

Carolina Trace Association, Inc.

December 14, 2019

2019 Annual Report

2019 was an amazing year of many accomplishments and transition. In accordance with CTA Bylaws Article 5 section 2.d it is my pleasure to prepare this annual report of CTA's actions and efforts for review and distribution by our individual Property Owner Associations. This report is intended for widest distribution to all owners and residents of the community.

Among the CTA Officers for 2019, only one position (Vice President) was occupied by the incumbent of the previous year. As the newly elected President, I encouraged all Officers to evaluate their positions and identify areas for improvement. We have instituted many changes in operations which will be briefly described below.

Each CTA officer position now has a permanent email address that will allow improved continuity in communication as well as easier transitions as new volunteers fill those positions. ctaprestr@gmail.com; ctavicepresident@gmail.com; ctatreasu@gmail.com and ctasectr@gmail.com. I encourage all POAs to follow a similar pattern for your own officer positions.

There are three major contracts maintained by CTA: Insurance, Security and Grounds Maintenance.

- Ken Harden, our VP conducted a review of our group insurance policy which identified some deficiencies in reported properties. Specifically, the pools listed under the general liability policies were not mentioned in the umbrella insurance policies. Unfortunately, when those pools were added to the umbrella policy a number of POAs faced an unplanned increase in their individual premiums. This is one of the complications of managing a policy for 18 individual communities and Ken is distributing a worksheet to be completed by each POA to assist us with this task. As a reminder, this program of combined insurance is still a fairly recent initiative but has generally provided better coverage with higher coverage for similar costs as when POAs maintained individual coverage.
- Ken, as Chair of our Security, Committee also had the delightful responsibility of reviewing and re-competing our contract for the security guards. CTA transitioned to contract security guards about 8 years ago and Southern Protection Agency (SPA) has been our sole provider of those services for that entire period. Ken spent many hours reviewing and designing a new Request for Proposal (RFP) which he solicited a number of other regional and national security providers. His Committee reviewed the final bid proposals and SPA was once again recommended as the best continuing value to the community. Their contract was renewed for three years and it is my belief that the work and outreach done this year will provide additional opportunities to us in 2022 when this contract should be sent out for competing bids again.
- The Grounds Maintenance contract has historically been split into a mowing and landscaping section with separate contractors for each. The committee responsible for this area is Traceway Roads and Maintenance (TRAM), which was transitioning in leadership from myself to Ernie Violon. A community volunteer, Todd Blatterman, led a team of other community volunteers to review and re-compete these contracts for 2019.

Once again, numerous hours were spent writing, discussing and reviewing the grounds maintenance needs for our community, thank you Todd, Carol Schock and Ron Moeller! Originally the landscaping contract was recommended to be retained with the incumbent landscaper and a new mowing contractor, Barry Walls was selected. Later this year the TRAM committee consolidated our entire Grounds Maintenance contract with Barry Walls, who is a Trace property owner and resident and has provided outstanding service while helping us simplify our own process from two contracts into one.

TRAM has truly had an outstanding year under the new leadership of Ernie Violon and the entire community has seen the efforts of his hard work. While many other people and the Security Committee were involved in the new, automatic North Gate, it was Ernie that coordinated and arranged the majority of that project. This was a multi-phased project requiring several votes from the CTA Board of Directors, and after several disappointing delays the North Gate was finally operational in October of this year. The improvements to our residents was immediate and I am hoping the increased access to our local EMS, Fire and Sheriff vehicles will prove even more valuable in the long term. I will briefly list other important projects completed by TRAM this year: striping of Traceway, repair of large culvert near Harbor Creek, repair of sinkhole/supplemental culvert at Stonegate Pond, erosion control project at intersection of Chelsea Dr, drain erosion repair near Highland Woods, large CAROLINA TRACE sign near Hwy 87 was replaced, painting of the Gatehouse interior and numerous exterior painting projects, finally the ongoing visual and safety aids installed throughout the community to enhance our safety.

There have also been numerous changes around the Gatehouse. The major change all residents should be aware of is our new Point of Sale (POS) system at the Gatehouse which allows use of all credit cards and even mobile forms of payment like Apple Pay or Google Pay. These systems require less resources from our personnel so we encourage your use of our POS system as much as possible vs checks or money orders. A large investment in the internet bandwidth of the Gatehouse was made in order to support the increased video streaming requirements of remote locations and if there are individual POAs interested in sending a video feed to our Gatehouse coordination can be made. Finally, I must emphasize that video and audio surveillance is throughout the Gatehouse now, so whenever an issue is raised on our guard's performance, it is essential that you provide a date/time so our leaders can review the recordings of the situation directly.

In an extremely close vote, an initiative was approved by the CTA Board to reduce the non-paying properties in Carolina Trace. The immediate effect that property owners will notice is that effective January 1, 2020 all residents will pay \$20 for main gate stickers issued to them, the same policy that was in effect until the last few years. The net profits from those sales will be collected into a legal assistance fund to reduce the number of non-paying properties in Trace which currently stands at 130. Ideally these funds will act as short-term loans and be recovered when property assessments are paid up. This program will be evaluated again in three years and all net funds remaining will be used towards roadway improvements.

Our CTA Financial Committee consisting of Nate Mahaney, Ed Nelson, Dave Carmony and Chaired by Treasurer Cal Saltzman met several times throughout 2019. Their major accomplishments were: 1) The build/input of CTA 1099's in January; 2) The filing of CTA taxes prior to April 15, 2019; 3) The CTA Census in August 2019; 4) The building and approval of the 2020 Budget; 5) The implementation of Capital Bank Visa Cards for CTA Executive Officer and

Key Committee Members in September 2019; 6) The establishment of Amazon on Line Ordering Agreement with Amazon in September 2019 and 7) The establishment and setup of an on line Point of Sale (POS) at the Gatehouse as previously mentioned.

Our Financial summary report will be attached once the books are closed for 2019. We are in a good position with growing reserves, however there are large financial commitments ahead of us to include the eventual renovation of our bridges and maintenance of our 5+ miles of Traceway. Recognizing that we do need to grow our reserves substantially, I will also continue to support immediate capital improvements projects that will improve the quality of our lives now. This financial report will be attached to this document and posted on our website <http://www.ctaincnc.org/annual-reports.html>

For the sake of brevity, I will finally mention we held three town halls at the Carolina Trace Country Club during 2019 with the County Tax Assessors, County Manager and County Sheriff. We are a large part of Lee County and I will continue to strive for increased communication and cooperation with our County agencies. Finally, I cannot communicate enough my own gratitude for the efforts and support of the many volunteers that I have not mentioned in this letter that make Carolina Trace the wonderful home it is to us. There are numerous volunteers that work for our community almost every day and I will continue to list them in the minutes of our first annual meetings in January. There are volunteer opportunities every day throughout this area for owners, renters, businesses, or even children to make this place better for us all.

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