

**Firefly Property Owners Association, Inc.**

**Board Meeting**

**July 31, 2019**

**Location:**

- Firefly Cove Lake Lure, North Carolina – The Lodge

**Roll Call/Call to Order:**

- The meeting was called to order by Joe Pritchett at 6:40 pm
- Directors present: Joy Ciocca, Melva Dye, Mike Frosaker and Joe Pritchett
- Directors present by phone: None
- Directors Absent: Bill Walker
- Property Owners present: Treasurer, Mike Kirkman and Bob Robinson.
- Property Owners present by phone: 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 27, 2019 were approved by motion, second, and a unanimous vote 4-0.

**Property Owners Input/Comments/Concerns**

- Bob Robinson, COA President, presented new revised COA rules for renters for POA board review and feedback before they are reviewed by legal and then implemented 30 days after final approval.
- Bob Robinson requested that the board review future contracts for recurring services and limit them to non-Firefly Cove owners to avoid any conflict of interest.
- Bob Robinson expressed his concern having regular organized group gatherings at the lodge. He recently saw a group mentioned in the local paper, “The Breeze” and was concerned people would think the lodge was open to the public. He suggested the board consider limiting the usage.
- Bob Robinson had general comments and concerns regarding the following; the Kudzu in the Dumpster area, President Pritchett reported the area was already scheduled to be sprayed by our

landscaper this week.; Bears have been seen in the dumpster; construction drivers need to slow down; parking under the breezeway is continuing.

- President Pritchett opened a discussion regarding a request from Tom Maddux, who owns the 27 acres at the end of Boulder Run Road in the Ridges section of Firefly Cove, to join Firefly Cove POA. He requested to eliminate his road easement fee and become a full due paying member, however, he would also want exceptions to the ARC Regulations. Mr. Maddux was also considering purchasing Lot 55. President Pritchett volunteered to visit with Mr. Maddux to discuss further. The board agreed that should we choose to allow the request we would bring it to the property owners for approval.

#### **Updates:**

- Treasurer Kirkman provided the following updates:
  - Operating Account is approximately \$6,383
  - Unrestricted Reserve Account is approximately \$34,400 (Inclusive of \$6000 Refundable Compliance Fees)
  - Restricted Reserve Account is approximately \$4,595 (Inclusive of \$2000 Refundable Road Impact Fees)
  - All but five third quarter dues have been paid, we are still waiting on payment from some property owners for the tree work and Kudzu treatments.

#### **Discussion Items:**

- President Pritchett recommended the Board go into Executive Session. The executive session began at 7:18pm and ended at 7:30pm. President Pritchett reconvened the regular Board meeting at 7:30pm.
- The second quarter financial report as prepared by the Treasurer was approved by motion, second, and a unanimous vote 4-0. See attached.
- An increase of \$48 per quarter to the quarterly dues, from \$438/quarter to \$486/quarter, to be presented at the annual meeting in October and effective January 1, 2020 was approved by motion, second, and a unanimous vote 4-0.
- The 2020 budget prepared by Treasurer Kirkman was approved by motion, second, and a unanimous vote 4-0.
- The date of the next board meeting Wednesday, August 14, 2019 at 6:30pm.

#### **Adjournment:**

- The meeting was adjourned at 7:37pm.

