

**Seven Lakes West Landowners Association
Board of Directors Work Session
Tuesday, November 13, 2007
West Side Park Community Center**

Call to Order:

The president called the meeting to order at 8:03 a.m. Present: Jim Haggard, Mary Anne Fewkes, Blaine Rowland, Bill Mamel, Jo Nicholas, Kathy Kirst, Ed Tuton, Hugh Beckwith, and Ray MacKay. A quorum was established. Also present: Tony Robertson community manager, and Lois Rocco and George Ellis of the Finance Committee.

Secretary's Report:

The secretary provided each member a copy of correspondence received since the last work session. This correspondence will be appended to these minutes in the minute book. The absence calendar was circulated, and upon completion, copies were provided to each director and the community manager.

Minutes of the meetings held on Oct. 9, Oct. 23, and Oct. 30, 2007 were approved without objection.

Treasurer's Report:

Check detail, Profit & Loss Budget Performance, and Fund Status reports were circulated and discussed. Check #7417, issued for an appraisal came into question. It was explained that the appraisal was required by the insurance committee to ascertain the extent of coverage necessary to cover the value of association assets. After discussion, the treasurer's report was accepted without exception.

New Business:

Jim Haggard and Ray MacKay thanked the finance committee members for the considerable work completed in preparation of its recommendations.

Finance Committee Overview Statement:

The treasurer outlined the objectives established in preparation of the budget:

- Budget needs to be planned without a deficit.
- Balance the budget without having to take from reserves.
- Provide a pathway for increasing reserves in the future.
- Examine every line item and make plusses and minuses. Totaled about \$90K.
- Create a proposed operating budget that is less than current year operating budget after subtraction of the large amount for dam remediation.

2008-2009 Proposed Budget Review:

The board was provided budget requests by the lake and dam director, the infrastructure director, and the security director. In addition, the finance committee circulated a line-by-line budget exhibiting in four columns; the 2007-2008 budget, the 2008-2009 budget "wish list" arising from the budget requests of the aforementioned directors, their proposed 2008-2009 budget, and the dollar and percentage differences between the 2007-2008 budget and the 2008-2009 proposed budget.

2008-2009 Proposed Budget review (Continued):

This document was utilized by the board in evaluating the proposals of finance committee.

Numerous line items were discussed at length by various board members, and ultimately some will be changed by the finance committee based upon this input. The altered proposal, subject to further board review, will be available for evaluation shortly.

Recess:

The board recessed for luncheon at 11:53 a.m.

The session was called to order at 12:31 p.m.

2008-2009 Budget Issues/Proposal Discussion:

The president suggested a review of the associations fee structure based upon “lifestyle choices” pursued by the membership. This included possible additional fees for the number of vehicles registered per household, boat storage, boat slips, bar codes, mail boxes, Etc. A review of the fee schedule will be initiated.

The finance committee proposal reflects an overall reduction in community expenditures, not including dam remediation. That project will result in an overall increase in expenditures for 2008-2009, and a discussion ensued regarding the method of obtaining the increased funding needed for that work.

The finance committee recommended a dues increase, based upon the goals outlined in its overview statement above. Other alternatives considered included an assessment of the membership, borrowing the money, or invading present reserves.

Considerable discussion ensued, with primary focus upon the options of an assessment or a dues increase. After hearing well considered arguments on each side of the issue, the president elicited a non-binding straw poll of the board. Directors Kirst, Nicholas, MacKay, Rowland, Mamel, and Tuton favored the dues increase. Directors Beckwith and Fewkes sided with an assessment.

The infrastructure director pointed out certain projects not addressed previously, and the finance committee agreed to rework its process to find an additional \$15,000 to address these needs. Their recommendation will be forwarded to the directors shortly via email.

Recess:

Upon a motion by Blaine Rowland and a second by Ed Tuton, passed without objection, the meeting recessed from 2:18 p.m. until 2:32 p.m.

New Business:

It was announced that a representative of the USPS and Senator Dole will meet with association representatives Dec. 12th to once again discuss the possibility of home mail delivery. The president suggested assembling community “argument teams” to outline reasonable alternatives to the association. Bill Mamel exhibited photographs depicting mail boxes and street delivery kiosks in different communities he has visited.

He also noted that extensive landscape projects and lot clearings have recently occurred, which were not associated with new construction. As a result, the ARC is recommending that Section 5.01.2 of the Standards for design and construction be revised to require a fee of \$500 for such work. He moved that such a fee be instituted, and Blaine Rowland

New Business (Continued):

seconded. The legal director noted the community practice of a notice and public comment period prior to such changes. Director Mamel withdrew the motion pending the required notice to the membership at a General Session.

Executive Session:

Kathy Kirst moved that the board enter executive session, Jo Nicholas seconded. The motion passed unanimously.

Kathy Kirst moved that the board exit executive session, Mary Anne Fewkes seconded. The motion passed unanimously.

Other New Business:

Kathy Kirst moved, based on a recommendation by the personnel committee, that holiday bonuses totaling \$975 be distributed to the staff. Ray MacKay seconded, and the motion passed unanimously.

The issue of a cap of three bar code entries per household resurfaced. In cases where more than three are requested, the community manager was encouraged to utilize his best judgment in granting exceptions requested in written form by residents.

Mary Anne Fewkes noted that a subcontractor of Progress Energy was observed filling a tanker truck of water from the lake. A crew member stated that Dennis Brobst, Director of the Moore County Dept. of Public Works had suggested this alternative, as the county water system had no water available to fill their needs. Tony Robertson will discuss this matter with Mr. Brobst.

Adjournment:

Bill Mamel moved that the meeting be adjourned. Ray MacKay seconded and the motion passed with unanimity.

The meeting adjourned at 3:51 p.m.

Submitted by,

Ed Tuton, secretary