

AUGUST 2021 ISSUE XXI

CAROLINA PRESERVE

HOA NEWS

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CARY RANKED SAFEST CITY IN AMERICA

Cary ranked safest midsize city in America and
Raleigh is ranked #3 for large US cities



While Carolina Preserve has always highly valued safety with an active neighbor watch, CERT and watchful eyes protecting each other, this month Cary was ranked safest midsize city by AdvisorSmith. You can read the methodology and comparison to other cities at <https://advisorsmith.com/data/safest-cities-in-america/>

Raleigh/Durham was also ranked second in the 2021-2022 U.S. News & World Report's Best Place to Live. The annual Best Places to Live rankings examine key factors that people consider when moving to a new place, from typical commute time to average unemployment rate and housing affordability.





HOA President's Comments

by Tom Crotty



To date, 60% of North Carolina adults have received at least one dose and 57% are fully vaccinated. These numbers are even higher for seniors. Still the overall numbers are less than desired and is why COVID 19 is once again on the increase in NC and across the US. The board reminds residents to consider wearing masks when indoors in crowded settings (especially outside of CP) until the vaccinated numbers improve.

On July 20 the Board hosted a reception for residents interested in running for the Carolina Preserve HOA Board of Directors. The turnout was simply great with many new residents attending and showing serious interest in becoming Board members. I even had one young woman tell me she wanted my job. I told her I would not stand in her way! About 35 residents attended and many good questions were asked by the audience.

We are at a critical state for the future of the CP board. We need at least three new board members to run this year and again next year in 2022 to maintain our Board size of seven. If not, the size of the CP Board must be reduced to five (this is NC Law). It is the Board's hope that several of the interested parties who attended this reception will decide to volunteer to run for the Board.



Roles & Responsibilities of Carolina Preserve HOA Board Members and Officers

(This is what was covered at the Board Reception for residents (July 20) interested in being on the Carolina Preserve Board of Directors)

The roles and responsibilities start with the election of Board Officers in January of each year.

Historically around the first business day of the new year a special Board meeting is scheduled. The first order of business is to select officers (President, Vice President, Treasurer, and Secretary) for the new year. After the meeting, the Secretary sends an email announcing the officers to the community. The Board attorney also attends this meeting. The attorney provides new members with Board 101 rules about responsibilities of a Board of Director and addresses any open legal questions anyone on the Board wants to ask.

The President then assumes control of the meeting and conducts the business scheduled for the meeting. The President accepts the responsibility as the liaison to the General Manager and Kuester. This means regular check-ins throughout the year with the GM on how Operations are going, staffing issues, contractor issues, new maintenance problems, legal notices received, Town of Cary issues, resident issues, etc. It is particularly important for the President to take an interest in what the Kuester staff is doing and that they are supported, appreciated and that the Board has their back. Without our reliable Kuester staff, services to our residents would be devastated. The President also must sign contracts and approval for expenses beyond the GM approval limit.



The President and the GM are the only people who initiate communications directly with our attorney, Hope Carmichael, Jordan Price and Associates. (Other Board members do participate in any group discussions with our Attorney.). All information flow through the President and GM and once attorney advice is received it is shared with the rest of the Board. In almost all cases items for the attorney come from Board meetings.

In 2017 the Carolina Preserve Board changed its operating model. We created the position of General Manager and eliminated the Property Manager position. The General Manager is responsible for all operational issues dealing with managing day-to-day operations. The GM communicates any operational problems or concerns to the President. They work as a team to resolve any difficult issues. This allows the CP Board of Directors to focus on strategic and forward thinking, stay out of daily operations, be proactive and responsive in risk management, acting with care, accountability, communicate effectively with residents and practice good business judgement in the best interest of our community. This allowed the BOD to develop a Road Map that charts where and what CP will be attempting to accomplish during the next three-year period.

Role of the President

Board Meetings – Meetings occur monthly. The president drafts the agenda for the Open Session and the Executive Session monthly meetings. The draft agendas are then sent to all Board members and GM for comments and additions. The President consolidates the feedback and finalizes the agendas and sends them to the Secretary who puts them in SharePoint along with any documentation required. The President kicks off the meeting and has the role of facilitating (not dictating) the Board meeting covering each agenda item and involving everyone in the discussions. Final decisions and voting are only done in the Open Board Meetings. Meetings loosely follow “Roberts Rules of Order”.

Budget - The President works with the Treasurer and the GM to monitor spending during the year and to determine how special needs or projects are funded and managed. The President along with other Board members provide inputs for special funding needs to the annual budgeting process.

