

# CAROLINA TRACE ASSOCIATION

[www.carolinatrace.org](http://www.carolinatrace.org)

Minutes of CTA Board of Directors Meeting – October 3, 2023 (Zoom)

## DIRECTORS or ALTERNATES (# of voting lots)

<b>Eagles Nest (62)</b>	Jennifer Williams	<b>Highland Woods (44)</b>	Chuck Popke	<b>South Landing (138)</b>	Joe Zanga
<b>Golf East (82)</b>	Kimberley Leatherwood (alt)	<b>Lakewood (47)</b>	Charles Wick	<b>Southwind (154)</b>	Rachel Butcher
<b>Golf North (137)</b>	Mary Wild	<b>Laurel Thicket (246)</b>	Dottie Gilbert	<b>Stonegate (44)</b>	Art Beaman
<b>Golf West (45)</b>	Debbie Betts	<b>Mallard Cove (194)</b>	Greg Burke	<b>Village at Trace (36)</b>	Tom Boerger
<b>Harbor Creek (154)</b>	Al Krygeris (alt)	<b>North Shore (311)</b>	Bill Glance	<b>Woodfield (70)</b>	Elaine Bednarcik
<b>Hidden Lake (236)</b>	Ken Harden	<b>Sedgemoor (168)</b>	Tom Hanley (alt)	<b>Woodmere/Trentwood (230)</b>	Steve Wisniski (alt)

## OFFICERS

<b>President and Chair of the Executive Committee</b>	Kate Woods
<b>Vice President and Chair of the Security and Safety Committee</b>	Burton Witaschek
<b>Treasurer and Chair of the Finance Committee</b> <b>Assistant Treasurer</b>	Larry Stiegler Dave Thomas
<b>Secretary</b>	Sharon Sheldon

## COMMITTEE CHAIRS, GUESTS

Rod Loss (TRAM)	Vince Roy (Utilities)	Rick Anser (guest, VTPOA)
Greg Byszanski (guest, HWPOA)	Jeff Sheldon (guest, NSPOA)	Jeff Wennberg (guest, LWPOA)
	Paul Zizzo (guest, HLPOA)	

**Total Attendance: 29** (Quorum = 2/3 directors (i.e., 12 POAs), and any affirmative vote on routine matters must represent a majority of directors present as well as 51% of *all* POA lots in good standing as per the 2022 census)

**CALL TO ORDER** - Having noted the presence of a quorum, Kate Woods, CTA President, called the meeting to order at 7:03 p.m. Stonegate POA questioned as to whether a meeting that involved a budget vote should have been in-person, President Woods read Art. IV, Sec. 6 of the CTA Bylaws (Nov. 2022) to the board,

which has no language requiring in-person meetings. The President urged all Board members to read the bylaws to gain an understanding of CTA protocols. CTA's bylaws are on the CTA website at <https://www.carolinatrace.org/file/document/1787292304/QZEhDNKcvW98Jn8Y.pdf>

**APPROVAL OF MINUTES** – The minutes of the September 3, 2023, meeting were approved as submitted by a majority of Directors present. Reminder if possible, changes or corrections to the minutes should be presented in advance so the board has a chance to review said motions, and that a call for changes or corrections prior to asking for the vote to approve will occur going forward.

## **GROUPS**

**CTCC** – Kate Woods, Director, F&B

- No report

**UTILITY REPORT** – Vince Roy, no written report

- Reminder that utility outages should be reported to the 1-800 number on the CWS bills prior to reporting them to the CTA rep for tracking. High sewage rates cannot be fought since the NCPUC approved those increases. However, tracking breaks gives us some proof that CWS is not maintaining the infrastructure as promised.

**CT FIRE DEPARTMENT** - Chief Chris Meyers, no written report (absent)

- Questions for the Chief can be sent to the CTA secretary. Chief Myers was tied up with Fire Department Board elections and also the local National Night Out event on October 3.

**PRESIDENT'S REMARKS** - Kate Woods, no written report

- Thanks to Larry Stiegler (Mallard Cove POA) for agreeing to be the interim treasurer for the remainder of 2023.
- POAs need to turn in their 2023 census information to Assistant Treasurer David Thomas as soon as possible.

**FINANCIAL REPORT** – Larry Stiegler, Interim Treasurer

- Financial reporting will resume with the November meeting, and will include August – October reports.
- Q4 dues were sent out and 14 of the 18 POAs have submitted their dues. Thanks for your prompt payments.
- Treasurer's PC has been updated with virus protection.
- Working with CTA's bank on access to the various accounts and CDs.
- Moving forward, approval from the appropriate committee chair is required for all expenditures
- In the process of calculating CTA's monthly burn rate and the yearend financial health.

