

**LAKE ROYALE PROPERTY OWNERS ASSOCIATION
BOARD OF DIRECTORS MEETING
February 21, 2009
9:00 A.M. – CLUBHOUSE**

Call to Order - The meeting was called to order. Present: Stuart Nottingham, Ryan Walker, Ken Smith, Aimee Sharrett, Bill Wakefield, Tom Nichols, Danny Pearce, John Goodwin and Ruby Gavin. Staff Present: Robert VanGraafeiland, Peter Engberg, T. R. O'Neill, Nicole Clift and Jarrett Umstead.

Pledge of Allegiance – Ryan Walker

Approval of Meeting Minutes – Motion by Tom Nichols to approve the minutes of the January 17th Meeting of the Board of Directors. Seconded by Aimee Sharrett. **Motion Carries.**

Treasurer's Report – Aimee Sharrett reported the following:

January 31, 2008 Status:

• Total beginning balance	\$1,290,957.79
• Total Deposits	\$ 101,902.78
• Total Interest Earned	\$ 1,611.75
• Checks and Bank Charges	\$ (158,963.79)
• Total at month end	\$ 1,235,508.53
• Increase/(Decrease)	\$ (55,449.26)

Finance Committee Minutes – Attached:

Board of Adjustments Report – Attached

Building Committee Minutes – Attached

- **President's Report** – Stuart Nottingham commented that the major topic of discussion at the January Town Hall meeting was the problem of litter at our lake. He urged residents to be aware of how they transport and disposed of litter, and he also thanked those who picked up litter along our roads. He reminded Property Owners of the July elections to select six members for the Lake Board of Directors and listed the following names of Nominating Committee members: Art Wright (Chair), Richard Tafe, Richard Wainwright, Frank Webster, and Beth Styers. Finally, he presented a certificate to Delcie Wakefield, outgoing Chair of the Board of Adjustment, in recognition of her many years of service to Lake Royale organizations and the Lake Community.

General Manager's Report - Robert VanGraafeiland:

- Informed the Board that they would receive updates on the Security Gate House and the new playground in Section 14 later in the meeting.
- Reported on the installation of commercial doors at the Clubhouse, the renovations at the Rental Complex, and HVAC and electrical work at the POA office.

- Stated that the renovation of the Miniature Golf Course was about finished and that server adjustments and the conversion of records from paper to electronic format was going well.
- Reported that the POL Committee had applied for two grants.
- Noted that the February 14th land auction had not gone as well as hoped with the sale of 19 lots scheduled to close by the end of March.
- Reminded everyone of the Playground Ribbon Cutting on February 28th at 10:30 A.M. and the Teen Pool Tournament on February 28th at 7:00 P.M.

Property Owners' Forum

- Bill McKinney announced a Civitan organizational meeting on February 23rd at the Clubhouse.
- Ron Prokopowicz talked about the need for transparency in Lake budget activities and asked that copies of the annual budget be made available at the general membership meeting.

North Carolina Department of Transportation Briefing. Julie Bollinger and Scott Walston presented a briefing on Comprehensive Transportation Planning impacting Franklin County and Lake Royale. The plan has a 30 year horizon.

OLD BUSINESS

Board of Directors Goals – Members of the Board of Directors discussed their individual goals for 2008-2009.

- Danny Pearce indicated progress in comparing Lake Royale POA governing documents with those of other Home Owners associations.
- Bill Wakefield discussed progress in examining the “repaving versus repairing” roads issue, the community effort in refurbishing the Miniature Golf Course, and proposals for the Dock rental project.
- Tom Nichols noted that skate boarders had been seen on the Miniature Golf Course and noted that this conduct could not be tolerated.
- John Goodwin indicated that he would report on progress on building the new Gate House under “Old Business” and also noted progress on getting IT equipment for the Clubhouse.
- Aimee Sharrett reported on efforts to hold a Safety Fair in June.
- Ken Smith reported the 2009 Telephone Book should be available for distribution by mid-March.
- Ruby Galvin endorsed Civitan for its support of youth-oriented social service activities.

