

**Cole Mill Townes Homeowners Association
Minutes of Annual Meeting
November 29, 2022 – Conducted Via Zoom**

HOMEOWNERS IN ATTENDANCE

Bruce Lewis, HOA Board Member
Angie Padget, HOA Board Member
Sharon Terry, HOA Board Member
Chris McLeod
Brad Boswell
Valinda Hicks
Michelle Pellichen
Kelly Kelly
Proxies Submitted to Bruce
 Bianca Lupan
 Phyllis Dalton
 Helen Gordon
Proxies Submitted to Valinda
 Mike Mims

WELCOME – Bruce Lewis, HOA President

QUORUM

Bruce noted that it takes 7 for a quorum on the second round. Angie reported that 8 homeowners were present, with 4 proxies, so a quorum was reached.

BUDGETS

On 10/21/2022, Bruce sent out a summary of the 2022 budget, including expenditures through 9/30/2022 and the 2023 budget (see 1st attachment).

Referencing this document, he began with a review of the 2022 budget. Starting with the roofs, he reported that, per the three year plan, two roofs were to be replaced this year: the 1100 building was finished in July and the 1000 building is scheduled for early to mid-December.

Bruce then turned to the 2022 operating expenditures, indicating that he had received the November financial statement from Arnold just this morning and after his review he concluded that the operating budget is tracking well.

Next, Bruce took up the topic of the deferred maintenance projects in the 2022 operating budget. In addition to completing the projects from last year with funds carried over from 2021 (repairing siding on the dormers that are in the worst shape, one-time basic repair of the decks, planting new trees to replace the Bradford Pears that were removed on Culpepper), he reported that the Board prioritized two new projects for these funds this year. First, pressure washing the buildings and concrete (this starts our schedule of pressure washing once every 2 years). The second project for 2022 is trimming trees inside the perimeter. That has not been scheduled yet but will be done in January 2023 with carryover funds from 2022.

Bruce then moved on to the next agenda item, the 2023 budget. He announced that the monthly dues, commencing 1/1/2023, will be \$365/month; the majority of the increase will go for roof replacement. We will replace the roofs on the final two buildings next year (400 and 800) – in July and December. When completed at the end of 2023, we will finally have new roofs on all buildings.

Next, he turned to the operating expenses in the 2023 budget. There have been increases in several lines due to inflation, as shown in the attached budget sheet. A new line has been added for annual tree trimming inside the perimeter. There is a \$2k cushion/surplus in the maintenance line in case the costs of next year's roof replacements come in higher than budgeted due to higher than anticipated inflation.

Valinda asked if the dues would remain at \$365 a month after 2023. Bruce replied that he thinks they will, but can't guarantee that because the budget is impacted by inflation.

STRATEGIC PLAN

Bruce then discussed the updated strategic plan (see 2nd attachment). A key feature calls for a new budget category of reserve funds (Capital Maintenance) to accommodate major tasks that should regularly occur, but not necessarily annually. These include painting, replacing awnings, and pressure washing. These funds will be collected annually and carried over in reserve until they are needed, in the same way we will accommodate the next roof replacements. Painting will be done once every 10 years, awnings will be replaced every 12 years, and pressure washing will be done every other year. In order to get started on these schedules, roof replacement monies to be directed to the new Capital Maintenance reserve category during 2024 and 2025 to fund the

catch up on these big maintenance projects, which have been postponed while we have been focusing on the roof replacements. In 2026 these funds will be reinstated to the Roof Replacement reserve account to fund roof replacements in 2045. Likewise, in 2026 we will update the strategic plan based on new assessments of the costs and inflation factor for our long-term needs.

ELECTION OF BOARD FOR 2022

Bruce indicated that the CMT By-Laws require a Board of at least three and no more than seven HOA members. He said that he, Angie and Sharon had agreed to stay on the Board for 2023. It was agreed by unanimous consent that these members would stay on the Board. Bruce asked if anyone else wanted to join the Board; no one volunteered.

OTHER BUSINESS

Bruce noted that Arnold will send a letter to all homeowners formally announcing the 2023 dues. Early in 2023, the finalized 2022 CMT financial statement will be sent to all homeowners via email.

Bruce reminded everyone that the CMT web page contains numerous documents, including the strategic plan, minutes of meetings, end-of-year financial statements, and HOA directory, as well as our policy and governing documents.

MEETING ADJOURNED

ATTACHMENTS (on the following pages)

2022 Budget/Expenditures and 2023 Budget & Dues (sent out on 10/21/2022 & 11/25/2022)

Strategic Plan (sent out on 10/21/2022 & 11/25/2022)

Cole Mill Townes
2023 Budget

	2022	2022	2023
	<i>Actual</i>	Budget	Budget
INCOME	Mo Dues:	\$330	\$365
HOA Dues		91,080	100,740
Other income		0	0
TOTAL INCOME		91,080	100,740
	<i>Expenditures</i>		
	<i>To</i>		
OPERATING EXPENSE	9/30/2022		
Maintenance	9,193	12,500	8,500
Exterminating	920	1,000	1,000
Tree Trimming	0	0	1,400
Lawn Maintenance	14,867	24,000	24,000
Pine Straw/Mulch	4,918	4,000	5,000
Insurance	632	550	650
Management	2,700	3,600	3,600
Water/Sewer	506	600	650
Electricity	930	1,225	1,225
Snow Removal	525	800	800
Legal/Accounting	300	265	330
Miscellaneous	0	64	10
TOTAL OPERATING EXPENSE	35,491	48,604	47,165
ROOF RESERVE FUND	17,210	42,476	53,575
TOTAL ANNUAL BUDGET		91,080	100,740

