

March Minutes – 2012

Minutes of Board of Directors Meeting Taberna Master Homeowners Association March 22, 2012

Board Members Attending:

John Serumgard	President
Chris McCausland	Vice President
Chip Rice	Secretary
James Dugan	Treasurer
Al Lefebvre	Member at Large
Nick D'Alessandro	Member at Large
Paul Tracewell	Member at Large
Joe Kelly	Member at Large

CAS Attending

Katie Patnode	Community Manager
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Committee Members Attending

Dick Turner	Architecture Control Committee
Russell Packard	Transition Committee

Absent:

Rick Layton	Transition Committee
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The meeting was called to order by John Serumgard at 3:00, there being a quorum present.

President's Remarks

John Serumgard updated the board on three issues:

- Taberna Townes primary issue is the road and John has talked with Denny Bucher about working with Brydges to get the city to revisit accepting the road. Brydges still insists he will not provide any money for reserves.
- John followed up with One Taberna Way on his response letter addressing their concerns about their annual dues. He said there has been no feedback.
- The mulch work on Emmen Road has been completed.

Minutes Review/Approval

Chip Rice submitted the minutes from the February meeting of the Board; they were approved as read and will be added to the Website.

Managers Report

Katie Patnode reported:

- She was unable to do the drive around today, but will get back here next week to complete her inspection.
- We discussed the issue of enforcing violations concerning vehicles on the road. Even though our rules state "inoperable vehicles must be removed", the roads are city streets and we cannot legally enforce this rule. There is a second rule that is unenforceable, Satellite dish placement.
- Joe Kelly presented a proposed Covenant Enforcement Procedure that was the result of a meeting with John and Chip. A motion was made and approved to adopt the procedure.

Treasurer's Report

Jim Dugan provided his report which is attached. A motion to write-off \$780 from a foreclosure was made and approved. He also brought up the issue of Irene clean-up payments from owners of vacant lots. Several owners have challenged the amount and in some cases we reduced charges. CAS needs a list of these and direction on how to handle the write-off.

Finance Committee Report

Paul Tracewell presented a proposed Investment Policy. After a review, the Board was asked to review and provide comments/feedback to Paul prior to the next meeting.

Architecture Review Committee Report

Dick Turner reported he has had two requests this month. He also stated one for a new house has applied to the State for a permit approving the use of a specific material for the driveway that will reduce the impervious surface requirement.

Building and Grounds Report

Joe Kelly reported there have been complaints about common areas not being mowed. This all stems from the early warm weather and will resolve itself when mowing contracts begin in April. There also have been complaints from neighbors of vacant lots that weeds from those lots are invading their lawns. The THOA has no responsibility for the vacant lots and there is no requirement for non-resident owners to apply weed control. CAS will reply to the letter concerning post Irene tree planting stating that there was not a one-for-one replacement of downed trees.

Covenant Violations

Joe Kelly stated there are no documented sign specifications in the rules and regulations and that the only defined specs are at Joe's Signs. After discussion, a motion to include the sign specifications in our rules and regulation was made and passed. Joe Kelly will obtain the current specs from Joe's Signs and work with Katie to incorporate them.

Old Business

Sign Specifications – Joe Kelly stated that getting the specs from Joe's Signs is in progress.

New Business

Taberna Landing Road – A discussion on how to improve the road was held. There is reserve money to re-pave the road. Joe will work with CAS to determine the best course of action and initiate the bidding process.

Jenkins Gas – Should the THOA get involved in negotiating the cost to remove their tanks? This is not a HOA responsibility.

Complaints about renters – After a discussion of the issues, the Board agreed that the HOA only deals with the property owner and that it is the owner's responsibility to deal with their renters.


Good of the Community

Meeting Schedule

The next meeting is scheduled for Wednesday, April 25, 2012 at 3:00.

The meeting was adjourned at 5:30.

Approved by the Board of Directors:

By:  4/25/2012
John Serumgard, President Date

Treasurer's Report
James Dugan, Treasurer
Wednesday, March 28, 2012

Master HOA Account Receivables:

Account receivables for the Master HOA as of February 29, 2012, are \$20,410.50.

Community Account Receivables:

As of the February 29, 2012:

Abbingtion Woods:	Account receivables total	\$1,687.50
Boleyn Creek Villas:	Account receivables total	\$1,767.50
One Taberna Way:	Account receivables total	\$1,875.00
Taberna Landing:	Account receivables total	\$250.00

Liens and Judgments:

The HOA has a 2009 judgment, July 2010 lien, and July 2011 lien on one property. Estimate of balance owed is \$2,355.50.

