

Minutes of Alyson Pond Annual Meeting – July 2020 - Preliminary

Board Members in attendance: Adam Gartenberg, Erica Penny, Jenipher Riddle Wilson, Mckenzie Wright, Jennifer Pearce, Scott Brammer, Mike Clement

1. Introduction of Board Members

- a. New board members elected via mail-in vote prior to the annual meeting.

2. Committee Reports

- a. **Facilities** – Moved flower beds and lettering on entryway signs and really filling in nicely now. Removed bushes by lower parking lot to discourage people from parking and hanging out in the lot at night. Pool opened a few days late due to remediation work needed in pump house. Completed repair work on tennis court lights. Clubhouse closed due to COVID.
- b. **Architecture** – Request to make sure have signatures from all neighbors impacted by the change in order to approve requests quickly.
- c. **Social** – Lot of interest in food trucks and will work to arrange to have them come to the community. Looking forward to doing more once are able to gather in person again.
- d. **Treasurer** – Everything is in good order. Roughly \$35,000 in operating account, \$46,000 in reserve account as of last month.

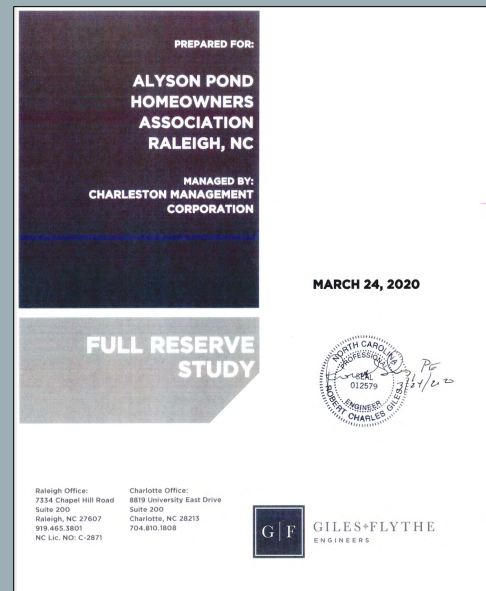
3. President's report

- a. Things seem to be going well with the pool in general. Appreciate everyone following the COVID rules. We've been checking in to make sure not going over maximum headcount; never bumped up against it. Do have reports of people doing things not safe in general and especially now (e.g., blowing nose in pool).
- b. Moot point right now, but did revise guidelines regarding number of guests allowed for pool and parties – relaxed things a little bit, but still asking to be respectful of other residents at peak times. (Right now, asking people not to bring guests at all due to COVID).
- c. Installed a tennis court backboard – has been requested for a number of years.
- d. As mentioned, removed bushes on Yucca parking lot. Also looking to see what else can do to bring more light to that area and possibly add more security cameras in that area.
- e. As a reminder, our HOA covenants prohibit parking things like boats or RVs on property, including on the driveway. This is something built into our covenants. We have two sources of guidance – covenants and guidelines. The guidelines mention boats and RVs in passing in introduction, and will look to update guidelines to make it clearer. Boats and RVs are in covenants and requires 75% vote by the community to change. Homeowners with inoperable cars in the driveway has come up, as well. We are subject to City of Raleigh guidelines. Have requested and will formalize in guidelines that if have inoperable vehicle that you cover it with a car cover.

- f. Street parking is another topic that has come up. There are several areas of the neighborhood – curve on Yucca, parts of Coxindale, Averell. There are sections with very limited visibility and is dangerous when cars come around fast. There is a limit to what we can do as an HOA as these are city streets. Ask that people respect neighbors and recognize the difficulty that can happen when park in those areas and consider parking a little further down the street to make things easier for your neighbors. You can continue to raise concerns with the board, but there is a limit to what Board can do.
 - g. As Mike mentioned, are enforcing that everyone impacted by a change do sign off on architectural requests. Can mean backyard neighbors or across the street. We've learned from experience where there have been issues in people skipping certain neighbors and they weren't even informed of the change. If you need help reaching out to a neighbor, please let us know so we can help in those exception cases. They're not approving the change, just acknowledging they're aware and have a chance to raise concerns
- 4. Would like to get feedback on tennis lessons offered through TennisBloc on our courts. Started last summer; has been going on a few seasons now. Formally only 1 day a week. Special situation this summer where they brought Durant Trails members over and we told them we don't want them doing that again.
 - a. No comments or concerns raised
- 5. Reserve Study (see below for additional details)
 - a. First time done since ~1994
 - b. Professional assessment of property, facilities – projection on anything might need to spend money on for upkeep or replacement and guidance on what we need to budget to cover it from reserve funds.
 - c. Current annual reserve contribution: \$28,800/year (24% of budget). Alyson Pond Covenants limit dues increases to 5% a year. Current dues are \$289/6 months. We have been raising at 5% limit for a number of years now. Did slow down during last recession, but have resumed. As the community ages, our facilities are going to need more upkeep.
 - d. Study covers looks out over 20 years. Example of key expenses (without inflation):
 - i. Site improvements: Resurface asphalt (\$75k), dredging stormwater bond (\$170k)
 - ii. Amenities: Resurface swimming pool (\$48k), Reconstruct tennis/basketball courts (\$120k), replace playground equipment (\$35k)
 - iii. Mechanical, electrical
 - e. All told, accounting for inflation, are forecasting \$1.3M in capital expenditures. At current contribution level, start falling below threshold balance by 2025.
 - f. They proposed two alternatives (which are not the only alternatives that we could take)
 - i. Increase contribution \$8,700 every other year althrough 2033 (an average of \$3.59/month per household).

