

Firefly Property Owners Association, Inc.

Board Meeting

August 7, 2015

Location:

- Firefly Cove Lake Lure, North Carolina – The Lodge

Roll Call/Call to Order:

- The meeting was called to order by President Joe Pritchett at 8:58am
- Directors present: President Joe Pritchett, Vice President Bob Cameron, Treasurer Doug Newton, Secretary Mike Kirkman, and Director Jonathan Hinkle
- Directors Absent: None
- Property Owners present: Jack Buckingham and Melody Hinkle
- Others present: None

Quorum:

There being a sufficient number of Board members present a quorum was established.

Approval of Minutes:

- The minutes from the Firefly Cove Board meeting of June 26, 2015 were approved by motion, second, and a unanimous vote 5-0.

Property Owners Input/Comments/Concerns:

- Property Owner Melody Hinkle started a discussion on the ARC approval process. President Pritchett asked Secretary Kirkman to add the ARC approval process to the agenda as a discussion item for the next Board meeting.
- Property Owner Jack Buckingham asked if the new security gate to the Ridges was functioning properly as it appears to be open all the time. Vice President Cameron stated that the controller was not working and the gate was left open so the mailman can deliver mail. A new controller has been ordered and should be operational soon.

Discussion Items:

- Secretary Kirkman presented the proposed Vacant Lot Regulations. The proposed regulations will be submitted to the Board's attorney for approval and then brought to the Board for final approval and implementation at the next Board meeting.
- Secretary Kirkman presented the changes to the 2016 Firefly Cove Financial Procedures. The new changes will address the procedures for essential general maintenance/repairs. Secretary Kirkman recommended that the Board adopt the changes to the 2016 Firefly Cove Financial Procedures. After a Board discussion, the recommendation was approved by motion, second, and a vote of 5-0. (See Attachment "A")
- Secretary Kirkman started a discussion on the agenda for the Annual Property Owners Association meeting. The Board members provided their final contributions to the agenda. The Annual Property Owners Meeting informational packet will be sent to all the property owners by mid-August.
- Treasurer Newton provided a financial update. Secretary Kirkman stated that he has sent the first quarter financials provided by Treasurer Newton to all the property owners. Treasurer Newton stated that the second quarter financials are almost complete and he will provide them to Secretary Kirkman to distribute to the membership shortly.
- President Pritchett recommended the Board go into Executive Session to discuss questions for the Board's attorney and financial items. The recommendation was approved by motion, second, and unanimous vote 5-0. The executive session began at 9:55am and ended at 11:04pm. President Pritchett reconvened the regular Board meeting at 11:04pm.
- Treasurer Newton recommended that the Board establish a goal of a minimum amount of \$30,000 and a maximum amount of \$100,000 for the Reserve Account. The recommendation was approved by motion, second, and unanimous vote 5-0.
- The next Board meeting will be held on Friday October 16, 2015 at 9am in the Lodge.

Adjournment:

- The meeting was adjourned at 11:07pm.

Attachment "A"

FIREFLY COVE FINANCIAL PROCEDURES

2016

Article I Contracts

- 1.1 Contracts for goods or services will be negotiated and executed by the President or another Board member at the President's direction.
- 1.2 Contracts over \$1000 require approval of at least two Board members.
- 1.3 Contracts over \$5000 require the Board of Directors approval.
- 1.4 Copies of all contracts will be kept on file by the Treasurer and the Bookkeeper.

Article II Invoices and Receipts

- 2.1 Invoices or receipts will be required for all goods and services provided to the Firefly Cove POA. This paperwork must include a clear description and cost of the product and/or service provided. Any Board member with involvement generating an invoice or receipt should include "OK to Pay" notation dated and signed.
- 2.2 All invoices or receipts must be delivered to the Bookkeeper for payment.

Article III Payments

- 3.1 A Board member will review all invoices or receipts with the Bookkeeper and consult as needed with other Board members for approval.
- 3.2 Check signing authority:
 - 3.2.1 Checks written up to \$1000 requires one Board member's signature.
 - 3.2.2 Checks written for over \$1000 requires two Board member's signature.

- 3.3 Check payments will be disbursed by the Bookkeeper.
- 3.4 A check disbursement log must be maintained for Monthly to Date and Yearly to Date reporting.
- 3.5 Any Invoice or receipt paperwork must be noted with traceability to a check number and Income Statement Line Item charged.