The HOA has a July 2010 lien and a July 2011 lien against one property that was foreclosed December 20, 2011, with a balance owed of \$780.00. Typically a foreclosure will eliminate liens and receivables on the property, requiring a write-off of \$780. The foreclosing bank has been invoiced for the full 2012 and prorated December 2011 dues.

The HOA has a July 2010 lien and a July 2011 lien against a second property with an estimated balance due of \$1,190.00.

The HOA has a lien on a One Taberna Way property of \$1,125 for 2011 2nd, 3rd, & 4th quarter dues plus \$140 late fees, for a total of \$1,265. Estimated balance due is now \$2,045.00.

HOA Invoices: All invoices received by February 29th have been sent to CAS for payment.

Management Transition:

The 2011 Forms 1099-Misc and 1096 were completed and mailed by the former accountant.

The 2011 Form 1120-H was filed by CAS. The amount of tax paid, Federal \$554.00 and NC \$137.00, was lower than last year due to lower interest rates on reserves.

CAS is now handling all collection and expenditure of operating funds as well as all 2012 financial reports.

CAS has transmitted a transition report as of Dec 31st and financial reports for the periods ending Jan 31st and Feb 29th. CAS policy is that these are final reports and to make any-required adjustments in the period(s) following these reports.

CAS has established separate operating fund accounts for the master and four communities.

Reserve Funding:

The annual reserve funding for 2012 is being set aside (ear-marked) monthly as indicated in CAS accounts below. These funds have been authorized to set up the six reserve money market accounts. Prior year reserve funds remain in Scott & Stringfellow and BB&T accounts. The plan is to transfer funds as CDs mature once the new reserve money market accounts are established. CDs are not to be cashed prematurely due to the substantial lose in principle and interest (the track record demonstrates that this is 4 percent principle plus all accumulated interest, which would be an estimated total loss of \$9,852 of reserve funds).

Operating Accounts:	Feb 29th	in transit	total
BB&T Accounts			
Taberna Master (IDA)	\$40,028.16		\$40,028.16
Taberna Master	10,267.82		10,267.82
PNC Accounts			
Taberna Master	167,376.52		167,376.52
Abbington Woods	4,305.20	*9,711.81	14,017.01
Boleyn Creek Villas	1,463.75	*2,385.70	3,849.45
One Taberna Way	3,439.23	*3,406.80	6,846.03
Taberna Landing	632.46	*1,362.18	1,994.63

*Community BB&T Checking Accounts (Abbington, Boleyn, OTW, and Landing) were closed February 22nd and four separate Bank Checks were delivered to CAS at that board meeting. The checks had not been deposited as of the February 29th CAS Financial Reports.

Reserve Accounts:	Feb 29th
Scott & Stringfellow:	
Taberna Master Reserve	\$115,712.08
Taberna Emergency Reserve	33,801.93
Abbington Woods	20,725.08
Boleyn Creek Villas	4,707.43
One Taberna Way	54,882.05
Taberna Landing	16,465.46
BB&T CDs	
One Taberna Way CD	8,818.86
Taberna Landing CD	5,135.03
CAS Accounts	
Taberna Master Reserve	\$1,888.32
Taberna Emergency Reserve	0.00
Abbington Woods	609.16
Boleyn Creek Villas	242.50
One Taberna Way	1,240.00
Taberna Landing	384.82

All of Taberna's investments with Scott & Stringfellow are in FDIC insured CDs or money market accounts. The advantage over every other type of investment is that the principal is guaranteed through FDIC for up to \$250,000 per bank and the CDs are with several different banks.

Emergency Reserve Funds:

The Emergency Reserve Funds can be brought back up to the \$50,000 goal (based on current account of \$33,801.93) by adding \$16,198.07 from operating funds, by adding \$10.37 per lot to dues in 2013 and 2014, or by a combination of the two methods.

Approvals Needed:

Authorization for CAS to write off receivables on foreclosed accounts, with the understanding that any unpaid balance for the remainder of the year will be prorated and invoiced to the foreclosing bank.