## **MOTIONS ON DRAFT 2024 BUDGET (v.2)**

- Motion No. 1 – by Stonegate POA, to add \$8500 to the 2024 budget to complete the last phase of the Stonegate POA audit motion as approved by the CTA Board at the March 7, 2023 Board meeting.

- Discussion as to the appropriateness of motions when the budget was approved on September 5 but not voted on due to confusing language in the bylaws. Several Board members commented that they left the September 5 meeting understanding that today's vote was a mere formality to finalize passage of the 2024 Budget v2, dated 9/5/2023 without further amendments. Joe Zanga (South Landing POA) moved to close discussion and close further amendments to the budget, seconded by Greg Burke (Mallard Cove POA). Charles Wick (Lakewood POA) called the question; the motion was passed by a majority with the Golf West and Stonegate POAs dissenting. The Stonegate motion was not considered further.
- The 2024 Budget v2, dated 9/5/2023 was approved by part two of the two-tier vote. Twelve out of eighteen POAs approved, with the following POAs in dissent: Hidden Lake, Highland Woods, Lake Wood, Southwind, Stonegate, and Woodfield. The vote exceeded the bylaw requirement that the budget be approved by more than two-thirds of the lots represented at the meeting and more than 51% of the total lots in all POAs (75.2% approval on both tests).
- Board members expressed sentiment that Stonegate's motion had merit and it could be considered in the future after additional due diligence. The changing demographics facing the various POAs have created a deficit in volunteers to devote time to POA and CTA committee and board positions. Professional management will be researched also. Golf East POA reported it outsourced its finance requirements and plans to outsource more duties. It was suggested that POAs consider outsourcing of some POA duties in combination with other POAs for efficiency and cost-savings.

**SECRETARY** - Sharon Sheldon, written report; nothing to add.

## **COMMITTEE REPORTS**

- **SECURITY & SAFETY (S&S)** – Burt Witaschek, Chair, written report; nothing to add
  - In response to a SL POA inquiry, indicated that staffing changes continue with our security contractor and that the management will remind the gate staff to lower the visitor gate arm when not in use.
- **TRACEWAY ROADS AND MAINTENANCE (TRAM)** – Ernie Patterson, absent, no written report
  - Presentation by Debbie Betts, Golf West POA on behalf of the Bradford/Callery Pear Ad Hoc to remove and replace 28 Bradford Pear trees at a cost of \$25, 800.
    - TRAM solicited proposals from many tree services, and received a few proposals to do portions of the project. The task force has selected two contractors to handle different aspects of this project. Secretary will share the document submitted to the President with the Board.
    - Clarified that CTA will receive the maximum allotment of bounty trees from the Lee County, NC Bradford Pear County program.
    - Trees recommended to be planted have 5 gallon root balls, which are about 6 feet tall. Lee County Horticulturalist Amanda Wilkins recommended this size due to their success in being transplanted.
    - Trimming of future trees has been taken into consideration and this project is not expected to add costs to the CTA landscaping budget.
    - Motion by Debbie Betts (Golf West POA), second by Elaine Bednarcik (Woodfield POA) Sedgemoor POA called the question, which was approved. Board voted to fund the tree project with a majority, with Hidden Lake and Mallard Cove POAs dissenting.

- **TRACE LAKE AND DAM COMMITTEE (TLDC)**- Kate Woods, Chair, no report
  - Bathymetric mapping of Lake Trace to include more than 250 points was completed 9/27/2023.
    - This will provide a baseline for measuring increases in lake sediment in addition to a survey of vegetation. One of the researchers from NCSU expressed his opinion that the lake's hydrilla is coming in from Carr Creek.
    - Results will be available sometime in early to mid-2024.
  - Clarified that the engineering firm hired by Escalante Golf has indicated the Lake Trace dam is not a problem. The bathymetric study has no bearing on the dam.
  - Mallard Cove POA asked if CTCC/Escalante Golf has responded to the Board's September letter. President Woods indicated she has not received a response but understands from CTCC GM Ray Reyes that a response would be forthcoming. The Board agreed that sending a second request was not needed at this time.

