**BLUE MOUNTAIN OWNERS ASSOCIATION**

**PO BOX 1150, MARS HILL, NC 28754**

**828-778-2540 Property Management – Jared Silver**

**828-450-9780 Financial Management – Teresa Wilcox**

**ANNUAL MEETING MINUTES**

**JULY 29, 2024**

**CALL TO ORDER:** The meeting was called to order at 9:05 AM by Dudley Blair, Interim President. In addition to Mr. Blair, other Board Members present were: Dave Brown, Nancy Ionoff, Tom Conard, Barry Vaughn, Scott McCaleb and Bob Walker.

**OPENING COMMENTS:** Pledge of allegiance to the flag, invocation. Recognition of the passing of John Sluth, President.

**OPERATION UPDATES:**

* Seven foreclosures in Chestnut Village have occurred and have been listed for sale. Four foreclosures are in process at the end of Cottage Lane. Five foreclosures are in Overlook Village and will also be listed for sale. Currently there are three houses under construction in Overlook Village.
* For Landscaping, Janet Jenkins has been hired. She is very qualified and respected and will be taking care of all flowerbeds. Mountain Top Landscaping will continue to mow and edge all the roadsides including Ridgeway Rd.
* Meetings have been occurring with Wolf Laurel Roads Maintenance and Security (RMS) for the purpose of determining the viability of their assuming the snow plowing, debris removal and salting and sanding of BMOA roads in the winter. Their offer was twice as high as expected. Additional discussion occurred regarding the possibility of RMS assuming the maintenance of all of Blue Mountain’s roads as well. RMS’s first suggestion was for all Blue Mountain Owners to pay the same monthly fee that all other Wolf Laurel home owners pay in addition to the requirement that our roads and parking lots be brought up to a standard that would last five to six years to allow the reserves to build. Of concern is the difficulty of hiring someone reliable for winter maintenance and snow removal. The parking lots at The Lodge and Eagles Nest use Jamie McCurry and are satisfied with his efforts. He may not have the equipment to clear roads so this necessitates hiring someone else for Ridgeway Rd., The Cottages, Overlook Village and Chestnut Village.

**PROPOSED BYLAWS CHANGE:** Article IV, Section E, Item 1 in the Bylaws requires the written notification of Annual District and Special Meetings. This entails the expense of mailing. Barry Vaughn made the motion to add the word ‘electronic’ to allow notifications to be written or electronic. Dave Brown, seconded. Motion approved. We currently have email addresses for The Lodge, Eagles Nest and most of The Cottages. We only have about a third of Overlook Village (less than a fourth of the lots have a house on them) and most of Chestnut Village. Per our attorney, we can make changes to the Bylaws by a simple majority vote of those members that are present at a meeting that has a quorum. Those who have no email address will continue to receive all notifications via the USPS. We mailed notification of this Annual meeting to almost 200 members and received only 14 ballots in return. Explanation was noted that many members are away from their winter home addresses during the summer and do not receive their packet until their return. An email was sent July 4th by Mr. Blair, informing the membership that they could receive their packet at a different address by contacting Teresa Wilcox.

