

CHADWICK SHORES PROPERTY OWNERS ASSOCIATION
BOARD OF DIRECTORS MEETING ** MINUTES

REVISED

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Meeting date: February 17, 2010

1. CALL TO ORDER

The meeting was held at the Sneads Ferry Community Building, and was called to order at 7:03 pm by Cameron Waggoner, President.

Board members in attendance:

- Cameron Waggoner - President
- John Frisch - 1st Vice President
- Libby Murcia - 2nd Vice President
- Janet Holman - Treasurer
- Tony Gillespie - Past President 2008 & 2009

Board members absent:

- Janet Gargano - Secretary

2. MINUTES -

The minutes of the January 28, 2010 Board of Directors meeting were reviewed. A motion to accept the minutes as written was made by Tony Gillespie; 2nd by Jon Frish. All approved.

3. PRESIDENT'S REPORT -

- a. Cameron stated he has been reviewing the CSPOA **Covenants** and By-laws, and he has also talked with several residents who he has met on his travels throughout the neighborhood, but he has not yet come up with anything definitive other than, of course, the obvious water problem which exists and is affecting the community.
- b. Cameron referenced the problems of drainage and the standing water on many sections of the roadways as was noted at the January 28, 2010 meeting and it is an issue he intends to address ASAP.
- c. Cameron mentioned a subject he would like to put forth for future consideration by the Board: that being the By-laws as they relate to the annual Road and Association budgets. He noted that the annual budgets are approved in the fall by the sitting Board for the following year, and then we bring in new members to the Board who must adhere to those figures; not that this is necessarily a bad thing but in some respects it ties the hands of the incoming Board.

Cameron said that he could come up with projects he would like to accomplish this year but because they were not allocated in the 'approved budget' it would be difficult to get them done in the course of the year. He suggested it might be the time to take a "good hard look" at the By-laws and Covenants and propose some changes. Again, Cameron stated that he is putting this out to the Board for consideration and discussion.

Tony advised that an approval from the majority of the voting members is needed to change the By-laws, and he noted that 9 previous attempts to do so have failed. He said the Board can make policy changes, but not budget or Covenant/By-law changes.

Cameron requested that Len West, 443 Chadwick Shores Drive and Al Gurganus, 445 Chadwick Shores Drive be allowed to address the Board before the introduction of the Committee reports; the Board agreed.

Len West explained to the Board that he and Al along with Richard Civelli, 853 Chadwick Shores Drive, who was unable to attend the meeting, would like to volunteer their services to resolve the drainage and water problems we have throughout the neighborhood. Len noted that he and Richard are both licensed Civil Engineers and both have been involved with road construction. He stated their primary interest in volunteering is to preserve our roads. (Len was on the Board and was Road Chairman for eight years). Len urged the Board to control the drainage before resurfacing the roads. He also said that each **one** of them has a personal interest in this because they put a great deal of time and effort into the roads in past years.

Len said that he, Richard and Al drove the entire community and have looked at the problem areas in depth; he explained that the inlets which were installed are almost at the same elevation as the road; therefore, the water cannot get from the road to those inlets because the ground between the inlets and the road is higher.

They (Len, Al, Richard) have an idea that the work repairs which were originally contracted were not what was actually done. They would like to get in touch with the last contractor who set those inlets for the shoulder and show him what he did or did not do for the Association. Len also said they would like to work with a Board member as well as someone who has worked on the roads before.

Janet Holman stated that her husband, Chris, worked on the Roads committee in the past, and he would be willing to help.

Len explained that another one of the problems is a pipe along the area where he lives which is down about 5 feet and which takes the water across the road. Another contractor came in and starting digging in an area which is not as deep; consequently some of the inlets are sitting right on top of the pipes. Len said he, Al and Richard have some ideas on how to correct the problems by putting in a swale, but it is tricky.

Another problem area, Len said, is all along the easement near the Gearon's house where it floods because of its proximity to the bay; he said all that water has to be redirected.