## **OLD BUSINESS**

- None

## **NEW BUSINESS**

- Stonegate POA objections (letter and attachments submitted to CTA president)
  - Board members expressed objection to considering a motion to respond or clarify earlier actions
  - President Kate Woods explained that the 2017 Capitalization policy mentioned in the packet is for non-budged monies. The TRAM expenditure (the change of what was funded was approved by the Board) was appropriate as the 2023 budget included those funds in its line item.
  - President Woods also clarified that the reduction of expenses against the 2023 S&S budget item for SPA (security contractor) expenses was simply due to contract renegotiation.
    - Refunds of in reduced expenditures in a budget line item is not a regularly held business policy for small amounts. Had this resulted in a huge surplus that would have been a different story. This issue was discussed by the Board in an earlier meeting.
  - Bill Glance, North Shore POA, moved that the board reaffirm its previous actions to which Stonegate POA is taking exceptions. Charles Wick, Lakewood POA, seconded the motion. The question was called by Ken Harden, Hidden Lake POA, and seconded by Al Kygeris, Harbor Creek POA. The board passed the motion to reaffirm by a majority vote, with Stonegate POA dissenting.
- Nominations for the 2024 slate of officers are due by the November 7 CTA Board meeting. Vice President Burt Witaschek will not return to that role in 2024. The nominations committee members are Debbie Betts, Tom Boerger and Paul Zizzo. Topics at the next Board Meeting will include fiber optic providers in Carolina Trace and creation of ad hoc for CTA Bylaws review, to include correction of inconsistencies left in place by the 2022 bylaw revision.

## **CALENDAR**

- **Next CTA Meeting** – November 7 via Zoom

**ADJOURNMENT** – Following a motion by Bill Glance, North Shore POA and seconded by Charles Wick, Lakewood POA, the meeting was adjourned by the President at 8:36 p.m.

Respectfully submitted,

Sharon Sheldon, Secretary  
Carolina Trace Association

## **REPORTS AND OTHER ATTACHMENTS**

- Motion from Stonegate POA for 2024 Budget
- 2024 budget v2, dated 9/5/2023
- Two-tier voting results for 2024 budget approval
- Communications Report
- Security and Safety Report
- TRAM Motion from Bradford/Callery Pear *Ad Hoc*
- Stonegate POA objections packet

9-27-2023

Stonegate POA (SPOA) (Delegate) makes a motion to amend the CTA 2024 Proposed Budget to add \$8500 to the Budget to complete the last phase of the SPOA Audit Motion as approved by the CTA Board March 7, 2023.

To eliminate the weakness of the Association, that the Auditors reported to Management, these funds will be used to:

Hire a professional firm familiar with non-profit corporations that file IRS Tax Form 1120H and the Federal and North Carolina Planned Community Act mandatory regulations applicable to CTA, Inc.

The firm will work with all CTA Directors, who by CTA By-Laws, are charged with governance of CTA, Inc.

The goal is to utilize the CTA Directors experience and leadership skills to effect CTA Policy and Oversight procedures that will correct and prevent such weaknesses moving forward.

This will result in a Governance Training Manual for current and future Board of Directors that will enable the Directors to manage and control the affairs of the Association, establish and supervise all committees and provide oversight regarding all Officers, Committees, Agents and Employees on behalf of the Carolina Trace Community. This is the CTA Directors Authority and Duty under the CTA Articles of Incorporation and CTA By-Laws.

2024 Carolina Trace Association, Inc. – Budget 2<sup>nd</sup> Revision (09/05/23)

- Removed the capital project proposal for the centralized dock, etc.
  - Because this line item was removed, I had to adjust the column numbering sequence - which now only goes to 59.
- Adjusted the Automated Gate Pass cost to "\$0" for 2024 (line item #38, under Safety & Security). The \$800/month won't begin until 13 months into the operation, which will take us to January of '25.
- Due to this reduction in Operations cost, we'll now be showing an overall operations savings of \$17,285 (included within the Reserve estimate totals, page 2 of budget).
- Please note the only budget proposal in play is renamed as follows: 2024 Carolina Trace Association Inc. - Budget: 2nd Revision 090523.

