

**LAKE ROYALE PROPERTY OWNERS ASSOCIATION
BOARD OF DIRECTORS MEETING
JANUARY 20, 2007
9:00 A.M. – CLUBHOUSE**

Call to Order – The meeting was called to order. Present were: Judy Strother, John Smallhorn, Richard Wainwright, Ray Robinson, Stuart Nottingham, Ryan Walker, William Wakefield and Ken Smith. Staff present: Robert VanGraafeiland, Peter Engberg, Jarrett Umstead, T.R. O’Neil.

Pledge of Allegiance – Lead by Jarrett Umstead

Approval of the July 15 Meeting Minutes – Motion made by John Smallhorn and seconded by Ray Robinson. **Motion carries.**

Board of Directors Meeting 1-3-07 - Motion made by Richard Wainwright and seconded by Ray Robinson: that we approve the minutes, making some \$18,000 plus available from interest income for road repair and patching. **Motion carries.**

Treasurer’s Report – Ann Marie Dellamorte reported the following for the December bank summaries:

? First Citizens Operating Acct. Balance	\$77,892.15
? First Citizens Payroll Acct.	\$ 6,107.54
? North State Operating Acct.	\$ 5,511.79
? North State Money Market Acct.	\$1,079,811.68
? North State Emergency Acct	<u>\$250,962.68</u>
? Total Balance	\$1,420,285.84

Finance Committee Minutes – Chairman Bill Wallace reported the following:

- ? The Dam Repair Advisory Sub-Committee consisting of Karen Voight as Chairman, and Richard Cohen, Hank Hyatt, and Boyd Phillips presented a very detailed report on what is needed to assure that the Dam is repaired and maintained properly at a reasonable cost.
- ? Robert reported that 431 foreclosures have gone to our attorney; 220 have paid, been sold or turned over to the POA; and 211 are in process (118 of those properties have just started the process, 51 have been set for hearings, and 42 are set for sale.)
- ? The trustee for the Carriage Manor bankruptcy reports that complaint/summons letters have been mailed to the time-share owners. The letter demands response in 30-60 days but allows the time-share owner to request an additional 60 days. The estimated time to complete this step is three to six months.
- ? T.R. reported the asset inventory is complete and it is being reviewed for accuracy. Pauline is correcting addresses in TOPS . The hard drive on the server is being cleaned up for proper backing up of the system. The personnel job descriptions are near completion.
- ? Regarding Capital Improvements Robert reports a backhoe and trailer have been purchased as budgeted; a boat and 220 outlet are still in research; road patching will soon be complete; culverts were completed Friday, January 12; and the base for current paving should be completed soon.
- ? The gate and police department have been connected on the new phone system but a problem with running the wiring to the Maintenance Department to complete the system occurred, and the project is still in process.

- ? The search for the right brick mason to repair The River entrance and the POA steps is still on going.
- ? The FC recommends to the BOD the 2007-2008 budget after making the following changes: remove the new maintenance and administration (CCR) positions and limit the Recreation upgrade to 30 hours instead of the 32 hours in the original budget draft. The changes reduced the budget recommendation by \$95,000. The capital budget was recommended with the following changes: move the Police vehicle to a Reserve Fund for vehicles; move funding for finishing the second floor of the POA office to the Reserve Fund; add the dam repairs and the post office construction onto the paving line with carry over. In addition, the following items were added to priority status for the Capital budget; dredge retention ponds (\$11,000) and playground upgrades (\$30,000).
- ? The FC recommends to the BOD that the dues be raised by 2% to \$441.23. Had it not been for the loss of dues for over 100 lots this year due to the combining of 2 or 3 lots into one lot, this budget could have been met without an increase over last year.
- ? Mr. Wallace suggests the BOD will want to simplify the handling of the dues by rounding the dues up to \$442 from \$441.23 and also designate any unassigned funds to the Reserve Funds.

Board of Adjustments –

- ? A special business session was the first agenda of the meeting. The purpose of this session was to consider a request of a property owner to re-open and re-hear a variance appeal that was denied by the BOA on August 24. Only the BOA members who heard the case originally in August participated in this business item. The request and information submitted by the property owner was considered and discussed. In keeping with the guidelines of the Institute of Government, the members determined that the facts of the case had not changed substantially so as to warrant re-opening and re-hearing the case, and indicated this by their vote by secret ballot. The request for a re-hearing was denied 4-0. The property owner was informed of the decision and that he had the right to appeal to the BOD.
- ? In the regular meeting of the BOA, Nicole Clift, the CC&R Inspector brought six compliances cases to the BOA. Five property owners by vote were found to be in non-compliance and both initial and recurring fines were assessed. The other property owner by vote also was found to be in non-compliance. However, the BOA voted to grant him sixty days to bring his property into compliance, with the stipulation that if it is not brought into compliance within this time period the case will be brought back to the BOA.

Building Committee – Permits were granted:

- ? For residential: 2 Boathouses; 1 Dock; 6 House; 1 Ramp for a total of \$1,325.00.
- ? For camping: 1 Lean-to; 1 roof-over; 1 room addition; 1 porch; for a total of \$220.00.

