

CAMDEN PARK, INC.

**2023 Annual Report
November 18, 2023**

PRESIDENT’S REPORT – Dan Freehling

While 2023 certainly wasn’t without its moments, I am pleased to report that we experienced noticeably less drama this year than last. Two factors contributed to this greater sense of normalcy. First, unlike last year, our landscaping maintenance firm did not withdraw from their contract in the middle of the term and, secondly, also unlike last year, four of the five board members (including yours truly) were not rookies. Working with a landscaping firm with a year’s worth of experience on site and board members having been through “the cycle” at least once presents a much flatter learning curve.

So, with that introduction, the following are some of the more significant matters before the board in the past year.

I. Governance

- Two board members -- Doug Lamm (Treasurer) and Frank Griffin, (Streets, Utilities and Facilities) -- stepped down from the board prior to the conclusion of their terms. Doug was replaced by John Boeschen. John is an Emeritus Professor of Economics and Finance at William and Mary. Lee Grier returned as a board member and chair of the Streets, Utilities and Facilities Committee.
- In order to provide greater clarity to homeowners, our attorneys advised the board to adopt two formal resolutions in 2023: *Resolution Clarifying and Defining Scope of Lot Owner Landscape and Exterior Maintenance Responsibilities* and *A Resolution Establishing Regulations Regarding Maintenance and Responsibilities of Certain Utilities and Systems Within the Community*. The first of these resolutions provides further guidance to homeowners with respect to responsibilities for the appearance of their lots, both green space and exterior dwellings. The second resolution details responsibilities for wastewater lines and infrastructure, water lines and infrastructure, homeowner irrigation systems, and storm drainage systems. Both resolutions were mailed to residents and may also be found in the online version of the Camden Park Welcome Book: https://fearringtonfha.org/wp-content/uploads/2023/05/CamdenParkWelcomeBook_May_2023_REV.pdf .

II. Budget

- As of 10/31/23, our projected income and expenses for 2023 are as follows*:

Income from homeowner assessment	=	\$601,140
Expenses, operating	=	(\$453,414)
Expenses, reserve	=	(\$140,970)
TOTAL projected expenditures (operating & reserve) = (\$594,384)		

- Projected expenses by category (combined operating and reserve):

Utilities (electricity, water, trash removal, etc.)	16.82%
Gen'l Maintenance (streets, rows, sidewalks, gazebos, etc.)	21.30%
Landscaping/Grounds (Bland, Bartlett, mulch, etc.)	55.64%
Administrative (legal, insurance, mgt. company, etc.)	6.24%
TOTAL:	100.00%

- Projected transfers to reserves = \$159,935

(*Note: All projected amounts will change somewhat as further transactions – income, expenses, and transfers -- are processed throughout the remainder of the fiscal year.)

- Thanks to careful spending, higher interest rates on CDs and money markets and the thoughtful expertise of our Treasurer John Boschen, we anticipate that at the end of 2023 we will have a projected balance of approximately \$484,000 in our reserves, or roughly \$81,300 above the *minimum* required by our reserve study for prudent fiscal operation. This planned augmentation will strengthen the financial stability of Camden Park, particularly as we are looking at significant expenditures during 2026-2030 for repaving our streets.

III. Our Landscape – grass, shrubs, squares, and trees

- Bland is in their second year of their three-year contract. Most of the issues revolving around a very steep learning curve encountered in their first year have been overcome. As with any commercial landscaping, there are periodic “hiccups” of an individual nature; however, it is important to keep in mind that Bland is responsible for an entire community not an individual home as is the case of a personal gardener. We continue to work with Bland management, and they with us, as we both seek continuous improvement.
- Bartlett Tree cares for our roughly 550 common area trees. Bartlett has worked with our Landscape Committee Chair, Larry Newlin, to develop a five-year plan for tree

maintenance and overall protection of our tree canopy. This plan includes structural and general pruning, treatment for pests and disease prevention, and fertilizing. The tree-care plan takes into account the type and age of trees, time of year and individual tree health.