Hal Corzine said he believes the Covenants state that the Association has easements for drainage across the properties.

Tony advised that CSPOA has a bit over **\$432,000** in its accounts right now. He said we are registered as a non-profit organization and with that much money we can be audited if we don't use some of it for a Capital Expenditure project. Tony said we cannot spend money that is not in the budget, but we can use the \$20,000 allocated this year for roads and then we can go to the community and ask for a "one-time dispensation" to do this project.

Tony strongly recommended that the Board engage the service of the men; they were here when the roads were put in and know where all the underground streams are located. Len said he still has a set of the original plans for the development.

Cameron said he is definitely in favor of accepting their offer noting they also bring their corporate knowledge with them. He would also like to keep Chris Diederich as a link with the Board. He noted he does want to keep some control and function-ability within the Board on this project.

Cameron expressed his sincere appreciation to Len and Al for their generous offer, and said he will be calling them to set up a meeting with he and Chris to see what will work.

Tony said we probably should go through the Army Corp of Engineers due to the fact that parts of our complex (the easements) are now considered wetlands.

Cameron asked if any further discussion was needed as to taking the men up on their offer. He felt that because of property values and the impact the condition of the roads would have on them, there should be little objection from the community as to increasing the budget. He also said his position is that we are a community, and it is about all of us helping each other; it can't be only the responsibility of the Board.

Hal advised that there is enough money in the Road budget to start the process. Tony suggested sending a letter to all property owners, not just Association members, explaining what we are proposing. He said we only need to have 50 per cent approval of those who respond back.

Cameron said he will begin coordinating the road project with Chris, and he will keep the Board apprised.

COMMITTEE REPORTS

1. Treasurer –

- a. Janet Holman confirmed that the change of authorized signatures for the new Board has been done.
- b. Hal passed out the list of properties for which Association dues and/or Road fees had not been paid. Hal also noted that there is **\$69,000 in outstanding payments**. Tony said that once we get a copy of the documentation on the lawsuit we can begin the collection process. He also said that if a lien is on a property for a year then the foreclosure process can be started.
- c. Janet apprised the Board of a discussion which Hal and she had regarding the FDIC insurance of \$250,000 on accounts; Janet advised that this applies **not** per each account but **per depositor**, and CSPOA is well over that amount in our bank. She said she did quite a bit of research to be sure of this fact and that “per depositor” combines Money Market, CD and checking accounts. Therefore, she and Hal are going to move the Money Market accounts to a second bank.

Tony made a motion to accept the Treasurer's report; 2nd by Libby. All approved, Motion carries.

2. Roads –

- a. Tony advised he has contacted Onslow Paving to repair the sinkholes on Shellbank Drive. However, they cannot do the work until the ground dries out. He also made note of a break in the road coming in the front entrance past the **flagpole**. Onslow Paving will do that repair, also.

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- b. Chris reported that some of the road had crumbled at one of the new construction sites on Chadwick Shores Drive, and Tony said the cost of the repair will come out of the owner's escrow deposit.
- c. Tony advised that 40 new street lights will be installed throughout the neighborhood starting in February. He explained that the previous Board had approved the addition of 20 street lights installed in 2009 and an **additional** 40 to be installed in 2010; they will be done in increments of 10 per quarter. Tony said he and Casey Barnes, along with a lighting specialist from Jones-Onslow Electric, mapped out the locations for the lights.
- d. Jon reported that he will 'cement in' the new 25mph sign over the weekend. This will replace the one damaged by a construction truck, and the company was charged for this sign.
- e. Cameron stated he has become aware that there is a speed limit issue here; he was outside one day and saw a family jogging and a truck come flying around the corner. Tony said rumble strips can be put down (much the same as they have on base), they don't cause damage to the roads and they definitely will stop a speeding car.

