

AUGUST 2022 ISSUE XXXIII

CAROLINA PRESERVE

HOA NEWS

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SOUTHERN HOSPITALITY



The Magnolia can be seen throughout the Amberly neighborhoods, including Carolina Preserve, creating a warm welcoming impression.



HOA President's Comments

by Judy Nixon



Summer is in full swing, and I hope everyone is staying cool and enjoying all the facilities and amenities offered here at Carolina Preserve and at Amberly Master. Sharing time with friends at the outdoor pool and pocket parks, playing pickleball, tennis, bocce and bicycling on the bike paths that surround our community reminds me just how lucky we are to live at Carolina Preserve. Because of the forward thinking of previous HOA Boards, our three pocket parks have been developed for resident enjoyment and another one is on the way at Beckingham Loop Park, two pickleball courts were constructed, the Bradford Hall Tower was reconstructed and in October we expect to have the Bradford Hall Pavilion. However, all of that takes money. Our financial strength is good but while we plan for future projects, we are facing a serious rise in inflation. Already inflation is at 7.5% and it could grow higher. This year CP also has experienced unexpected and urgent projects that have six figure costs. Additionally, we must find an environmentally sound, cost effective and long-term solution for the fountain area at the CP entrance at Del Webb and Yates Store Road, which is a concern to many CP residents. So, what does this mean?

The Board is reviewing and developing the HOA budget for the next three years based on existing demands, strategic planning goals, and current economic conditions to hopefully lessen the monetary impact on CP residents. Because of unforeseen circumstances, repairs and renovations that were projected to take place over the next couple of years, must be completed earlier, such as repairing Marsalis, resurfacing the indoor pool, renovating the Bradford main floor locker room, and as was previously budgeted, we have to pay for the Bradford Hall Pavilion upon its completion. The landscaping Request for Proposal (RFP) has gone out to obtain bids for CP landscaping. As Jerry Warren, the HOA Treasurer, explained during our May 3rd Community Meeting, landscaping makes up almost half of the CP budget. We anticipate there will be significant increases in landscaping costs as well as the above repairs and renovations due to increases in inflation and cost of goods and services. Inflation also has driven up our other costs such as cleaning, employee costs, and all other maintenance.

Based on the foregoing, the Board's spending decisions must be weighed between projects that are necessary and those that are discretionary; projects that benefit mostly all residents and those that benefit some residents. The Board believes necessary repairs and renovations to Bradford Hall and community landscaping are priorities. We do not want to expend our reserves on anything not required. Even prioritizing expenditures on necessary projects, does not ensure our reserves won't be reduced significantly. By September, the Board expects bids on the Marsalis project, repairs to the indoor pool, renovating the men's and women's locker rooms and a new landscaping contract. We then will be in a better position to solidify our financial plans for the next three years and share more information with you in future HOA Newsletters. Let's not forget, Bradford Hall is Carolina Preserve's premier asset and facility. Keeping it up-to-date and attractive enhances all residents' experiences, maintains and improves CP property values and attracts new active adults to our community. Carolina Preserve will remain an award winning and welcoming community, but its spending priorities over the next few years will focus more on community amenities and facilities that impact all CP residents.



I Want to Know . . . Frequently Asked Questions

This recurring HOA Newsletter article addresses frequent questions raised by Carolina Preserve residents.

8th Amendment to Declaration:

(See the CP Website Homepage to read the proposed the Amendment):

Q: WHILE IT APPEARS THE COMMUNITY CONCERN IS ABOUT FUTURE INVESTORS AND LIMITING THE NUMBER OF NEW RENTAL PROPERTIES, DOES THE HOA PLAN TO “GRANDFATHER” THE EXISTING RENTAL PROPERTIES? HOW WILL THE 8TH AMENDMENT IMPACT EXISTING LEASES OR UNITS THAT CURRENTLY ARE NOT OWNER OCCUPIED?