Dues Components in 2023	
Operating Expense	\$171
Roof Reserve	<u>\$194</u>
Monthly Dues:	\$365

Drop 6,000 of deferred maintenance
Includes 2000 cushion for roof costs

New Line

Increase of 1,000

Increase of 100

Increase of 50

Increase of 65

Cole Mill Townes
Strategic Plan 2021-2026
10/14/2022

Overview

For years the CMT HOA was underfunded due to insufficient dues, the only source of HOA revenue. Consequently, the HOA was unprepared to meet its responsibility to replace the original roofs as they neared the end of their life spans. In 2019, the HOA began to annually increase the dues to fund this need. In 2021, the HOA Board adopted an aggressive three year plan to complete the roof replacements in a more timely fashion. During this time monies have been, and will continue to be, scarce for other needed projects, but replacing the roofs is the top priority. In 2021, the dues were increased an additional amount to address the most needed deferred maintenance issues. This entire situation highlighted the need for more realistic budgeting going forward. That is the primary purpose of this strategic plan.

To summarize, this plan calls for all roofs to be replaced by the end of 2023. After that year, the roof monies in the budget will be diverted to address long neglected deferred maintenance and preventive maintenance needs. This will occur for two years, 2024 and 2025. In 2026 these funds will be reinstated to the roof reserve account to fund roof replacements in the mid-2040s. In the 2024 budget, new lines will be added to fund tasks that should regularly occur, but not necessarily annually. In addition to roof replacement, these include pressure washing, painting, and replacing awnings. A second reserve account for these reoccurring major capital maintenance projects will be created to handle the year-to-next carry-over from these budget lines.

2021

Actions

- ✓ Replace roofs on the 200 and 300 buildings
- ✓ Remove the five Bradford Pear trees on Culpepper & the tree on Blackberry and trim the Bradford Pears at the entrance
- ✓ Create a homeowner committee to propose a plan for the replacement of the Bradford Pear trees on Culpepper
- ✓ Trim the trees and bushes behind the 800 and 400 buildings
- ✓ Repair/replace siding on the dormers with the most need: 1001, 1003 & 801
- ✓ Perform basic repairs on decks

- ✓ Clarify policies on decks & privacy fences, and exterior doors to drop HOA responsibility for these items, thus reducing future demand on dues
- ✓ Develop a strategic plan
- ✓ Restructure the web pages and populate with all relevant documents (w/o passwords)

Funding and Budget

- ✓ Increase dues by \$49 per month to pay for new roofs on two buildings
- ✓ Increase dues by \$29 per month to create an \$8,000 deferred maintenance line in the 2021 Operating Budget

2022

Actions

- Replace roofs on two buildings: the 1000 building and the 1100 building; the 1100 building was completed in June and *the 1000 building is scheduled for December*
- ✓ Pressure wash buildings and concrete (beginning of a regular 2-year cycle)
- Trim trees and bushes, as affordable; *this will be done before the end of the year*
- ✓ Implement the plan proposed by the homeowner committee for the replacement of the Culpepper Bradford Pear trees

Funding and Budget

- ✓ Increase dues by \$30/month (to \$330/mo), to pay for new roofs on two buildings
- ✓ Budget \$6,000 for deferred maintenance in the 2022 Operating Budget

2023

Actions

- Replace roofs on two buildings: 400 & 800
- Trim trees and bushes, as affordable
- Paint front porch railings, as needed

Funding and Budget

- Increase dues by \$35 (to \$365/mo), to pay for new roofs on the last two buildings
- Increase the Operating Budget to provide funds in lines that have fallen behind (i.e., pine straw, insurance, water/sewer, etc.)
- Include a new line in the annual Operating Budget for trimming trees and bushes
- Drop the deferred maintenance line from the Operating Budget

2024

Actions

- Pressure wash buildings and concrete (on the regular 2-year cycle)
- Replace Awnings (beginning of a regular 12-year cycle)
- Renovate underground drains & clean out downspouts
- Other deferred/preventative maintenance projects, as affordable
 - ? Install gutter leaf guards
 - ? Fill in open spaces on the perimeter of CMT
 - ? Renovate landscaping
 - ? Renovate lawns

Funding and Budget

- Create an annual Capital Budget with two lines, each with its own dedicated amount
 - Roof replacement – every 20-25 years
 - Major capital maintenance (tasks that should occur regularly, but not every year)
 - Pressure wash buildings and concrete – every 2 years

- Paint siding, trim, front porch railings, and doors – every 10 years
- Replace awnings – every 12 years
- To fund the actions for this year: redirect budgeted Capital Budget roof replacement monies to the major capital maintenance line in the Capital Budget

2025

Actions

- Paint siding, trim, front porch railings, and doors (beginning of a regular 10-year cycle)
- Repair/replace siding, trim, and doors, as needed

Funding and Budget

- To fund the actions for this year: redirect budgeted Capital Budget roof replacement monies to the major capital maintenance line in the Capital Budget

2026

Actions

- Pressure wash buildings and concrete (on the 2-year cycle)

Funding and Budget

- Restart funding in the Capital Budget roof replacement line