Summit Park Home Owners Association

Annual Meeting

8/24/19

Minutes

**Greetings and Introductions:**

Summit Park HOA Board President Michelle Joyce welcomed HOA members at 2:10 pm. She introduced members of the Board in attendance: Cecil Cross (new Vice President, former Secretary); Kadie Dean (Treasurer); Beth Campbell (new Secretary). Owing to the resignation of Ben Collins, previous Board Vice President, there were some mid year changes to the Board’s composition. Former Board Secretary Cecil Cross agreed to serve as Vice President, and resident Beth Campbell agreed to join the Board and serve as Secretary until the Annual Meeting, when new elections would be held. On behalf of the Summit Park HOA and HOA Board, President Joyce expressed appreciation for the length and quality of Ben’s service to our neighborhood and HOA.

Michelle also expressed appreciation for the absolutely whiz bang electronics and PowerPoint work Tom O’Brien did for this meeting, and for Bill Joyce’s help setting up the meeting space. Bill is a masterful placer of both chairs and reflectors.

We then went around the room and introduced ourselves, giving names and Summit Park addresses. Neighbors also said whether they were year round or part time residents; if part time, most also told the group where their primary residences were. Quite a few of those who are not yet year round hope to eventually spend more significant periods of time here; some look forward to retiring in the neighborhood.

**Meeting Called to Order:**At 2:20 it was decided there was a quorum and the meeting was called to order. Neighbors were reminded that there were library parking passes at the entry table, and all were encouraged to check the information they received upon entry to make sure their names, addresses, and other contact information was correct.

**Motion to Approve 2018 Minutes**:

Michelle asked for a motion to approve the minutes from last year’s HOA meeting.

A motion was made to approve last year’s minutes.
The motion was seconded.

There was no discussion.

The motion was approved by acclamation.

**President’s Report**

Overview: The neighborhood is in good shape. Our roads are in good condition, and we are financially sound. We did have some weather related issues last year related to hurricanes, snow, and ice, but our roads and drainage systems withstood both well. The treasurer’s report will go into the details of those issues, but the overview is that we came through the year in good shape.

Report on Dues:

We wanted to get a sense of how Summit Park’s dues compare to other nearby HOAs, so Beth looked into that for us:

* Sorrento Skies: $250 per lot per year
	+ Sorrento Drive is state maintained, which cuts down significantly on their road costs.
	+ Sorrento Skies is a much more highly regulated neighborhood. There are restrictive covenants in place that regulate building size, building materials, architectural styles; view obstructions; and so on. The neighborhood does not allow short term rentals (less than 30 days)
	+ There’s a very long history of fee reduction in the neighborhood, though no further details were provided.
* Willow Trail: $425 per year
	+ Willow Trail is close to us, comparable to Summit Park but slightly lower and smaller.
* Goshen Valley: $850 per year
	+ Goshen Valley is also close and comparable. Although slightly lower in elevation, it also has areas where roads are steep. All roads are maintained by their HOA.

Real Estate

* Real Estate values are doing well in the High Country, particularly in Watauga County. Sales are up 12% and median home prices are up 20% in Watauga this year. We have new construction in the neighborhood.
* New construction on Grandview Drive Extension. The house is about 1800 square feet, and has a stunning view. The house is offered for sale at $425,000, and the builders tell us that they have five buyers interested in the house.
* Rentals in the neighborhood have gone up significantly. In the past three years, the number of homes used as rentals has doubled. We estimate that approximately 20% of the homes in the neighborhood now fall under that category. Over the last several years, the Board has begun to hear more complaints about renters, especially with regard to noise, and parking that impedes other residents’ access (when renters park on roads, or in the yards or driveways of other residents). We’ll have an opportunity to talk about that today.