A: Requirements of 8th Amendment to the Declaration of Covenants will be prospective, i.e., applicable to new rental properties as it relates to the 12-month consecutive Owner-occupancy requirement. However, all leases whether existing or newly executed after the approval of the 8th Amendment will have to comply with all the other requirements. For example, the initial minimum lease term of 12 months for new leases and no subleasing or assignment of lease without prior Board written approval.

Q: IF THE EXISTING OWNER OF A RENTAL UNIT DOES NOT VOTE IN THE VOTING PROCESS, IS THAT CONSIDERED A “NO” VOTE?

A: For a vote to be counted, it must be cast. If an owner does not vote, it does not count one way or the other because it doesn't exist. The important metric is “yes” votes. There must be 67% (912 lots) of “yes” votes for the 8th Amendment to pass.

Q: WOULD THE 8TH AMENDMENT ONLY BE APPLIED TO NEW PURCHASES GOING FORWARD?

A: The 8th Amendment would only apply to new purchases going forward as it relates to the 12-month Owner occupancy requirement. All other requirements will apply to every rental property. See response above.

MISCELLANEOUS:

Q: WHEN WILL THE BOARD REINSTATE “KIDS SWIM” FOR THE INDOOR POOL?

A: The Board reviews this policy monthly and has decided to continue the no “kids swim” policy until October 2022. The Board’s decision is based on the current increase in COVID infections generally and specifically within the CP community, the availability of the Amberly outdoor pool for kids to swim and the recent availability of the COVID vaccine for children.

Q: THE BOARD STATES THAT IT IS GOING TO HIRE HARRIS ENGINEERING TO DEVELOP A PLAN FOR AN ADDITIONAL PICKLEBALL COURT BUT THAT DOES NOT TELL US WHAT THAT PLAN WILL LOOK LIKE OR WHAT HARRIS IS GOING TO DO.PLEASE EXPLAIN.

A: Harris Engineering (“Harris”) does the Computer Aided Design (“CAD”) and architectural drawings of the grading, drainage, electric, impervious surface requirements, etc. for submission to the Town of Cary (TOC) and performs all the groundwork. Harris prepared the drawings for the existing courts and is very familiar with what plans are more feasible than others to obtain TOC approval. Harris will only be looking at whether adding ONE court near the existing courts is a viable option. We don’t know what the plan(s) will look like until Harris completes its work. We also don’t know if adding one court is even a viable option given the limited space available. It is important to understand that CP is not Harris’ only client and the HOA and Harris have other projects that need urgent attention, such as the Marsalis repairs. It is likely we will not know if adding one court is a viable option until late this year, at the earliest.

Q: I WANTED A TOPIC TO BE ADDED TO THE OPEN BOARD WORKING MEETING AGENDA AND IT WASN’T ADDED. WHY NOT?

A: The Board’s agenda for an Open Board Working Meeting, is within the sole purview of the Board and addresses topics before the Board at the time of the meeting based on resident comments and community concerns. Prior topics may not be on the agenda because there has not been any change in their status. Residents are invited to Open Board Working Meetings as observers and may ask questions related to agenda items, but it is important to understand it is a Board of Directors working meeting, not a resident forum. However, at community and annual meetings, resident questions are not limited to agenda items and residents can bring up any topic(s) they want the Board to address.

Q: WHY ARE TASK FORCE DISCUSSIONS AND INFORMATION CONSIDERED CONFIDENTIAL AND WHAT OR WHO DETERMINES WHAT IS CONFIDENTIAL AND MAY NOT BE DISSEMINATED TO CP RESIDENTS?

A: First, Board proposed decisions are disseminated to CP residents for comment before a final decision is made. As it relates to task forces, those bodies are created by the Board as an extension of the Board's decision-making process for specific tasks, for example, to offer suggestions, research solutions and vet ideas. That is why every task force is led by a Board member. Board members are required to treat information as confidential until the Board makes a decision and presents that decision to the community for public comment. The Board's confidentiality requirement extends to Board created task forces and every task force member is informed of and agrees to that requirement before their task force membership is accepted.