Board Advisory Committees – From time to time the President attends Advisory Committees as invited or as they see fit depending on the criticality of what is being discussed or dynamics within the committee.



Community Meetings – (Usually held 3-4 times a year) The President works with the GM to set the agenda and invite guests, as appropriate. Meetings loosely follow “Roberts Rules of Order”. The President opens these meetings with a welcome along with opening comments. The President facilitates the rest of the meeting and manages the Q&A’s at end of the meeting and keeps the meeting orderly.

Secretary and the President – The Secretary disseminates meeting minutes and mostly all other information from the Board. It should be rare that a message is sent directly from the President. By always going through the Secretary the message comes from the entire Board and not one person. The President works closely with the Secretary on resident question responses, minutes, updates to documents, motions, etc.

HOA Monthly Newsletter – The President, working with the Lifestyle Director, must plan and coordinate the monthly articles for the newsletter. The President usually contributes 1-2 articles to each newsletter. All board members participate. submit and review articles.

Landscape Contractors – In 2020 the GM, Treasurer and President started meeting monthly with our two landscapers. This relationship and business partnership produced many positive benefits. It’s strongly encouraged this investment in time continue.

Strategic Planning – The President and GM plan, schedule and facilitate the focus group exercises annually to update the Strategic Plan. They summarize the input and meet with the full BOD to review and adopt the changes into that year’s plan.

Task Forces - It’s vital to involve residents in decisions that can impact them. One way to accomplish this is the use of Task Forces. To ensure Task Forces are effective the President and GM collaborate on a Mission statement and a list of objectives or rules for each Task Force. They then collectively select the team members and facilitate the meetings.

Board Attorney – The President is the Board liaison with board attorney Hope Carmichael. The President brings issues and matters to the attorney’s attention to research and propose policy changes and communicate this material to the Board and GM.



Contracts – The President is involved in all contracts at some level. Usually the GM, Treasurer, and other board members or board advisory committees are also involved.

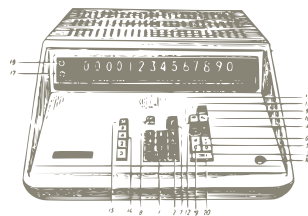
Financial Matters – The President and Treasurer have a close working relationship in planning and managing the budgets for CP throughout the year. This works very well and ensures a sound, smart financial management process.

Role of the Vice President

The primary role of the Vice President is to assume the responsibilities of the President when he/she is unavailable. Most often this means chairing meetings.

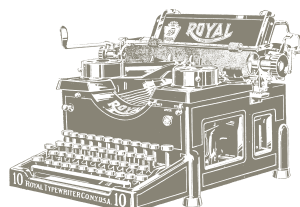
Role of the Treasurer

- Annual budget which determines assessments
- Monthly financial report for the Board newsletter
- Periodic forecasts of current year financials
- Investments and cash management
- Reserve analysis and updates
- Federal and state tax returns, must sign
- Annual audit, must sign the audit



Role of the Secretary

- Secretary is the speaker for the Board. Meaning almost all communications created by any Board member is sent from the Secretary. There can be some exceptions.
- Records minutes and sends to the community and stores them on SharePoint.
- Publishes Board meeting agendas and any supporting documents (stores on SharePoint)
- Written responses to resident questions are sent to the Secretary who reviews them and sends them to the appropriate parties.
- Works closely with President in coordinating complicated issues.



Role of the BOD Members at Large

Along with the Officers, all Board Members

- Attend all meetings and are full voting members. Absences can be easily scheduled for medical, travel, etc.
- Serve as a Liaison to one or more Advisory Committees or to the Amberly Board of Directors.
- Input to meeting agendas and the monthly HOA newsletter.
- May volunteer to lead or participate on a given task force.
- Participates in discussion of all Board business and has equal voting with all other directors.

HOA Board is Committed to Our Strategic Plan



•Carolina Preserve Mission

Carolina Preserve nurtures abundant experiences to enrich residents' quality of life while enhancing the value of the community.

•Vision

Carolina Preserve will be a premier active adult community with a reputation for excellence.

•Values

Strategic Focus of the Board

The Carolina Preserve Board is committed to our Strategic Plan and its principles – We are one of only a few HOA communities within the US that have invested time and effort to create a Strategic Plan to guide our decision-making and budgeting process. This process has put CP on a road to ensure our community always has a strong balance sheet with adequate reserves and that we invest as necessary in our community to maintain CP curb appeal and amenities to always be a Community of Excellence.