- ii. Increase annual reserve to \$5k in 2021 and increase 4.5% each year remainder of the term.
 - g. No immediate action right now. Adam's recommendation is continuing to raise dues the max 5% a year and allocating most of that increase to reserve funds.
 - h. Discussion
 - i. Glad we did report on future planning. Feel we should be building up reserve to try to avoid special assessments.
 - ii. This will not be decided tonight, so folks can think it over and bring up comments at any time.
- 6. Homeowner Forum
 - a. Thank you to the folks who volunteer on the board. Appreciate you all stepping up to serve all of us.
- 7. Meeting adjourned

ALYSON POND RESERVE STUDY SUMMARY – 7/20



WHAT IS A RESERVE STUDY?

- A reserve study is a long-term capital budget planning tool which compares the current reserve fund of an organization to future capital repairs and replacements.
- A reserve study is a tool to help identify and prepare for major repair and replacement projects for a community.
- It is recommended that a reserve study be performed every five years to ensure that communities are saving the necessary funds for capital repairs and improvements.

CURRENT ANNUAL RESERVE FUNDING

- Fund annual reserve \$28,800/year (24% of budget)
- 2020 Dues are \$289/6 months
- Alyson Pond Covenants limit dues increase to 5% a year

EXPENSE ESTIMATES

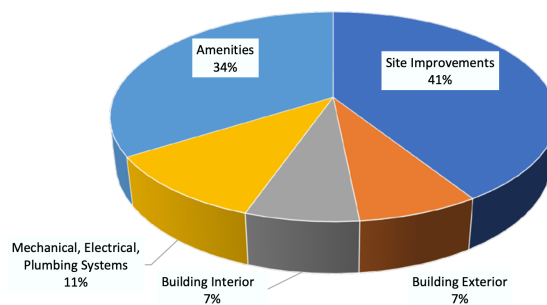
Capital Item Description	Quantity	Unit	Unit Cost	Total Cost Per Cycle	Estimated Useful Life (years)	Estimated Remaining Life (years)	Notes
Site Improvements							
Crack fill, seal coat, stripe asphalt paving	3,420	SY	\$2.00	\$6,840	5	1	
Resurface asphalt paving	3,420	SY	\$22.00	\$75,240	20	6	
Concrete flatwork repair	50	SY	\$125.00	\$6,250	8	1	Approx. 5% every 8 years
Paint/repair aluminum fencing	405	LF	\$15.00	\$6,075	15	3	
Common area drainage improvements	1	LS	\$7,500.00	\$7,500	5	0	
Allocation to prepare for dredging stormwater pond	1	LS	\$170,000.00	\$170,000	20	15	
Repairs to wood pedestrian bridge	1	EA	\$4,000.00	\$4,000	15	3	
Repairs to entrance sign monuments	2	EA	\$3,500.00	\$7,000	10	5	
Repair/replace landscape irrigation and lighting	1	LS	\$12,000.00	\$12,000	10	5	
Building Exterior							
Paint clubhouse, pool building, pergola	1	LS	\$9,000.00	\$9,000	7	1	
Replace clubhouse and pool building roofs	35	SQ	\$310.00	\$10,850	20	17	
Replace clubhouse windows	14	EA	\$800.00	\$11,200	30	0	
Replace clubhouse exterior doors	4	EA	\$2,000.00	\$8,000	30	10	
Replace pool building exterior doors	2	EA	\$900.00	\$1,800	15	10	
Allocation to prepare for structural repairs to pergola	1	LS	\$10,000.00	\$10,000	30	19	
Building Interior							
Replace vinyl flooring in living room and kitchen	1,120	SF	\$6.00	\$6,720	15	10	
Paint interior walls and trim	1	LS	\$5,000.00	\$5,000	10	5	
Replace kitchen cabinetry and countertops	1	LS	\$15,000.00	\$15,000	25	19	
Replace kitchen appliances	1	LS	\$2,500.00	\$2,500	15	10	
Refurbish clubhouse restrooms	2	EA	\$7,500.00	\$15,000	25	5	
Allocation for furnishings/artwork/television replacemen	1	LS	\$15,000.00	\$15,000	15	10	