The reason for confidentiality is to promote a free exchange of ideas, suggestions, and debate among Board and task force members. It is raw information that will be researched and vetted; often changing, being revised, and sometimes discarded as not feasible. Sharing unvetted ideas or suggestions outside of meetings results in misinformation, disinformation, and misunderstandings. It also stifles a free exchange of ideas. Until information is vetted, a recommendation is made to the Board and the Board considers the recommendation, no decision has been made. Once the Board makes a decision, a vetted proposal is presented to the CP community for comment. Only after receiving and considering all resident comments does the Board take a final vote on the proposal.

CP NEWS IN BRIEF

August 2022

MONTHLY UPDATES

Vol 1 Issue 7

VOLUNTEERS ARE THE CP ENGINE:

Carolina Preserve's greatest strength is its resident volunteers. Volunteers comprise the Board, standing committees, club boards, and task forces, to name a few. Volunteers not only keep the CP engine running but it's a great way to meet new people, have a seat at the table and contribute to your community. If you are interested in running for the HOA Board, volunteer to be a candidate. If you want to help coordinate the HOA Board election, volunteer for the Election Task Force. If those opportunities don't appeal to you, consider a standing committee or a club board. With a new year approaching, standing committees will be looking for volunteers for 2023 and new perspectives are always welcome. Every standing committee is an advisory body created to provide important information and suggestions to the Board and Management staff. Committees include Architectural Review, Information Technology, Finance, Lifestyle, and Clubs and Groups. For more information go to the CP website homepage, Governance Tab and click on Committees and Task Forces. Volunteer!

BECKINGHAM LOOP PARK PROJECT STATUS

The changes have started to happen at the park. The old broken tables and chairs have been removed and the area restored. Replacement table and chairs are on order. Additional changes will take place with the hardscape area over the next couple of months (relocate benches, power wash area, install park signage, etc.). Two Redwood Forever swings have been purchased but will not be delivered before September. New Park signage has been ordered. The task force meets next week to plan and schedule the many remaining fall changes (landscaping, irrigation, flower garden, butterfly garden, bulb plantings, etc.). Drop by and see the park being refurbished for everyone's enjoyment.

DEL WEBB AND YATES STORE CP ENTRANCE FOUNTAINS:

Many residents have asked what is happening with the entrance fountains at Del Webb and Yates Store Rd. Currently, the fountains have been drained and cleaned. Why? Because the Board is considering converting those fountains to sustainable landscaping to reduce cost, save water and address the going green initiatives that were emphasized during the strategic planning process. The fountains have long been prone to equipment failure because of 24/7 operation and weather problems (freezing in the winter). They frequently require repair and new equipment being purchased. They also use fresh water, not recirculating water, which in the Board's view is wasteful and not environmentally sound. By converting those fountains to sustainable and NC native landscaping, the cost of repairs is eliminated. There are no additional landscaping costs once planted. The wasteful use of fresh water is addressed. Just as important, the attractive landscaping will be year-round and no more stagnant pools or visible nonfunctioning fountains. There are other Amberly developments that have landscaping in lieu of fountains and they are attractive and inviting. We invite your comments to the Board's proposal to landscape this area. Please send your comments to HOA.Board@CPamberly.net. We will not respond directly to your comments but will report on them at the August Open Board Working Meeting on August 16, 2022.

2022 Financials at A Glance

Operations (\$000's)

	June YTD			Full Year
	Actuals	Budget	B/(W) Budget	Budget
Income	2,083	2,086	(3)	4,194
Uses				
Reserves	(282)	(282)		(616)
Expenses	(1,711)	(1,802)	92	(3,563)
Net	91	2	88	15

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

Reserves + Equity (\$000's)

	Replacement	Villa	IIF	Painting	Oper Resv (Equity)	Tot Reserves + Equity
12/31/2021	1,016	303	42	65	528	1,954
Contributions	180		82	20	91	373
Interest	2					2
Expenses	(259)	(7)		(49)		(315)
6/30/2022	939	296	124	36	619	2,014