Road Report

Last year’s work:

* Paved the top of Grandview, and on Grandview Drive Extension north 700 feet from Summit Creek Trail.
* Drainage Improvement in the vicinity of 111 Summit Creek Trail.
* Guard rails along the catch basins along Grandview (south side of the road between Grandview Drive Ext and George Hayes). The first contractor’s work was not up to snuff. We then contracted with Mike Cole to replace those rails; his work was much better.
* We engaged Mike Wilson to do a road consultation for us. He did one last year, too, and our thinking is that it is likely a good idea to have one done every year, as that will help us to stay on top of emerging road or drainage issues. Wilson focused on Summit Creek Trail and Grandview Drive Ext. The results of his survey were that there is no road work that absolutely has to be done this year. It would be wise to take care of the Summit Creek Trail and Grandview Drive Ext projects soon, but neither has to be done this year.
* The first sharp curve (bends to the left if you’ve just turned right from Grandview) on Grandview drive Ext is becoming an issue of concern. Both the curve and the culvert present safety risks, especially in the snow, fog, and/or rain. We engaged Mike Wilson to see what we might (and should) do about that curve. We’d like to widen that curve, place the culvert completely under the road, and repave that part of the road. An estimate from Moretz Paving Company was received. The cost to do the work is approximately $15,0000. Consideration was given to just adding rip rap and gravel but paving is a safer and longer lasting solution. A more detailed scope of work will be obtained and property owners in that area will be contacted to let them know the scope and timing for this project. Guardrails may be added to the downhill side where there is a steep drop off. The Board would like to fix that area of Grandview Drive Ext this year; that budget item is in this year’s budget.

A neighbor asked about culverts, and whether we need to address where homeowners put culverts. There was some discussion, concluding with a statement that we need to work with property owners to make sure everything is done correctly. It was also suggested that we think about a guard rail for that corner.

* Eight pieces of the larger guardrail on the north side of Grandview Drive hill need to be replaced. These pieces do not run fully from post to post; there are splices in the middle that might not hold if they were hit. There was an estimate of $2,200 to do the repairs. We do need to fix those.
* Please feel free to contact any board member if you have questions or concerns about the neighborhood’s roads and drains.

**Treasurer’s Report** (Kadie Dean)

* Our Road Reserve funds were at Highland Bank, earning very little return. We moved the funds to a money market account that earns 1.8%. The current rate is down to 1%, but that is still better than the half a percent we were earning.
* Several items went higher than budgeted.
	+ Common area maintenance was higher. Two hurricanes left us spending more on clean up than we’d budgeted.
	+ Mowing and snow removal were also higher.
	+ The guard rail repairs and paving costs were higher than anticipated.
* For FY 2019, our total income was $52,850. Total expenses were $63,615, putting us $10,765 over for the year. Fortunately, we have a healthy reserve fund.
* FY 2020 Budget: In 2019/2020, we project $56,000 in income and $51,500 in expenses, which would leave us with $4,490 in net income.
	+ Some regular costs will be higher going forward
		- In FY 2019, we paid $650 for Quickbooks; the charges for FY2020 are $755
		- We have increased the coverage on our Fidelity Bond, a theft protection instrument that protects the HOA’s assets. Our former premium of $400 covered us up to $100,000. Since our current cash reserves are closer to $200,000, it seemed wise to increase the bond accordingly. In FY 2020, we will pay $800 for coverage of up to $200,000.
	+ The proposed budget does not specifically show the guardrail expense we discussed, as the estimate did not come in before we had to submit the budget to HOA members in time for the annual meeting. Instead, we added extra to the paving budget, in order to cover what we though it might cost. It does work out.

**Motion to Approve FY 2020 Budget:**

A motion was made to approve the budget.

The motion was seconded.

There was no discussion.

The motion was approved by acclamation.

**Summit Park Rental Properties:**

An increased number of rental properties has resulted in increased concerns from neighboring residents. As a result, the Board felt it was appropriate to discuss the issues and hear from our homeowners on this topic. Michelle made a brief presentation on concerns reported by residents, the governance documents that address and regulate rentals, and reviewed suggestions for homeowners who rent and for their neighbors.

