

## Beachwalk HOA 2014 Annual Meeting Minutes

The annual meeting of the Beachwalk Homeowners Association ("HOA") was called to order at 10:00 a.m., on October 25, 2014, by HOA President Pat Brennan. Section 3.6 of the Bylaws requires 50% of the homeowners entitled to vote (43 of 85 homeowners) to be present at the opening of the meeting to establish a quorum in order to conduct the business of the HOA. At the opening of the meeting there were 31 homeowners physically present and 15 homeowners present by proxy. With a quorum established, the meeting proceeded.

After the pledge of allegiance, Pat made opening remarks outlining progress made by the HOA over the past year. She also reported that there had been some unauthorized use of Beachwalk's swimming pool and cabana by outsiders and some vandalism. She said that the Board will continue to call the police and will prosecute offenders if they are caught. Pat also raised the possible need for installation of security cameras in the future.

Tom Moffitt, HOA Secretary, also made some opening remarks about plans to repair the stormwater maintenance system and authorization in the proposed budget to use reserve funds to pay for the repairs. Tom explained that after the money is authorized the next steps will be to negotiate a contract for the repair and then to make the repairs in 2015. He said that this will be discussed in more detail later in the meeting.

### Approval of the 2013 Annual HOA Meeting Minutes

A motion was made to waive reading of the 2013 annual HOA minutes and to approve them as written. The motion passed by acclamation without discussion.

### Election of Board Members

This was the first election of Board members under the new Amended and Restated Bylaws. Under the new Bylaws, the Board shall consist of five members. The terms of the three old Board members continued in office until their 3-year terms ended, and the two newly created Board members were to be elected for initial 1-year terms (followed by 3-year terms for those Board seats thereafter). The objective was to create a system of staggered terms. Under this system, Pat has one year left on her 3-year term and will continue in office without the need to stand for election this year. Tom has two years left on his term, and Ted Gragg's term expires this year. However, Tom chose to resign his Board seat at the beginning of the meeting so he could run for a new 1-year term, with his replacement filling Tom's remaining two years of his vacated Board term. The net effect was that four Board members needed to be elected at the annual meeting, and only four homeowners ran for the four open Board positions:



1. Joe Truelove - 3-year term (Ted's expired Board seat).
2. Gary Stickley - 2-year term (remainder of Tom's vacated term).
3. Tom Moffitt - 1-year term (newly-created Board seat).
4. Bill Bryan - 1-year term (newly-created Board seat).

There was no opposition to any of these candidates. They were elected by acclimation and immediately assumed their positions as sitting Board members for the remainder of the meeting.

### Committee Reports

Social Committee – Julie Farris submitted a written report summarizing the Social Committee's activities during the past year. A copy of the Social Committee's report is attached as Attachment 1 to these minutes. Kate Gentile also made an oral report that supplemented the written report. She explained the Committee's need to replace items that are wearing out due to age. Some of these items, such as bar stools, card tables and TV, were considered by the homeowners separately during the 2015 Budget Review and Approval part of the meeting and will be discussed later in that portion of the minutes. Kate acknowledged that the proposed budget provided an increase in funding (from \$500 to \$1,000) for the Committee for the coming year. The Board expressed its appreciation for the Social Committee's time and effort on behalf of Beachwalk this year.

Maintenance Committee –The Maintenance Committee performed numerous maintenance tasks over the past year to repair Beachwalk's aging infrastructure. The Board expressed its appreciation to Mike Gentile and Joe Truelove for their efforts. Whenever there was a job to be done, they were the ones who took the lead and made sure the work was done. The Maintenance Committee also made numerous proposals for additional maintenance projects that were considered separately during the 2015 Budget Review and Approval part of the meeting and will be discussed later in that portion of the minutes.

Stormwater Committee – Chairman Jim Craig of the Stormwater Committee made an oral presentation. He explained the Stormwater Committee's plan for repair of the system and emphasized that repairs are necessary to repair Beachwalk's stormwater system and to bring it into compliance with our State permit. Jim said that the repairs will assure that Beachwalk has a safe system that protects Beachwalk homeowners' property as well as meeting the State's mandatory stormwater standards and requirements. He said that the Committee also has been meeting with the Town of Kure Beach to coordinate Beachwalk's repair effort with the Town's existing pipes and stormwater infrastructure to assure that there are no conflicts and problems.



Jim said that the cost of the project reflects use of sound engineering techniques (e.g., buried pipes, junction boxes and swales) to fix the system's problems and not just application of a "band-aid" approach to do as little as possible and "kick the can down the road" as had been done in the past. The plan will be to stay in the right-of-ways/easements and ponds as much as possible during construction and to repair any damage to homeowners' property caused by the construction activities.