Carolina Preserve Mission

Carolina Preserve nurtures abundant experiences to enrich residents' quality of life while enhancing the value of the community.

Carolina Preserve Vision

Carolina Preserve will be a premier active adult community with a reputation for excellence,

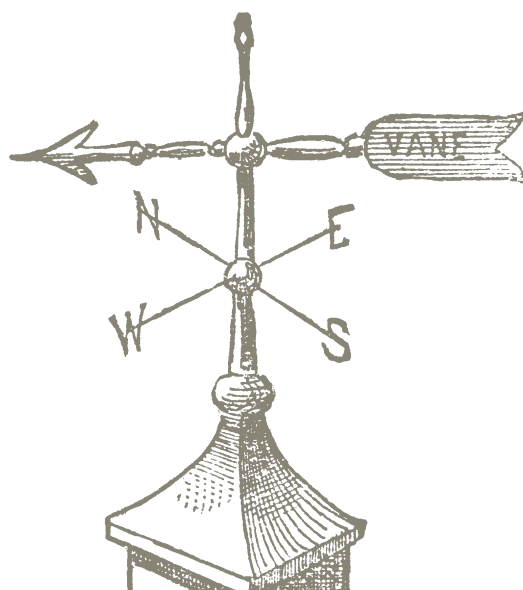
Carolina Preserve Values

Mutual Respect - Standards of honesty, fairness and openness are important to each resident. We are good neighbors to each other, treating each other as we want to be treated. We respect the dignity of each individual, whether resident, guest, community volunteer, Board members, Kuester Staff, contractor or staff member. We expect the same dignity in return.

Transparency in Governance - The community's Board of Directors is forward thinking and strategic, operating with openness. It is responsive to members' preferences, acting in the best interests of the entire community. It operates with a duty of care, a duty of reasonable business judgment and a duty of loyalty.

Excellence - The community provides its residents and guests with high quality services, programs and facilities. Volunteers, staff and contractors strive as one team for continuous and never-ending improvement in all facets of their work. They interact with residents using best practices for courtesy and service.

Guardianship - Consistent with its legacy to provide an attractive community, the community will protect and enhance the beauty of the natural environment and attractive landscaped setting of the community. This stewardship enriches residents' quality of life.



The Collapse of the Surfside Condo Has Raised Many Questions about HOA's

By Tom Crotty, HOA President

We have followed the sad story about the collapse of the Surfside condo in Florida, and it certainly exposed some poor decision making, lack of long-term planning and dysfunction within the Surfside HOA Board of Directors (BOD). The Carolina Preserve (CP) board has received questions about our Association financial structure and if we have adequate reserves for large repairs, safety issues, are we properly insured, are our association Covenants and By-Laws updated, etc.

After reading about the Surfside Condo Association's lack of reserves, lack of any Operational Contingency Funds, a dysfunctional BOD, lack of qualified legal advice, out of control community meetings, no forward-thinking planning, underinsured, etc., I was amazed the state of Florida and county did not have stricter laws and guidelines in place.

Let me start by saying that the NC Statutes, along with legal guidance from Hope Carmichael, (Jordan Price Associates), and Kuester Management, provide your HOA BOD and GM with an abundance of professional information that we use in forming our policies and making our decisions. CP Board members take their responsibilities seriously and address problems when they arise and before they become larger than easily handled. This is why we fixed the Bradford Hall Tower before more serious problems occurred with the structure or safety became an issue or the cost to fix it grew larger. Besides the Bradford Hall facility, outside amenities, and our five parks, CP also has 27 wet storm water retention ponds (BMPs). two bio cells (dry Ponds) and one level spreader. We have 56 retaining walls, nine monument walls and four monument columns (entrances). All these require maintenance, inspections and must pass Town of Cary annual reviews.



At Carolina Preserve the Strategic Plan Drives Us

For CP it starts with the fact that the CP Board's mission is to develop a Strategic Plan that achieves the direction and financial soundness for our HOA Association. (If you are new to CP our Strategic Plan can be found on the web site under Governance > CP Strategic Planning. Our annual planning deals with Governance, Financial Strength, Enhanced Infrastructure and Activities.

Governance

The BOD's every January decide what community documents should be reviewed and updated during the year. This process included the General Manager and our attorney. We incorporate any legal changes resulting from changes to NC Statutes to changes involving best practices for HOAs. Currently our documents are up to date with all NC laws.

Each year the BOD and GM meet with our attorney and insurance agent to review our policy, check liability protection, and determine any changes CP might require.