Libby suggested placing small signs in various places which flash the posted speed limit and the speed the vehicle is doing. She said she saw them used in a park on a base in Florida.

- f. Cameron noted we had talked about resurfacing the road at the last meeting and asked how this project is budgeted. Tony answered we would do the outside loop one year and the interior the next year; he suggested this project should be put in next year's budget. He also mentioned that when the outside loop is done the yellow line will have to be repainted. Hal noted that it cost the Association \$106,000 last time to do the outer loop and Shellbank Drive. Cameron said he agrees with Len West that we should wait until the drainage and water issues are resolved before doing the roads. Tony said that next year would probably be the time to do the roads as they are 'losing integrity'.

Libby made a motion to accept the Road report 'as is'; 2nd by Jon.
All approved, motion carries.

3. Grounds and Maintenance –

- a. Chris Diederich, chairman, reported that over the holidays he had the ONWASA water service tap for the front entrance capped because we are now on the well for **our** irrigation system. The backflow preventor was also removed because we can't be on well water and ONWASA at the same time. Hal said we are still receiving a water bill for basic service, and Chris said he has all the paperwork from ONWASA confirming the capping and removal of the backflow preventor and therefore, we no longer need the water meter. Hal said he will call ONWASA to turn off the service.
- b. Tony advised that he has a meeting with Johnny Goines (CostWise) to do a 'walk through; he noticed that the front entrance drains need cleaning. Hal said he has a check in the amount of \$795 to CostWise for 2 cuttings, and he asked Tony if it is to be paid. Tony said Mr. Goins earns his money; when he cannot cut the grounds, he cleans up the front entrance every two weeks; maintains the drainage areas and picks up the trash and debris.

- c. Cameron stated that he has an issue under G & M that would also include Covenants, and is the property that now has the 2 inch PVC pipe across the front lawn and is dumping water onto the road. Cameron said the lot has been under water for quite some time; Tony said he would check this out.
- d. Janet Holman noted there is a picnic table floating along the community dock; Tony is aware if it and also of who put it there; he will pull it out with his Jeep, and the culprits who put it there will be picking up trash in the neighborhood.
Libby made a motion to accept the G & M report; 2nd by Jon. All approved Motion carries.

4. Welcoming - no report.

5. Covenants –

- a. Tony reported that the new house on the right side when you come through the front never did their submittal. Tony threatened to stop the CO to close, and they gave us the \$1,000; now we owe them a refund of \$800.
- b. Tony stated that the Miethe's, Dennis and **Christina** built and then sold their house on Bayshore Drive and then built a new house on Bay Court. For some reason they put \$800 in escrow vice the \$1,000 – they now want us to take \$200 from that amount for the 2010 Association dues and road fees.

Tony noted that we typically keep \$200 of the escrow for wear and tear of the roads from the construction, and for all the paperwork involved for us in new properties.

Tony explained that Dennis has built 2 houses in Chadwick Shores, has been a member in good standing for 10 years and has served on the Board in the past and there is no damage to the road. Dennis also handed Tony a complete package of all the necessary paperwork, which he did himself, and Tony feels that we literally do not have any investment in the property.

Tony feels that we should not keep the \$200 as we usually do for new construction, but neither does he want to set a precedent that all future Boards will have to contend with.

Tony also stated that Dennis is the builder, and Cameron said he is also the owner/occupant. Cameron's thought process is: "we are going to charge the Miethe's a road fee for each year that he owns the property – this is one aspect. He also said we are setting a precedent in some regard but he doesn't necessarily think this that would be a 'bad thing'.

Tony also noted that Dennis transferred one lot for another, and he rented in Chadwick Shores while he was building his house.

Hal made mention that Dennis did all the wiring for the gatehouses at the front entrance at no charge.

Janet Holman made a motion that we return the \$200 to Mr. and Mrs. Miethe; 2nd by Tony. All approved.