**REPORT FROM JERED SILVER – PROPERTY MANAGER**

* Mr. Silver was hired last year as Property Manager. He holds several certifications/licenses: Grade 4 waste water & sewage license, civil engineer license in NC and others.
* Several culverts need replacing on Overlook Rd. and Ridgeway Rd. There is a culvert on Ridgeway that is undermining the road due to the galvanized pipe bottom rusting out. It will have to be completely replaced and is a priority. Bids are in process. There is a pothole that is forming on Running Cedar that has been filled in with gravel to hold it over until repair can occur. There are paving projects that will be staggered over the next year or two. Some patchwork will be done to support the holdover. Mac Fox from Fox Brothers Paving will start paving the Ridges on July 29th and will be shown the areas on BMOA’s roads that need the most attention to hold us over for a couple of years at least.
* Fallen tree removals occur a couple times a month. Recommendation made that the trees on the road sides be trimmed back significantly, especially in Overlook Village and Running Cedar, due to the scratching that is occurring on larger vehicles and for visibility. The trimming needs to be severe enough to last for three years to be economically feasible.
* The Lodge has a drain that has been clogged for several years and results in flooding in that area. Mr. Silver acknowledged this was a responsibility of RMS. The roads crew will be brought on board. The goal is to jerk the grate out rather than cutting the road. Once removed they may have to get the Fire Department involved to blow the stoppage free.
* The Cottages has two major drains that were completely blocked with rocks that have been addressed but the grate housings have not been replaced. Zito has been negligent in replacing the dirt that they removed for the fiber optic cable. Zito is not required to notify us when they are on the property doing work. If they cut through any pavement they are liable for putting it back but BMOA is not notified. They are not repaving where they should be and where they are, they are doing a poor job. There are several places where the road has been cut and Zito’s repair has sunk because they are not compacting the soil to the prior level. Mr. Silver recommended that RMS/BMOA repair the impacted roads rather than continuing to push for Zito to repair as they just ignore our contact. Suggestion was made to notify their legal department with a certified letter of our intent to require proper repairs. Mr. Silver stated he would attempt to obtain an address but was not hopeful. Kevin Sargent in The Cottages complained repeatedly to Zito regarding poor reception and was ignored until he notified them that he was obtaining a form to file a formal complaint with the FCC. Zito then responded. Suggestion was also made to have an attorney write a letter. Mr. Silver stated he would file a complaint with the FCC first and if that was ignored then we could follow up with a letter from legal counsel.
* Mike Abel is now the area manager for Wolf Laurel with Carolina Water. Members feel the water costs are prohibitively high. Carolina Water holds yearly hearings regarding price increases. There is a disparity in what people are paying for initial ‘hookups’. The aging infrastructure may be a contributing factor to the expense as well. Complaints have been ineffectual. The meters are not read every month and it may be that the larger bills are ‘catch up’. There were five simultaneous leaks last year that were difficult to repair and they are responsible for the maintenance and replacement of the water lines which are 50 years old. There is pipe replacement on their calendar for next year for a line that runs from the Club across McKinney Gap to Sardis. Carolina Water is a dedicated water facility for Wolf Laurel and is a corporation with shareholders.

**FINANCIALS**

* Teresa Wilcox is the new financial manager for BMOA and was unable to attend.
* Jack Gilbert, Treasurer, had to return to Florida for medical reasons.
* Per Jack Gilbert, BMOA is financially strong. In 2023, the financials were solid. Actual revenue was $290,161 and was exceeded by $22,600.
* Expenses exceeded budget by $21,641 driven by increased costs of the management transition expenses, landscaping, snow removal and maintenance of ditches. The excess revenue and the excess expenses were an approximate offset of each other.
* Balance sheet perspective: we have $264,900 in the road reserve and $18,150 in the Chestnut Village septic reserve.
* Fiscal year 2024 midyear: we have on target budget revenues of $175,000 for the $300,000 budget. On the expense side we have actual expenses of $138,000.
* We have fully paid our annual expenses to RMS for 2024 for the gate and the use of Wolf Laurel Rd.
* By October we should have a good basis for determining the 2025 annual budget.
* The Board has approved the engagement for an audit for fiscal year 2024. Firms will be solicited and considered by the Audit Committee later this year.
* Mr. Gilbert stepped down as the BMOA Treasurer but will continue as a member of BMOA.
* Our dues are still a good value when you consider that the average HOA dues in North Carolina are $600 a month.
* Question from attendee: can outstanding balances of the monthly fee be shown on the electronic bill that Mrs. Wilcox/Quickbooks sends out every month? This request will be passed on to Mrs. Wilcox.

**ELECTION OF BOARD MEMBERS:**

* Currently the elections are for Board Members for 2024-2025 for Chestnut Village (Jack Gilbert), The Cottages (Tom Conard), Overlook Village (Barry Vaughn), four At-Large (Dudley Blair, Craig Kelly, Scott McCaleb, and Bob Walker). Craig Kelly has requested to be taken off the Board, he is leaving the mountain. Steve Peacock has offered to serve on the Board and will be substituted in the place of Craig Kelly.
* Eagles Nest and The Lodge At-Large representatives are voted on by their HOA.
* No nominations from the floor. Motion made and seconded to close nominations and accept the slate by acclimation. All approved.

**OWNER(S) QUESTIONS/COMMENTS:**

* Question was tendered regarding the building of a water tank on WL property that was discussed last year. Per Jered Silver, last year a 3500 gallon water tank was put in at Hampton Gap for Fire Department use only. The tank was buried, Carolina Water put in the line to it but the tap was never installed and the suction line for the Fire Department was never installed. Mr. Silver has everything set up to bring this on line within a month and this will be available for the whole mountain. The tank is designed to refill itself between fire trucks. As water is being sucked out, water is also flowing in to refill via an automatic flow valve.
* The Fire Department is looking for a location for a substation, especially for the back side. There are plans to put a fire hydrant near the Club.

