

**Cole Mill Townes Homeowners Association  
Minutes of Meeting  
November 18, 2020 – Conducted Via Zoom**

**ATTENDEES**

Bruce Lewis, HOA Board Member  
Angie Padget, HOA Board Member  
Sharon Terry, HOA Board Member  
Dennis & Jeannette Porter  
Chris McLeod  
Jim Pellichen (proxy for Michelle)  
Mike Mimms  
Brad Boswell  
Jamie Beasley  
Bianca Lupan  
Helen Gordon  
Jai & Linda Bradford  
Jim Alrutz  
By Proxy Submitted to Bruce  
Valinda Hicks  
Phyllis Dalton

**WELCOME** – Bruce Lewis, HOA President

**QUORUM**

Bruce: It takes 12 for a quorum. Angie reports that we have 15 homeowners present (including the 2 proxies), so we have a quorum.

## ROOFS

Bruce: Bruce sent out an update on the roofs & dues with the announcement of this meeting. In short, the Board has concluded that our current roof replacement plan (replacing roofs on 1 building a year through 2025) is not workable. The Board has decided to speed up the schedule by replacing the roofs on 2 buildings a year during 2021, 2022 & 2023. This would mean that the roof on the last building will be completed by the first of couple months in 2024. On this schedule, we will have all roofs replaced by their original manufacturer-estimated lifetime of 25 years, and within their remaining life indicated by the roof evaluation we commissioned in 2018. We don't have specifics on which roofs will be replaced when; we will continue to follow the practice of prioritizing the unit/building that is in most need.

## DUES

Bruce: In order to fund the speeded-up schedule for replacing the roofs, the Board has decided to surge the dues over the next 3 years. In 2024, we can consider rolling the dues back, however, they won't roll all the way back, because we will still need to accumulate a sufficient amount in the roof reserve to replace them the next time. The dues will be increased to \$271 per month in the 2021 budget. If we have un-budgeted expenses that come up (such as the trim repairs this year), that will cut into the reserve. After all roofs are replaced, the projection is that roofs will need to be replaced again starting in 2040.

### At This Point a Question/Answer and Comment Session Ensued

Mike: Does the budget include tree removal?

Bruce: When Bruce sent out an email regarding tree removal earlier this Fall, he was trying to see if people objected to the visual loss of the trees. There was no objection, but he clearly heard from homeowners that roofs should be the priority. At that time, we didn't realize that the cost to take down the trees is the same cost as trimming the trees: \$500 per tree + \$25 each for grinding the stumps. Trimming was supposed to be done every 2 years; however, in February 2020, Bruce told Arnold to hold off in order to save funds for the roof replacements. This winter, we will need to have these trees trimmed or removed since it will have been 3 years since the last trimming. These trees are already causing the concrete to lift, so they really need to go. Since the cost is the same, the Board decided to take down the Bradford Pear trees (not to include the 2 at the entrance). We will not replace them now but will wait until we are in a better financial position to do so. When these trees are to be replaced on Culpepper, we will ask for suggestions as to what to put back. The funds to remove the Bradford Pear trees will come out of the 2021 maintenance line in the operating budget, the same source that would have funded the trimming. This will not affect dues.

Helen: If they were budgeted last year, why didn't we do it?

Bruce: They were not specifically budgeted. Tree trimming (or removal) comes out of the general maintenance line in the operating budget. At the point that this came up, we were facing a larger-than-expected cost for the trim repair, so we wanted to conserve the funds for the roofs.

Chris: She appreciates Bruce's attention to detail and work he has done.

Jim P.: Regarding trees, he has noticed a lot of trees hanging over roofs, which is not good for the roofs. A tree is hanging over his daughter's roof in her unit (Michelle in 803).

Bruce: Our lawn maintenance contract does not include of tree trimming. We have to hire a separate company to trim the trees at additional cost, and that cost is taken out of the operating budget.

Linda: Which trees are to be removed?

Bruce: The Bradford Pears, except for the ones at the entrance.