Article IV

Dues

- 4.1 Quarterly dues remittances will be delivered by a Board member to the Bookkeeper for recording. A log of property owner dues payment status will be maintained by the Bookkeeper and reported on a monthly basis as part of financial statements.
- 4.2 All payment of dues will be deposited into the POA checking account by a Board member or the Bookkeeper.
- 4.3 Delinquent dues payments will be handled as follows:
 - 4.3.1 When property owner dues become 30 days past due, the Secretary will send an email reminding the property owner that the past due balance must be paid as soon as possible to prevent further action by the Board.
 - 4.3.2 If property owner dues become 60 days past due, the Treasurer with assistance from Board will be responsible for determining an appropriate course of action. Phone calls, E-mails, letter indicating legal action are possible remedies.
 - 4.3.3 Dues payments greater than 60 days in arrears will be assessed an interest penalty of 18% per annum. The penalty can be negotiated as part of a payment plan.

Article V
Financial Reporting

- 5.1 Bookkeeper will issue monthly POA financial reports no later the 25th day following the close of the previous month.
- 5.2 Reports will include
 - 5.2.1 Monthly to Date and Yearly to Date Income Statement with Budget and Variance Columns
 - 5.2.2 Month End Balance Sheet
 - 5.2.3 Log of check payments for the month with explanations as needed
 - 5.2.4 Summary of property owner dues pre-payments & delinquencies
- 5.3 Reports will be distributed to all Board members via email. Financial reports will be available to property owners if requested.

Article VI
Financial Planning

- 6.1 The Treasurer, with assistance from Board and Finance Committee, will develop the annual operating and capital budgets. The Board will review and approve these documents prior to delivering the Budget to all POA members 60 days in advance of the Annual Property Owners Meeting. Purpose is to provide information for budget discussion and ratification during the Annual POA Meeting.
- 6.2 CPA firm will be selected to file tax returns and conduct audits as needed to verify accuracy of financial reporting.

Article VII
Essential General Maintenance/Repairs

- 7.1 Any Board Member/Officer may order or request reimbursement for items or services which are reasonable and necessary to address the essential general maintenance/repairs of Firefly Cove.
- 7.2 If the total cost for the essential items or services is less than \$200;
- 7.2.1 A Board member is not required to obtain Board approval.
 - 7.2.2 Reimbursement for items/supplies must be “at cost”.
 - 7.2.3 Hourly rate for services performed is not to exceed \$50.00.
 - 7.2.4 Reimbursement for such items/services must be documented by an itemized receipt.
 - 7.2.5 Only itemized invoices, showing dates, times, hourly rate, description, etc. will be paid.
- 7.3 If the total cost for the essential items or services is greater than \$200;
- 7.3.1 Approval must be received in advance from the President of the Association or at least two Board members.
 - 7.3.2 Approval should be documented via email or other writing and attached to all receipts or invoices.
 - 7.3.3 Reimbursement for items/supplies must be “at cost”.
 - 7.3.4 Hourly rate for services performed is not to exceed \$50.00.
 - 7.3.5 Reimbursement for such items/services must be documented by an itemized receipt.
 - 7.3.6 Only itemized invoices, showing dates, times, hourly rate, description, etc. will be paid.

Article VIII
Unbudgeted Spending

- 8.1 For obligations/expenditures not included in the current year's budget, the following procedures apply;
- 8.1.1 If the obligation/expenditure is deemed an emergency (safety/health/security threat), a board member may act to obligate the POA to address the emergency but shall make a reasonable effort to contact all board members for input in an effort to best assess the threat and address the emergency.
- 8.1.2 For non-emergency unbudgeted spending under \$500, the obligation/expenditure requires the approval of a minimum of 2 board members.
- 8.1.3 For non-emergency unbudgeted spending \$500 or above, the obligation/expenditure requires board approval.
- 8.1.4 Spending on all non-emergency unbudgeted obligations/expenditures may not exceed \$5,000 in any fiscal year without POA membership approval.
- 8.2 The President of the Association is exempt from 8.1.1 and 8.1.2.

Article IX
Improvement to Common Area/Amenity

- 9.1 Any improvement to the common area/amenity that is greater than \$3,000 requires;
- 9.1.1 A design/drawing of the improvement to the common area/amenity
- 9.1.2 At least 2 written bids
- 9.1.3 Approval of the POA membership