**2024 Carolina Trace Association, Inc. - Budget: 2nd Revision (09-5-23)**

LINE #	INCOME	2023 Budget	YTD 2023	2024 Budget	Notes
1	POA Assessments (Non Capital)	\$517,000	\$565,042	\$503,712	
2	Contractor Passes	\$12,420	\$7,912	\$15,525	Raise price to \$25 (from \$20)
3	E-Sticker Purchase	\$18,000	\$10,861	\$22,500	Raise price to \$25 (from \$20)
4	POA Property/Pool Insurance Payments	\$10,000	\$10,481	\$10,000	
5	Interest Inc	\$1,000	\$133	\$1,000	
6	Other Income	\$0	\$1,500	\$0	
7	<b>Total Operating Income</b>	<b>\$558,420</b>	<b>\$595,929</b>	<b>\$552,737</b>	
8	Major Road & Bridge Maintenance (Reserve)	\$100,000	\$100,000	\$0	
9	Reserve Allocation	\$36,800	\$39,954	\$34	
10	Capital Budget Improvements	\$76,500	\$73,346	\$287,846	
11	<b>Total CTA Infrastructure Improvements</b>	<b>\$213,300</b>	<b>\$213,300</b>	<b>\$287,880</b>	
12	<b>TOTAL INCOME</b>	<b>\$771,720</b>	<b>\$809,229</b>	<b>\$840,617</b>	
	<b>OPERATING EXPENSES</b>				
	<b>General Admin. Expenses</b>				
13	Accounting Fees	\$6,500	\$0	\$6,500	
14	Insurance	\$36,572	\$34,967	\$36,572	
15	Board Training	\$500	\$0	\$500	
16	Boat Ramp (annual)	\$5,000	\$0	\$5,000	
17	Computer	\$500	\$0	\$500	
18	E-Sticker Deposit Return	\$500	\$100	\$0	
19	Financial Charges	\$100	\$25	\$100	
20	Miscellaneous Expenses	\$400	\$0	\$400	
21	Printing/Postage/Shipping	\$100	\$0	\$100	
22	Professional/Legal Fees	\$1,000	\$122	\$1,000	
23	Waste/Trash Disposal Fee	\$360	\$315	\$360	
24	Web Presence	\$120	\$238	\$370	
25	<b>Total Admin Expenses</b>	<b>\$51,652</b>	<b>\$35,767</b>	<b>\$51,402</b>	
	<b>Roads &amp; Maintenance</b>				
26	Drainage Maintenance & Repair	\$15,000	\$13,700	\$15,000	
27	Landscaping/Beautification	\$15,630	\$8,574	\$15,630	
28	Mowing and Weed Control	\$44,000	\$18,335	\$44,000	
29	Routine Road Maintenance & Repair	\$22,000	\$26,906	\$30,000	Truck Parking Pads: Refurbish
30	Storm Clean-up	\$8,280	\$0	\$8,280	
31	Tree trimming/removal/pruning	\$8,690	\$1,300	\$16,190	Bradford Pear Tree Removal/Restoration
32	Roadside Trash	\$1,500	\$0	\$1,200	
33	<b>Total Roads &amp; Grounds</b>	<b>\$115,100</b>	<b>\$68,815</b>	<b>\$130,300</b>	
	<b>Safety &amp; Security</b>				
34	Security Contract	\$340,300	\$148,403	\$305,000	
35	CERT Supplies	\$2,500	\$78	\$2,500	
36	E-Stickers Purchase	\$8,000	\$3,051	\$9,000	
37	Gate Maintenance	\$10,000	\$1,690	\$5,000	
38	Automated Gate Passes			\$0	\$800/month will begin 13th month, or January - '25
39	Gatehouse Supplies	\$3,000	\$2,065	\$3,000	
40	Security Cameras/Recorder	\$9,000	\$11,343	\$2,500	
41	Contracted IT Support	\$3,200	\$0	\$3,200	
	Utilities				
42	Utilities/Non Internet	\$13,550	\$9,948	\$13,550	
43	Utilities/Internet and Video	\$10,000	\$2,559	\$10,000	
44	Total Utilities	\$23,550	\$12,507	\$23,550	
45	<b>Total Safety &amp; Security</b>	<b>\$399,550</b>	<b>\$191,644</b>	<b>\$353,750</b>	
	<b>Long Range Planning (Capital)</b>				
46 - 1	Bridge(s) Inspection Repairs	\$15,000	\$15,000	\$20,000	Complete North Bridge Footer Pours
47 - 2	Crusher Stone Runs (along roads, where required)			\$30,000	Eliminate steep drop offs
48 - 3	Traceway Road (Asphalt Overlay)			\$150,000	~ 1 Mile coverage
49 - 4	Culvert Repair (Country Club Road/Entrance)			\$0	1st Rev: Project pending Escalante development
50 - 5	Gatehouse System Hardware (Computers - '23)		\$5,804	\$50,000	Automated Visitor Passes
51 - 6	Gatehouse Maintenance	\$6,500	\$1,042	\$22,846	NG Barrier gate & SG upgrade
52 - 7	Lake Trace Maintenance (annual)	\$5,000	\$0	\$5,000	
53 - 8	Add General Contract Labor			\$10,000	Due to reduced volunteer help
54	Traceway Road Widening (as required) - C	\$20,000	\$20,000		
55	Sign Island Erosion Control - C	\$25,000	\$25,000		
56	Major Road & Bridge Maintenance (Reserve)	\$100,000	\$100,000	\$0	Itemized within Income Section
57	Large Truck Parking Pad - C	\$5,000	\$6,500		
58	Reserve Allocation	\$36,800	\$39,954	\$34	Add to Reserves, from above-listed (approved) projects
59	<b>Total Long Range Planning</b>	<b>\$213,300</b>	<b>\$213,300</b>	<b>\$287,880</b>	

