*
 - (1) A lot of us moved here because of the low dues that we paid when we purchased our homes. They were really too low to do the amenities we were promised. The builder kept the dues low to sell homes.
 - (2) The 15% comes from the Reserve Study. The study looked out into the future and determined if we were to maintain what we have to maintain, that is what we have to do. The CC&Rs hold us to a maximum of 10% a year without a majority 2/3 affirmative vote by the members.
 - (3) The BOD's have both made investments to get the most out of our monies. To keep up with future costs, we have to put \$10,000.00 away each month.
 - (4) The 20 years prior to 2020, the average inflation rate was 2.67%. The inflation rate is now about 13+%. Everything is going up in cost for us as well with grass cutting, pool maintenance, utilities, etc.
- c) *BOD Comment: K. Brockman:*
 - (1) One thing to keep in mind is the Reserve Study that looks out 30 years in the future, and they have identified a certain amount of money to maintain the buildings.
 - (2) A lot of the cost goes to roof repairs, and in the next 4 to 5 years we have to start replacing roofs.
 - (3) Part of that monthly dues that you incur goes to fund future maintenance needs, and without that we would be looking at the potential for a special assessment to cover those costs. We are trying to avoid that.
 - (4) Everything we see in the way of expenses that our HOA incurs continually sees increases due to inflation increases.
 - (5) Forty-five percent (45%) of our assessments go to landscaping. That is why we are having the ACC look at those expenses to find ways to reduce those costs, and that would free up money for us to invest and earn interest on.
 - (6) We are doing everything we can to make our money work for us both on the investment side and on cutting costs.
- d) Who owns the trees that are on Unity Church Road in front of 3CW? *BOD Comment: T. Smith:* We talked to the Department of Transportation and to Lincoln County about the road right-of-way. Those Bradford Pears belong to us. We have volunteers to go out about once a year to trim them.

7. Jim Valenti, 2256 Early Robin Dr.

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- a) Regarding trees, we have trees on the fence line to this property hanging over the fence line. We should be getting a pole saw and a lift to get those trees back off the property line.
 - b) Down at the end of the fence where I live there are holly bushes that the landscape crew should get in and spray for weeds and poison oak and ivy that are growing over the fence.
 - c) Thank you for all of the BOD's hard work.
 - d) *BOD Comment: T. Smith:* If you have anything in your area that you see is not being taken care of, please let us know because we can't get around to everywhere to see what is going on.
8. Curt Hendricks, 8507 Van Ct.
- a) I have a request and suggestion that relates to the Agenda. A category that is on the Agenda, Old Business, for several months now there has been nothing on Old Business. I would suggest that items that are presented as New Business each month be put under Old Business each month and be updated each month until they are either resolved or removed. For instance, bushes which are an ongoing item and need to be updated each month. Items that were approved such as Mr. Handyman doing 2 more buildings should be moved to Old Business next month and say if it is complete or not. I think there needs to be a flow from the current issue each month into their being completed or updated. *BOD Comment: T. Smith:* I think that is a good idea. My thoughts on Old Business was whether we needed further discussion on what was going on or what needed to be done. We will discuss that.
9. Rich Lodge, 2505 Tulare Ct.
- a) I wanted to follow up on an email that went out last month about a realtor hearing about a special assessment. People like to talk and say things that might be taken negatively in the outside world specifically a realtor with things that could affect our property value. There is no special assessment being considered by the current BOD. *BOD Comment: T. Smith:* Correct. There are none on the horizon and you (the BOD) are doing everything in your power to prevent such a thing from happening. Someone shows up at a meeting and starts talking about special assessments because they think the BOD is not doing the right thing. I think it is time for some people to be a bit more circumspect about what they are saying at these meetings and outside of this community about these things. We are all in this together and working to keep the value of our homes and the community.
 - b) *BOD Comment: T. Smith:*
 - (1) Unfortunately, in conversations in the community, the words "special assessment" will come out. Please be aware of what Rich said, there are no special assessments being considered at this time for anything.
 - (2) We have roof replacements coming up sometime in the future. We were told that \$120,000.00 being put into the reserve fund each year would help us toward that end. We are maintaining that \$120,000.00 annually and watching the inflation costs.
 - (3) Be aware that every time a home goes on the market, I or one of the BOD members gets a call from a realtor, and the first question they ask is, "Are there any special assessments?". If any do come up in the next 2 to 10 years, then the BOD would be quick to let everyone know what's coming.
 - c) *BOD Comment: K. Brockman:* A special assessment requires an affirmative vote of 2/3 of the community. It isn't something the BOD can impose on the community.
10. Donna Kelly, 2230 Cashmere Ct.