- We have budgeted \$12,000 as a contingency for storm cleanup, but in a major storm, \$12,000 would only cover the cleanup and removal of about three of our large trees. In hopes of protecting Camden Park's financial stability, we have reached out to our insurance provider to see if there is coverage available which would protect us financially should we experience significant tree damage due to weather, fire or similar event.
- Thanks to a bequest from former South Camden neighbor, David Lindeman, and the work of a group of volunteers from South Camden, the Scotland Yard meeting area received new furniture. Additionally, another group of volunteers from South Camden re-stained the existing furniture so that it matches the new purchases. Additional improvements have been undertaken by the South Camden volunteer committee.
- Work on the upgrade of Caswell Sq. continues this year and next. New shrubs will be installed in early 2024, and new perennials planted shortly thereafter. Until the new plantings are established, assistance from neighborhood volunteers would go a long way toward helping the new plants and shrubs thrive.
- Cleaning out and thinning out the growth in the wooded section of McDowell Sq. began this year and will continue over the next three years. What may be Camden's largest tree - a White Oak - resides in McDowell Sq. The thinning and cleaning out of this wooded area will provide better exposure to that tree and others as well as improve the appearance of the square generally.
- The gazebos in Yancey and Caldwell Squares were power washed, and the roofs cleaned, repaired and re-stained.

IV. Streets, Utilities and Facilities

- Two rows (So. Avery and Yadkin) were repaved this year and two rows (Middle Pender and So. Gaston) received an application of sealcoating. The total cost for street and alley upkeep and repair this year was approximately \$97,000. The final two rows in Camden Park will be resurfaced in 2024, and the final sealcoating the year after that, concluding a roughly nine-year project.
- After years of fits and starts as well as improvements in technology, the board signed contracts with Duke Energy to convert our existing streetlight bulbs to 3000 Kelvin LED lights. The new bulbs last significantly longer than the existing metal halide bulbs and are more environmentally friendly in that energy consumption is reduced with the LED

bulbs. Savings on electricity usage will cover the cost of the conversion to LEDs in less than one year and will provide some cost savings each year thereafter. Our hope is that the conversion to LED lights will occur before the end of the year. Thanks to SUF committee member, Bert Bowe, for spearheading this effort.

- The ongoing project of repairing concrete sidewalks (leveling and/or replacing with brick pavers) and repairing stairs continued this year. About \$20,000 was budgeted for this in 2023 while over the past four years the average annual expenditure was about \$41,000.

V. Our Neighbors

- There were approximately sixteen home closings in the Camden neighborhood in the first six months of 2023. In the latter portion of the year, home sales in the Camdens seem to have slowed.
- We remember, with enormous regret, that a home in South Camden burned to the ground in February. Most fortunately, no one was injured. A member of the Camden board assisted the homeowners in finding temporary housing within Farrington. The now vacant lot is currently owned and being developed by Fitch Creations.
- We live in a close-knit community, both personally and geographically. I invite everyone to take a moment to remember lost friends and neighbors.

VI. Things that keep me up at night – well, Camden things, that is . . .

Fortunately, there are not a lot of Camden matters that keep me up at night but there are a few, and they are important to the future of Camden Park. Here are a few of the more significant ones:

- Representation on the Camden Service Group Board. It is clearly preferable for each of the three Camden neighborhoods to have representation on the board. This is not to say that board members will intentionally “play favorites” with one neighborhood over another. In fact, the board works hard to avoid just that sort of thing. That said, a board member from one neighborhood may not be fully familiar with the needs and concerns of another neighborhood and, quite simply, the appearance of an “over-represented” neighborhood just isn’t a good situation. So, especially residents of East and South Camden, please step up! Camden needs you.
- Streets, streets, and streets. Camden Park, Inc. owns all the roads in Camden Park except East and West Camden (roads) and the streets in South Camden. These roads are state owned and maintained. Everything else -- East and West Madison, McDowell, Yancey, Caldwell and Caswell -- are all privately owned by Camden Park, Inc. and are all 25+ years old. We’ve consulted with two engineering firms, including the firm that completed our reserve study, as well as a paving company representative, and have been

advised that it is time to plan for re-paving the streets in Camden. The board commissioned a “street study”, completed in 2022, and as a result of that study, we were advised that we should begin resurfacing our roads in 2025. We have decided to delay the onset of this project by one year (to 2026) and to use this “gap” year to set aside additional reserve funds. Waiting beyond that is not a viable alternative as the longer we delay the more likely the roads become a safety issue, the more involved the repairs become and the more costly the project even without factoring in inflation.