Linda: Not trees at the back or side of their house? Their back tree is on top of their roof. They mentioned it when purchasing the townhome but were told that they had to wait until they were a homeowner to bring up the tree issue.

Bruce: That tree is not scheduled to be taken down at this point. Sorry to have to be so tight, but roofs are the top priority.

Chris: Her understanding is that residents in Cole Mill Townes resisted increasing dues for a long time.

Mike: These things weren't brought up at the time. Bruce is doing it right.

Jim P.: Could trees be trimmed back when the roof is replaced in a building?

Dennis: Coordinate trim with roof schedule?

Jim P.: Have we thought about putting in leaf guards?

Bruce: Yes, but we will have to wait until after roofs are completed and we can get in a better financial position.

Dennis: He wants to see a budget with roof projections.

Bruce: Indicated that he will send Dennis his cost projection and budget figures. For the average cost per unit for roof replacement, he used figures from the latest roof replaced, on 1103. The original estimate was for the entire building and included the cost of a garage roof replacement, although that wasn't done. Unit 1103 has skylights (the roofer will not warranty the roof unless he also replaces the skylights). Bruce took into account the cost of those 3 things (unit roof, garage roof, and skylights), and the cost came out to around \$7,900 per unit this year. Bruce used a 5% inflation factor per year for future projections.

Jamie: The trim isn't finished. She has rotten wood on her dormers.

Bruce: After the trim work was repaired, Bruce and an inspector from Allenton Management went through the neighborhood and created a punch list of places missed on the original work; this list has been submitted to the contractor, so there is more repair work to be done on the trim. The siding on the dormers is not considered trim and was never included in the scope of the trim repair project.

Jamie: Dormers were mentioned in our last meeting. *[Post-this-meeting note: the Board members do not recall dormers being brought up in the January 2020 HOA meeting; likewise it was not noted in the published minutes of that meeting.]*

Bruce: There are other units where the siding on the dormers needs repair. He has been told that we likely cannot replace one piece of siding on a dormer because of the overlap; we may have to replace all of the siding on the side of the dormer where the deterioration is, so it will likely not be a trivial cost. Dormer repair will not be scheduled until the roofs are complete and funds are available.

Jamie: We discussed dormers at the last meeting. Nobody got back with homeowners regarding what work would be done. She expected feedback as to why the dormer work wasn't done.

Bruce: Dormers were not included in the trim repair project.

Dennis: Jamie expected trim to be done on her bay window as well. Has anyone assessed that? The area around her bay window is flaking up.

Jamie: Area around her bay window is rotten on the inside. They keep putting plywood on it, but moisture keeps building up.

Dennis: Exterior trim should be replaced at HOA expense.

Bruce: The HOA is responsible for the exterior of the units, including dormers and bay windows, in addition to the trim, and these problems will eventually be addressed throughout the complex at HOA expense. The priority right now is to replace the roofs, and all the funds from the dues increase for 2021 are ear-marked for the roofs in the 2021 budget. If we want to address other problems (dormers, bay windows, tree trimming) we can consider a special assessment or increase the dues more than what they are planned in the 2021 budget.

Dennis: This needs to be done and budgeted. It sounds like we've been in reaction mode for a long time.

Bruce: Do you want to make a formal motion?

Dennis: Made a motion to undertake a complete assessment of everything that needs to be done now and for the foreseeable future and a formal agreement as to what is covered.

Helen: 2<sup>nd</sup> Dennis's motion.

Helen: Will this assessment include awnings rotting?

Bruce: Yes, it would include everything.

Mike: If a roof leaks, that creates a huge problem; the priority should be roofs.

Bruce: If the motion for a comprehensive assessment passes, Bruce will ask Arnold to have an assessment done on all townhomes. That should give us an itemized list of what needs to be done, however it will not give us the costs. For that, we will have to engage a contractor to give us cost estimates based on the specific items of work to be done.

Dennis: He understands that inflation will be a factor but would like to have a starting point.

Brad: What is the cost to have an assessment done of all units?