Rentals are allowed in Summit Park Estates. In the original deed restrictions written in the 1960s, the only exceptions made to the prohibition on signs were for name signs, or signs that said “For Sale” or “For Rent.” This indicates that rentals have not been prohibited in Summit Park Estates. Further, section 3b of the Restrictive Covenants explicitly states: “Rental of residential dwellings is permissible.” We know that people rent houses in our neighborhood, and most renters are good. Today’s discussion is really about raising some of the issues that have been brought to the attention of the Board, and to mitigate concerns. The most pressing issues include:

* Parking, especially that which obstructs roadways or blocks homeowner’s access to their property
* Noise, especially loud noise that goes into the night hours
* Disregarding Summit Park speed limits

By our estimation, there are currently 10-12 homes in Summit Park that are rented, which accounts for approximately 20% of the neighborhood’s homes. This is a significantly higher percentage than existed even a few years ago, and there are concerns that increasing numbers of renters is having an impact on the character of the neighborhood and the quality of life here.

The Board wishes to remind members of the HOA’s Restrictive Covenants, Bylaws, Deed Restrictions, and Rules, all of which can be found on the Summit Park HOA website

( <https://www.summitparkhoa.com> ). The issues we discuss today are specifically addressed in one or more of those documents, which homeowners are provided when they purchase property in Summit Park.

The Summit Park HOA Rules state that “occupancy of any dwelling shall be for single family residential purpose only”; as discussed in the meeting, in North Carolina, single family is legally defined as “2 or more people related by blood or marriage.” In accordance with these Rules, gatherings of non-related people are specifically disallowed. Examples might include fraternity or sorority parties, business meetings, groups of non-related contractors, school reunions, bridal or stag parties, and so on. These kinds of gatherings are not allowed by the Rules. The neighborhood was built as a single-family neighborhood, and we want to maintain that character.

Here are the rules, guidelines, and prohibitions that those who rent out their homes should know:

* Adhere to the single family rule
* No obnoxious activity
* Please inform your renters that roadways must not be blocked. Renters should not park on the roads for any extended period of time. (This goes for contractors, too.)
* Please inform renters that they may not park on or otherwise use the property of others without their consent.
* Watauga County’s noise ordinance specifies quiet hours between 11pm and 7am. Please inform your renters of this ordinance.
* Inform your renters of the Summit Park Rules
* Inform your rental agencies and property management companies of the Summit Park Rules
* If you rent out your property, please share your contact information with your Summit Park neighbors
* Please provide adequate parking for your renters so that they do not block roads or infringe on other’s property
* Please inform contractors not to block roads

Here is what neighbors can do:

* Please try to accommodate one another’s concerns. If you can solve a problem without escalating, please try. But if you need to bring in the Board or the Sheriff, don’t hesitate.
* Keep in mind that Watauga County’s noise ordinance specifies quiet hours between 11pm and 7am. If there is a problem with noise and you cannot reach the homeowner, call the Sheriff. Feel free to call the Sheriff if there are significant disruptions outside of the quiet hours as well.
* Remember that if there are persistent problems with a property you cannot get resolved, you can bring your concerns to the Board. Involve the Board.
* Exercise reasonable judgment.

The Board is providing three documents to owners of rental properties for use in helping renters understand the neighborhoods rules:

* Notice To Renters
* Watauga County Noise Ordinance
* Summit Park Rules

In an open discussion the members expressed their opinions about rentals in Summit Park. Many excellent comments were made both in favor of rentals as they are and some suggesting that restrictions be placed on the length of the rental period, e.g., 30 days vs. ninety.

Michelle proposed sending the issue out to neighbors for a specified public comment period, prior to any action being taken. This proposal was acceptable to the group. (The presentation on rentals is now posted on our website, including the documents that can be used with renters.)

**Election of the Summit Park HOA Board**

Michelle presented the current slate of candidates:

* President: Michelle Joyce
* Vice President: Cecil Cross
* Treasurer: Kadie Dean
* Secretary: Beth Campbell
* Member at Large: Mike Franckewich

Michelle asked for nominations from the floor. There were none.

She asked if a voice vote was sufficient. The members present agreed.

She asked for motion to re-elect.

A motion to re-elect the Summit Park HOA Board of Directors was made.

The motion was seconded.

The motion was carried by acclamation.

**New business**

None

All members were invited to the home of Tony and Anna Gentile (who have been smoking meat in preparation for our arrival) for the HOA Annual Potluck.

**Adjourned: 3:47 PM**

Respectfully submitted,

Beth Campbell, Secretary