Gate House Project – John Goodwin reported that the Gate House Committee had received a single bid that exceeded available funding. A site survey must be conducted in order to obtain a County variance. Motion by John Goodwin to spend money for a permit and the site survey from funds already allocated for the Gatehouse with total expenditures not to exceed \$750.00. Seconded by Tom Nichols. **Motion Carries.**

Buoys and Rafts Within Lake Royale:

- Chief Umstead reported on efforts to bring placement of “No Wake” buoys at swimming and boat launch areas into compliance with State and County regulations. The North Carolina Wildlife Commission regulates these matters and County, Coast Guard, and Corps of Engineers concurrence are required.
- The NC Wildlife Commission may make recommendations regarding boat speed limits, restricted areas near the spillway, and danger and shoal buoy placement.
- Motion by Danny Pearce to send a draft letter to the North Carolina Wildlife Commission asking them to inspect and approve buoy placement as detailed on a plan prepared by Chief Umstead. Seconded by Ken Smith. **Motion carries.**

Dock and Facilities Signage:

- Motion by Bill Wakefield at the January 17th Board meeting to purchase up to 30 signs identifying POA facilities at an approximate cost of \$100.00 per sign, seconded by John Goodwin, was reintroduced. (By vote at the January meeting, the motion was tabled pending clarification of the 2008-2009 budget status.) **Motion Carries** with Ken Smith opposed on the basis of the January action to wait for budget clarification.
- Motion by Bill Wakefield to ask the Board of Adjustment for a blanket variance for all newly constructed/renovated POA owned docks to allow them to extend 15 feet from the shore. Seconded by John Goodwin. After discussion, motion by Bill Wakefield to table the proposal pending further research. Seconded by John Goodwin. **Motion to Table Carries.**

Board of Adjustment Rules and Procedures - the Board of Directors reviewed and discussed a proposal by the Board of Adjustment that clarifies the BOA’s Rules of Procedure. Motion by Ken Smith to approve the revised BOA Rules of Procedure. Seconded by Aimee Sharrett. **Motion Carries.**

2009-2010 Reserve/Capital Budget & Operating Budget Reductions: The Board reviewed worksheets presented by the General Manager dealing with 11 proposed reserve and capital budget items. Following discussion, motion by Ryan Walker to accept the proposal with the following changes:

- The note regarding the “Protect Our Lake Committee” is modified to delete all words after “Dues” and the amount is raised to \$22,818.00 to reflect the January 17th Budget approval motion.
- The “Front Gate” and “Docks” items are approved for planning but will require specific Board approval before funds are expended.
- Motion seconded by Aimee Sharrett. **Motion Carries.**

The Board reviewed and discussed the General Manager’s proposals to reduce budgets of five Lake Royale Departments/Activities by 1.5% in compliance with January 17th Board of Directors Budget approval motion.

- Ken Smith noted that the Maintenance Department personnel reduction was not a reduction but a Board decision to not fill a proposed vacancy and was a separate item not included in the 1.5% calculation.
- Motion by Ryan Walker to approve the recommendations. Seconded by Aimee Sharrett. **Motion Carries** with Ken Smith abstaining.

NEW BUSINESS

POA/BOD Committees - The General Manager presented a proposal to dissolve two defunct Lake Royale Committees. Motion by Bill Wakefield to dissolve the Compliance Committee and the Long Range Planning Committee. Seconded by Aimee Sharrett. **Motion Carries** with Danny Pearce opposed.

Police Department Education Program – Chief Umstead asked for approval to plan a Safety Fair on June 6 at the Clubhouse. Conflicts with other planned activities have been resolved. Motion by Bill Wakefield authorizing Chief Umstead to plan the event. Seconded by Tom Nichols. **Motion Carries.** During discussion, Chief Umstead indicated that a decision had not been made regarding outside attendance.

Recognition of Organizations and Activities by the Lake Royale POA - At the request of Ken Smith, the General Manager presented an information briefing on how an organization or activity at Lake Royale becomes a “recognized” entity and what the recognition entails. A list of “recognized” entities was provided. The General Manager was directed to investigate the status of the “Grief Committee.”