Capital Item Description	Quantity	Unit	Unit Cost	Total Cost Per Cycle	Estimated Useful Life (years)	Estimated Remaining Life (years)	Notes
Mechanical, Electrical, Plumbing Systems							
Replace clubhouse HVAC system components	4	Tons	\$2,500.00	\$10,000	15	9	
Replace pool pump and filtration equipment	1	LS	\$3,500.00	\$3,500	3	2	
Replace exterior sconce and motion light fixtures on clubhouse building	12	EA	\$250.00	\$3,000	15	2	
Replace column-mounted lighting around pool	8	EA	\$250.00	\$2,000	15	14	
Replace clubhouse water heater	1	EA	\$1,800.00	\$1,800	15	10	
Upgrades to access control and security systems	1	LS	\$10,000.00	\$10,000	10	7	
Replace water fountain	1	EA	\$2,200.00	\$2,200	15	3	
Replace tennis court pole lighting	4	EA	\$1,000.00	\$4,000	20	15	
Allocation to prepare for repairs to electrical/plumbing systems at clubhouse	1	LS	\$10,000.00	\$10,000	30	19	
Allocation for buried utility repairs repairs	1	LS	\$20,000.00	\$20,000	20	19	
Amenities							
Resurface swimming pool	2,700	SF	\$18.00	\$48,600	12	8	
Repair/replace portions of pool furniture	1	LS	\$5,000.00	\$5,000	3	2	Approx. 1/3 every 3 years
Replace playground equipment	1	LS	\$35,000.00	\$35,000	20	5	
Replace site furniture including benches and picnic table:	3	EA	\$800.00	\$2,400	10	1	Approx. 1/2 per period
Recondition acrylic tennis and basketball courts	1	LS	\$15,000.00	\$15,000	5	3	
Reconstruct tennis and basketball courts	1	LS	\$120,000.00	\$120,000	20	18	
Replace fencing around tennis court	450	LF	\$35.00	\$15,750	20	18	

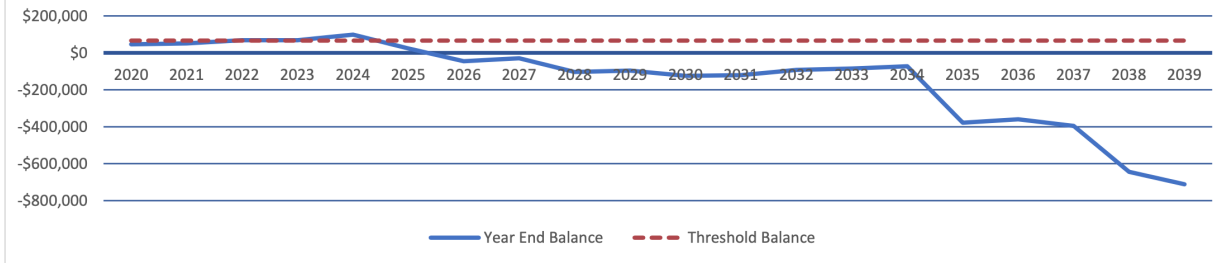
EXPENSE SUMMARY

Total over term capital expenditure (un-inflated)	\$925,920
Total over term capital expenditure with inflation:	\$1,328,135
Average estimated annual capital expenditure with inflation:	\$66,407
Current Reserve Account Balance	\$35,611
Full Funding Balance	\$272,262
Percent Funded	13.08%