Finally, our General Manager and BOD created a CP Business Continuity Plan that addresses what happens if a crisis (such as a hurricane, tornado, etc.) were to strike CP.

CP Financial Strength

See article by Chet Sadosky, Treasurer, in this Newsletter.

Enhanced Infrastructure and Activities

The Road Map created by our strategic plan sets direction and establishes our need for funds to cover projects (park revitalization, landscape upgrades, Pickleball courts, Tower replacement, Pool area revitalization, Helipad, etc.). This factors into our annual budgetary process led by our Finance Committee and our Treasurer. Following our CP Strategic Plan, the Board, GM and Kuester staff have been successful in addressing a wide range of improvements and additional amenities throughout the community without incurring any debt. This is a combination of sound budgeting and efficient budget management. These efforts also address safety issues, preventive maintenance and repairs, Lifestyle Community events, miles of drainage, and inspection of our substantial stormwater BMPs (30) and retaining wall infrastructure (58).

Current State of Carolina Preserve

Carolina Preserve has no debt, our reserves are adequately funded, and we have an Operational Contingency fund. Our amenities and facilities are fully operational and recently refurbished. Our curb appeal is much improved over the past five years, we added a couple of new amenities, and the value of our homes have steadily increased. The Board has excellent transparency and publish extensive (maybe too much) information keeping residents aware of key topics and problems the Board and GM are addressing. Finally, unlike many HOAs like Surfside in FL, CP is fortunate to have an HOA Board and GM that work very professionally and effectively together, and we get things done.



2021 Financials at A Glance

Operations (\$000)

	June Year To Date			Full Year	
	Actuals	Plan	B / (W) Plan	Plan	Forecast
Income	\$2,035	\$2,002	\$33	\$4,035	\$4,045 - \$4,060
Uses					
Reserves	\$330	\$330	\$0	\$619	\$639
Expenses	\$1,623	\$1,652	\$29	\$3,364	\$3,300 - \$3,330
Net	\$82	\$20	\$62	\$52	\$76 - \$121

Note B/(W) plan means: B is a positive number: higher income or lower expenses
(W) is a negative number: lower income or higher expenses

Reserves (\$000)

	Replacement	Villa	IIF	Painting	Operating Contingency
12/31/2020 Final	\$938	\$286	\$86	\$40	\$772
Contributions	\$243	\$5	\$82	\$0	\$0
Interest	\$4	\$2	\$0	\$0	\$0
Expenses	\$207	\$3	\$56	\$0	\$0
BH Tower	\$98	\$0	\$0	\$0	\$326
5/31/2021	\$880	\$290	\$112	\$ 40	\$446

Bradford Hall Tower Project: To date expenses: \$567k; Total plan: \$640k

By Chet Sadosky, HOA Treasurer



Treasurer's Comments

By Chet Sadosky, HOA Treasurer

June year to date Operations continue to run favorable to plan and has an \$82k surplus which is \$62k better than plan.

The reasons for Operations being better than plan remain the same as we have reported over the last couple of months:

- Resale fees are \$31k better than plan due to a greater number of sales (53 v. 34) and a higher revenue per sale (\$1413 v. \$1300)
- BH utilities are \$28k less than plan due to reduced usage
- Labor expenses are \$13k less than plan due to less front desk hours and delayed hiring
- Legal fees are \$17k higher than plan
- All other accounts amount to \$7k less than plan

The total BH Tower project expenses are projected to be \$600k which is \$40k better than the budget.

The full year forecast is to have a greater surplus than the 2021 budget. We are estimating a 2021 surplus of \$76k to \$121K. There are a number of factors that require us to range the revenue and expense:

- Will the house sales remain at the very high year to date rate
- Total cost of the replacement of trees and shrubs around BH and on the perimeter.
- Timing of the hiring of an admin person and Lifestyle assistant
- Repairs of the storm water system
- HVAC and pool repairs

The next article in this Newsletter will address how we will use this surplus.