President's Report - Stuart spoke about our new manager for the Maintenance Department. He thanked Tommy Phelps for the good job he did as interim manager. The hearing regarding TESI's request for sewer fees is Wednesday, January 24. An agreement between Lake Royale and Health Department for handling a pandemic flu problem has been drafted. Stuart appointed Ann Faison as chairperson of the Nominating Committee. Ann will be enlisting members for the committee..

General Manager's Report –

- ? Introduced Peter Engberg, the new Maintenance Director.
- ? Culverts repairs have been are completed; road patches are 90% complete; paving is in progress.
- ? The Entrance design by NC State is moving forward.
- ? New equipment has been purchased for the Weight Room and it has been painted.

Property Owners Forum –

- ? **Hib Affleck** said that the 2% increase in dues recommended is not enough in light of capital needs.

Old Business -

- ? **Board of Directors** – Ken Smith was elected to fill the open seat for Vice Chairman and he was sworn in.
- ? **Board of Adjustments** –
- ? William Wakefield made a motion, seconded by Richard Wainwright: to elect Ray Creek as a member of the BOA, the term to expire in 1010. **Motion carries.**
- ? Motion made by Ray Robinson and seconded by Judy Strother: that Hib Affleck be re-elected to another term on the BOA, the term to expire in 2010. **Motion carries.**
- ? The Bod filled three positions for alternates on the BOA. Bob Crickmar will fill a seat that expires January 2008; Danny Pearce will fill a seat that expires January 2009; and Paul Wygovsky will fill a seat that expires January 2010.
- ? Motion by William Wakefield and seconded by John Smallhorn: that the recommendation to proceed with the work on a new postal facility in the Rental Office be approved and that the funding for this be approved at a later date. **Motion carries.**
- ? Motion made by John Smallhorn and seconded by Richard Wainwright: That: Whereas portions of the subdivision known as Lake Royale are located in both Franklin and Nash Counties; and whereas the majority of the properties are located in Franklin County; and whereas the owners of the lots in Nash County are denied, by Nash County ordinances, the same use and enjoyment of their properties as their neighbors in Franklin County; and where as 87% of the property owners of the Nash County lots, who responded to a poll, viewed the transfer favorably. Be it resolved that the Board of Directors of the LRPOA does hereby request Franklin County to institute the process whereby the boundary separating Nash and Franklin counties be moved so as to include all camping lots, now located in Nash County, to Franklin County. Greenway areas would be excluded in this move and would remain under Nash County. **Motion carries.**

New Business -

- ? Motion made by Ray Robinson and Seconded by Judy Strother: That the BOD appoint Ken Smith and Ryan Walker BOD as non-voting members to open seats on the Police Commission. **Motion carries.**
- ? Motion made by William Wakefield and seconded by Richard Wainwright: That we approve the purchase and installation of two one-lane entrance gates (which can also be used later when automatic gate openers might be installed) and that we allocate \$7,000 for this project. **Motion carries.**
- ?

Meeting adjourned.

HEARINGS

- ? Hearing BOD 0607-02 regarding the request of Hester James for relief from fines. Motion made by Richard Wainwright and seconded by Ray Robinson: that since Ms. Hester has had numerous severe health issues with her son, the LR POA forgive the fines levied against her, but that she pay the following charges by March 20, 2007 or that she set up a payment plan that is acceptable to the LR POA GM to bring her account up to date:

Chg code	Description	Amount
01	Late fee charged	\$65.37
C1	05/06 Assessment (dues)	\$57.78
C2	06/07 Assessment (dues)	\$432.58
13	Foreclosure Fee (which the POA paid)	\$1243.75
	Reimburse POA for Admin Chg.	\$200.00
	Total amount due	\$1999.48 Late fee of \$65.37; 05/06

This action is contingent on the following: she applies for and receives the required permits and she puts her property into complete compliance; she provides the LR POA GM proof of numerous severe health related issues with her son, by means of a doctor's letter, by March 20, 2007. If these stipulations are not met on or before the specified date, the fining will continue to accrue at the rate of \$31.00 per day, as the BOA had set, and will continue until these permits are received and the non-compliance issues are resolved. **Motion carries.**

- ? Hearing BOD 0607-03 –Regarding request of Mr Dennis King for relief from fines. Motion by Richard Wainwright and seconded by Ann Marie DellaMorte: that since Mr. King has had numerous severe health issues and has made a concerted effort to put his property into compliance to the best of his ability considering his severe health issues, the fines that have been levied against him be forgiven, if Mr. King pays to the POA \$200.00 for POA staff time expended, no later than March 20, 2007, and if he is in complete compliance at that time, and he provides to the LR POA GM proof of numerous severe health related issues by means of a doctor's letter. If these stipulations are not met on or before the specified date, the fining will continue to accrue, at the rate of \$21.00 per day, as the BOA had set, and will continue until these issues are resolved. . **Motion carries,** (5-1; John Smallhorn abstained.)

Hearing adjourned