## 2nd Quarter 2019

| <b>Reserve Account</b>                         |                                   |  |                    |                    |                    |
|--|-----------------------------------|--|--------------------|--------------------|--------------------|
| <b>Unrestricted Funds</b>                      |                                   |  |                    |                    |                    |
|  |                                   |  | <b>April</b>       | <b>May</b>         | <b>June</b>        |
| <b>Deposit</b>                                 |                                   |  |                    |                    |                    |
| Fees   |                                   |  | \$6,100.00         | \$4,550.00         | \$1,000.00         |
| Compliance Fee                                 | 1 lot                             |  | \$0.00             | \$3,000.00         | \$0.00             |
| Reserve Replacement Fee                        |                                   |  | \$0.00             | \$0.00             | \$0.00             |
| Transfer from Operating                        |                                   |  | \$2,800.00         | \$0.00             | \$0.00             |
| Transfer from Road Impact Reserve              |                                   |  | \$7,700.00         | \$0.00             | \$0.00             |
| Interest Income                                |                                   |  | \$119.84           | \$64.97            | \$47.38            |
| <b>Total Deposit</b>                           |                                   |  | <b>\$16,719.84</b> | <b>\$7,614.97</b>  | <b>\$1,047.38</b>  |
| <b>Expenses</b>                                |                                   |  |                    |                    |                    |
| Transfer to Operating                          |                                   |  | \$0.00             | \$70,000.00        | \$0.00             |
| <b>Total Expenses</b>                          |                                   |  | <b>\$0.00</b>      | <b>\$70,000.00</b> | <b>\$0.00</b>      |
|  |                                   |  |                    |                    |                    |
| <b>Bank Beginning Balance</b>                  |                                   |  | <b>\$79,118.58</b> | <b>\$95,838.42</b> | <b>\$33,453.39</b> |
| <b>Bank Ending Balance</b>                     |                                   |  | <b>\$95,838.42</b> | <b>\$33,453.39</b> | <b>\$34,500.77</b> |
| <b>( - ) Refundable Future Compliance Fees</b> |                                   |  | <b>\$3,000.00</b>  | <b>\$6,000.00</b>  | <b>\$6,000.00</b>  |
| <b>Acutal Reserve Account Balance</b>          |                                   |  | <b>\$92,838.42</b> | <b>\$27,453.39</b> | <b>\$28,500.77</b> |
| <b>Unrestricted Funds Notes</b>                |                                   |  |                    |                    |                    |
| Deposit  | Dues                              | 1 Boat Fee + 1 Caonoe Fee + \$100 donation               | \$1,200 of \$6,100 |                    |                    |
| Deposit  | Dues                              | Special Assessment \$350 X 14                            | \$4,900 of \$6,100 |                    |                    |
| Deposit  | Transfer from Operatiing          | reverse error deposit Special Assessment                 | \$2,800.00         |                    |                    |
| Deposit  | transfer from Road Impact Reserve | reverse error deposit Special Assessment \$350 X 22 lots | \$7,700.00         |                    |                    |
| Deposit  | Dues                              | Special Assessment \$350 X 13                            |                    | \$4,550.00         |                    |
| Expense  | Transfer to Operating Account     | Dredging   |                    | \$70,000.00        |                    |
| Deposit  | Dues                              | 1 Boat Fee   |                    |                    | \$1,000.00         |
|  |                                   |  |                    |                    |                    |

July 23, 2019

## 2nd Quarter 2019

| <b>Road Impact Fee Reserve Account</b>                |  |   |                                |                   |                   |  |
|---|--|---|--------------------------------|-------------------|-------------------|--|
| <b>Restricted Funds</b>                               |  |   |                                |                   |                   |  |
|   |  |   | <b>April</b>                   | <b>May</b>        | <b>June</b>       |  |
| <b>Deposit</b>  |  |   |                                |                   |                   |  |
| Road Impact Fee                                       | Resticted to Repairing Damaged Roads                   |   | \$10,293.34                    | \$2,000.00        | \$0.00            |  |
| Interst Income  |  |   | \$2.47                         | \$0.00            | \$0.00            |  |
| Miscellaneous   | reverse Bank Charge Error made in May                  |   | \$0.00                         | \$0.00            | \$10.00           |  |
| <b>Total Deposit</b>                                  |  |   | <b>\$10,295.81</b>             | <b>\$2,000.00</b> | <b>\$10.00</b>    |  |
| <b>Expenses</b>                                       |  |   |                                |                   |                   |  |
| Transfer to Operating                                 | Used to Repair Road Damage                             |   | \$0.00                         | \$0.00            | \$0.00            |  |
| Transfer to Unrestricted Reserve                      | reverse error deposit Special Assessment \$350 X22 lot |   | \$7,700.00                     | \$0.00            | \$0.00            |  |
| Refund to Property Owner                              |  |   | \$0.00                         | \$0.00            | \$0.00            |  |
| Bank Charge   |  |   | \$0.00                         | \$10.00           | \$0.00            |  |
| <b>Total Expenses</b>                                 |  |   | <b>\$7,700.00</b>              | <b>\$10.00</b>    | <b>\$0.00</b>     |  |
| <b>Bank Beginning Balance</b>                         |  |   | <b>\$0.00</b>                  | <b>\$2,595.81</b> | <b>\$4,585.81</b> |  |
| <i>New Account opened April 4, 2019</i>               |  |   |                                |                   |                   |  |
| <b>Bank Ending Balance</b>                            |  |   | <b>\$2,595.81</b>              | <b>\$4,585.81</b> | <b>\$4,595.81</b> |  |
| <b>( - ) Refundable Future Road Impact Fees</b>       |  |   | <b>\$1,000.00</b>              | <b>\$2,000.00</b> | <b>\$2,000.00</b> |  |
| <b>Acutal Road Impact Fee Reserve Account Balance</b> |  |   | <b>\$1,595.81</b>              | <b>\$2,585.81</b> | <b>\$2,595.81</b> |  |
| <b>Restricted Funds Notes</b>                         |  |   |                                |                   |                   |  |
| <i>Deposit</i>  | <i>Road Impact Fee</i>                                 | <i>27 acres easment fee from Operating Account</i>          | <i>\$593.34 of \$10,293.34</i> |                   |                   |  |
| <i>Deposit</i>  | <i>Road Impact Fee</i>                                 | <i>\$2000 X 1 road impact fee</i>                           | <i>\$2,000 of \$10,293.34</i>  |                   |                   |  |
| <i>Deposit</i>  | <i>Road Impact Fee</i>                                 | <i>\$350 X 22 lots special assessment depost error</i>      | <i>\$7,700 of \$10,293.34</i>  |                   |                   |  |
| <i>Expense</i>  | <i>Transfer to Unrestricted Reserve</i>                | <i>\$350 X 22 lots error transferred to correct account</i> | <i>\$7,700.00</i>              |                   |                   |  |
| <i>Deposit</i>  | <i>Road Impact Fee</i>                                 | <i>\$2000 X 1 road impact fee</i>                           |                                | <i>\$2,000.00</i> |                   |  |
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## 2nd Quarter 2019