<b>Total Operating Expense</b>	<b>\$566,302</b>	<b>\$566,302</b>	<b>\$535,452</b>
<b>Long Range Planning (Capital)</b>	<b>\$213,300</b>	<b>\$213,300</b>	<b>\$287,880</b>
<b>Total CTA Budget</b>	<b>\$779,602</b>	<b>\$779,602</b>	<b>\$823,332</b>



**Assessed Lots**

**Lot Assessment Type**  
**Number of Assessed Lots**  
**Assessment for Operations (6:1)**  
**Assessment Long Range Planning (1:1)**  
**Total Assessment**  
**Assessment Increase for 2023**

2023 Budget 2022 Census Data		
Unimproved	Improved	Total
776	1,594	2,370
\$50.00	\$300.00	\$517,000
\$90.00	\$90.00	\$213,300
\$140.00	\$390.00	\$730,300

2024 Budget 2023 Census Data		
Unimproved	Improved	Total
780	1,619	2,399
\$48.00	\$288.00	\$503,712
\$120.00	\$120.00	\$287,880
\$168.00	\$408.00	\$791,592

20%                      5%  
 Assessment Updated

**Reserve Funds**

	Exp'd 12/25	Exp'd 12/24	Exp'd 12/23	Exp'd 12/22	Exp'd 12/21
Beginning (est)		\$700,658	\$638,640	\$508,000	
30110 - General Reserve (Roads, Bridges, etc.)		\$0	\$100,000	\$100,000	
Reserve Allocation		\$34	\$36,800	\$17,100	
Surplus Reserve (Income - Budget)		\$17,285	-\$7,882	\$13,540	
Bridge Repair Reserves Usage - '23			-\$66,900		
<b>Total Reserves</b>	<b>\$0</b>	<b>\$717,977</b>	<b>\$700,658</b>	<b>\$638,640</b>	<b>\$508,000</b>

**CTA Two Tier Voting, Per Dec. 2022 Census - Form updated 9/9/2023**

**MOTION #**  
**SUBJECT: Motion by Joe Zanga (SLPOA) to approve the 2024 CTA Budget draft v2 dated 9/5/2023) as per Board discussion on 9/5/2023.**

POA	POA CENSUS DATA			MEETING ATTENDANCE		VOTING BY POA (enter votes here)				VOTING BY LOTS			
	Total Lots	Assessable Lots	Net Voting Lots	POAs Present (1=present; 0=absent)	Voting Lots Present	POA	YES	NO	ABSTAIN	YES Votes By Lots	NO Votes By Lots	ABSTAIN Votes By Lots	1 vote per POA?
Eagles Nest	67	67	62	1	62	EN	1			62	0	0	OK
Golf East	82	82	82	1	82	GE	1			82	0	0	OK
Golf North	137	137	137	1	137	GN	1			137	0	0	OK
Golf West	46	45	45	1	45	GW	1			45	0	0	OK
Harbor Creek	167	166	154	1	154	HC	1			154	0	0	OK
Hidden Lake	254	254	236	1	236	HL		1		0	236	0	OK
Highland Woods	47	46	44	1	44	HW		1		0	44	0	OK
Lakewood	71	69	47	1	47	LW		1		0	47	0	OK
Laurel Thicket	251	251	246	1	246	LT	1			246	0	0	OK
Mallard Cove	201	196	194	1	194	MC	1			194	0	0	OK
North Shore	317	312	311	1	311	NS	1			311	0	0	OK
Sedgemoor	170	170	168	1	168	SE	1			168	0	0	OK
South Landing	142	142	138	1	138	SL	1			138	0	0	OK
Southwind	170	170	154	1	154	SW		1		0	154	0	OK
Stonegate	49	47	44	1	44	SG		1		0	44	0	OK
Village at Trace	36	36	36	1	36	VT	1			36	0	0	OK
Woodfield	73	72	70	1	70	WF		1		0	70	0	OK
Woodmere-Trentwood	235	235	230	1	230	WT	1			230	0	0	OK
<b>Totals</b>	<b>2515</b>	<b>2497</b>	<b>2398</b>	<b>18</b>	<b>2398</b>		<b>12</b>	<b>6</b>	<b>0</b>	<b>1803</b>	<b>595</b>	<b>0</b>	