Beginning in 2026 and continuing through 2030, it is estimated that street repaving in Camden Park will cost approximately \$600,000 and that is assuming that once the existing asphalt is removed that we don’t encounter any “surprises” such as a poorly constructed base underneath. In addition to cost, communication and logistics are also major concerns. This project is going to require very careful planning to ensure residents have reasonable access to their homes when their street and nearby streets are being torn up and repaved.

- Trees and trees. One of the features of Camden Park that makes it so desirable is its trees. Our neighborhood is not some recently built subdivision with a barren landscape and an absence of green space and trees. We have lots and lots of mature trees in our common areas -- about 550 -- that offer beauty, shade and texture to our neighborhoods and provide habitat for various types of wildlife.

What happens if we have a tornado or other severe windstorm and some of these trees are brought down? The cost of “cleaning up” fallen trees is frighteningly high. The loss of even 3 percent of our larger trees (about 10 trees) could easily cost the Service Group \$50,000 for cleanup, stump grinding and removal. We have no insurance to cover such an event, although we are trying to find a suitable policy or rider to do so. If one thinks such an occurrence is unlikely, several large trees fell in a storm in Henderson Place this past summer.

VII. And, finally, a few well-deserved words of thanks to our excellent volunteers

- An enormous thank you to all the volunteers on the Architectural Committee (Judy Thomas, Chair); the Landscaping Committee (Larry Newlin, Chair); and the Streets, Utilities and Facilities Committee (Lee Grier, Chair). Your commitment and thoughtful, diligent work play key roles in keeping Camden Park attractive and welcoming. We are all indebted to you.
- A special thanks to those volunteers who water, weed and prune in our squares; who helped nurture new plantings in South Camden; for all of you who watered newly-planted Trident Maples; to those who help spread woodchips around our trees; and to those volunteers who help make Jenny’s Park a wonderful place to walk, check out the wildlife, and chat with friends and neighbors. While Jenny’s Park is not owned by Camden Park, Inc., it is located in the heart of our neighborhood, and we all get to enjoy it.

- And to our great communicators, a “we couldn’t have done it without you” thanks to our former neighbor, Janine Griffin and current neighbors Connie McCraw and Tina Graybard who have played key roles in facilitating our communications with residents. We really couldn’t have done it without you!

TREASURER’S REPORT – John Boschen

Camden Park Capital Reserves

A primary duty of the Camden Park Treasurer is, in conjunction with the Board, to provide oversight of the Camden Park capital reserve accounts. The role of Camden Park capital reserves is to fund the maintenance, repair and, on occasion, upgrading of the various capital structures, such as the roads, alley ways, sidewalks and so on, that are owned by the Camden Park HOA.

Investment Guidelines for Camden Park Reserves

Management of the Camden Park Reserve accounts is based on three investment policy priorities that HOA’s usually follow. In order of importance, they are:

1. Safety and preservation of reserve principal.
2. Liquidity of investments – meaning the instruments that the HOA invests in are ones that can easily be converted to cash if necessary.
3. A competitive rate of return commensurate with priorities 1 and 2.

Prior to 2023, the Board acted to preserve reserve principal through investing its reserves solely in FDIC-insured bank certificates of deposit (CDs). FDIC-insured CDs are one of the safest asset classes and so holding CDs is consistent with safety and preservation of reserve principal.

Improving Reserve Account Liquidity and Rate of Return

In order to better implement the three investment priorities above, the Board, over the past year, substantially changed the way that it maintains and manages its reserves.

The Board will continue to follow its CD-only investment strategy. However, we recognized that CDs bought through banks are less liquid, often having substantial penalties for early withdrawal before maturity of the CD. Further, retail bank CDs usually do not pay the most competitive rate of return on CDs.

To improve the liquidity of our reserves and increase our rate of return on reserves, the board moved our reserves to a brokerage account at Edward Jones Brokerage. To be clear, our reserves will still be held as FDIC-insured CDs, but in the Camden Park account at Edward Jones Brokerage.

