

Line Runner Maintenance Corporation Annual Meeting 2014 Minutes
6/7/2014 Red Lion Inn

Board members in attendance:

David Cronin, President

Jonathan Galpin, Vice President

Paul Kennedy, Secretary/Treasurer

Garry Field, Board member

Bill Huffman, Board member

Membership in attendance: _____. Quorum is met.

Meeting called to order at 10:17 AM by President David Cronin.

David introduced Mike Collins and thanked him for letting the association have the annual meeting there. Membership thanked Mike Collins with applause. Mike stated that he was happy to allow us to meet there and that the inn is open on Friday and Saturday nights with live music and dinner. It will open for Sunday lunch starting in July and Thursday evening with live jazz in the fall.

7 Motions made and passed throughout the meeting.

1. A MOTION WAS MADE BY ED KELLY TO ACCEPT THE MINUTES FROM THE 2013 LPMC MEETING. THE MOTION WAS SECONDED BY MARLENE CRONIN AND PASSED BY THE MEMBERSHIP.
2. A MOTION WAS MADE BY BILL ELFERDINK TO SET A WORKDATE AND TIME OF JULY 19, 2014 AT 9 AM TO LOWER THE SPILLWAY LEVEL AND CLEAR THE VEGETATION AND EXCESS ROCKS. THE MOTION WAS SECONDED BY GARRY FIELD. MEMBERSHIP PASSED THE MOTION.
3. A MOTION WAS MADE BY BILL ELFERDINK TO KEEP THE LAKE STOCKED AS NEEDED WITH FEEDER FISH AND GRASS CARP. THE MOTION WAS SECONDED BY DAVID CRONIN AND PASSED BY THE MEMBERSHIP.
4. A MOTION WAS MADE BY PAUL KENNEDY TO ADD ANOTHER BOARD MEMBER, BRINGING THE TOTAL TO 6, AND GIVING THE PRESIDENT THE DECIDING VOTE IN THE EVENT OF A TIE. THE MOTION WAS SECONDED BY KATHIE BRIOLA AND PASSED BY THE MEMBERSHIP.
5. A MOTION WAS MADE BY DAVID CRONIN THAT PAUL KENNEDY STAY ON AS SECRETARY/TREASURER FOR ANOTHER TERM. THE MOTION WAS SECONDED BY BILL ELFERDINK AND PASSED BY THE MEMBERSHIP.
6. A MOTION WAS MADE BY BILL ELFERDINK TO SET UP A LEGAL FUND OF UP TO \$10,000 ANNUALLY TO BE USED AT THE BOARD'S DISCRETION, WITH ROAD MAINTENANCE REMAINING

THE TOP PRIORITY FOR FUNDS. THE MOTION WAS SECONDED BY KATHIE BRIOLA AND PASSED UNANIMOUSLY BY THE MEMBERSHIP.

7. A MOTION WAS MADE BY JONATHAN GALPIN THAT THE BOARD SHOULD ATTEMPT TO RESOLVE ISSUES WITH JOSHUA SUMMIT AS SOON AS POSSIBLE, FILE A LIEN ON THE LRMC MEMBER WITH THE HIGHEST BALANCE DUE, AND USE DISCRETION ON WHEN TO FILE A LIEN ON JOSHUA PROPERTY OWNERS IF THE SITUATION CANNOT BE RESOLVED WITHOUT LEGAL ACTION. THE MOTION WAS SECONDED BY BILL ELFERDINK AND PASSED UNANIMOUSLY BY THE MEMBERSHIP.

Old Business:

Minutes:

A MOTION WAS MADE BY ED KELLY TO ACCEPT THE MINUTES FROM THE 2013 LRMC MEETING. THE MOTION WAS SECONDED BY MARLENE CRONIN AND PASSED BY THE MEMBERSHIP.