By Jerry Warren, HOA Treasurer



Treasurer's Comments

By Jerry Warren, HOA Treasurer

June income was \$355K, \$1K under Budget, but expenses were \$34K under Budget with lower maintenance (\$17K), utilities (\$6K), landscape (\$3K), Lifestyle (\$3K), service contracts (\$3), and G&A expenses (\$2). Some of these were true savings but most represented timing of invoices. This resulted in monthly income of \$29K, \$33K favorable to Budget for June and \$88K favorable YTD. Our re-forecast for the year shows that a portion of this YTD favorability will be reversed as the year progresses when some delayed spending occurs. In addition, the recent increased inflation in the country is most probably going to begin to affect our finances moving forward. A request for bids is currently going out to area landscaping companies for a new 3 year contract starting January 2023; this contract represents a large portion of Carolina Preserve's annual budget.

Resale fees were \$2K below Budget in June (8 homes sold), the 2nd good month in a row after a slow start to the year. Although sales are picking up, we are still \$14K below Budget on a YTD basis. So far there are 4 resales in July month-to-date.

The Replacement reserve is now at \$939K, up \$17K from last month but down \$77K for the year. This situation is improving as greater monthly income is budgeted to the reserve for the remainder of the year. We still need to keep in mind the (at this point) unknown cost of the Marsalis project.



Vote on 8th Amendment to Declaration of Covenants Addressing CP Property Rentals

Let's recap what has brought us where we are today, voting on the 8th Amendment to the Declaration of Covenants (Declaration). In November 2021, residents expressed concern about an increase in CP rental properties for a variety of reasons. The previous Board promised that the 2022 Board would address those concerns. It designed and sent out a resident survey in March 2022, to ascertain whether the CP community believed there was a rental problem and asked several questions in that regard. While a majority of survey respondents did not agree there was a rental problem, a plurality did agree that CP rentals diminished property values and resulted in property maintenance issues. Based on the latter survey results, the Board reported at the May 3rd Community Meeting that it would explore with the HOA Attorney possibly increasing the lease term and implementing a 10% rental cap while Kuester management would increase monitoring of property maintenance under existing requirements. The HOA Attorney recommended that the most effective deterrents to an increase in CP rental properties, were to require an initial lease term of 12 months and a 12-month owner occupancy requirement by new owners before the property could be rented. The Board subsequently requested the HOA Attorney to draft the 8th Amendment to the Declaration with those deterrents to address residents' concerns. That brings us to where we are today.

Soon you will be asked to vote yea or nay on the 8th Amendment. We recommend every resident read for themselves what the current Declaration states and what the proposed 8th Amendment states pertaining to leasing CP properties. The current Declaration can be found on the CP website under "Governance, CP documents." The proposed 8th Amendment to the Declaration can be found on the CP website homepage under "HOA" and the homepage banner. Below is a summary of both.

Current Declaration:

Section 3.1(f) of the Current Declaration pertains to leasing. The current section provides that the whole property must be rented, no structure on a lot other than the primary dwelling unit can be rented, all leases require tenants and occupants to comply with CP Governing Documents, notice must be given to the HOA of leases, and all leases must be for an initial term of 6 months.

8th Amendment:

Amended Section 3.1(f) defines “Owner-occupied” as occupancy by the Owner of record or any parent or child of the Owner of record. It prohibits any lot to be leased unless it was Owner-occupied for at least twelve (12) consecutive months. The Amendment also prohibits any subleasing or assignment of lease without the Board’s prior written approval. It retains the requirements that the entire lot must be leased, no other structure other than the Dwelling Unit can be leased, and tenants must comply with CP Governing Documents.

Exemptions to the “Owner-occupied” requirements include an Owner’s family members living in the property and Estates of Owners who died before they lived in the property for twelve consecutive months. The Estate could rent the property but once the property is sold, the new owner would have to comply with the twelve consecutive month occupancy before renting the property.

