

*Minutes
Lake Royale Board of Directors
Meeting
March 16, 2002*

Present: T. Antonelli, R. Batton, J. Beckwith, B. Chancellor, A. Faison, J. Hales, T. Nichols, S. Nottingham, T. Puetz, G. Shephard, B. Winters

Absent: R. Robinson

Call to Order: Stuart Nottingham, President, opened the meeting at 10:05 AM. In the Absence of our Secretary, Ray Robinson (absent for health reasons), Bob Winters was asked to fill in as Secretary.

Minutes: The minutes of the February 16th meeting were corrected to acknowledge the presence of Ray Batton and Tom Puetz. Also, the motion to accept the proposed 2002 dues of \$305.86 was made by Mr. Antonelli and Mr. Hales. The Finance Committee report was amended to read "could result in the INABILITY to repay" vs. "the ability to repay". With corrections, the minutes were accepted

Reports

Treasurer's Report:

Mr. Hales, Treasurer, reported that bank account balances reported by the staff (\$510,609.37) are not correct. He felt that the balances reported on the balance sheet are correct but that there are possible transfer errors. He will investigate.

Beautification, Recreation, Teen Recreation, Utility, Safety / Emergency, Bylaws & Covenants Committee's:

Minutes accepted were as written. No action by Board necessary.

Executive Committee:

No Meeting

Finance Committee:

Minutes were read by the President due to the absence of the Finance Committee Chairperson. Bob Winters stated that the Board is actually approving minutes that have not been approved by the committee. Mr. Hales suggested that the Board accept such minutes as tentative pursuant to acceptance by the Finance Committee.

A motion to accept the minutes, with that caveat, was made by Mr. Antonelli, seconded by Mr. Nichols, and approved unanimously.

Board of Adjustments:

The Board of Adjustments met on February 20th 2002. Minutes state that they approved applications for temporary (1 year) residence in a camper for three property owners. One property owner was given a two-month variance for an improperly placed carport. He has agreed to move it by June 1st, 2002. Motion to accept the minutes of the BOA was made by Mr. Batton, seconded by Mr. Nichols, and approved unanimously.

Building Committee:

Tom Nichols, in response to a question by Mr. Shepherd regarding the legality of charging fees for permits responded that p1 paragraph 5 and page 2 last paragraph established the building committee and that the last fee schedule was approved by the Board at their November, 2000 meeting. Mr. Shepherd questioned where the authority to charge fees came from. Mr. Hales interjected that 47F gives the POA Board of Directors to levy appropriate fees. A discussion ensued as to when the present fee schedule was established. Mr. Nichols reiterated that while he did not have the exact date it was done at the November 2000 meeting of the Board.

He also reported that for the month of February thirty-one permits were issued. Two were sent back for clarification and was referred to the Board of Adjustments. Eleven were for new homes and the rest were for carports, additions, etc. Two were for new homes and the rest for improvements. Revenue from permits was \$2215.00.

Motion to accept the Minutes of the Building Committee was made by Mr. Hales, seconded by Mr. Antonelli, and approved unanimously.

President's Report:

Mr. Nottingham addressed recent rumors that the POA had taken actions to prevent campers from have septic permits issued by the County. He assured the audience that no one representing the POA had made any such request of the County. He said that he was aware that the Franklin County Unified Development Ordinance does prohibit permanent residence in a camper but had received assurances from Matt Livingston (head of Franklin County Planning Dept.) that the County was not presently enforcing this part of the ordinance. He also stated that we need to be aware that if the State determines that Lake Royale water quality is deteriorating they may force a ban on septic tank installation for residential and camper lots alike. He suggested that we might have to consider mandating that new development along the lake be required to connect to the existing sewer system that is being maintained by TESI.

Mr. Hales interjected that staff as well had not made such a request of the County. Ms. Faison said that it was her understanding that a camper had been denied a septic permit because they had insufficient space to install it. Mr. Shepherd said that he thought it unlikely that anyone at the County would take direction from anyone at Lake Royale. He also said that we all, campers and

residents alike, need to pull together for the good of the community and that while he does not want to live in a camper he can see some value to the community if some do. The important issue is for everyone to take care of his or her property.

General Manager's Report:

Written and accepted.

Open Forum:

Bill Wallace – Mr. Wallace wanted to make sure that each Board member had received his letter. He wanted to reiterate that we all need to follow the rules that have been set and that we need to further train and define policies for each committee. He applauded management for their efforts in collecting dues.

Hib Affleck – Mr. Affleck questioned the internal audit that Jim Hales had conducted. Mr. Hales deferred to Mr. Nottingham who stated that the report would serve as the basis for the Internal Audit Committee that will be formed. Mr. Hales would like to publish this report for all property owners to see. Mr. Nottingham said he had no problems with that as long as personnel policy disclosure rules were followed. The Board concurred.

Leo Bretton – Mr. Bretton commended the Board for their efforts. He reminded the Board that in 1992 or 1993 the general membership voted to allow septic systems in the camper area because the state had banned holding tanks and it was discovered that some holding tanks were leaking.

Phil Anzalone – Mr. Anzalone expressed his support for Mr. Wallace's position and stated that in his opinion, neither the appearance of a camper lot nor the responsibility of the owner was not a valid way to judge eligibility for permanent residential use.