Road:

Jonathan Galpin provided background on the new accounting system (Xero) and how its implementation led to greater recovery of dues owed to the association from past years. Both the board and the accountant can see the software online. We currently have \$42,434 in accounts receivables; there are more than \$17,000 in unpaid dues (see spreadsheets on financials on website). The new accounting system provides easier and more frequent billing of the membership and has resulted in greater collection of dues. It was noted that the financials now separate the costs associated with maintenance of the first 0.6 mile of Line Runner Ridge Road from those costs incurred for all the other roads in the subdivision.

Paul Kennedy explained that the accounting system had been set up and monitored primarily by David Cronin and Jonathan Galpin, but going forward, more data entry would be pushed to the accounting company. All financial data for road maintenance is on the website, broken out as stated. Overhead costs are applied to the road account and none to the dam account. Records indicate there are 83 property owners on Line Runner and 17 on Joshua Summit.

Due to difficulties in providing good data for the members at the June meeting, the board decided to use data from the prior calendar year in reports and invoices to members rather than the July-June fiscal year. Actual expenses for the first 0.6 miles of Line Runner Ridge Road (LRRR) came out to \$190.57 per property owner for 2013. Year over year, the first 0.6 miles account for 65-80% of all expenditures on roads. Overhead was ratioed to costs for first 0.6 miles and costs for the rest of the road.

David Cronin explained that all roads need to be ambulance and fire truck passable. That will require a long-term program to improve all roads under administration by LRMC. Bids were solicited from several contractors, including Jerry Henderson. Jerry suggested both a 1-year and a 3-year plan to bring up

the quality of the roads. The board decided to begin working the 3-yr plan as monies permit and began implementing same.

Update on paving road:

Due to interest shown by LRMC members, inquiries were made regarding paving the first 0.6 miles of LRRR. Jonathan Galpin met with the road engineer used by the city of Brevard concerning paving the first 0.6 miles of LRRR. Paving would be actual asphalt over a good base, not the chip and tar previously used. The engineer said that, if we went with his firm, for \$6000 they would: provide core samples of the current road base at various locations, create bid specs and a list of materials, evaluate firms capable of doing the road work, collect the materials and insure that the correct materials were used in the right locations on the road (oversee construction), and take core samples of the finished work. The engineer's guess at cost if the work were done now was about \$141,000 for 0.7 miles (to summit of hill just past the Joshua Summit Road). Amortized for 5 years at 7% it would be \$1400 per property owner or \$289 per owner per year. If amortized for 10 years at 7%, cost would be \$190 per owner per year. However, due to delinquencies and overhead, actual costs would be closer to \$240 per owner per year.

Garry Field stated that he had researched the lifecycle of paved roads. Lifetimes depend on soil types, weather, sunlight and other factors, but roads must be resurfaced every 10-20 years. Resurfacing is less expensive than building the road initially. A "soft poll" of members at the meeting indicated the majority were in favor of paving the first 0.6 miles of LRRR.

Discussion on road maintenance:

Susan Sunflower initiated a brief discussion of the use of lime on the gravel roads to cut down on dust and maintain a better surface in the winter. She questioned whether we used enough when we did use it. David Cronin stated that we used calcium chloride (CaCl_2) rather than lime as it was effective but less corrosive than lime. It was quite expensive so we didn't use it often. Bill Huffman said that the soil here doesn't bind with the CaCl_2 as well as with clay soils, so it isn't as effective in hardening the road. George Valentine stated that, in his experience, more CaCl_2 didn't improve the surface more than a small amount did. That opinion was seconded by Garry F. based on its use on the roads of Line Runner Ridge subdivision.

Bill Elferdink asked about the use of soil cement as part of the road bed. Bill Huffman said that you would have to remove soil for about 2 feet, mix the soil with the cement, replace it, then pave over it. It isn't as effective with the type of soil we have here as with sandier soils.

