

Minutes of the Annual Membership Meeting of Old Nags Head Cove Association Saturday May 28, 2022

Call to Order:

The meeting was called to order at 11:00 by Seth Johnson President

Board of Directors present: Seth Johnson, Chair; Ed Thomas, Secretary; Kim Ansell, Treasurer; David Carroll; Mary Gay; Steve Pearce; Anna Sadler; Patti Shufflebarger; and Brenda Lowe, Association Manager. Dave Masters was unable to attend.

Seth welcomed Association Members to the first Annual Meeting together since Covid restrictions in 2019 (2019-2021).

Minutes of April Board Meeting: The Chair called attention to the inclusion of the April 2, 2022 Board of Directors minutes and asked for questions or corrections from the Board.

It was moved by Dave Carroll, seconded by Mary Gay to accept the minutes.
Motion Approved.

Treasurer's Report:

Kim Ansell gave the Treasurer's Report. She noted increase in income from dues increase and timely payment by ONHCA members. She highlighted the larger planned expenditure for the pool bathrooms and noted total expenses and size of that renovation will be developed moving forward. The Board has reviewed the need for significant repairs to the pool and clubhouse. There may also be legal expenditures for the Covenant update which may require a budget expense update. Kim invited questions from the membership about the financial statements.

Question: Who is required to pay the annual assessment?

All property owners of record for parcels in Old Nags Head Cove. (Exceptions are properties in original Roanoke Shores and several other properties that were improved before ONHC was formed. Each property has one vote in the Association. This includes both improved and vacant parcels.

Question: Are assessments collected when a property changes owners if payments are delinquent?

Yes, when properties change owners the Association Manager is informed by the closing attorney and Dare County tax records - the new owner is given a copy of ONHCA documents. Brenda related that most assessments are current – this has not been an issue since it was a focus several years ago.

NEW BUSINESS:

Covenant Review and Update Process:

Seth reported that a task force had worked to review and suggest revisions to the Covenants for ONHC. The Board reviewed the task force recommendations and voted to move forward with updating the Covenants.

Ed Thomas reviewed the process to change the Covenants which starts with this initial presentation of suggested adjustments, and the process that will involve all property owners being asked to approve the changes. Current Covenant documents state that 50%+ of all property owners have to approve changes to the Covenants (later information about NC Community Law requires 67% approval); and then this action has to be recorded in Dare County for the adjusted Covenants to be put into force.

Ed highlighted that the effort is to simplify and correct any inconsistencies in the Covenants. The Covenants are just 3 sections on 4 pages at this point. In section G the description of association property deletes the tennis courts which no longer exist. It adjusts the annual percentage that dues can be raised to 15% without catch up for past years. He explained that the Board cannot go back and add catchup from years when no increase or a smaller percentage increase was made. No increase in assessments was made during covid years. We are facing increased major repair and replacement expense on the common areas and facilities like the clubhouse and pool. There was Board discussion about removing the catch-up restriction in making assessments in the annual review process, as well as floating the idea of a 20% limit in annual adjustments; however it was felt that the change to 15% was a reasonable change.

In section H a couple sub-sections referred to Town of Nags Head 1997 building code requirements and this language is updated to "code currently in effect". The

sub-section that dealt with fence height which is different than the Town requirements was deleted as it is covered in a previous section that deals with the entire Town code and requirements. Then ONHCA and Town of Nags Head match.

Ed invited questions, clarifications, and comments:

Question: Do the Covenants cover what happens if someone does not pay their assessment; shouldn't this be in the Covenants?

The annual assessment and collection powers are vested in the Board in the Bylaws rather than the Covenants. The board can place a lien on a property that is in arrears on its assessment.

Question: Are the canals Association property like the clubhouse, pool, and recreation areas; and shouldn't the canals be listed in the Covenants? (Concern was expressed about properties without bulkheads and failing bulkheads causing silt up and blockage of canals.)

The canals are not listed in the Covenants as ONHCA property and have not been. We believe that the canals are regulated/under the control of the North Carolina Department of the Environment Coastal Management Administration (CAMA). (This discussion picked up later in the meeting under member comments.)

Update Items:

The Chair then reviewed a current update on a number of items:

Sidewalks and Speed Limit:

The sidewalks are underway and this was a decision that did not involve ONHCA Board input. The town made a decision to connect neighborhoods on the west side to the new Nags Head Community-wide path along the highway. The sidewalks in ONHC will go as far as Pamlico Way. The Town felt that the high pedestrian traffic with bicycles and dog walking would be safer with a sidewalk around the corner to Pamlico Way.