Dennis: Should we vote on that – as to whether or not to pay for an assessment? We would need to know the cost to have this done.

Brad: The cost of the general assessment will come out of the maintenance line in the operating budget. Should we agree on a capped amount to spend for an assessment, such as \$4,000?

Dennis: Do we need to vote on whether to spend \$4,000 for an assessment?

Bruce: We can vote on your pending motion or you can withdraw the motion for a comprehensive assessment, and I can check with Arnold first to find out the cost of the assessment.

Dennis: Find out what an assessment will cost.

Bruce: Should we consider Dennis's motion withdrawn (for a comprehensive assessment) and request that I check with Arnold about the cost for a comprehensive assessment?

Dennis: Yes, motion withdrawn.

Jim P.: Could we have repairs on dormers done at the same time of roof replacement?

Bruce: Not the way the budget is proposed tonight.

Jim P.: Can we look at doing it?

Chris: Roof workers do not do the trim work.

Jim P.: Can we allocate funds for dormers when doing the roofs?

Bruce: That will increase the cost for the roofs. The budget proposed tonight doesn't have dormer repair costs included.

Jim P.: He hears concerns about trim and dormers and other issues.

## **BUDGETS**

Bruce: Reviewed the 2020 budget to date and the 2021 budget. The 2021 budget is based on dues of \$271 per unit per month. The operating budget will remain the same as in 2020 (this year's actual operating expenses, versus the budgeted operating expenses, are holding up well through October 31, with the exception of the more-than-thought cost of the trim repair). The amount budgeted for the roof reserve is approximately doubled in the 2021 budget. The only way it will not all go toward roof replacement is if we have an emergency like this year's trim work. The cost of completion of the trim work project has been included in tonight's budget calculations. The Covenants require that the Board present a budget (which Bruce has just done); per the Covenants, it is automatically accepted unless there is a motion to reject it. There was no such motion.

Chris: What if we round the \$271 dues for 2021 up to \$300 a month? Almost all HOA dues she has seen recently were north of \$300. If we do so, could we address some other issues along the way to protect the roofs and exterior? She would prefer a \$50 a month dues increase to a special

assessment. We need to be careful about expecting a dues rollback. We should have a sufficient reserve to be able to make better decisions going forward. Could we calculate it out and see what it would cost to add some flexibility to the budget?

Brad: Increasing the dues from \$271 to \$300 would yield an additional \$8,000 in 2021.

Bruce: This will not affect the proposed 2021 operating budget, which seems to be sufficient for our typical ongoing expenses. The dues at \$271 will provide enough funds for the roof replacement on two buildings in 2021, per the new roof replacement schedule, barring any unforeseen expenses. If we have an increase to \$300 instead of the proposed \$271, the extra \$29 per month can be put into a miscellaneous category for deferred maintenance, to start addressing some of the items mentioned in this meeting (tree trimming, dormers, bay windows, awnings, etc). In the future, he wants to budget in more detail, after we get out of crisis mode with the roofs.

Dennis: If Chris made a motion, Dennis seconds it.

Bruce: We have a motion to set the dues for 2021 at \$300/mo, and a second. If there is no further discussion, let's take a vote.

Angie: 13 voted for raising the dues to \$300 per month in 2021. (Although Bruce had Valinda and Phyllis's proxies, he did not vote those because they were not aware of this topic.) The motion passed.

Bruce: The additional \$8,000 we just voted for will go into a miscellaneous category in the budget for the purpose of beginning to address deferred maintenance projects. He will have Arnold republish the budget document with these changes and send it back out, probably after the first of the year, so it can include the final numbers for 2020. He will ask Arnold to send a letter no later than December 1 advising homeowners of the dues increase to \$300/mo, effective January 1.

## **ELECTION OF BOARD**

Bruce: The CMT By-Laws require a Board of at least three and no more than seven HOA members. Angie, Sharon and I have agreed to stay on the Board for 2021. Does anyone else want to join?

Helen: What does it entail?

Bruce: Going to his house for meetings or having discussions via email.