Taberna Homeowners Covenant Violation Process

At a meeting Monday, March 18, Joe Kelly, John Serumgard, and Chip Rice met to discuss workflow for the violation process. Below are the results of the discussion:

Possible violations are identified one of three ways:

1. A resident notifies CAS with a complaint
 2. A board member finds and reports a possible violation
 3. CAS finds a possible violation on one of the bi-monthly inspections
- All possible violations need to be sent or called in to CAS (Katie) where they will be logged for tracking purposes. All violations found by CAS during their bi-monthly visits will also be logged.
 - CAS will send out its "courtesy" letter for all new violations and send an email to the Board Violation Chair (Joe) listing the new violations (property and violation). If CAS has any questionable/borderline violations, they will contact the Board Violation Chair for clarification prior to sending the Courtesy letter. The "courtesy" letter will invite residents to respond either by providing evidence that there is no violation, or providing a timeframe for corrective action, or asking for additional information.
 - All new violations will be followed up within a 2 week timeframe, either by CAS or by a Board member.
 - If the violation is unresolved in the 2 week timeframe, CAS will obtain approval from the Board Violation Chair to send a second notice letter. This letter needs to contain specific action steps that could be taken (fines, etc) if the issue is not resolved within a specified timeframe (Generally 10 business days).
 - If the issue does not get resolved, the Board must review and direct CAS to send a Certified "Notice of Hearing" letter to the homeowner. All parties involved must be made aware of the issue (Adjudicatory Panel) and meeting date.
 - After the hearing, CAS will send a letter stating the results of the hearing and specifying the action to be taken (This will be directed by the Adjudicatory Panel/Board).

CAS will present a summary status of violations at the monthly Board meeting. The report should include:

- New Violations
- Closed Violations
- Violations needing Second Notice Letter
- Violations needing Notice of Hearing Letter
- YTD Open/Closed by violation type

The key to having an effective covenant compliance system is strong communication between CAS and the THOA Board, especially through the Board Violation Chair, and a commitment to treat all residents with fairness and compassion.

TABERNA MASTER HOMEOWNERS ASSOCIATION, INC

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INVESTMENT POLICY

BE IT RESOLVED that the Taberna Master Homeowners Association, Inc does hereby adopt the following policy to govern the investment of the Association's operating and reserve accounts for the master account as well as each of the sub-association accounts.

Responsibility for conducting investment transactions for the association shall be that of the Treasurer with approval of the Board of Directors. The Treasurer with approval of the Board may employ the services of an authorized third party, such as a financial consultant or management company to direct a portion or all of the investment activities of the Association consistent with the guidelines set forth in this investment policy. The Board of Directors has sole authority to approve, amend, alter or otherwise make changes to the investment policy. Any modifications to this policy shall be in writing and approved by the Board.

INVESTMENT PURCHASES

All investment purchases are to be made in the name of the Homeowners Association within the following order of priority:

- Preservation and safety of principal
- Liquidity and accessibility to meet projected and unexpected expenditures
- Attaining a competitive rate of return within the investment vehicles authorized within this policy.

A. Eligible Investments

The portfolio will be limited to the following investments:

- Certificates of Deposit (CDs);
- Money Market Funds;
- Savings Accounts; and
- Checking Accounts

Investments are to be held in accounts with approved banks or financial institutions federally insured either through FDIC or through the U.S. Government in amounts not exceeding the insured amounts.

RESERVE ACCOUNTS

- Reserve accounts are to be established and maintained in the name of each sub association for the assets identified on the Reserve Analysis spreadsheet. An additional reserve account is to be maintained at an agreed on amount by the Board for an emergency fund.
- No individual investment may exceed 5 years in maturity. The investment portfolio must be structured in order to meet anticipated cash requirements.
- Interest on reserve accounts must accrue to the respective account.
- Funds being withdrawn or transferred to a different investment account should be done at maturity when possible, to minimize any potential loss of principal.
- A Reserve study is to be conducted on an annual basis to determine if the current funding is adequate to fund the anticipated costs of those items to be maintained or replaced by the Association as identified on the Reserve Schedule.
- Deposits to the various Reserve accounts are to be done in accordance with the annual budgeting process and should be made in amounts as determined by the Treasurer and financial institution.
- Reconciliation is to be done through monthly statements and online access to all accounts to ensure accuracy of deposits and withdrawals as well as return on the investment.

OPERATING ACCOUNTS

- Operating accounts should maintain balances to meet short-term expenditures and be held in interest bearing accounts when prudent.
- Operating funds in excess of current expenditure needs should be placed in an investment vehicle to provide revenue and enable access to the funds without penalty.
- A review of all operating accounts should be done on an annual basis to determine if funds are being utilized to be best interest of the Association.

INTEGRITY OF FUNDS

In order to preserve the integrity and accountability of the Association funds, all operating accounts and reserve accounts are to be maintained in separate accounts in the name of each sub-association.

REVIEW AND CONTROL

A review of the Investment Policy will be conducted by the Board and/or Finance Committee to determine if the investment strategy meets the objectives and goals of the Association.