Request for Recognition of a Weight Watchers Chapter as a “Recognized” Activity – The General Manager presented a request from a property owner to establish a Weight Watchers chapter at Lake Royale. Discussion centered around recognizing a “for profit” activity. Motion by Tom Nichols to deny recognition. Seconded by Danny Pearce. **Motion Carries.** .

Finance Committee Recommendations:

- Motion by Aimee Sharrett to approve purchase of landscape barriers, gravel and four trash receptacles for the new Playground from previously approved but unspent funds, as presented by the General Manager. Seconded by Ryan Walker. Motion by Bill Wakefield to amend by approving only the barriers and one trash receptacle. Seconded by Tom Nichols. **Motion to Amend Carries. Amended Motion Carries.**
- Motion by Bill Wakefield to approve Petway Mills and Parsons to conduct the 2008 audit and prepare tax returns for an amount not to exceed \$12,600.00. Seconded by Ryan Walker. **Motion Carries.**
- Motion by Tom Nichols to delay staff reviews and raises for the 2009-2010 fiscal year until September when a subsequent review would occur. Seconded by Danny Pearce. **Motion Carries.**

Barriers on the Miniature Gold Course - Motion by Bill Wakefield to erect barriers on the Miniature Golf Course to prevent skate boarding on the greens. Seconded by John Goodwin. Following discussion, the motion was withdrawn.

Adjournment

Motion by Ryan Walker at 11:45 A.M. to adjourn. Seconded by Aimee Sharrett. **Motion Carries.**

Meeting adjourned

Kenneth V. Smith
Secretary

Approved 3/821/09

BOARD OF ADJUSTMENT REPORT

January 22, 2009

The Board of Adjustment met at 7:00 PM on January 22, 2009, with the following members present: Hib Affleck, Ray Creek, Bob Crickmar, Bill Donati, Don Gould, Pat Phillips, and Beth Styers. Nicole Clift, the CC&R Inspector, and Robert VanGraafeiland, The General Manager, represented the POA.

The chairman called the meeting to order. The five regular members sat for the variance concerning a setback from the property line. The POA presented the case and the property owner then presented his case, including two witnesses. The five regular members met in closed session following the open meeting, and after review of all the evidence and due consideration, voted unanimously to deny the petition for variance.

The Board of Adjustment sitting as a whole considered one case of non-compliance. The POA presented the case and the property owner followed with a presentation. In closed session following the open meeting, the property owner was found to be out of compliance and an initial and a recurring fine were assessed.

The hearings portion of the meeting was adjourned and the business meeting was convened.

The Chairman made short remarks about the operation of the 2009 Board of Adjustment.

The December Hearing Minutes were reviewed and approved as corrected.

The December Business Minutes were reviewed and approved.

The current membership list was reviewed and all contacts and term expiration dates were confirmed.

The chairman noted that all members had not been advised of appeals that were heard by the Board of Directors in January. That will be corrected in the future and all BOA members will be notified of scheduled hearings by the Chairman.

There was a discussion of the proposed changes to the BOA Rules of Procedure. The final draft was approved and will be submitted to the Board of Directors for approval.

The board was advised of their individual protection from liability under the POA insurance while performing their duties as Board of Adjustment members.

The next Board of Adjustment meeting is scheduled for February 26, 2009, at 7:00 PM at the clubhouse.

There being no further business, the business meeting was adjourned.

Respectfully submitted

Ray Creek

Chairman

LAKE ROYALE BUILDING COMMITTEE MINUTES

January 13, 2009

The meeting was called to order at 7:10 PM by Louis Whitman, Chairman. Present were Ed Hudson, Rhonda Lipinski, Louis Whitman, Danny Pearce, Ken Smithwick, Tom Peters and Nicole Clift, C.C.&R. Inspector. Robert Styers was present as a guest. The agenda was passed. The minutes of the December 9, 2008 meeting were approved unanimously following a motion by Rhonda Lipinski and a second by Ed Hudson. No property owners were present to speak at the Open Forum.