Paying Back the Operating Contingency

By Chet Sadosky, HOA Treasurer

Since there are many new residents, some background information about the Operating Contingency:

- It is our rainy day fund, money in the bank with no specific use defined
- Best practices for HOAs is to have 10% - 20% of annual assessments set aside; the Board has chosen 15% as the level that we should strive to maintain
- It is funded by having a surplus in the annual Operating Budget

Once we receive the final invoice for the BH Tower project, sometime in August, we will have borrowed approximately \$360,000 from the Operating Contingency. The following shows the forecasted position at the end of 2021:

Operating Contingency (\$000)	
2020 Year End Actual	\$772
BH Tower spending	\$360
2021 Forecasted Budget Surplus	\$76 - \$121
2021 Year End Forecast	<u>\$488 - \$533</u>
Goal: 15% of assessments	<u>\$578</u>
Anticipated Shortfall	<u>\$45 - \$90</u>

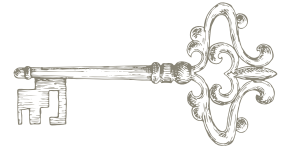
The 2021 - 2023 budget, developed last fall, included the BH Tower project spending and had us paying back the Operating Contingency by the end of 2023. The 2022 - 2024 Budget, being developed now, will also have us paying back the Operating Contingency by the end of 2023.

Please note that the Replacement Reserve funds, \$880,000 at the end of June, are additional funds specifically for the replacement of CP assets. A reserve study is conducted by qualified engineers every four to five years and is updated annually through the budget process.



New Resident Orientation Workshops Have Resumed

By Lynnette Womble, Lifestyle Advisory Committee



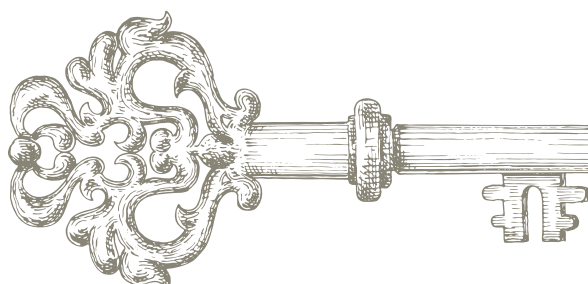
Since 2018, an ongoing project of the Lifestyle Advisory Committee (LAC) has been the offering of New Resident Orientation Workshops (NROW) on a quarterly basis. This is a program by residents for residents, providing material about Carolina Preserve (CP) per se, as well as information about the surrounding area. However, only the February session was held in 2020 before Covid19 intervened.

A temporary substitute for the in-person group presentations was created, assembling a team of ambassador volunteers to contact new residents. A list of new residents was supplied by our Kuester management team monthly, based on closing information and new rental information. Volunteer team members first made contact by phone with a personal welcome to the community. This was followed by an email containing an attachment with links to Kuester management contacts, the CP website, and a tutorial video featuring some of the functions and features of the website.

The in-person workshops were re-established in June, with monthly sessions scheduled through the end of 2021 to catch up with all the new residents who moved in during 2020 and the first half of 2021. Approximately 114 homes changed hands during this period, with the possibility of 175 or more new residents. This includes new homeowners, new renters and people who moved within the community. The in-person workshops are proving very popular and are filling up quickly, with places remaining available only in November and December at this time.

A New Resident Social was held on July 30th for those residents who attended workshops in October 2019, February 2020, and June and July 2021. Future socials will be scheduled for future workshop attendees.

The NROW team members look forward to meeting more new residents throughout the remaining workshops this year.



ARC Makes it Easy For You

By Ken Merten, Architectural Review Committee

As ARC returns to its normal meeting schedule in Bradford Hall, one element needs some clarification. When ARC meets on the second and fourth Wednesdays of each month to vote on the submitted Modification Requests, homeowners are welcome to attend. However, 95% of the time, there really is no need to attend as ARC spends the prior week gathering missing/needed information from incomplete MRs. Occasionally, missing information that didn't reach ARC by the Wednesday meeting can be turned in, clarified or explained at the Wednesday meeting by the homeowner, which could prevent a two-week delay until the next meeting by ARC.

Should a homeowner fall into the above situation, ARC's Wednesday meetings (second and fourth Wednesdays of each month) are at 1:00 pm, usually in a Ballroom or meeting room. Check with the front desk for our location, first come, first served.

If you submit an MR by the deadline (the Wednesday one week before our regular Wednesday meetings), and haven't been contacted by ARC during that time period, you should be in the clear, which means that ARC didn't find any problems with your MR submittal.

Correction -

In the Design Guidelines section 3.3.25 Trees, the Yoshino Cherry is listed under the Medium Trees list and should be in the Large Trees list since it can grow to over 35'.



Architectural Submissions

Everything you need to know for Architectural Submissions

Robert Hamilton is your staff liaison to the ARC Committee and will be processing all architectural request submissions.

He can be reached at Roberth@kuester.com

A box labeled ARC Modification Request and Fast Tracks is beside the front entrance at Bradford Hall.



