

Firefly Property Owners Association, Inc.
Annual Meeting
October 22, 2016

Location:

- Firefly Cove Lake Lure, North Carolina – Firefly Lodge

Roll Call/Call to Order:

- The meeting was called to order by President Joe Pritchett at 10:08am.
- Directors present: President Joe Pritchett, Treasurer Rick Stockdale, Secretary Mike Kirkman, and Director Jonathan Hinkle
- Directors Absent: Vice President Bob Cameron
- Property Owners Present: Condo 101, Condo 102, Condo 201, Condo 203, Condo 204, Lot 2, Lot 3, Lot 4, Lot 5, Lot 7, Lot 8, Lot 11, Lot 12, Lot 13, Lot 14, Lot 15, Lot 17, Lot 20, Lot 21, Lot 24, Lot 28, Lot 31, Lot 32, Lot 33, Lot 34, Lot 35, Lot 36, Lot 37, Lot 39, Lot 47, Lot 49 and Lot 51
- Property Owners Represented by Proxy: Condo 202, Lot 1, Lot 6, Lot 10, Lot 18, Lot 19, Lot 22, Lot 23, Lot 26, Lot 27 , Lot 29, Lot 38, Lot 40, Lot 44, Lot 45,and Lot 50

Proxies:

Secretary Kirkman certified all the proxies.

Quorum:

Secretary Kirkman announced that there being a sufficient number of property owners represented (32 lot owners present and 16 lot owners represented by proxy), a quorum was established.

Certification of 2015 Annual Minutes:

The minutes from the Annual Board meeting of October 17, 2015 for the Firefly Cove Property Owners Association were approved by motion, second, and by a vote of 48-0.

Election of New Board Member:

President Joe Pritchett's 3 year term expires on October 22, 2016, Secretary Mike Kirkman's 3 year term expires on October 22, 2016, and Director Jonathan Hinkle's 3 year term expires on October 22, 2016. President Pritchett called for other nominations from the floor. There were no nominations from the floor. President Pritchett introduced the nominees whom had submitted their application for the Firefly Cove Board. The nominees were Jack Buckingham, Joy Ciocca, Mike Frosaker, Jonathan Hinkle, Doug Newton, and Ellen Osbourne. Each nominee introduced themselves and provided a brief statement. Property Owners had the opportunity to ask the nominees questions. Treasurer Stockdale asked for 2 volunteers to assist him in counting the votes of the election. President Pritchett then called for the vote of the 3 Directors.

Election of New Board Member Results:

Treasurer Stockdale declared that Joy Ciocca and Mike Frosaker were elected to the Board. Jonathan Hinkle was re-elected to the Board. All three Directors will serve a new three (3) year term to the Firefly Cove POA Board. Their term will expire in October 2019.

New Business:

2017 Budget:

Treasurer Stockdale presented the proposed 2017 budget to the property owners. (See Attachment A) After a brief discussion, Property Owner Bob Robinson made the motion that the membership approves the proposed 2017 budget. The motion was seconded and approved by a 48-0 vote.

Financial Procedures:

Secretary Kirkman stated that the 2017 Financial Procedures did not change from 2016. (See Attachment B) The Financial Procedures are guidelines for the Board to follow. The Board will review these guidelines annually and present changes, if any, to the membership at the Annual Meeting.

Road Top Coat for Lakefront, Village, and Lodge Parking Areas:

Director Hinkle reported to the property owners that due to the deterioration of the base coat of the roads that the Board has scheduled the Road Top Coat to be installed in the Spring of 2017 instead of the Spring of 2018. Director Hinkle reported that the estimated cost to complete the project would be approximately \$70,000. President Pritchett stated that there would be approximately \$78,000 in the Reserve Account by April 2018. Several property owners expressed their concern of depleting the Reserve Account to pay for the road. There was a lengthy discussion on how to pay for the new road. The general consensus of the property owners felt that the new road should be paid for with some of the Reserve Account and a special assessment of not more than \$1,000 per lot. The Board will determine how to pay for the new road and if there is a special assessment the Board will follow the procedures stated in Section 8.6 of the Firefly Cove By-Laws.