Discussion was entertained concerning a Palm Harbor modular home for lots 2423 and 2424R by William Cato and Jerry Law. Questions arose about the issues that the septic doesn't match the plot plan, the lot is not deeded in the name of the person submitting the plan, multiple plans were submitted to Nicole Clift, and it is uncertain if this is to be an 'on-frame' or 'off-frame' home. Nicole Clift will attempt to re-contact this person.

The members discussed a plan by Amanda Collins, lot 660C, 166 Creek Dr., to relocate an existing deck. A motion was made by Ken Smithwick and seconded by Danny Pearce that this be allowed as a revision of a plot plan with no fee attached. The motion passed unanimously.

Robert Styers, lot 1540C, 165 Red Wing Dr., presented a revised plan for a deck he will be building that is already permitted. The revision will be a change in dimensions of the deck. Discussion continued after Mr. Styers was requested to leave the committee in a closed session. A motion was made by Danny Pearce and seconded by Ed Hudson to approve the revision as highlighted on the plot plan. The motion passed unanimously.

In closed session the building packet permit requests were reviewed as follows:

- Troy Allen, lot 2059C, 125 Omaha Dr.: Mr. Allen appeared to present his plans for a deck, porch, roof-over, room addition and enclosure. Questions centered on proposed solar panels on the roof which will coordinate in color with the roof and lie flush with the roof. Mr. Allen left the room and discussion continued with Rhonda Lipinski making a motion to approve the permit. This was seconded by Ken Smithwick and passed unanimously. Permit #C0109-7338.
- Steve Poland, lot 299C, 113 Sagamore Dr.: Mr. Poland was present to discuss his plans for a porch. He has proposed a 36" log knee-railing for beautification and stability at the bottom with the remainder of the porch to be screened. After Mr. Poland left the room much discussion was held concerning the difference between a wall and a railing. Danny Pearce made a motion to approve the permit for a 14' x 34' screened in porch with a 3' solid railing. Rhonda Lipinski seconded it and the motion carried with one opposing vote. Permit #C0109-7337.
- Ed Scott, lot 1832C, 136 Turon Dr.: Permit was denied by unanimous vote for a storm shelter already in place on the lot. After viewing the photo and discussing the design, the permit was denied on the basis of its design, being 12 sided and with no roof pitch.
- Barry Wilkins, lot 2795R, 1337 Sagamore Dr.: Approved unanimously permit for fence. Permit #R0109-4985.

- Ed Hudson, lot 775R, 142 Blackfoot Dr.: Mr. Hudson excused himself from the room as the committee discussed his permit request. Permit for fence was approved unanimously. Permit # R0109-4986.
- Loretta Kinzer, lot 970R, 244 Shawnee Dr.: Permit was approved unanimously for a fence. Permit # R0109-4987.
- William Milark, lot 1046C, 132 Wanna Dr.: Permit approved unanimously for a shed and lean-to. Permit # C0109-7339.
- Archie Aycock, lot 984C, 111 Tonto Dr.: Permit approved unanimously for deck. Permit # C0109-7340.

Nicole Clift presented the new addition to the front of the Building Permit Application packet. This was mandated by the Board of Directors to inform property owners applying for a building permit that they may meet with the Building Committee for a discussion, or advisory session, prior to submitting the entire packet for approval. Nicole also informed the committee that another article would be in the February Royale Reported with this information.

On the agenda for discussion at the next committee meeting will be camper roof-overs without leg posts. The meeting was adjourned by Louis Whitman, Chairman, at 9:40 PM.

Submitted by Rhonda Lipinski, Secretary



**LAKE ROYALE BUILDING COMMITTEE MINUTES
JANUARY 27, 2009**

The meeting was called to order at 7:15PM by Vice-Chairman Ed Hudson. Present were Ryan Walker, Rhonda Lipinski, Ed Hudson, Ken Smithwick and C.C.&R. Inspector, Nicole Clift. No meeting was held as there was not a quorum of members.

