

Firefly Property Owners Association, Inc.

Board Meeting

December 27, 2013

Location:

- Firefly Cove Lake Lure, North Carolina – Firefly Cove Lodge

Roll Call/Call to Order:

- The meeting was called to order by President Bob Cameron at 9:00 am.
- Directors present: President Bob Cameron, Vice President Joe Pritchett, Treasurer Bob Cobbett, Secretary Mike Kirkman and Director Jonathan Hinkle
- Directors Absent: None
- Property Owners present: None
- Others present: Rhonda Cook

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 October 13, 2013, October 20, 2013 and November 4, 2013 were approved without changes by motion, second, and a unanimous vote 5-0.

New Business:

- Rhonda Cook was invited by the Board to explain the new accounting reports as discussed by Treasurer Cobbett at the previous Board meeting. The Board discussed the content of the reports and the information that was desired on monthly, quarterly, and annual reports. Rhonda Cook stated that she can create a report with any information that the Board requested. The Board thanked Rhonda Cook for all her professional work and the willingness to provide the requested reports to the individual Board members as well as the Board as a whole. Rhonda Cook thanked the Board and left the meeting.
- Treasurer Cobbett started a discussion on the Accounting Procedures 2014. After Board discussion and changes Treasurer Cobbett recommended that the Board adopt the Firefly Cove Accounting Procedures 2014. (See Attachment "A") The recommendation was approved by motion, second, and a unanimous vote 5-0. Vice President Pritchett reported that the additional key to the post office box for the Firefly Cove POA is in Rhonda Cook's office. If a Board member needs to check the mailbox, the Board member can check the key out from Rhonda Cook.
- Treasurer Cobbett started a discussion on increasing the boat dock fees. After a lengthy discussion among the Board members Treasurer Cobbett recommended that the Board increase the boat slip fees for a single user boat slip from \$300 annually to \$400 annually. The recommendation was approved by motion, second, and a vote 3-0. President Cameron and Secretary Kirkman did not vote.
- Treasurer Cobbett started a discussion on expanding the boat docks from 9 slips to 16 slips. Director Hinkle has submitted the preliminary plans for the expansion of the boat docks to an architect to draw the final plans and engineering specs. The cost for the drawing the plans will be approximately \$1200 and will be paid for out of the boat dock fees. Once the final plans have been completed, the plans will be submitted to the Town of Lake Lure for approval. Director Hinkle stated that the cost to construct the new docks would be approximately \$20,000. Secretary Kirkman stated that the funds to construct the new docks will come from the boat dock fees and not the quarterly assessments.
- Director Hinkle started a discussion on the new ARC Guidelines. Director Hinkle went through each page of the old guidelines and submitted recommended changes. Secretary Kirkman will make all the recommended changes as submitted by Director Hinkle and approved by the Board during the Board discussion. Secretary Kirkman will send the completed document to Director Hinkle for a final read through. Director Hinkle will present the final version at the next Board meeting for Board approval.

- Director Hinkle presented a plan to deal with maintenance and up keep of existing homes, boat houses, and landscaping. The plan included how the Board would identify a violation; notify the property owner of the violation, and remedies to address the violation if the property owner does not. Vice President Pritchett stated that the Board's attorney should address this. Secretary Kirkman recommended that Vice President Pritchett contact the Board's attorney for further guidance on what the Board can do.
- Director Hinkle asked Secretary Kirkman to send an email to all property owners requesting one additional member to serve on the ARC. He stated that the ARC would prefer the new ARC member be a lot owner, not a condominium owner or a homeowner.
- Secretary Kirkman recommended that the Board change the Registered Agent for the POA and the COA to the Board's attorney. After discussion the recommendation was approved by motion, second, and a unanimous vote 5-0. Secretary Kirkman and Vice President Pritchett will contact the Board's attorney.

Updates:

- President Cameron stated that the survey of the trail system would be done during the first quarter of 2014.
- President Cameron stated that construction of phase 1 of the trail system will begin in March. Phase 1 is defined as the trail from the boat house to the end of lot 35 at Chapel Point Road.
- Vice President Pritchett stated that he is still working on the rezoning of the common area.
- Treasurer Cobbett stated that he contacted an additional insurance agent to provide a bid for the POA insurance. After reviewing the bid Treasurer Cobbett stated that the current insurance provider is providing adequate insurance and a very good price. Treasurer Cobbett provided a year end projection for cash on hand. Treasurer Cobbett reminded all the Board members that after the Board meeting is over that all the Board members will travel to TD Bank in Hendersonville to open a reserve account.
- The time and date of the next Board meeting was not determined.

Adjournment

- The meeting was adjourned at 11:27 am.

Attachment "A"

FIREFLY COVE ACCOUNTING PROCEDURES 2014

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 the President and at least one other Board member.
- 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 threatening 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
Unbudgeted Spending

- 7.1 For obligations/expenditures not included in the current year's budget, the following procedures apply;
- 7.1.1 If the obligation/expenditure is deemed an emergency (immediate 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.
- 7.1.2 For non-emergency unbudgeted spending under \$500, the obligation/expenditure requires the approval of a minimum of 2 board members.
- 7.1.3 For non-emergency unbudgeted spending \$500 or above, the obligation/expenditure requires board approval.
- 7.1.4 For non-emergency unbudgeted spending \$5,000 or above, the obligation/expenditure requires POA approval.
- 7.2 The President of the Association is exempt from 7.1.1, 7.1.2, and 7.1.3 above.