Open Forum:

Several property owners commented on various topics. President Pritchett thanked several property owners for their contributions to Firefly Cove this past year. President Pritchett congratulated Margaret Walker for being chosen the Firefly Cove 2016 "Gardener of the Year".

President's Report:

President Pritchett presented a report of the status of the Association. See Attachment "C".

Adjournment of Meeting

- The meeting was adjourned at 12:26pm by motion, second, and unanimous vote.

ATTACHMENT A

Firefly Cove Property Owners Association
Proposed Budget 2017

Income

Boat Slips	9,200
Operating Dues	99,864
Transfer Fees	
ARC Fees	
Easement Fees	
Total	<u>109,064</u>

Other Income

Interest Income	<u>13</u>
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Total Revenue 109,077

Expenses

Administrative Expenses

CPA/Bookkeeping Fees	6,800
Insurance Expenses	2,540
Legal Fees	1,200
Permits & Licenses	750

Total Administrative Fees 11,290

Operating Expenses

Boat Dock	2,000
Landscaping	29,200
Lodge	30,000
Pool/Pool Area	6,500
Emergency Repairs	4,087

Total Operating Expenses 71,787

General Reserve Expense/Capital Expenses 26,000

Total Administrative, Operating, Reserve & Capital Expenses 109,077

Increase in Cash 0

ATTACHMENT B

FIREFLY COVE FINANCIAL PROCEDURES

2017

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.

- 3.3 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

Firefly Cove POA

President's Report

Water Quality

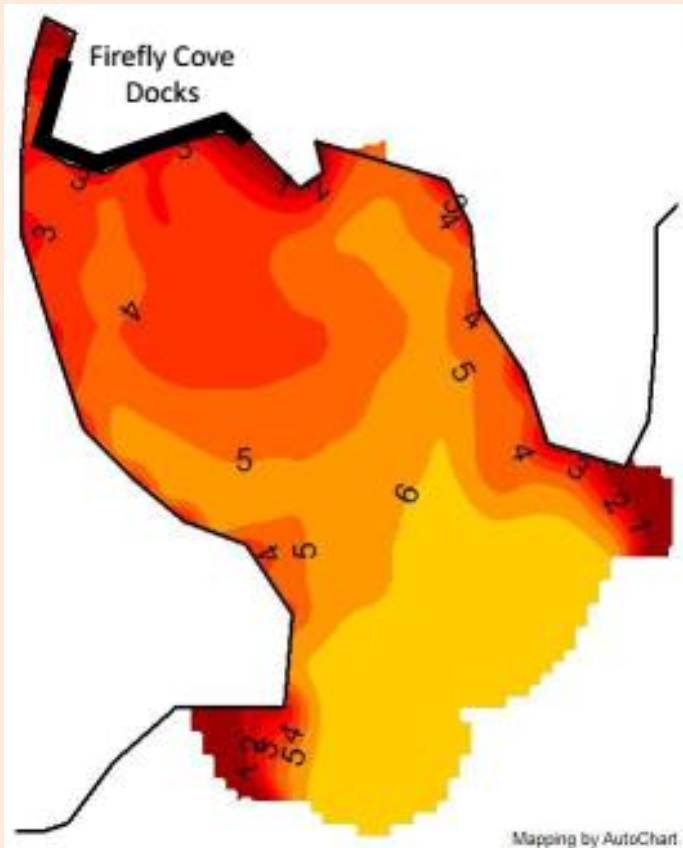
Fecal Count (CFU per 100ml)

Date Collected

1. Pool Creek
2. Beach Swim
3. Beach Slide
4. Broad River
5. Tryon Bay
6. Dam
7. Sunset Cove
8. Hummingbird Cove
9. Hawners Cove
10. Rumbling Bald Beach
11. Broad River - WWTP
12. Broad River + WWTP
13. Edward's Cove
14. Pier Point
15. RDD Chimney Rock Park
16. Reedy Patch Creek
17. Hicory Creek
18. Fire Fly Cove
19. LLVR
20. Picnic Point
21. Deerwood/Thomas Dr.
22. Rockcrest Cove
23. Dam Marina
24. Grey Logs COVE