**ADJOURNMENT OF THE GENERAL MEETING:**  Motion duly made and approved to adjourn the meeting. (10:03 AM) Board of Directors Meeting to follow.

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**BOARD OF DIRECTORS MEETING**

**JULY 29, 2024**

**ELECTION/APPOINTMENT OF BOARD OF DIRECTORS FOR 2024-2025**

Difficulty finding a Treasurer. Suggestions made to contact Hans Tansler and Roy Miller.

The Directors for 2024-2025 are:

Dudley Blair – President

Steve Peacock – Vice President

Barry Vaughn – Interim Treasurer

**QUORUM:** A 20% quorum is required to conduct today’s meeting which would total 38. We have 40 which allows us to continue with the meeting.

**ROAD RESERVE:** Discussion was held regarding a Reserve Study and how funds are designated for BM roads. There is not a specific designated amount for roads, rather, funds are allocated as part of the yearly budget. There is not a specific piece of the monthly assessment that goes into a road reserve. We do not do a Reserve Study. Currently there are not enough funds in the Road Reserve to repair all the roads needing attention. When a demand for repair is needed, such as the parking lots, an assessment occurs. There have been discussions with Jered Silver about planning over a four to five year period what is needed. The concern is that if a need became critical we would have to go back to the Owners for an assessment. BMOA has been taking normal yearly increases of the monthly fee but this has not kept up with inflation due to the high inflation rate over the last two years. Last year, $138,000 was spent to pave a half mile of the lower portion of Ridgeway Rd.

**ADDITIONAL MEETING NEEDED:** Per Dudley, the Board of Directors needs to have an additional meeting to address two issues: 1) Merging with Roads and Security and what we may or may not be able to do and 2) to discuss a proposition that Eagles Nest, The Lodge and The Cottages have made regarding how our budget is allocated. This meeting will occur on Monday, August 5th, at 9:00 AM at WLCC.

**RETURN OF PROPERTY:** There is a house under construction on Upper Haw that was transferred from BMOA to The Ridges. BMOA believed the property to have been transferred correctly but according to the attorney, the transfer can not occur by a vote of the Board. It has to be a vote of the membership and would require a 100% vote. The Owner is alleging through an attorney that the property was improperly transferred. Marty Ferrentino, a neighbor, presented a complaint to the home owner, Rutherford, showing him what the lawsuit was going to do and used it as leverage to get him to negotiate some financial mitigation and this is where it stands now. Per The Ridges, Rutherford is uninterested in further conversation. It now remains to be seen if Marty files suit against Rutherford, The Ridges and possibly BMOA. If the transfer is not legal, then the property is still in Blue Mountain. If it does still belong within Blue Mountain, the home does not meet the BMOA ARB requirements for height and what could possibly be done at this point? No idea where North Carolina law will take this. Rutherford did have ARB approval from The Ridges.

**QUORUM:** Aquorum requires a 20% vote by the membership which would be 38. There are 40 for todays’ meeting including proxies.

**ARB COMMITTEE:**  Dudley was head of the ARB committee and is unable to be President of the Board and head of the committee as well. Nancy Ionoff volunteered to take over as ARB head. Knowledge of the ARB guidelines by the committee head is necessary. Jered Silver will review the structural components of house plans and the committee will review materials and colors. Recommended that the committee tighten up on color choices. Wallin has samples of colors at his office for future choices.