Voting on the 8th Amendment to the Declaration will take place the last three weeks of August. You will receive an electronic ballot via email. Only one vote per lot is permitted. If your email has changed, please update your profile on the CP website. If you have not provided the HOA with your email address, you will receive a paper ballot by mail and must return it to Bradford Hall for it to be counted. All votes must be received by 5:00 pm the last day of voting, August 31, 2022. There MUST be 67% (912 lots) community approval of the Amendment for it to pass. To get the vote out, you may have a CP volunteer contact you to confirm you received the electronic voting ballot or paper ballot. They are your neighbors volunteering to help the community. Please treat them with respect.

Click here to read
the 8th Amendment



ARC Makes it Easy For You

By Ken Merten, *Architectural Review Committee*

If you are a new homeowner or are considering a change to the exterior of your home or yard for the first time, please pay close attention.

All the information you need to submit a Modification Request for ARC's approval can be found in the Design Guidelines, which are on the CP website. Start with "Governance", then "CP Documents", then "ARC Design Guidelines". The Guidelines can be a bit overwhelming at times, but please take the time to search for the applicable information for your project. If questions remain after your investigation, that's the time to email ARC for additional help. ARC is more than willing to assist, but doing your homework first will expedite the processing of your request.

All too often, ARC is frustrated by the number of Modification Requests that are submitted that are missing essential information. Before ARC votes to approve MRs on the second and fourth Wednesdays of each month, we also meet on the preceding Fridays to identify MR shortcomings and assign ARC members to follow up with homeowners that have incomplete information. Actually, ARC receives the list of MRs from Kuester two days before the Friday meetings, so that each member of ARC can read through the MRs looking for problems. We understand that some of the requirements may be difficult to achieve (photos and plot plans, etc.), but ARC would appreciate your best efforts. Occasionally, we make exceptions, but in some cases, there is no way to approve an MR without the required information. Paying close attention to the "MR Requirements" in red at the bottom of each Guideline is essential.

ARC makes every effort to gather the missing information between our Friday and Wednesday meetings so that the homeowner does not have to wait another two weeks or more for the next review cycle. One option for ARC is to return the deficient MR to the homeowner and simply state that it is missing some of the requirements, and for the homeowner to resubmit the MR for the next review cycle, which will delay the project.

ARC appreciates your cooperation in this matter.

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.

2022 Committees

Architectural Review Committee

Steve Botha | John Bongino | Elizabeth Diton
Bill Gurecki | Claire Hammitt | Ken Merten | MaryJane Slusser

Board Liaison: Tom Crotty | Staff Liaison: Robert Hamilton

Club & Group Advisory Committee

Wanda Abel | Claudia Clissold | Judy Dorezas
Joel Glassman | Cynthia Jackson | Linda Laurich
Marie Milazzo | Paulette Shekell

Board Liaison: Robert Griffith | Staff Liaison: Terrie Murray

Finance Committee

Dennis Curtin | Steve Harrison | Dennis Hefner
Rahul Parikh | Paul Wolf | Ted Young

Board Liaison: Jerry Warren | Staff Liaison: Christine Hast

Information Technology Committee

Jean Curtin | Dennis Curtin | Alan DeCrane | Amy Levine
John J Stolzenhaler | Robert Willenberg

Board Liaison: Margaret Horst | Staff Liaison: Glenda Hunter

Lifestyle Advisory Committee

Carol Ciccarello | Dennis Curtin | Jeff Diton
Cathy Gottesman | Antonia Pinckney | Gayle Streifford
Lynnette Womble | Annette Young

Board Liaison: Jill Poston | Staff Liaison: Deborah Badger

2022 Board

Judith Nixon
President

Tom Crotty
Vice President

Jerry Warren
Treasurer

Sharon Valvona
Secretary

Robert Griffith
Member at Large

Margaret Horst
Member at Large

Jill Poston
Member at Large

Mark Your Calendar

HOA Board Meeting
August 16 | 10:15am
GoToWebinar



HOA Board Meeting
September 20 | 10:15am
GoToWebinar