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
				25th	30th	27th	25th					
1. Pool Creek				6	42	68	68					
2. Beach Swim				7	84	42	57					
3. Beach Slide				5	62	27	27					
4. Broad River				25	61	24	22					
5. Tryon Bay				2								
6. Dam				1		15	3					
7. Sunset Cove				1		5						
8. Hummingbird Cove				1								
9. Hawners Cove				0			6					
10. Rumbling Bald Beach				1	6	3	7					
11. Broad River - WWTP												
12. Broad River + WWTP												
13. Edward's Cove					224	0	1					
14. Pier Point					1		1					
15. RDD Chimney Rock Park												
16. Reedy Patch Creek												
17. Hicory Creek												
18. Fire Fly Cove							8					
19. LLVR					1	5	3					
20. Picnic Point												
21. Deerwood/Thomas Dr.					5							
22. Rockcrest Cove												
23. Dam Marina												
24. Grey Logs COVE						10						
	0-99 Good			99-199 Marginal				199+ Concern				





Water Depths at Firefly Cove Lake Lure

Expenses 2016

\$4,000 – New pool furniture

\$4,000 – Irrigation System and Electric Pump to Common Area from Lodge to Dock

\$11,000 – Unanticipated

\$22,000 – Transferred to the Reserve Account

Expense – Replacing Damaged Flooring
in the Lodge due to water leak
2016

Contractor: Marathon Builders

\$3,890.25 – Cost of Stone Flooring

\$6985.00 – Labor for removal of damage and replacement of flooring

\$258.85 – Disposal Fee of Construction Material

\$11,134.10 – Total Cost to Replace Damaged Flooring

\$11,049.44 - Insurance Check

\$84.66 – Cost to the POA to replace the Damaged Flooring

Unanticipated Expenses 2016

\$2,200 – Repairs to Lodge Air Conditioning System

\$2,000 – CPA Contract

\$2,000 – Removal of hazardous trees from around the Lodge

\$1,000 – Gate and Lodge Security System Replacement (struck by lightning)

\$1,000 – Pest Control in Common Area for Chinch Bug infestation

\$850 – Tree Removal from creek after storm

\$800 – Plumbing Repairs in Lodge

\$500 – Pool Valve Repair and Pool Fan Repair

\$400 – Camera Inspection of Lodge Plumbing to locate leak

\$400 – Snow Removal after snow storm

Revenue 2012- 2016

\$500,000 – 5 years of collected Dues at 100% collected

\$8,900 – Reserve Replacement fees collected from sale of 29 properties

\$5,200 – ARC Fees collected for 13 homes built

\$2,000 – Road Easement collected at \$500/year plus 2 ½ % increase per year

Revenue 2017- 2021

\$500,000 – 5 years of collected Dues at 100% collected

\$48,000 – Boat Dock Fees collected

\$2,800 – Road Easement collected at \$500/year plus 2 ½ % increase per year

??– Reserve Replacement fees collected from sale of ?? properties

??– ARC Fees collected for ?? homes build

Expenses – New Amenities 2011- 2016

\$27,000 – Village Gate

\$20,000 – Ridge Gate

\$7,000 – Lodge Security System

\$7,000 – Boat Storage gravel

\$6,000 – Irrigation System and Electric Pump to Common Area from Lodge to Dock

\$5,000 – Path to Boat Dock

\$4,000 – Stone Columns and Lighting for Bridge to Lakefront Lots

\$4,000 – Trails

\$3,000 – Ramp from kayak rack to lake and lowering kayak launch area

\$2,000 – Rip Rap for Lakefront Erosion Control

Reserve Account Revenue 2012- 2016

\$64,850 – Amount in the Reserve Account as of December 31, 2016

Reserve Account Expenses 2012- 2016

\$3,000 – Replacement of Lodge furniture

\$9,000 – Replacement of pool equipment and plumbing in the pump room

\$3,000 – Replacement of treadmill

\$5,000 – Replacement of roofs on the dock and kayak storage

\$4,000 – Replacement of Pool furniture

\$2,000 – Replacement of Computers in the Lodge

October 28, 2011 (1st Day of the Firefly Cove POA)

\$19,000 – Operating Account

\$0 – Reserve Account

\$15,000 – Debt

October 22, 2016 (Today)

\$10,269.58 – Operating Account

\$64,872.04 – Reserve Account

\$0 – Debt