

Willoughby End Homeowners Association

Annual Report

May 18, 2023

Board Members 5/23/22 to 4/20/23:

President: Don Colletta

Vice-President: John Thompson

Secretary-Treasurer: Jenny Clark

Current Board Members 4/21/23 to 5/18/23:

Acting President: John Thompson

Secretary-Treasurer: Jenny Clark

3rd Director to serve Colletta's 2-year term: to be appointed by John Thompson, Jenny Clark, and the newly elected Director immediately after the election.

The Board wants to thank Don Colletta for the countless hours of work in service to our HOA.

In addition to multiple e-mail communications virtually every day, numerous interviews with myriad vendors, countless walking neighborhood inspections, and phone conferences, the board officially met 17 times, as reflected in the meeting minutes from 5/24/22, 6/1/22, 6/8/22, 7/15/22, 7/21/22, 8/18/22, 9/15/22, 10/5/22, 10/20/22, 11/9/22, 11/17/22, 1/27/23, 2/16/23, 3/7/23, 3/16/23, 4/20/23, 5/1/23.

May-June 2022

Don Colletta was elected to a 3-year term on the HOA Board of Directors. He was chosen to serve the office of President, John Thompson the office of vice-president, and Jenny Clark the offices of secretary-treasurer..

The Giles-Flythe Reserve Study Update draft was disseminated for Board review and editing. The study mentioned the possibility of subterranean erosion behind Waterline Drive townhomes and advised soil testing to determine whether erosion was subterranean or surface in nature.

Phase I door staining was to be scheduled by Ruth Ann with her vendor, NHance for a bid of \$8100.00

July 2022

The finalized Giles-Flythe Reserve Study Update was shared with the community. Three engineering firms were interviewed, and Geo-Hydro was awarded the bid for soil testing to characterize the erosion. Cost for the Reserve Study Update (\$2500) and for the soil testing + utility location (\$6122) was: \$8622 paid from Reserves.

A mathematical dynamic reserve model was developed by Betty Turner and converted into an Excel spreadsheet by Don Colletta in order to help us build Reserve funds and to help determine how to pay for deferred maintenance as well as any significant erosion issues that might be identified. Budget research was ongoing in order to update current costs and to try to better project future costs.

Lewis Recreation Center was booked by Jenny for monthly HOA Board meetings on the 3rd Thursday of every month from 5p-7p (6p-8p in 2023). Don explained the new meeting format, which was to open to the community for questions and comments during the 1st 30 minutes, except for quarterly when the discussion time was to be extended to the first hour. The Board was to meet alone for the remaining time on those evenings.

Don wrote and the Board approved a detailed RFP (request for proposal) for lawn & grounds maintenance that included irrigation start-up and shut-down for both private and common element systems.

Don wrote and the Board approved an RFP for an arborist.

The Board announced a goal to review and update the DCC&R, By-Laws, and Homeowner reference documents later in the year.

August 2022

Jenny gave a detailed treasurer's update explaining a plan for paying for Phase I door staining from Reserves and making a Budget amendment to do so. Budgeting for Phase II door staining in 2023 would be planned for in the operating budget. Phase I door staining was completed for \$8100.

The Board awarded the dormer repair of 2 Waterline Drive to Rescue Roofing for the bid of \$850.

The Geo-Hydro soil testing results showed no subterranean erosion, only surface erosion that can be mitigated with mondo grass or similar plantings.

Jenny asked Ruth Ann for an HOA e-mail Directory.

September 2022

The Board awarded the lawn, irrigation, and groundskeeping bid to Brightview effective October 1, 2022. It was the cheapest bid and comparable to Roberts' total annual costs.

October 2022

The Board awarded the bid for underground gutter drain mapping and water jetting to NC Drainage for \$1300. Gutter cleaning was awarded to PMC, and NC Drainage was to follow PMC. Adam at NC Drainage offered (when affordable in the future) to conduit underground drainage via PVC piping and exit the pipes through the concrete curbing such that they would no longer clog or collapse.

The Board awarded the arborist bid to Beaver Outdoor Solutions with work to commence in December and likely continue into January. The estimate was just under \$9000.00.

After much study and deliberation, the Board approved the 2023 Budget designed by Jenny, Betty, and Don. Success of the 2023 Budget would depend upon 66 2/3 of members approving a \$1000.00 one-time assessment for the Reserve Fund and an increase in monthly dues of \$100/month to \$380/month (72.5% to Operating and 27.5% to Reserve).

November 2022

An AT&T Fiber Cable vendor Ansco worker admitted to Don that they likely damaged our electrical line at the entrance while laying cable down Pisgah Church Road. After Don made multiple efforts to prove the damage (using photos and invoices from Roberts' repairs, which totaled \$3500.00), the Ansco contractor denied responsibility and declined to pay to repair the power line.

A special assessment vote was called, and a quorum was reached. The HOA members voted to approve the \$1000.00 one-time assessment and an increase in monthly dues of \$100.00 to \$380/month with 72.5% to the Operating Fund and 27.5% to the Reserve Fund.

The Board approved an additional dead pine tree removal by Beaver for \$700, which included a 10% discount.

January 2023

Lewis Recreation Center changed our HOA Board meeting time to 6p-8p on every 3rd Thursday of the month.

The Board elected to send out a parking policy reminder via Priestley.

Crepe Myrtle pruning will be done hereforth per the arborist's advice for best tree health and was slated to be done in February per Del at Brightview.