<b>TOTAL "YES" VOTES REQUIRED FOR MOTION TO PASS:</b> 51% of Column D total = 1223 66.667% of Column E total = 1599	<b>RESULTS:</b>	% of YES votes	% of NO & ABSTAIN Votes	1803	595
		75.2%	25%	<b>This condition PASSED</b>	
		75.2%	25%	<b>This condition PASSED</b>	

**Two Tier Voting:** Approval shall require: (1) a majority vote by Directors or Alternate Directors in attendance who shall vote their respective POA as an undivided voting block. The sum of the lots represented by the Directors or Alternated Directors in attendance shall equal 100%. Approval requires two-thirds (2/3) of that sum. However, such two-thirds (2/3) total cannot be less than 51% of the total lots represented by all POAs in good standing.

## CTA Communications/Secretary Report - October 2023

**New/Deleted Resident Reports:** The September 2023 reports were distributed to CTA Directors, Alternates, POA Secretaries and Social/Communications Chairs on October 2. Please report any errors or report feedback to Burt Witaschek ([ctavicep@gmail.com](mailto:ctavicep@gmail.com)).

**Press release distribution:** In an effort to publicize good citizenship of CT residents, a press release was authorized and sent to WRAL, the Carolina Trace Country Club, and *The Sanford Herald* and *The Rant* publications. The press release covered the 30-year Star awarded for CT's participation in the Adopt-A-Highway Program. This information is also on the CTA website.

-Sharon Sheldon, Secretary

## **October Safety & Security Committee**

**The committee met Thursday, September 28<sup>th</sup> via Zoom.**

The resident responsible for hitting the new Barrier gate motor has been given the estimate to install new cabinetry on that motor. He has been requested to remit payment within 15 days of the invoice date. The gate contractor has ordered the new cabinet and we are waiting for it to be delivered and then to get on his schedule to install.

As a note to the gate maintenance, if any of the gates (main, north or south) are reported as inoperative, the CTA Safety and Security Committee volunteers are on site usually within 20 minutes to assess the situation. These volunteers are basically on call 24/7 and have been known to work the problem in inclement weather as well as in the dark of night. They will do whatever they can to get the gates working again as the Gate Contractors usually have a 10-to-14-day time frame before they can do repairs or resets. CTA volunteers expect nothing more than patience on the part of the rest of CT residents, keeping in mind that the volunteers are dues paying residents as well.

The PTZ (point, tilt and zoom) camera at the North gate failed as did the 8-port switch box at the South gate and both components were replaced by Vector Security (ADS). These components are vital to security at the unmanned gates.

To better secure the gatehouse on third shift, a combination deadbolt and door chime was installed on the back door.

The CTA Safety and Security Committee is in the process of contacting the DOT to further study the possibilities of making the North and South access roads to CT less of a potential hazard for drivers.

**Bradford/Callery Pear Ad Hoc Committee  
Motion for Project Approval  
October 3, 2023 CTA Board Meeting**

Debbie Betts (CTA representative for Golf West POA), puts forth a motion for Board approval for \$25,800 for the removal and replacement of the first 28 Bradford Pear trees on Traceway, as per the Bradford/Callery Pear Task Force.

The cost breakdown is as follows:

1. the removal of 28 Bradford Pears trees (\$6,000);
2. fungicide spray (\$800.); and
3. Procurement, planting, and watering of 20 trees (\$19,000).

Over 50 contractors were notified of this, we had one proposal for planting, one proposal for spraying, and six proposals for tree removal.

Thanks.

**Background:**

This is what went out to over 50 companies in Lee County via Angie and business net:

Timeframe: More than 2 weeks

Property: Commercial or business

Remove 28 Bradford Pear trees along Traceway North median in Carolina  
Comments: Trace. Stumps must be ground out. All debris must be removed. Root area must be sprayed with pesticide after removal. License for both tree removal and spraying must accompany quote. Work to be performed in mid-October.