Ann Faison – Ms. Faison announced that on April 20th "Operation Clean Sweep" will take place. This is a general policing of roadsides and common areas.

Old Business:

Gravel for Emergency Exit

Should be delivered by April 1.

TESI Emergency Water Supply

Letter received from TESI stating that it is not their responsibility but the County's since they are the source. Mr. Hershey said that he would be discussing the possibility of Louisburg supplying the water in an emergency. Mr. Shephard stated that he buys his water from TESI, not Franklin County and does not accept TESI's position and will hold TESI responsible for problems. Mr.

Nottingham requested the Board's approval to write to TESI expressing our displeasure over their position. Mr. Shephard moved that the President write such a letter. The motion was seconded by Ms. Faison and approved unanimously.

TESI also decided not to use our mail list information for their billing, in exchange for adding fire hydrants.

Maintenance Vehicle Purchases

Process underway should be completed in April.

Barnhill Estimate for Paving

In process. Will be presented at workshop April 3rd.

Meeting with Franklin County Commissioners

Mr. Winters reported that Mr. Hershey and Mr. Self (County Manager) have an ongoing dialog underway that should result in a meeting taking place in the not too distant future. Mr. Shephard questioned the reason for such a meeting. Mr. Nottingham replied that the purpose would be to open up lines of communication so that, for areas of mutual interest, our input will be heard.

County Enforcement of 911 Law

Mr. Nottingham stated that in his travel around the lake he sees few 911 number postings. Mr. Hershey said that the County planning department would begin to police this on May 1st, 2002.

Dogs Roaming Loose

Mr. Nottingham reported that our new Police Chief and at least one officer are certified in the use of the tranquilizing gun and realizes the severity of the problem. Mr. Hershey said that Mr. Weeks had already made a few trips to the pound with animals he had captured.

Lodge Vandalism Case

Mr. Hershey reported that the case has been cleared. The Juvenile Board was not able to make a determination since they had conflicting testimony from the accused. They turned it back to the Sheriff.

Dump Site Improvements

Mr. Hershey reported that they have been done. Mr. Faulkner, with Franklin County, has some issues regarding clean up. We have some issues regarding early closings. Communication on these issues is ongoing.

Reviewing Sections of Lake Royale

At the February meeting the President requested each Board member to survey two sections and report on obvious area of non-compliance. This is to be completed by May 1st, 2001 however if a Board member has completed his or

her rounds prior to that date they should report the results to Mr. Hershey or Ms. Rose at the POA office and they will check to see if a variance had been issued.

Internal Audit Committee

Mr. Hales reported that he has received six nominations or suggestions for committee membership but is willing to entertain other nominations. Final selection will be made at the closed session scheduled for April 3rd, 2002. Nominees are Phil Anzalone, Brenda Gregory, Larry Holland, Jack Hughes, Bill Wakefield, & Bill Wallace.

Budget

A discussion of individual line items resulted in redistribution of individual line items from operating expense to capital expense. This had no effect on the bottom line but was merely a restatement.

Water costs were examined closely. It was discovered that changes and explanations that had been requested in the March Workshop had not been implemented. Mr. Shepherd said that an obvious error in the line for Administration water use makes him question all items in the budget.

It was also noted that while the Board had requested the manager to investigate moving from an "Audit" to "Review" contract with Bunch & Co., savings of the amount expected did not show up on the figures we are looking at. Mr. Hales said he would look into that.

The amount of water usage budgeted for the Administration building was reduced by \$7,000 and the savings carried to the bottom line.

Mr. Hershey noted that he is meeting with a company representative who will evaluate our telephone contracts and bills and make recommendations as to how money can be saved.

Mr. Hershey is also investigating alternatives to our present bank card account.

Mr. Shepherd requested that management continue to evaluate and refine all budget items to more accurately reflect our real situation.

Mr. Winters moved that the budget be accepted, subject to the changes discussed and including a deduction from the Administration expense of \$7,000, and that as addendum to the motion management be instructed to continue to examine all line items on a continuous basis in an effort to reduce expenses and give us better numbers next year. Mr. Hales seconded.

Mr. Shepherd requested information on Carriage Manor. Mr. Hershey has requested information from Carriage Manor but has not received answers. He is

still not sure if we are collecting the proper amount from them. Mr. Hales provided some contact information to Mr. Hershey.

Mr. Shepherd called the question. In a roll call vote the motion carried unanimously.

CPA Contract

Mr. Winters made a motion to change the CPA contract from audit to review. Mr. Shepherd seconded. Passed unanimously.

Committees

Mr. Nottingham stated that since all committees are now “of the Board” it is necessary for the Board to approve each member. He requested a motion to approve all present committee members until such time as they can be properly reviewed and approved by the Board. Mr. Winters made the motion and Ms. Faison seconded. Motion passed with two members abstaining. Committee membership records will be made available by March 23rd, 2002.

Lodge Rental for Restaurant

Moved to closed session

Handicap Ramp at Boat Dock

Mr. Nichols wanted to know why we had not yet installed a handicap access to boat ramps on both sides of the lake. Tabled per review.

New Business:

None

Ms. Faison moved to adjourn. Mr. Antonelli seconded. Motion passed and the meeting was adjourned and moved to closed session.

Respectfully submitted by Bob Winters.