The electrical repair issue at the entrance was ongoing, and Don was attempting to get a bid from Blake electric for the repair.

Vendor selection for Phase II door staining was underway.
Research on real estate HOA attorneys was underway.

February 2023

AnSCO abdicated responsibility for damage to our power line at the front entrance. The Board could not afford the money to hire an attorney or the time for small claims court on this issue.

The Board formed a nominating committee chaired by John Thompson.

Door staining bids were due.

The Board discussed investing some of the Reserve Funds in a CD at Towne Bank and met with bankers to gather more information.

The Board consulted Adam Marshall, an attorney at Law Firm Carolinas regarding amendments to the DCC&Rs. The firm also consults with Priestley. He advised that a re-write was unnecessary and prohibitively expensive. If amendments need to be made, they will cost between \$1500 and \$3000 each, and our Board has not budgeted for more than \$1500 for legal fees in 2023. The phone consult cost just under \$250. Mr. Marshall also advised that we read The Planned Community Act and peruse their website (lawfirmcarolinas.com) for free helpful blogs, articles, and other resources.

The Board voted to write off the \$9681 debt to the Operating account from the Reserve account that we inherited from developer Isenhour control days. Jenny asked Ruth Ann to have their accountant write it off.

March 2023

Jenny reported that Landscape Irrigation Systems was unable to bore beneath the street at the entrance to run a new electrical line and that a contractor they use said he would not bore there because of the risk to other buried lines. Cost for a regular contractor was estimated at \$3000-\$5000 IF one would agree to bore there.

Don met with an electrical engineer from Duke Energy, but there was still no viable, affordable remedy. The line powers the irrigation system on Torrington way, and the power cord housing is now cracking.

The Board approved the CNE bid for the Phase II door staining rotation. CNE was also awarded the bid to re-paint the entrance sign.

John Thompson reported that his nominating committee members were Hodges Carroll, Tina Rogers and Steve Holbrook. The Board approved the committee and nominations were to be submitted by March 28, 2023.

The Board voted to invest Reserve funds in a 4-month CD with Towne Bank, and began onboarding. The amount was to be decided after the next bank statements are reviewed.

Ruth Ann confirmed that the \$9681 was written off.

The turf erosion repair bid for the area behind 34 & 36 Midland Park Lane was awarded to Brightview.

Law Firm Carolinas could have a potential conflict of interest and should have provided an estimate for the consult we were billed for prior to the phone conference. Jenny contacted Erika Bales in Carrboro, but she is no longer practicing HOA law. Jenny obtained another lead from a real estate connection, and called attorney Margaret Chase. The Board compiled a list of questions and potential amendments and Don obtained a bid for \$1500-\$2500 for all of the revisions.

Bids for external inspections of townhomes were solicited from 3 vendors in August of 2022 to provide accuracy in budgeting. Vendors have been so far behind after COVID, that estimates finally started coming in March. Bids for roof inspections (that included nail pop repairs, caulking of boot vents) along with pressure washing as needed, dormer painting (additional for repairs & replacements to be given at the time of inspection) ONLY for the 18 older units along the East side came in at \$3000-\$4000 per unit. Since we were unable to obtain these estimates for 2023 budgeting, less than \$30,000 remains for the project after other budgeted items are deducted. These estimates are nearly triple what was anticipated

based on similar work done about 4 years ago. Additional financial analysis will be needed, and work will likely have to be done in phases unless an additional assessment is desired by the community.

April 2023

Don Colletta resigned as President and resigned from the Board of Directors.

May 2023

On May 1st, John Thompson & Jenny Clark voted to terminate our contract with Priestley Management Company due to multiple failures to fulfill promises delineated in our contract. The workload for the Board members has been burdensome and untenable over the past year, and we have been paying for services that the Board is performing. The Board thanks Joe Rogers for his research in vetting HOA management services for our community; he did an excellent job and saved us a great deal of time and energy. John and Jenny voted to enter a contract with Lambeth Management & Realty, Inc. effective June 1st.

John and Jenny voted to cancel plans to invest Reserve Funds in a CD with Towe Bank, as Lambeth gets comparable preferred rates at Pinnacle Bank. Jenny has since cancelled onboarding with Towne Bank.

Jenny contacted Ruth Ann and discovered that CNE still has not been scheduled for the Phase II door staining project. John contacted Kevin Hooker with CNE and discovered that his bid contract has never been signed. Ruth Ann has been asked for the contract and to schedule CNE ASAP. Michele Grimm with Lambeth has also requested contact information for CNE and understands that we also need to sign the bid contract. Jenny asked Kevin to have the contract e-mailed to her directly; CNE is currently about 4-5 weeks out from starting the project and will do the worst door first so that members can judge the results before the other doors are completed.

Conclusion

The transition from developer control since December of 2020 has been challenging to say the least. The Board inherited a budget in financial crisis, nearly two decades of deferred maintenance, and management agencies who were ill-equipped to support and help us triage all of our pressing needs. Moving forward, the view looks much brighter with Lambeth's experienced guidance. They are a smaller firm built on personal reputations, and they have the experience to help us gain firm financial footing while catching up deferred maintenance. Please offer patience and good will during their transition over the next two months: I believe we will all be greatly pleased and pleasantly rewarded.

Thank you to John Thompson's Nominating Committee.

Thank you to Joe Rogers for his research on Management Agencies.

A hearty thanks to John Thompson for 2 decades of service on the HOA Board.

Finally, thank you all for your attention and support.

Jenny Clark

Willoughby End HOA Secretary-Treasurer