The \$200 road damage fee will be waived for the Miethe property, and we will still deduct the \$200 annual Association fee and Road dues for 2010 from their escrow account.

- c. Tony brought up the fact that the owner of Lots A16 and 17 is billed every year for 2 Association dues and 2 Road fees. Tony said it is one combined lot; it is a single lot and is so registered in Onslow County, and we need to make the correction in our records so this doesn't happen next year.
- d. Tony advised that some people are still parking on the 'right of way' – he had one vehicle towed last week. He noted that anyone needing to park on the right of way must obtain permission from the Board.
- e. Jon mentioned the 'parking lot' just down the street from Casey's house; he has spoken to one resident there about the 'no parking'. Tony explained that there are 5 houses that no longer have gravel driveways-they are now grass. The Covenants state that all driveways must have hard-packed gravel or a paved driveway.
Tony stated that all those parking in their front yards will receive a registered letter advising that they have 30 days to move their vehicles, and after the 30 days the vehicles can be towed and the owners billed for the towing cost. The Covenants also states there cannot be any vehicles visible in your driveway that are **not** licensed, tagged or have a "for sale" sign on the vehicle. Libby asked about putting a note on the vehicles that are parked illegally; Tony said he has preprinted notes that she can put on the vehicle, and then call him and he will have the vehicle towed.
- f. Janet Holman and Libby both said they have issues with young people driving golf carts in an erratic manner and trespassing with them on properties. Tony said to get their name and/or description of the golf cart and call the Sheriff at 455-3113; he will come out and address them.

6. Amenities - no report

7. Security -

- a. Tony advised that all of the camera equipment has been ordered, and we just waiting for installation. He also mentioned that there have been 0 break-ins in the neighborhood, and that one house had minor vandalism to golf cars.

Janet Holman made a motion to accept the Security report;
2nd by Jon Frisch. All approved. Motions carries.

8. Legal - Tony advised that we are waiting for a document to come back from the attorneys re the lawsuit.

Old/Pending Business -

Cameron opened the floor for discussion on an item presented at last month's meeting regarding a raise in salary for our accountant, Hal Corzine.

(Hal excused himself from the meeting)

Tony said Hal is currently being paid \$500 per quarter, and he has been handling our accounts for almost a year. Hal handles 2 sets of accounts; Association and Roads, and he does a great job for CSPOA.

Janet Holman said even though Hal is a meteorologist by trade, he brings much experience with him. He also does the accounting for Escoba Bay and is very knowledgeable.

Cameron said that in the short time is has known Hal he finds him to be very conscientious and thorough, and he thinks \$600 is appropriate.

Tony made a motion to raise Hal's salary to \$600 per quarter; 2nd by Janet Holman. All approved. Motion carries and the new salary will be effective next quarter.

New Business

- a. Discussion of Liens and Foreclosures on properties in arrears of Association dues and Road fees –

Cameron said he doesn't feel at this time that he has a good comprehension of this subject to make a good decision or a valid contribution.

Tony noted that property owners have until March to pay the dues and/or fees.

He said we will need a list of liens, how long they have been in effect and when they expire. The Board will have to determine how many years to hold a lien before moving it to foreclosure.

Tony stated that he would be hesitant as a Board member to file for foreclosure until the document we are waiting for comes back from the attorneys.

Cameron asked with respect to the foreclosures what we will do with the property? Tony said typically the property is sold or put up for auction by the court and then the account is settled.

Tony noted we have only done 2 foreclosure letters, and the money was paid shortly thereafter. He also mentioned that some lot owners wait until they sell their lot before they pay what is owed.

- b. Cameron confirmed that he signed the contract for the rental of the community building for our meetings to be held this year.

Good and Welfare -

Adjournment -

Tony made a motion to close the meeting; 2nd by Jon. All approved.

The meeting was adjourned at 8:50 pm

Submitted by Janet Gargano, Secretary

March 16, 2010

Revisions and corrections made March 23, 2010 / JG