Timeframe: More than 2 weeks

Property: Commercial or business

Comments: Purchase five redbud trees and five tulip magnolias, all 10 trees to be in five gallon containers; aerate soil; compost and fertilize; 10 trees to be supplied; plant all 20 trees; for one year after planting apply 5 gallons of water per tree as required. Watering not required in winter months.

I talked with many people and had 4 responses in writing.

1. Conway tree service \$15,000.
2. Bush Creek LLC \$6000.
3. Woerdeman \$14,000
4. Cushman \$24,000

only one bid for spray:  
Barry Walls \$800.

only one bid for planting  
Barry Walls \$19,000

CC Bust Wtaschek  
CTA Vrs President

Date: September 13, 2023

To: CTA Board of Directors  
From: Stonegate POA-CTA Directors

At the May 2, 2023 CTA Board meeting, the TRAM Committee, Ernie Patterson, presented a resolution for CTA Board action.

This TRAM Resolution is memorialized in the May 2003 TRAM Report as follows:

*However, the North exit road from Mallard Cove to Cox Mill Road has been experiencing issues with high traffic and construction vehicles. As a result TRAM and the Executive Committee have decided to divert the money approved earlier this year for the asphalt drainage in North Shore to overlay the North exit. This work will take two days.*

Stonegate POA-CTA Director Art Beaman objected to this Resolution because it did not comply with the CTA By-Laws Article 4, Sec. 6, Art. 6 & 7. It also did not comply with the "Capital Expenditures and Capitalization Threshold Policy" approved by the CTA Board on March 7, 2017.

The approved Minutes of the CTA Board Meeting (May 2, 2023), a legal record of CTA Board Actions belies the CTA By-Laws and CTA approved policy. It states:

TRACEWAY ROADS AND MAINTENANCE (TRAM) - Ernie Patterson, see attached report: Clarification as to budget impact and whether or not the change of fund purpose (from NS area repairs to exit gate repairs) requires a two-tier vote by the Board. Moving funds within TRAM's budget does not require a two-tier vote by the Board (see Article 5, Sec. 3 of CTA By-Laws) since both projects were asphalt work and TRAM is tasked with triaging their projects.

This is a Capital Expenditure not within the approved Capital Budget (2023) and beyond the scope of the discretionary fund (\$10,000) and must be specifically approved by the CTA Board of Directors in accordance with the By-Laws. (Art. 4, Sec. 6) Two tier voting.

Neither the Executive Committee nor the TRAM Committee is authorized to approve this Capital Expenditure (Article 6 & 7 of By-Laws). Not even the CTA Board can divert funds and by-pass the CTA By-Laws and Policy.

Who should manage and provide oversight within the Association?

Article 5, Sec. 1 Powers (a) The Board of Directors shall have the power to (a) manage and control the affairs of the Association. (d) Establish and supervise all Committees and the (Section 2) Duties (b) "Provide oversight regarding all Officers, Committees" .....

Management and oversight did not happen on this project. This confirms the Auditor's finding of material weaknesses in the Association that must be corrected. Since each Committee shall be responsible for maintenance of records and monthly reports to the Board. (Article 7, Sec. 1 (d) An examination of the Executive and TRAM Committee records regarding this Capital Project may provide information that will lead to corrective action.

Date: 8/28/23

Kate Woods, President, Carolina Trace Association  
51 Traceway South, Gatehouse Plaza  
Sanford, NC 27332

SUBJECT: August 1, 2023 Board Meeting

Kate:

I just read the August 1, 2023 Minutes "New Business"

Since January 1, 2023 there are several questionable Board actions already memorialized in the approved CTA-BOD Minutes. This will be another one if the draft is approved as written. (Enc. 1)

Keep in mind we are all volunteers working to agree on decisions in the best interest and on behalf of all Carolina Trace Association, Inc. (CTA) property owners, residents and non-residents, who pay the CTA assessment each year.

As you recently noted, the CTA By-Laws (1979-2022) provide the Powers w/limits, Duties, and Obligations of Directors, Officers, Committees and Members. This enables CTA to provide continuous legal performance and comply with Local, State and Federal laws (per CTA Articles of Incorporation) even when the volunteers may change each year.