Helen: She wouldn't be opposed to joining.

Bruce: Instead of voting on each one individually, can we agree on unanimous consent for these members to comprise the 2021 Board? Does anybody disagree? (No one disagreed) The CMT Board for 2021 will consist of Bruce Lewis, Sharon Terry, Angie Padget, and Helen Gordon.

**OTHER BUSINESS** - None

**MEETING ADJOURNED**

**ATTACHMENTS (on the following two pages)**

Update on Roofs and Dues for 2021 (sent to HOA members prior to the meeting)

Roof Replacement Plan, Dues and Budget (sent to Dennis Porter per his request at the meeting)



11/8/2020

## **Cole Mill Townes – Update on Roofs**

I believe that everyone is aware that replacing our roofs is the biggest challenge facing the Cole Mill Townes (CMT) Homeowners Association (HOA). Last year we commenced on a plan that would have replaced all of the roofs by 2025. So far, we have replaced the roofs on three units: 601 & 602 in 2019 and 1103 in 2020. This year we received indications that the roofs are in worse shape than we had thought: some of the units had roof leaks, inspections on the units that sold this year recommended new roofs, and the supervisor of the crew that did the trim repair opined that much of that damage was caused by the failures of the roofs. Consequently, *the board has decided to speed up the replacement of the remaining roofs*. Our intention is to replace the roofs on two buildings each year in 2021, 2022 and 2023. On this schedule, we will have all roofs replaced by their original manufacturer-estimated lifetime of 25 years, and within their remaining life indicated by the roof evaluation we commissioned in 2018. We don't have specifics on which roofs will be replaced when; we will continue to follow the practice of prioritizing the unit/building that is in most need. Although our preference is to replace the roofs in a given building all at once, we will replace a single unit roof if circumstances warrant, as we did this year on 1103. All new roofs will get the same shingles as on the already-replaced roofs.

## **Cole Mill Townes Dues for 2021**

During 2020 we had to dip into the reserve funds to help pay for the repair of the rotted wood trim, which was more extensive than we realized. This action, combined with the decision to speed up the schedule for roof replacement, means that we will not have sufficient funds to address the roofs at the current level of dues. Consequently, *the board has decided to surge the dues over the next three years*. We feel that this approach is preferable to a one-time assessment. The dues increase for 2021 will be \$49 monthly, taking the dues to \$271 per month. There will also be dues increases in 2022 and 2023; these amounts will depend on the future costs for the roofs. At this point, we are not planning on any increases in the operating budget during the next three years (which may not be a realistic assumption, so this may have to change). The board will consider rolling back the monthly dues in 2024. Keep in mind that once we get the roofs replaced on this round, we will need to accumulate a sufficient amount in reserve to replace them the next time, as well as to address deferred-maintenance projects.

**Cole Mill Townes - Roof Replacement Plan, Dues & Budget - After the HOA Meeting on 11/18/2020**

**New Roof Replacement Schedule**

<u>Year</u>	<u># Buildings</u>	<u># Units</u>	<u>Projected Cost</u>
2021	2	7	\$57,922
2022	1.67	6	\$52,130
2023	2	7	\$63,859
	6	20	\$173,912

**Monthly Dues**

<u>Year</u>	<u>%Increase</u>	<u>\$Increase</u>	<u>Dues</u>
2020			\$222
2021	35%	\$78	\$300
2022		To Be Determined	
2023		To Be Determined	

**Roof Reserve**

<u>Year</u>	<u>Budget</u>	<u>Balance*</u>
2020	\$16,671	\$30,452
2021	\$32,196	\$4,726
2022	To Be Determined	
2023	To Be Determined	
*At End of FY		

\$7,881 Average cost per unit roof in 2020  
 5.0% Inflation rate for future years

**Operating Expenses**

<u>Year</u>	<u>Budget</u>	<u>Miscellaneous</u>
2020	\$42,600	
2021	\$42,600	\$8,004
2022	To Be Determined	
2023	To Be Determined	