Using a broker to acquire and hold CDs has two advantages. First, CDs bought through a broker are easily resold at any time with no early withdrawal penalty, thus improving liquidity of our reserves. Second, the rate of return on the CDs sold through Edward Jones (or other brokerage houses) is usually higher than what we could get on bank-issued retail CDs, thus improving the rate of return on our reserves.

The process of moving our CDs to Edward Jones will be complete by the end of the calendar year as the retail bank CDs we hold finally mature. Once this is done, the Board will choose maturities for the new CDs based on forecasted usage of reserves and manage our reserves through Edward Jones on an ongoing basis.

Using projected 4th quarter sources and uses data for our reserves, we estimate an end of 2023 reserve balance of \$483,985. This outcome significantly strengthens our reserve balance as we look forward to 2026 when we begin repaving the roads in East and West Camden.

LANDSCAPING – Larry Newlin

Our committee manages more than \$300,000 of contracts with companies hired for Landscape Management, Tree Care Management, Mulching, Fire Ant Control, and Landscape Improvements. Overall and day-to-day supervision of the respective crews is provided by the relevant managers and not by volunteer committee members. The committee does have regular contact with those managers.

Chatham County is one of the fastest growing counties in the state, and North Carolina and especially the Triangle are among the fastest growing in the nation. Labor shortages (which began well before COVID); higher wages; and significantly higher fuel, equipment, and material costs make the landscaping category ever more challenging.

While I chair the committee, I am especially appreciative of the dedicated service of committee members helping in a myriad of ways especially with communications, policy guidance and compliance, and monitoring of contracts. They represent all three neighborhoods but have the interests of all of Camden Park uppermost in their work. Thanks to John Webster, Connie McCraw, Peggy Johnson, Libby Wilkie, and Pam Patterson. Dan Freehling is *ex officio* but integral to our work.

- **Landscape Management** – Bland Landscaping, a multi-state company based in Apex is in their second year of a three-year contract. Four landscape management companies who serve various Triangle neighborhoods submitted proposals and were vetted after the sudden departure of Greenview Landscaping just prior to the busy spring season of 2022. The landscape committee at that time coupled with the Board and our HRW property manager were champions during this concentrated and relatively seamless process.

Bland generally employs a three-person crew working throughout the week to provide mowing, blowing, and edging services on a routine basis. In addition to mowing and related tasks, turf management includes fall lawn renovation, fertilization three times a year, plus crabgrass

prevention and broadleaf weed control. Leaf removal is part of the contract and lasts for several weeks with different tree species having different drop times. Bland also provides shrub pruning through their subcontractor twice a year. Residential weed control is not included in their contract. Major storm debris removal is an add-on covered by our reserves.

Bland's account manager has thirty years of horticultural experience, and the same is true of their production manager and branch manager. Their crew leader and his assistant have been serving the Camdens since the beginning of their contract with years of previous experience.

East and West Camden with narrow side yards provide challenges to many of the landscape services as does the overly large scale of some of the individual properties. The committee encourages homeowners to consider bringing their shrubbery into scale with structural pruning or if needed, removal and replacement of overgrown shrubs. The new landscape guidelines allow residents to make such replacements within existing beds. It's encouraging that a number of new homeowners as well as veterans have made such renovations.

Neighborhood landscape management for 233 homes is different than personalized landscaping services for an individual home. If you need additional help with your landscape, please refer to the landscape contractor list provided on the Farrington Cares website.

- **Tree Management** – Bartlett Tree Experts has served Camden Park for nearly two decades. A three-year plan was updated this year by our account manager setting priorities for tree pruning with safety and tree health of primary concern. The committee and Bartlett are guided by a comprehensive Tree Management and Inventory conducted in 2019.

In the event of severe weather, we are at the top of the priority list for the Chapel Hill branch. Should a catastrophic storm occur, they will mobilize multiple branches of their national firm. They have a national training center in Charlotte as well as a research arboretum of 5,000 trees.

While Bartlett provides a number of services for our 500+ common area trees such as dormant spraying, targeted fertilizing, and scheduled spraying of particular tree species; their major task is pruning. They completed a four-year structural pruning project of East and West Camden (streets) and nearby sections of Caswell and Caldwell this past winter and will begin a multi-year project this winter on McDowell alternating years with the western section of Caswell. Regular pruning takes place in the summer guided by the three-year priorities.