**COMBINED LOTS:**

* What is the status of the combined lots? Last meeting’s vote was for the burden of proof to be on BMOA to show that the lots should not have been combined. If BMOA can find proof that there was never any Board approval and that it was never said that any lot was unbuildable we could pursue it but it will take considerable time and effort. There are 17 combined lots, mostly in Overlook Village, but also in The Cottages and in Chestnut Village. Example given: Barry Vaughn has two lots. One of them would not perk. He petitioned the Board at one time requesting combining the two and it was approved. This was twenty years ago and has also been allowed with other people. The Board keeps changing and minds change with it. Scott McCaleb purchased property and a home from John Pitner that was deeded as one lot. John Pitner added a lot and built a road and his property is deeded as one parcel even though it is two lots. The deed shows the two lots as one parcel.
* Dave Brown suggested that the Declaration be referenced as it states that whether it is in a deed or not you still pay for each lot. It can be on the tax records that it is a combined lot but for assessments it is still considered two lots. Combining is to be determined by Board action, not by tax status. The Board has not been consistent on this issue. Three years ago the Board adopted a policy that lot combining would not continue going forward. The Board currently owns 15 lots that have been taken back. Bob Walker advised using the information presented by Jered Silver about today’s capabilities for passing a perk test that would allow for the sale of lots that previously have been designated as not saleable due to not perking.
* Bob Walker recommended reaching a conclusion today and moving forward with making a decision. Document and move on. Is the Board willing to put an end to all previous discussions and move forward or is the issue still open for conversation? There appears to be no equitable solution of the past and to continue stirring people up is unacceptable. No position is “fair”. It’s not fair for those with two lots paying the full price, it’s not fair that the rest of the BMOA membership is making up the difference that we don’t receive for the unpaid fees of the combined lots and it’s not fair to continue to stir up the Owners of the combined lots with the continued revisiting of this issue. No matter how informal the permission given, it’s in the past and needs to be resolved today. Can the Board decide today if it is willing to say “what’s done is done” and the only control we have is in moving forward? This appears to be the only practical solution.
* It would require an inordinate amount of work to research each combined lot to determine, if possible, the documentation of how the lots were granted combined status and its benefits. The Members List shows 17 combined lots. Per Tom Conard, the Owners in The Cottages that have purchased a half lot in addition to their home lot are, in fact, paying for both. Teresa Wilcox’s Members List does not show this. There are plenty of Owners shown on that list that pay for two lots and they are not combined. Teresa needs to clarify, via the assessments, if the Owners of the combined lots are actually paying for both or for just one. Based on today’s information, the decision was made to table the motion until we have clarification from Teresa Wilcox.

**PARKING LOT/ROADS IN EAGLES NEST:**

* There is a sinking problem in the upper parking lot at Eagles Nest that is the result of ‘something’ organic buried under the ground. The solution is problematic due to space and costs. Jered Silver spoke with a geotechnical firm in Asheville that quoted $50,000 to $60,000 to do core samples and this procedure will ruin the parking lots.
* One option is to mill the sinking area during a repaving and bring it level with the surrounding surface. This would suffice for five to ten years before it starts sinking again. It’s basically settling and will continue across time. Wolf Laurel Rd. is the same way. Repaving of the parking lot will not be a consideration for at least four more years.
* Question raised if the settlement is impacting the homes in Eagles Nest. Per Mr. Silver, he has not noticed any problem with the homes. It looks like piers were drilled in to build it up and provide solid ground for the foundations. If there were a problem it would be visible. It appears the mountain is settling down, not sliding off.

**ROADS MAINTENANCE & SECURITY:**

* Bob Walker asked the Board’s opinion of RMS taking over the maintenance of all BMOA’s roads and parking lots. This would take away all of our budget dedicated to roads and maintenance and we would gain Jered Silver which would also reduce our expenses.
* Concerns about merging were negative. RMS does not have the funds to repair all the roads in Wolf Laurel and the thinking is that BMOA will get ‘lost’ in terms of the roads/parking lot maintenance. Their governance is very restrictive and they control who they allow on their Board. They have a nominating committee that controls who is put up for nomination. There are two men that are being added to the nominee list for 2024 that came on by petition.
* They are seen as rigid, stuck in the past and not community oriented. It is felt that it would not be in the best interest of BMOA to have them take over our roads.
* They are stuck in the past; for example, they have a 5% maximum increase per year which means they will never catch up due to the number of roads that currently need repair. They have 62 miles of roads and they can’t charge enough money of their residents to maintain them at a reasonable level. After Carolina Water finishes replacing a water line on McKinney Gap, it will cost about $350,000 to repave that road. RMS’s current yearly fee per resident is $1206.30 and an empty lot is $1,006.00.
* Also strongly recommended that we not incorporate The Ridges into BMOA.
* Covenants are inside the deed restrictions. How many members in RMS pay a lesser fee because they have an exception in their deed? Per Mr. Silver, there are only 10 – 12 remaining at the $40 annual limit for their RMS fees.

**INSURANCE:**

Per Dave Brown – The BMOA Board has general liability insurance but does not carry Directors and Officers insurance. It is imperative that this be rectified immediately. A second meeting was scheduled for Monday, August 5th 9:00 AM to continue the RMS discussion and introduce the discussion of the allocation of expenses among the Districts.

**ADJOURNMENT:** Motion made and approved to adjourn the Board of Directors Meeting; 11:37 AM.

Respectfully Submitted,

Deborah Blanchard