Joe Truelove, a Stormwater Committee member and HOA Treasurer, then addressed the projected cost of the project. He used a chart he had prepared, entitled "Financial Impact of Stormwater Contract – 6 Months project." A copy of the chart is attached as Attachment 2 to these Minutes. Joe explained that much of the money needed to fund the repair project is either already in Beachwalk's reserve funds or will be there soon because the money will be collected in the reserve portion of Beachwalk's quarterly assessments before the project is completed. He said that the projected cost of \$250,000 is based on a "worst case scenario" with a 10% contingency for unforeseen problems. Joe said that under this "worst case scenario" there would be a deficit of \$23,919 in May 2015 when the project is completed with a resulting special assessment of \$535, at most.

Tom, the Board's liaison to the Committee, said that if the project is completed "under budget" (i.e., as reasonably planned rather than "worst case"), there may be a much smaller or even no assessment needed. Further, Tom said that authorizing the use of the reserve funds just set the stage for the next step in the process – negotiation of a sound contract with the professional engineer (and his company) who will carry out the project before any of this money will be spent. He also said that he will recommend to the new Board that an oversight committee be established to be made up of some homeowners with business/financial backgrounds and who have not been involved in the project planning. Their task would be to monitor the financial aspects of the execution of the repairs, i.e., making sure that the money is being spent appropriately pursuant to the contract. The Stormwater Committee would still be responsible for the engineering and construction aspects of the repair project.

Landscape Committee – Ron Bell, Chairman of the Landscape Committee, made a written and oral report. A copy of the Committee's written report is attached as Attachment 3. Ron reiterated what he stated in his report. The bottom line is that Charter knows nothing about an arrangement whereby Beachwalk is entitled to free cable and if Beachwalk wants cable TV at the clubhouse, we will have to pay for it.

Ron then addressed the landscape services provided by Landscapes Unlimited ("LU"). He said that landscaping is the HOA's largest single budget item. He said that LU appears to be providing a reasonable amount of services but there still



are some issues that need to be addressed. He said that Rick Morton has done a good job with Beachwalk's website and that LU's service schedule and scope of work is posted on the website. Ron advised homeowners who have problems or complaints about LU's services to call Cindy to have those problems resolved. Finally, Ron said that his committee needs more help in carrying out its duties and asked the homeowners to volunteer to help.

Architectural Review Committee ("ARC") - Bill Bryan made an oral report. He explained the protocol for homeowners seeking architectural approval and how the ARC evaluates applications and makes recommendations to the Board. He said that homeowners need to be patient with the process and not expect immediate results. He said that everything had been going well with architectural reviews and that there are two applications pending. He said that the ARC had reviewed both applications and would recommend approval at the next Board meeting. Bill submitted proposed changes to the ARC application forms for the Board to consideration. Pat said that the ARC's primary task next year should be to investigate proposed architectural guidelines for future projects.

Communications - The Board recognized the valuable service Rick Morton has made to Beachwalk by creating and operating the Beachwalk website at his own expense. Rick said he wants to expand the website to include a community bulletin board. A motion was made and seconded to reimburse Rick for actual expenses incurred to operate the website. The motion passed by acclamation.

### The Budget

After the Committee Reports, the budget was considered. Tom and Pat began by explaining that as members of the previous Board they had pared down the budget by opposing all expenditures that could be deferred. They did this in order to make as much money available for the stormwater repairs in order to minimize any possible special assessments that may be needed to fund the stormwater repair project. However, they said they would add individual items (set forth below) into the budget if homeowners voted to include them. The budget, as proposed, included authorization to use reserve funds (\$215,000) for stormwater system repairs in the coming year.

The separate items presented to homeowners for possible inclusion in the budget and how the homeowners voted on them are as set forth below:

1. Maintenance and electricity costs for the dolphin fountain in front of the pool and Beachwalk entrance (\$100 per month) - motion to approve inclusion in the budget was passed.
2. Cable TV service at the clubhouse - motion to disapprove - passed by acclamation.



3. New TV for the clubhouse (\$2,000) – motion to disapprove – passed by acclimation.
4. Key lock at tennis courts and possible conversion of the tennis courts to another use – motion to defer consideration until next year – passed by acclimation.
5. Marking tennis courts for pickle ball (\$1,500 for 1 year, \$5 per quarter per homeowner) – motion to defer consideration until next year – passed by acclimation.
6. Picnic pavilion (\$25,000; \$5,000 for 5 years; \$15 per quarter per homeowner) – motion to defer consideration until next year – passed by acclimation.
7. Horseshoe court (\$3,000; \$1,000 for 3 years; \$3 per quarter per homeowner) – motion to defer consideration until next year – passed by acclimation.
8. Replacement of outdoor lights at Beachwalk entrances (\$1,600 for 8 lights) – motion to defer consideration until next year – passed by acclimation.
9. Replacement of bar stools at clubhouse (\$1,000) – motion to defer consideration until next year – passed by acclimation.
10. Purchase of new card table and chairs (\$250) – motion to defer consideration until next year – passed by acclimation.

There was a discussion about using \$1,900 in the maintenance budget to hire LU or another firm to clean up the heavily overgrown area near Beachwalk's south entrance off Settler's Lane. Scott Garwicki volunteered to attempt to clean out the area with the help of other volunteers. The homeowners agreed to include the money in the maintenance budget in case the volunteer efforts are unsuccessful and the money is needed to hire LU to do the job.