Bennett (Goldberg?) _____ asked if paving the road would help with getting the county to maintain the roads. Bill Huffman responded that it would not, that the right of way of the roads were not to county standards, that we would have to blast out part of the mountain to widen our roads. Costs would be prohibitive. Paul Kennedy then stated that we would spend \$42-45,000 for each of 3 years to pave the road but our maintenance costs would drop significantly. George Valentine said that paving that portion would decrease the wear and tear on vehicles using the road. Nancy Loupe commented

that paving the road would make the road less passable in icy conditions and might increase traffic on the road (non-members). David Cronin stated that 2-wheel drive vehicles already have trouble with our roads in winter, even with gravel. The ensuing discussion included salting the pavement to melt ice or scraping to the pavement to remove ice, not as effective with a gravel road.

Bennett _____ asked if there could be communication to the members whenever road work was scheduled. For members needing work on their private driveways, costs are sometimes cheaper if the contractor can combine the work into one trip to LRRR. David Cronin suggested that members wanting such work should send an email to board members.

Jonathan Galpin summarized the arrangement with George Valentine regarding plowing of Line Runner Ridge roads following significant snow events. George is paid a \$100/month retainer for 6 months of the year in exchange for reduced hourly rates and making Line Runner Ridge roads his top priority. His first priority is the first 0.6 miles of LRRR, the second is all public roads in Line Runner Ridge in order of use, then remaining roads and private drives (as privately agreed with George). Frannie Markham asked how far the snow removal goes and was told it went to the gate at the lake. Cindy Black said that maintenance, not just snow removal, should go beyond the gate to the end of LRRR. Paul Kennedy stated that was on the list for future work as the association gets all the roads in better shape. David Cronin stated that in 2014 concentration for improvement would be on Willow and Ridge roads.

Paul Kennedy stated that road/dam dues should have gone to \$425 this year as voted on at the 2013 meeting. However, due to implementation of the new accounting system and efforts made to compile data for this meeting, the increase was not implemented for 2014. It will be implemented in the next invoice cycle.

Dam:

Bill Huffman summarized the actions taken with the dam and the lake to satisfy the state of North Carolina. The dam was built in the 1960s, with improvements in the 1980s. The old spillway pipe rusted and the dam began to leak. It took about a year of hard effort, but the state approved our plan and we implemented it. The lake is filled by rainfall, with evaporative loss replaced by springs feeding the lake. Hard rains can result in the lake overflowing (covering the small red pipe). 1" of rain = 2" rise in the lake. The state wants the water level to always be below the top of the red overflow pipe. Several residents near the lake have agreed to monitor the water level routinely. The spillway is part of the passive drainage control for the lake. However, it has overgrown with vegetation, allowing the level of the spillway to be too high. We need to lower the level of the spillway to promote proper controlled drainage of excess water in the lake. A MOTION WAS MADE BY BILL ELFERDINK TO SET A WORKDATE AND TIME OF JULY 19, 2014 AT 9 AM TO LOWER THE SPILLWAY LEVEL AND CLEAR THE VEGETATION AND EXCESS ROCKS. THE MOTION WAS SECONDED BY GARRY FIELD. MEMBERSHIP PASSED THE MOTION.

Bill H. explained that there is a small spring at the base of the dam of which the state is aware. There is also naturally occurring seepage through the dam. Either can result in clear standing water at the base of the dam, and both are non issues. However, trickling water or muddy standing/trickling water indicates the formation of a hole in the dam and should be brought to the attention of the board. Bill H. also stated that we need to build a contingency fund for future work on the dam.

Fish:

There was a discussion of the fish in the lake. The fish are growing, but we still need to implement a catch –and-release policy for the next 2 years. We also need to add more minnows and sterile grass carp. Estimated cost to restock is \$800-1000.

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Lake real estate:

Thanks were expressed to Cindy Black and Carson _____ for signing a quit claim to deed the dam to LRMC. Dave Cronin took care of the necessary work to have the lake deeded to LRMC as a tax-exempt property. That action prevented any private individual from laying claim to the lake.

The group took a break at 11:37 am. The meeting resumed at 11:52 am.