| Operating Account |                         |  | April                | May                | June              |  |
|-------------------|-------------------------|--|----------------------|--------------------|-------------------|--|
| <b>Deposit</b>    |                         |  |                      |                    |                   |  |
|                   | POA Dues                |  | \$22,072.00          | \$2,114.00         | \$7,446.00        |  |
|                   | Boat Dock Fees          |  | \$0.00               | \$0.00             | \$0.00            |  |
|                   | Kayak Storage Fee       |  | \$0.00               | \$0.00             | \$0.00            |  |
|                   | Easement Fee            |  | \$0.00               | \$0.00             | \$0.00            |  |
|                   | Reserve Replacement Fee |  | \$0.00               | \$0.00             | \$0.00            |  |
|                   | ARC Fee                 |  | \$0.00               | \$0.00             | \$0.00            |  |
|                   | Road Impact Fee         |  | \$0.00               | \$0.00             | \$0.00            |  |
|                   | Compliance Fee          |  | \$0.00               | \$3,000.00         | \$0.00            |  |
|                   | Insurance Payout        |  | \$0.00               | \$0.00             | \$0.00            |  |
|                   | Special Assessment      |  | \$0.00               | \$0.00             | \$0.00            |  |
|                   | Lodge Rental Fee        |  | \$0.00               | \$0.00             | \$0.00            |  |
|                   | Miscellaneous           | <i>Transfer from Reserve</i>               | \$0.00               | \$70,000.00        | \$0.00            |  |
|                   | <b>Total Deposits</b>   |  | <b>\$22,072.00</b>   | <b>\$75,114.00</b> | <b>\$7,446.00</b> |  |
| Deposit           | POA Dues                | Quarterly Dues \$438 X 44 lots             | \$19,272 of \$22,072 |                    |                   |  |
| Deposit           | POA Dues                | Special Assessment \$350 X 8 lots          | \$2,800 of \$22,072  |                    |                   |  |
| Deposit           | POA Dues                | \$100 donation                             |                      | \$100 of \$2,114   |                   |  |
| Deposit           | POA Dues                | Quarterly Dues \$438 X 3 lots              |                      | \$1,314 of \$2,114 |                   |  |
| Deposit           | POA Dues                | Special Assessment \$350 X 2 lots          |                      | \$700 of \$2,114   |                   |  |
| Deposit           | POA Dues                | Prepay 17 third quarter dues at \$438 each |                      |                    | \$7,446.00        |  |
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## 2nd Quarter 2019