Rhonda Lipinski, Secretary

MINUTES - LAKE ROYALE FINANCE COMMITTEE

February 14 , 2009

Members present: Chairman Bill Wallace, Karen Wienke, Nancy Kizer, Stuart Nottingham, Dylan Bunch, Ann Marie Della Morte. Members absent: Gary Kytte, Ken Smith, Pam Owen, Dave Turner Also present was BOD Treasurer, Aimee Sharrett. Staff present: T. R. O'Neill

1. The meeting was called to order at 9:12AM.
2. A quorum was determined to be present.
3. The agenda was amended and approved.
4. The January 10, 2009 minutes were approved as presented.
5. The POA financials were discussed.

6. OLD BUSINESS

- A. Karen reported that the contract for the Dam/Spillway repair has been finalized and work will begin when weather permits.
- B. The status of foreclosures was reviewed and determined to be same as last month.
- C. Carriage manor has been sold to Eric Snyder from NY for \$280,000. We estimate \$100,000 from this sale. The FC needs to determine usage and how dues will be assigned. Add to agenda for next month when sale is final.
- D. BOD actions on FC recommendations: The GM be authorized to pay printing costs from the collected funds and any excess funds to be placed in a trust fund for the next revision of the (phone) directory; If operating funds fall short during the remaining fiscal year that the Executive Committee be authorized to borrow from the Reserve Fund to be repaid from 2009/2010 revenue; Dues shall be increased to \$549.59 for the coming year.
- E. BOD actions on the 2009-2010 Budget – approved – See packet pages 2, 3 & 4. FC had a discussion (led by Stuart) on lowering the 18% to 12% for the reserve fund with the difference allocated to the Operating fund, and discussion of moving variable land sales into Capitol Improvements to stabilize amounts. No action taken. Further deliberation is necessary.
- F. Capitol Improvements – report included in packet – page 10. Clubhouse doors painted, Mini golf nearly done, efficiencies in Comfort center, new Police car labeled, playground at 14 & Rocket Ship Park complete. Painting lobby & misc. at rental office. Need variance or combine properties for new gate entrance.
- G. Office and Finance Report: Natleah has been researching old judgments (which have expired) amounting to \$17,000. Request to write off as Bad Debt. Question arose: How many are still property owners? Put on agenda for next month. Stickers for cars are not approved as yet. All residential files are completed into the new Imaging system – a review is being done as some pictures need to be rescanned with different settings.
- H. Policy and Procedures Manual – in process.
- I. Progress on addressing Bank Deposit Liabilities – North State wants the Loan Amount kept on deposit (we have moved some funds for FDIC insurance coverage). We are working on getting more of a loan to work on roads. See loan proposal in packet pages 6/7. Recommended we shop other banks.
- J. Excessive sewer charges – Swimming pool has been included in office bill. Robert has made contact on issues and has turned information over to the Utilities Commission.
- K. Phone book – TR reported books will be distributed in March.
- L. FC members to select POA funded groups to adopt – more volunteers were added – more to come.

8. NEW BUSINESS

- A. Recommendation to the BOD to reduce budget costs: Direct Management/Department heads to delay employee raises and evaluation until September, at which time the financial situation will be re-evaluated.
- B. Determine how to account for matching grants – tabled to be on Agenda next month.
- C. Recommendation to the BOD to retain Petway, Mills & Pearson, PA as auditors for the year of 2008/2009 for the fees of \$10,900 plus \$1,700 for tax preparation as proposed by them in their engagement letter.
- D. Pool passes – tabled for further discussion in March.
- E. Credit Card/Debit card discussion regarding not accepting Credit/Debit cards in the office because of the fees involved, but setting up a web site (\$89.00 / mo + \$50.00 set up fee) where the dues could be paid using a credit card. See packet for details. No action taken - tabled until March.
- F. Recommendation to the BOD to allow the spending of the \$5800 savings on playground for Landscaping and barrier, Trash Receptacles and Gravel, as the playground in Section 14 has been completed at \$5800 under the amount previously approved.

The meeting was adjourned at 12:40 pm.

Respectfully submitted,
Karen Voigt Wienke