In addition the CTA Board has also approved CTA Policies that include specific requirements for CTA actions to insure CTA actions are consistent and legally compliant while enabling the CTA Board to meet its By-Law oversight duties. One example is the "Capital Expenditures and Capitalization Threshold Policy" approved by the CTA Board on March 7, 2017. (Enc. 2)

The assessments are the CTA, Inc. Property Owners money to be used only as approved by the CTA Board. The minutes confirm the majority of the CTA Volunteers serving on the CTA Board believe budget variance provide additional discretionary funds for use as determined by various committees, without requiring CTA Board approval and oversight. We hope this information will help you correct this misconception.

The SPOA concerns about the August 1, 2023 draft minutes follow:

1. The SPOA motion states:

**"The CTA Treasurer will issue a credit on the last Quarter CTA invoice for 2023 CTA assessments in the exact amount of the overpayment for each POA."** There is no reference in the motion of a dollar amount.

2. SPOA did provide an example of Contract Law (State and Federal) because the 2023 CTA-SPA agreement is a fixed Contract with stated obligations/deliverables. The CTA, Inc. members paid \$340,300 for 100% deliverables in 2023. They did not get 100% of what they paid for in advance. Contract Law requires they get a credit/refund for items not delivered. (So do Federal Consumer Protection Regulations) You only pay for what you get.
3. Some SPOA Members recall that a credit was issued by CTA under similar circumstances when Tony Forgione was CTA President.
4. SPOA found no CTA record of what date the CTA Board approved reducing the deliverables on the 2023 CTA-SPA Contract, nor the effective date of the new CTA-SPA Contract for \$305,000/year. It is mentioned in the June 30, 2023 Safety and Security Committee meeting report. The midpoint of the 2023 CTA-SPA Contract year.

We regret the SPOA Contract Law example caused so much confusion as reflected in the Minutes taken at the meeting.

It would be in everyone's best interest if you spoke to CTA Legal Counsel to see if this can be quickly resolved in-house and serve as a learning experience for the CTA Volunteers.

Please distribute a copy of this letter and enclosures to all the CTA Directors and Volunteers who participated in the August 1, 2023 regular meeting.

If anyone wants to discuss this, they can call me at 919-498-5034 or email [jd30dunne@gmail.com](mailto:jd30dunne@gmail.com).

Thanks for your work on behalf of CTA.

Joe Dunne SPOA/CTA Alternate

cc: SPOA File  
T. Forgione  
CFPB



**CAPITAL EXPENDITURES & CAPITALIZATION THRESHOLD POLICY**  
of Carolina Trace Association, Inc.

This policy was approved by the CTA Board of Directors on 7 March 2017.

**Definition and Threshold:**

Capital assets consist of furniture, fixtures, equipment, software, land improvements (e.g. road surfaces, bridges, culverts), etc. that meet two criteria:

- 1) a useful life of more than one year, and
- 2) cost more than a certain amount.

The CTA Board of Directors has established \$ 2,500.00 as the threshold amount for capitalization. Purchases and asset acquisitions that do not meet the capitalization criteria shall be expensed in the year in which the purchase occurred.

**Competitive bid:**

For purchases and capital expenditures in excess of \$5,000.00, competitive bids (preferably three, minimum two) should be sought when appropriate.

**Approval:**

CTA shall prepare a Capital Budget for each fiscal year that includes proposed capital expenditures planned to occur in that fiscal year. The Capital Budget shall be approved in accordance with the Bylaws. Those expenditures itemized within the approved Capital Budget are considered approved. The timing of Capital Asset expenditures shall be determined by the Finance Committee based on overall cash flow requirements.

CTA's Capital Budget includes a discretionary fund of \$10,000.00 that may be accessed by the Executive Committee without prior approval of the Board of Directors, provided resources are available, and with the stipulation that the Board be informed of any use of the fund at the next regular meeting.

Capital expenditures not within the approved Capital Budget, or beyond the scope of the discretionary fund, must be specifically approved by the CTA Board of Directors in accordance with the Bylaws. To seek such approval the President must provide the amount and rationale for the expenditure and assurance of availability of financial resources to support the purchase.

**Recordkeeping:**

CTA shall maintain a list of fixed assets showing the date of the acquisition, its cost, and a schedule for depreciation of the asset. CTA will use IRS useful lives and depreciation methods so that no differences arise between the books of account and tax return amounts. Annual depreciation expense will be included in CTA's annual operating budget.

**Asset Impairments:** A recognized impairment of capital assets shall be recognized whenever events and circumstances warrant.

For each purchase or capital expenditure, the Executive Committee shall evaluate whether the acquisition will have an impact on insurance coverage, determine if present coverage valuations are adequate, and obtain additional coverage if necessary.