Also, with the safety concern on the west side of Virginia Dare a decision by the Town to lower speed limits and add stop signs at more intersections in all the neighborhoods on the West side was taken. ONHC streets are now posted at 20

mph. The town of Nags Head police Dept plans to start active enforcement of speed limit and complete (not rolling stops) in June.

Water Line Replacement:

The Town has made the decision to keep moving forward with the new water supply installation on the South side of ONHC through the summer until completion. Mary Gay is posting the weekly updates from the Town of Nags Head website on our ONHCA Facebook page.

Question: What does each property owner have to do to prepare ahead of the installation in your area? - The contractors are supposed to do preparation and notices are to be placed on resident doors. Dave Masters has done a fabulous job of interacting with the Town and getting updates on progress for the Association. The town also has an update weekly progress report that residents can sign up for on the Nags Head Town web site.

Dogs:

There have been incidents with residents having dogs not on a leash in our recreation area. In one case an individual was cited for a violation of Nags Head ordinance that requires leashing. ONHCA continues to have signage that leashes are required in Old Nags Head Cove Recreation Areas aligned with Town of Nags Head code requirements.

Pool Update:

Association Manager Brenda Lowe reported that improvements to the pool deck are completed and adult swim from 10 to 11 AM Thurs – Sat. has been introduced. It is planned to be expanded to Mon – Sat later in the summer if successful.

Chair Seth asked for any additional questions or comments from members present:

Canal Questions and Discussion:

Extensive discussion around canals and potential for dredging including who pays and who is responsible to have it completed? The last time dredging was done the expense was funded through a combination of grants and assessments of

some property owners. Comments about why property owners not on a canal would be assessed? Comment that all property values and the desirability of ONHC is related to canals and canal access even if not situated directly on a canal. Comment that Dare County has a dredge and maybe that could be employed if canal is wide enough for access. Shouldn't ONHCA be responsible for canals and improvements of canals? Discussion completed with suggestion that a task force be appointed by the Chair. There is need to get a handle on the complexity and players involved so canal maintenance be addressed.

Comment related to canal silting and speed of some boaters and their wakes. Comment suggested reposting from no wake to idle speed.

Chair noted that a task force has been active and placed new no wake signs and channel lights and markers recently.

Concerns:

A complaint from a member about unsightly and junked up yards. Can something be done to mandate property owners cutting their grass to a certain height and not allowing unsightly junk like mattresses and broken items to remain at some properties?

Another comment about pets running wild.

A general suggestion with these types of issues is contact the Town of Nags Head for enforcement of ordinances that deal with such issues.

The Chair asked Board members if they had any closing comments?

Dave Carroll addressed the fact that the neighborhood is having a resurgence of families and children. He believes Old Nags Head Cove Board has a philosophy of limited governance with responsible community members looking out for each other – a spirit of a caring community. ONHC has been noted for this community spirit and we need to preserve it.

Adjournment:

Seth thanked everyone for attending and participating.

There being no further business the Annual Membership Meeting was adjourned at 12 Noon.

At 12:15 the Board of Directors reconvened for a regular meeting required for specific actions following the Annual Meeting. The following actions were taken:

Election of Officers:

M: Mary Gay S: Dave Carroll to re-elect existing officers for the ensuing corporate year. Seth Johnson, Chair; Dave Master, Jr. Vice Chair; Ed Thomas, Secretary; Kim Ansell, Treasurer. Motion Approved.

Authorized Signatories:

M. Steve Pearce S. Ed Thomas to continue signatories and requirements for signatories for ONHCA financial and banking accounts. Motion Approved.

Corporate Records Update:

Kim Ansell reported on a review of corporate records and files. She suggested at the next meeting that the Board consider adopting a policy that financial statements cannot be changed after year end closing without Board review and approval.

Covenant Follow-up:

Kim discussed that while the Board had talked about engaging an attorney to help with review and modification of the Covenants that there was not sufficient funding in the budget – she suggested a budget adjustment be considered at the next Board meeting. Consensus that Ed Thomas be authorized to follow-up with attorney to project potential legal costs involved.

The next Board of Directors meeting for ONHCA was set for 9:30 AM on Saturday July 30th in the clubhouse.

The meeting was adjourned at 12:45 PM