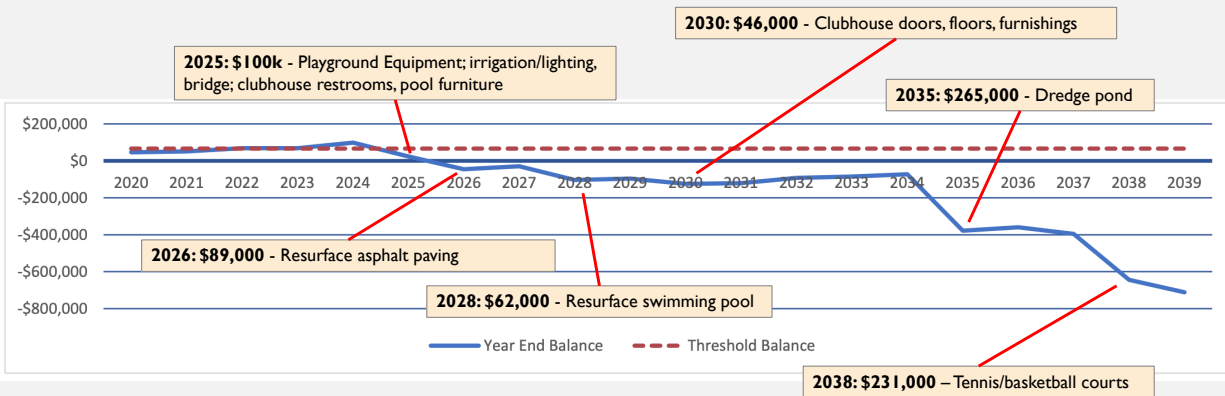
Breakdown of Total Costs by Type



CURRENT FUNDING ANALYSIS



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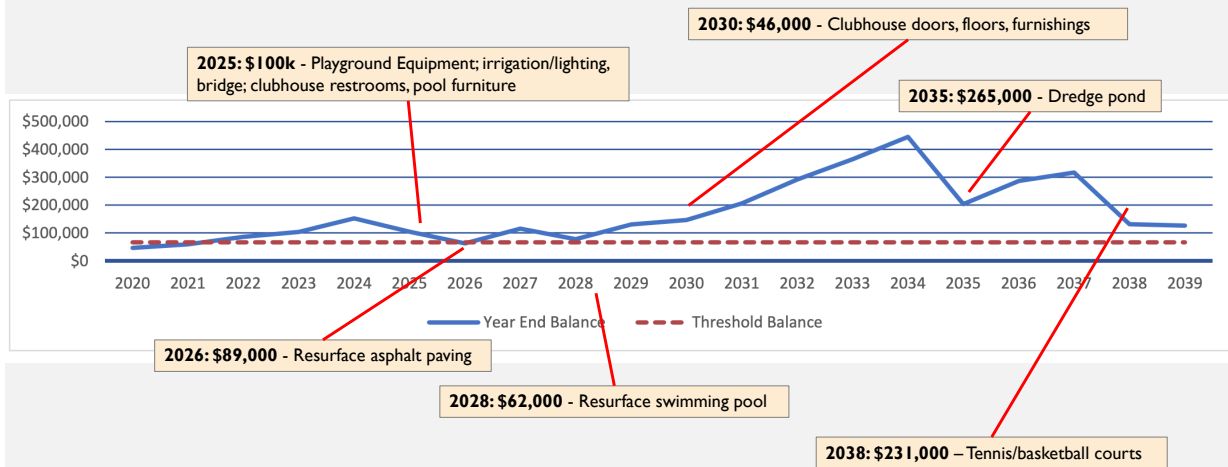


Only major expenses shown; expenses are adjusted for inflation (3%/yr)

PROPOSED ALTERNATIVES

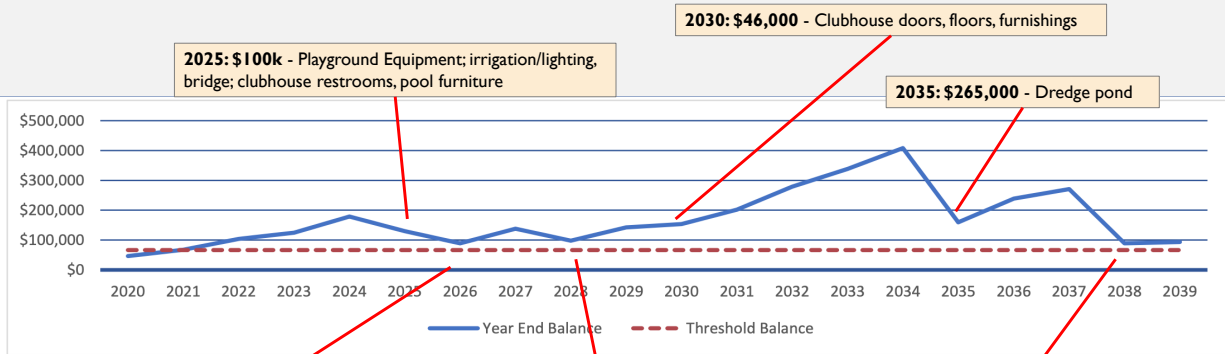
- **Current:** Fund annual reserve \$28,800/year
- **Alternative 1:** Beginning in 2021, increase the annual reserve contribution by \$8,700 every other year through 2033. An \$8,700 increase would be an average of \$3.59 per unit, per month. This alternative is projected to maintain a positive balance through the term of this study.
- **Alternative 2:** Increase the annual reserve contribution rate to \$45,000 in 2021. Thereafter, increase the annual reserve contribution by 4.5% each year for the remainder of the term. This alternative is projected to maintain a positive balance through the term of this study.

FUNDING ALTERNATIVE I



Only major expenses shown; expenses are adjusted for inflation (3%/yr)

FUNDING ALTERNATIVE 2



Only major expenses shown; expenses are adjusted for inflation (3%/yr)