|                                      |  |  | April             | May             | June              |
|--------------------------------------|--|--|-------------------|-----------------|-------------------|
| <b>Administrative Expenses</b>       |  |  |                   |                 |                   |
|                                      | Bookkeeping Contract                             |  | \$400.00          | \$400.00        | \$400.00          |
|                                      | POA Insurance                                    |  | \$646.44          | \$323.22        | \$323.22          |
|                                      | Legal  |  | \$55.00           | \$0.00          | \$0.00            |
|                                      | Office Supplies/Refunds/Charges                  |  | \$36.00           | \$0.00          | \$0.00            |
|                                      | Permit/Licenses/Tax                              |  | \$0.00            | \$0.00          | \$0.00            |
|                                      | Tax Prep/CPA                                     |  | \$0.00            | \$0.00          | \$0.00            |
|                                      | Service Contract                                 |  | \$0.00            | \$0.00          | \$200.00          |
|                                      | Sanitation                                       |  | \$152.66          | \$152.66        | \$152.66          |
|                                      | Fire Monitor                                     |  | \$110.85          | \$0.00          | \$0.00            |
|                                      | COA Quarterly Dues                               |  | \$0.00            | \$0.00          | \$0.00            |
|                                      | Website  |  | \$0.00            | \$0.00          | \$0.00            |
|                                      | Pest Control                                     |  | \$140.00          | \$0.00          | \$40.00           |
|                                      | Returned Compliance Fee                          |  | \$0.00            | \$0.00          | \$0.00            |
|                                      | <b>Total Administrative Expense</b>              |  | <b>\$1,540.95</b> | <b>\$875.88</b> | <b>\$1,115.88</b> |
| <b>Administrative Expenses Notes</b> |  |  |                   |                 |                   |
| Expense                              | Administrative - Office Supplies/Refunds/Charges | Refund Overpayment of Dues                   | \$36.00           |                 |                   |
| Expense                              | Administrative - Service Contract                | In Season Repair/Maintain/Monitor Irrigation |                   |                 | \$200.00          |
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## 2nd Quarter 2019

|  |                      |  | April             | May                | June              |
|--|----------------------|--|-------------------|--------------------|-------------------|
| <b>Landscaping Expenses</b>              |                      |  |                   |                    |                   |
| Contract                                 |                      | mowing of grass at \$250 per cut   | \$1,000.00        | \$750.00           | \$1,150.00        |
| Projects                                 |                      |  | \$8,312.20        | \$3,798.00         | \$610.00          |
| Turf Management                          |                      |  | \$297.91          | \$297.91           | \$297.91          |
| <b>Total Landscape Expenses</b>          |                      |  | <b>\$9,610.11</b> | <b>\$4,845.91</b>  | <b>\$2,057.91</b> |
| <b><i>Landscaping Expenses Notes</i></b> |                      |  |                   |                    |                   |
| Expense                                  | Landscape - Contract | Mowing POA Common Area \$250 X 4   | \$1,000.00        |                    |                   |
| Expense                                  | Landscape - Projects | Mulch \$2961.16 + Pine Needles + \$1543.16 + Delivery \$530 + Labor 2960 + Removal Dead Tree \$260 + Misc. \$57.88 | \$8,312.20        |                    |                   |
| Expense                                  | Landscape - Projects | Repair/Replace Irrigation System   |                   | \$2,938 of \$3,798 |                   |
| Expense                                  | Landscape - Projects | Remove/Trim Trees POA Common Area  |                   | \$400 of \$3,798   |                   |
| Expense                                  | Landscape - Projects | New Landscape Maintenance  |                   | \$60 of \$3,798    |                   |
| Expense                                  | Landscape - Projects | Spray for insects, weed control, fertilize   |                   | \$400 of \$3,798   |                   |
| Expense                                  | Landscape - Contract | \$250 X 4 Grass Cut  |                   |                    | \$1000 of \$1150  |
| Expense                                  | Landscape - Contract | Tree and Debris Clean Up After Storm   |                   |                    | \$150 of \$1150   |
| Expense                                  | Landscape - Projects | Clean culvert and stream of road to dumpster   |                   |                    | \$400 of \$610    |
| Expense                                  | Landscape - Projects | POA Tree Health Inspection   |                   |                    | \$210 of \$610    |
|  |                      |  |                   |                    |                   |
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## 2nd Quarter 2019