Officers and Board:

The term of the secretary/treasurer and one board member expired as of this meeting. Nominations for the board member position included Garry Field and Nancy Loupe. A discussion ensued as to whether the number of board members could be increased from two to three. It was agreed that the board could be increased to a total of 6. In the case of a tie vote, the president will have the deciding vote. A MOTION WAS MADE BY PAUL KENNEDY TO ADD ANOTHER BOARD MEMBER, BRINGING THE TOTAL TO 6, AND GIVING THE PRESIDENT THE DECIDING VOTE IN THE EVENT OF A TIE. THE MOTION WAS SECONDED BY KATHIE BRIOLA AND PASSED BY THE MEMBERSHIP. Garry and Nancy were then voted on the board by the membership.

The floor was opened for nominations for secretary/treasurer. Paul Kennedy was the only nominee and agreed to repeat in the position. A MOTION WAS MADE BY DAVID CRONIN THAT PAUL KENNEDY STAY ON AS SECRETARY/TREASURER FOR ANOTHER TERM. THE MOTION WAS SECONDED BY BILL ELFERDINK AND PASSED BY THE MEMBERSHIP.

Update on Joshua Summit road dues:

Paul Kennedy initiated a discussion of the status of collecting dues from the folks on Joshua Summit. He explained that 1/6 of funding for the first 0.6 mile of LRRR is the responsibility of Joshua Summit property owners. The board has communicated with Kathy Walter as the Joshua Summit representative. The Joshua folks (Joshua) stated that they wanted actual expenses and transparency

in finances. Both were provided. Joshua disagrees with LRMC on two points: 1) they do not want to pay forecasted annual expenses (want to be billed at the end of the year on actual expenses); 2) they do not include any improvements or overhead as part of ordinary costs of road maintenance. Joshua consulted an attorney, as did LRMC. The first point was resolved as Joshua agreed to being invoiced on forecasted annual expenses. The second point, however, has not been resolved, and the two attorneys gave opposing opinions.

A second discussion ensued regarding legal actions available to LRMC to collect delinquent road dues from LRMC or Joshua property owners. The first action available is to place a lien on the property, followed by initiating foreclosure proceedings. The cost of legal action could range from \$750 to upwards of \$7000 per property if the action was contested. After a lengthy discussion, a motion was made to establish a line item in the budget for annual legal affairs. A MOTION WAS MADE BY BILL ELFERDINK TO SET UP A LEGAL FUND OF UP TO \$10,000 ANNUALLY TO BE USED AT THE BOARD'S DISCRETION, WITH ROAD MAINTENANCE REMAINING THE TOP PRIORITY FOR FUNDS. THE MOTION WAS SECONDED BY KATHIE BRIOLA AND PASSED UNANIMOUSLY BY THE MEMBERSHIP.

It was mentioned by Jonathan Galpin that members can approach the board regarding a hardship situation where payment of dues would pose an undue problem, and a payment plan can be arranged. No lien would be filed on any member in good standing on a payment plan.

There followed an extensive discussion of if and how liens should be filed in the near future. The discussion involved filing liens on those members and Joshua property owners having the highest balance of delinquent dues. A MOTION WAS MADE BY JONATHAN GALPIN THAT THE BOARD SHOULD ATTEMPT TO RESOLVE ISSUES WITH JOSHUA SUMMIT AS SOON AS POSSIBLE, FILE A LIEN ON THE LRMC MEMBER WITH THE HIGHEST BALANCE DUE, AND USE DISCRETION ON WHEN TO FILE A LIEN ON JOSHUA PROPERTY OWNERS IF THE SITUATION CANNOT BE RESOLVED WITHOUT LEGAL ACTION. THE MOTION WAS SECONDED BY BILL ELFERDINK AND PASSED UNANIMOUSLY BY THE MEMBERSHIP.

New business:

David Cronin stated that the association documents are all 25+ years old and are somewhat vague in places. The board will initiate a review of the documents and make suggestions for updates.

The meeting adjourned at 12:57 pm.