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- a) I wanted to thank the BOD for getting the cabinets for the bathrooms in the Clubhouse. People have had trouble knowing where to go for replacement supplies such as paper towels or toilet paper. I have stocked the cabinets with these items should you need them.
 - b) Also, for people who are in here at night, if you put food or containers that have had food in them in the trash in the kitchen, please take the trash outside to the trash receptacle before you leave. Food left in the trash can begin to smell very quickly.
11. Gail Foster, 8726 Vandalay Dr.
- a) The first item on the agenda says not to exceed \$10,000.00; is that a budgeted item or is that money coming from another line item in the budget? *BOD Comment: T. Smith:* It will come out of the landscaping line item, but we did not previously budget for that. As we review our funds, we needed to get bushes replaced. So, K. Brockman and the Audit Team are taking a really hard look to see if the funds are available to do each item before it is done.
12. Annie Taylor, 8901 Sweet Cherry Ln.
- a) An item on the Agenda is about notifying 3 people if you want to use the Clubhouse. Is there a problem with using the Clubhouse? *BOD Comment: C. Dubac:* The only thing that I would ask is that you reference the weekly EPT calendar to see if the Clubhouse is available. Normally, with small groups, there shouldn't be any issue. There has never been an issue.
13. Susie Williams, 8891 Sweet Cherry Ln.
- a) I wanted to thank the men that moved Gene over to the porch area of the Clubhouse for the EMTs. You saved Gene's life.
 - b) That is a big improvement to the mailbox building out there. I put the last rock in place!
14. Pat Mercier, 8231 Rainier Dr.
- a) Thank you very much for the mailbox area it is much appreciated.
15. Diane Hendricks, 8507 Van Ct.
- a) I would like to thank the BOD for what they are doing. With this economy, they're not only managing their personal financials, but the HOA's financials as well. I think they are doing a great job.
 - b) If you have a complaint that doesn't apply to the entire community, talk to them privately. If you still want to complain, remember it is not what you say it is how you say it.
 - c) Also, if you have a question or comment for the BOD, could you please stand up because some of us are a little hard of hearing. *BOD Comment: T. Smith:* We are actually talking about getting a second microphone.
16. John Gabor, 2375 Stardust Ct.
- a) Do the other doors that had the keypads installed have all of the door codes for everyone in the community? *BOD Comment: K. Brockman:* No. The side and back doors only have the BOD members' door codes.
 - (1) You need to put out an email to the community letting them know that their door codes only work on the front door.
 - b) Another comment concerning our dues, the builder may have left the dues low, but he gave us nearly \$900,000.00 and only needed to leave us \$60,000.00. *BOD Comment: C. Dubac:* The builder did a good job, and the BOD is trying to continue on just as you did on the first BOD. *BOD Comment: T. Smith:* We were left in better shape than other HOA's. The previous BOD

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and this BOD have kept us in good shape. We have to keep the community looking good so that when people come in here to look around that they see a community that is looking good. At the same time, we have to be able to put money into the reserves to take care of the future needs of the community.

17. Jim Mercier, 8231 Rainier Dr.

- a) Wanted you to be aware that a street sign had fallen on the corner of Index and Rainier. *BOD Comment: K. Brockman:* The County has already been notified about that street sign by email.

10. BOD COMMENTS: None.

11. ADJOURNMENT: C. Dubac/J. Dellinger: Adjourned the 3CW HOA BOD Meeting July 9, 2024, at 11:26 AM in the 3CW Community Center.