|                               |                                    |   | April                 | May                | June                |
|-------------------------------|------------------------------------|---|-----------------------|--------------------|---------------------|
| <b>Capital Expenses</b>       |                                    |   |                       |                    |                     |
|                               | POA Reserve Account                |   | \$3,393.34            | \$3,350.00         | \$0.00              |
|                               | POA Repairs/Replacements           |   | \$3,970.00            | \$1,962.00         | \$136.49            |
|                               | POA Projects                       |   | \$0.00                | \$70,000.00        | \$0.00              |
|                               | POA Purchases                      |   | \$582.08              | \$0.00             | \$201.28            |
|                               | <b>Total Capital Expenses</b>      |   | <b>\$7,945.42</b>     | <b>\$75,312.00</b> | <b>\$337.77</b>     |
| <b>Capital Expenses Notes</b> |                                    |   |                       |                    |                     |
| Expense                       | Capital - POA Reserve Account      | Transfer \$350 X 8 assessment error to Reserve      | \$2800 of \$3393.34   |                    |                     |
| Expense                       | Capital - POA Reserve Account      | Transfer 27 acres assessment to Road Impact Reserve | \$593.34 of \$3393.34 |                    |                     |
| Expense                       | Capital - POA Repairs/Replacement  | buy and install irrigation pump                     | \$1870 of \$3970      |                    |                     |
| Expense                       | Capital - POA Repairs/Replacement  | cut down & remove dead trees                        | \$2100 of \$3970      |                    |                     |
| Expense                       | Capital - POA Purchases            | FOBs/Pool Flowers/Ladder/Signs/Flash Drive          | \$582.08              |                    |                     |
| Expense                       | Capital - POA Reserve Account      | Transfer \$350 X 8 assessment error to Reserve      |                       | \$350 of \$3,350   |                     |
| Expense                       | Capital - POA Reserve Account      | Transfer Compliance Fee error to Reserve            |                       | \$3,000 of \$3,350 |                     |
| Expense                       | Capital - POA Repairs/Replacements | Repairing Repainting of Dock deck                   |                       | \$1,817 of \$1,962 |                     |
| Expense                       | Capital - POA Repairs/Replacements | Install Bear Shield on Dumpster                     |                       | \$145 of \$1,962   |                     |
| Expense                       | Capital - POA Projects             | Dredging of Cove                                    |                       | \$70,000.00        |                     |
| Expense                       | Capital - Repairs/Replacements     | Bear Proof Dumpster                                 |                       |                    | \$100 of \$136.49   |
| Expense                       | Capital - Repairs/Replacements     | Replace tie down chords on dumpster                 |                       |                    | \$36.49 of \$136.49 |
| Expense                       | Capital - POA Purchases            | Refresments for Memorial Day Pool Party             |                       |                    | \$201.28            |
|                               |                                    |   |                       |                    |                     |
|                               | <b>Total Expenses</b>              |   | <b>\$21,151.03</b>    | <b>\$82,927.63</b> | <b>\$16,602.23</b>  |
|                               |                                    |   |                       |                    |                     |
|                               |                                    |   |                       |                    |                     |
|                               |                                    |   |                       |                    |                     |

July 23, 2019

## 2nd Quarter 2019

|  |  |                                      | April       | May         | June        |  |
|--|--|--------------------------------------|-------------|-------------|-------------|--|
|  | <b>Bank Statement</b>                  |                                      |             |             |             |  |
|  |  |                                      |             |             |             |  |
|  |  |                                      |             |             |             |  |
|  |  |                                      |             |             |             |  |
|  |  |                                      |             |             |             |  |
|  | <b>Bank Beginning Balance</b>          |                                      | \$23,890.96 | \$24,811.93 | \$16,998.30 |  |
|  | <b>Bank Ending Balance</b>             |                                      | \$24,811.93 | \$16,998.30 | \$7,842.07  |  |
|  | <b>( - ) Compliance Fees</b>           |                                      | \$0.00      | \$0.00      | \$0.00      |  |
|  | <b>( - ) Boat Dock Fees</b>            |                                      | \$0.00      | \$0.00      | \$0.00      |  |
|  | <b>( - ) PrePaid POA Dues for 2020</b> |                                      | \$0.00      | \$0.00      | \$0.00      |  |
|  | <b>Actual Operating Balance</b>        |                                      | \$24,811.93 | \$16,998.30 | \$7,842.07  |  |
|  |  |                                      |             |             |             |  |
|  | <b>Year over Year</b>                  | <b>Actual Operating Balance 2019</b> | \$24,811.93 | \$16,998.30 | \$7,842.07  |  |
|  |  | <b>Actual Operating Balance 2018</b> | \$19,112.59 | \$1,803.39  | -\$5,271.51 |  |