Following consideration of the separate items discussed above, there was a motion made and seconded to pass the budget for next year. A property owner objected to an increase in the quarterly assessment to \$425 per quarter. After the discussion, the motion came to a vote. The motion approving next year's budget passed with 36 votes (83.7%) for approval and 7 votes (16.3%) to disapprove. A copy of the final budget is attached as Attachment 4 to the Minutes.

### New Business

Three items of new business were raised. First, a homeowner brought up that Beachwalk's entrance signs need maintenance. Joe responded that there is money budgeted to cover this cost.

Second, there was a request to consider opening the swimming pool one month earlier in the spring and closing it one month later in the fall. Cindy responded

that changing the time for opening and closing the pool would be difficult because the time period for opening and closing the pool is determined by the County Health Department.

Third, there was a question as to whether Beachwalk was required to have handicapped parking spaces at the mail box/pool area. Davis Lee responded that handicapped spaces are not required as long as Beachwalk does not accept State or federal funds for its operations.

Adjournment and Scheduling of Next Meeting Having concluded its business, the meeting was adjourned at 12:15 p.m.

This is the \_\_\_\_ day of October, 2014.

\_\_\_\_\_  
Thomas Moffitt, Secretary

Approved: \_\_\_\_\_

#### **ADDENDUM**

Immediately after the annual meeting ended, the Board of Directors conducted an organizational meeting and took the following action:

1. The Board elected the following officers: President – Pat Brennan; Secretary – Tom Moffitt; and Treasurer – Joe Truelove.
2. The Board approved the Minutes for the September 2014 Board meeting by unanimous vote.
3. The Board approved the architectural plans for construction at 205 Settlers Lane (David & Lori Bone) and at 313 Settlers Lane (Max & Sidney Frye).
4. In an effort to make the Board meetings more accessible, the Board decided to scheduled its meetings on the second Thursday of each month at 6:00 p.m.
5. The next Board meeting was scheduled to be held on Thursday, November 13, 2014, at 6:00 p.m. at the clubhouse.

Having concluded its business, the meeting was adjourned at 1:25 p.m.

\_\_\_\_\_  
Thomas Moffitt, Secretary

Approved: \_\_\_\_\_



## **Attachment 1 to the Annual Meeting Minutes**

### **Beach Walk social committee 2014 report for annual HOA meeting 10/25/14**

Members on file: Julie Farriss (Chair), Angela Hashem, Caryn Morrow, Donna Moffitt, Jan Truelove, Kate Gentile, Kate Shorten, Mary Wolf, Norma Craig, Patsy Ennis

Our Purpose/mission- To create a friendly and inclusive community culture that encourages respect, fellowship and involvement among neighbors.

Functions:

- Host 3-4 social gatherings at the community club house throughout the year.
- To maintain supplies relevant to our gatherings and manage the social committee budget
- Make evaluations and recommendations regarding club house amenities.
- Be a point of social contact for new homeowners and welcome them when they move in (voluntarily and upon availability).

A recommendation was made to the board to increase the social budget and to replace or add items to enhance and improve the amenities of the club house. A budget increase to \$1000 was approved and changes to the amenities were denied.

All social events for the year were well attended and the feedback was positive.

The majority of the \$500 budget has been used and the remainder will be spent to replenish supplies, add to Christmas decorations if needed or stock inventory of items for Welcome baskets (i.e., KB beach towels)

We highly encourage others to join us in our 2015 efforts to enhance the social gathering in our BeachWalk neighborhood. If you would like to be a part of our committee please contact any of the committee members listed above.

Respectfully submitted,

Julie Farriss  
Acting chairperson 2013/ 2014

**Attachment 2 to the Annual Meeting Minutes  
Financial Impact of Stormwater Contract  
(Attached as a separate document)**

**Attachment 3 to the Annual Meeting Minutes  
Report of the Landscape Committee re: Charter Cable Issue**

Several weeks ago I went to the local Charter office to further inquire about the equipment in our landscape and "free" cable. What I found out was the same that Cindy reported to us when she inquired in March. There is no record of any agreement for putting equipment in our landscape in exchange for service at the clubhouse. The employee I spoke with (Sam) had records of her e-mails when Cindy was there, but again corresponded with her supervisor while I was there. The supervisor has been here for twenty years and had not ever been familiar with Beachwalk in regard to cable service.

It is known that we had cable service for years and that the conversion to digital and the requirement for a box stopped our service and brought this to our attention. Though someone may know more detail about how we had service without an account or payment, the bottom line is that if we want cable service, we will have to pay for it.

In addition to the above, the day after I went to the Charter office, I met their representative at the clubhouse. The equipment we questioned is legally in the right of way proximate to other utilities and he was not familiar with any kind of arrangements for cable service in exchange for locating such equipment where it is.

So there you have what I have ascertained. The board and residents will now have to determine what we do with in regard to cable service.

Ron Bell  
Landscape Committee

**Attachment 4 to the Annual Meeting Minutes  
HOA Budget for 2015  
(Attached as a separate document)**