- **Mulching** – Atlantic Mulch has been mulching in mid-winter since 2016 using triple shredded hardwood mulch. Because this mulch thatches and may inhibit rain penetration, they only mulch one inch thick primarily for aesthetics. In recent years we **have asked that they also stay two inches away from foundations** when spreading mulch. Due to a significantly lower bid, we are switching to Bland Landscaping to mulch. Their mulch and spreading in Chatham Park and Governor's Club is of comparable quality to Atlantic's.

After a policy change prohibiting pine needles in the common areas of Camden Park, Bland spread pine needles in many of our natural areas and parks at considerable savings from triple shredded hardwood mulch. That will continue in 2024 with a few exceptions.

- **Fire Ant Control** – Sawyer Pest Control has been serving Camden’s parks for more than 10 years. Treatment is done on a quarterly basis. A fire ant sting/bite can result in anaphylactic shock for some people, and the committee monitors common areas closely to keep them at bay. Let us know if you spot mounds on common areas near you. Homeowners are responsible for fire ant treatment on their own property.
- **Landscape Improvements** – Barrera Landscaping generally provides the service for new plantings, tree replacement, and mulching with Bartlett’s free wood chips around common area trees. We use Worthington Farms, one of the Southeast’s premier tree growers near Greenville, NC, to supply our replacement trees. Last winter we planted 11 Trident Maples in various locations in East and West Camden. The tree is tough, compact, and attractive tree. Kudos to nearby neighbors for watering them during an especially hot summer. The same is true for the compact viburnum planting along the Bladen slope, where neighbors nurtured the new plants to a great start.

We’ll be replacing six trees in late fall. Erratic climate conditions will continue to stress some species of trees in our common areas. The 2019 study appraised our 550 common area trees at \$2.5 million – a sizable investment to protect. There is not a price tag on their beauty, shade, and environmental benefit.

Wood chips on tree rings have a number of benefits including suppressing weeds, promoting microbial soil health which in turn makes for a healthier tree, providing moisture retention, and preventing mower or weed trimmer damage to trunks. Barrera will be resuming spreading this winter to complete the two-year project of wood chip replenishment. Barrera will do most of the work, *but if you’d like to volunteer, we will be spreading in Caldwell Square in the spring.* The committee is also working on a bench policy for our squares and jointly working with the Architectural Review Committee on a compost bin policy review and overseeing the continued renovation of Caswell Square’s plantings.

We continue to encourage a culture of appreciation for those who serve our community both as contractors and as volunteers. I am especially grateful to a talented and steadfast committee and for the excellent Board which exudes dedication, good humor, and a lot of smarts with Dan leading the way.

ARCHITECTURE & COVENANTS COMMITTEE – Judy Thomas

Over the past *eleven* months, we received requests for two general patterns of architectural modification. One category was for varied personal aesthetics or functional adaptations. There were *fourteen* approved modifications. These included: two courtyard gates, two fence modifications, one garage side door installed, a screen porch built, a screen porch fitted with windows, two trellises placed in front gardens, one roof fitted with solar panels, one gable vent

installed, one front door color paint change, one stone pathway from driveway to courtyard, and one brick pathway from front walkway to curb.

Another category of requests was for repair and restoration. All were approved and included two roof replacements to repair roof leakage, two drainage systems to eliminate standing water, *five* chimney restorations to stop exterior surface deterioration, three gutter and downspout replacements, and three total siding replacements to restore exterior surface integrity, two with vinyl shakes and one with Hardi plank shakes. Of note, siding deterioration was related to accumulation of surface mold that penetrated below the shingles or planks to cause rot. Annual power washing can help to prevent this costly repair.

ELECTION

A ballot was mailed to each resident along with the Annual Meeting by Mail Notice. A quorum of 10% is required or 24 lots. Quorum was established by the number of ballots received. **The ballot deadline was November 17, 2022.**

The following candidates were listed on the ballot for election and elected to serve a two (2) year term:

Dan Freehling
Judy Thomas
Larry Newlin