Note: All Modification Requests to be placed on the agenda for consideration, MUST be turned in at Bradford Hall by:

Wednesday 12 noon - Seven days before the scheduled meeting

(Meetings are held twice a month: 2nd & 4th Wednesday)

Please note the box is for architectural requests only – no other forms of communication will be accepted through this box.

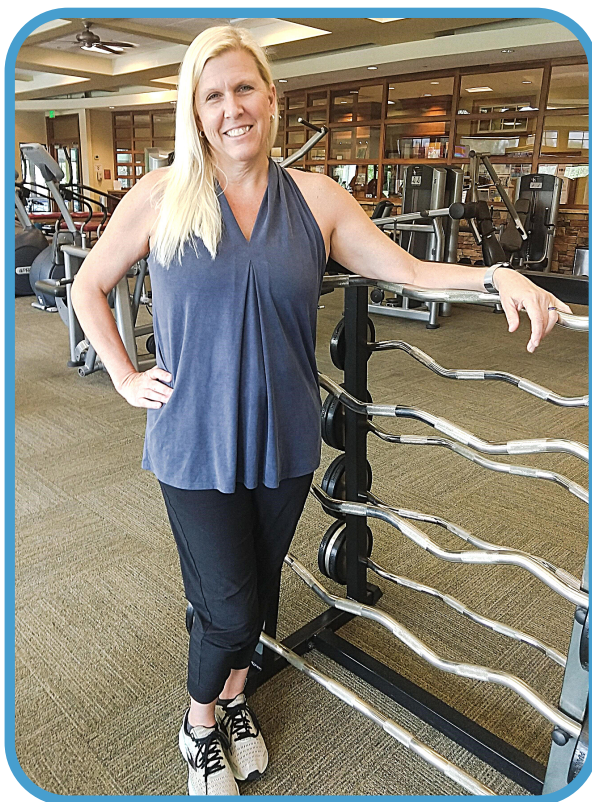
If you email your request, it must be in PDF form and not by a picture from your phone or JPEG.

Wellness Director Welcome

By Deborah Badger, Lifestyle Director

Many of you have already welcomed your new Wellness Director, Keri Diacumakos, and realized that she's a familiar face. Keri has been teaching group fitness classes here for several years and knows us well.

If you have questions, need assistance with a piece of equipment, are new to the fitness center and would like a tour around - you may contact her at wellness@cpamberly.net.



You will find her in the Fitness Center Monday – Friday

Hours:

Monday 9 am - 1:30 pm

Tuesday 9 am – 1 pm

Wednesday 10:30 am - 1:30 pm

Thursday 9 am – 1 pm

Friday 9 am – 1:30 pm



2021 Committees

Architectural Review Committee

Steve Botha | John Bongino | Elizabeth Diton | Csaba Dosa |
Claire Hammitt | Ken Merten | MaryJane Slusser

Board Liaison: John Siciliano | Staff Liaison: Robert Hamilton

Club & Group Advisory Committee

Wanda Abel | Karen Baker | Vic Buenconsejo |
Judith Dorezas | Joel Glassman | Cynthia Jackson |
Linda Laurich | Marie Millazzo | Paulette Shekell

Board Liaison: Robert Griffith | Staff Liaison: Deborah Badger

Finance Committee

Melva Brown | Kathy McCone Dunn | Steve Harrison |
Dennis Hefner | Bill Lazcano | Paul Wolf

Board Liaison: Chet Sadosky | Staff Liaison: Christine Hast

Information Technology Committee

Jean Curtin | Dennis Curtin | Amy Levine |
John J Stolzenhalter | Robert Willenberg

Board Liaison: Margaret Horst | Staff Liaison: Deborah Badger

Lifestyle Advisory Committee

Dennis Curtin | Jeff Diton | Cathy Gottesman |
Glenn Hains | Genie Lazcano | Antonia Pinckney |
Sharon Valvona | Lynnette Womble

Board Liaison: Jill Poston | Staff Liaison: Deborah Badger

2021 Board

Tom Crotty
President

Carole Katz
Vice President

Margaret Horst
Secretary

Chet Sadosky
Treasurer

Robert Griffith
Member at Large

John Siciliano
Member at Large

Jill Poston
Member at Large

Mark Your Calendar

HOA Open Working
Board Meeting

August 17 | 10:15am

Bradford Hall

HOA Board Quarterly
Community Meeting

September 20 | 6:30pm

Bradford Hall

HOA Open Working
Board Meeting

September 21 | 10:15am

Bradford Hall