

Firefly Property Owners Association, Inc.
Annual Meeting
October 18, 2014

Location:

- Firefly Cove Lake Lure, North Carolina – Firefly Lodge

Roll Call/Call to Order:

- The meeting was called to order by President Bob Cameron at 10:01am.
- Directors present: President Bob Cameron, Vice President Joe Pritchett, Treasurer Bob Cobbett, Secretary Mike Kirkman, Director Jonathan Hinkle, and Director Doug Newton
- Directors Absent: None
- Property Owners Present: Condo 101, Condo 102, Condo 203, Lot 2, Lot 3, Lot 5, Lot 7, Lot 8, Lot 11, Lot 12, Lot 14, Lot 17, Lot 18, Lot 23, Lot 24, Lot 26, Lot 28, Lot 29, Lot 31, Lot 32, Lot 33, Lot 35, Lot 36, Lot 39, Lot 41, Lot 45, Lot 47, Lot 51, and Lot 53
- Property Owners Represented by Proxy: Condo 201, Condo 204, Lot 6, Lot 13, Lot 15, Lot 21, Lot 22, Lot 34, Lot 37, Lot 38, Lot 43, Lot 44, Lot 50, and Lot 52

Proxies:

Director Hinkle certified all the proxies.

Quorum:

Director Hinkle announced that there being a sufficient number of property owners represented (29 lot owners present and 14 lot owners represented by proxy), a quorum was established.

Election of New Board Member:

President Bob Cameron's 3 year term expires on October 18, 2014. Director Hinkle introduced the nominee who had submitted his application for the Firefly Cove Board. The only nominee was Bob Cameron. Director Hinkle called for other nominations from the floor. Property Owner Tim Shellenberger nominated property owner Spencer Robinson. Property owner Spencer Robinson declined the nomination.

Election of New Board Member Results:

With Bob Cameron being the only person on the ballot for the Board of Directors, Director Hinkle declared that Bob Cameron will serve a new three (3) year term to the Firefly Cove POA Board. Bob Cameron's term will expire in October 2017. Doug Newton will be replacing Treasurer Cobbett who resigned from the Board as of October 18, 2014. Director Newton was appointed by the Board at the October 17, 2014 Board of Directors meeting. Director Newton's term will expire in October 2015.

Certification of 2012 Annual Minutes:

The minutes from the Annual Board meeting of October 19, 2013 for the Firefly Cove Property Owners Association were approved by motion, second, and a unanimous vote.

Vice President's Report:

Vice President Pritchett reported that the Board's attorney advised the Board that notice of the Annual Meeting and other notices can be done through email. Vice President Pritchett reported that the association spends over \$400 annually mailing notices of the annual meeting and quarterly invoices. The Board has instructed Secretary Kirkman to use email in the future for notification of Annual Meeting. Secretary Kirkman stated that he would contact each property owner and if the property owner wants a hard copy mailed to them he would do so. Vice President Pritchett reported that the Board will follow state statute for any request of the membership contact information.

President's Report:

President Cameron presented many of the tasks that were accomplished on behalf of the association from October 2013 through September of 2014. President Cameron thanked Treasurer Cobbett for all his work as Treasurer and all his work in maintaining the swimming pool. President Cameron thanked Director Hinkle and Marathon Builders for their extensive renovations of the Lodge after the flood in January 2014. There was no cost of the renovations to the association. President Cameron reported the installation of all new pool equipment (pump, filter, heater, drainage). The Trail System was surveyed and cleared from the docks to Boy Camp Road. A parking lot and walkway was constructed to the dock. An irrigation system was added to common area down by the dock. A section of the dock was lowered to water level to make it easier to put kayaks and canoes into the lake. The roof on the dock and canoe rack will be replaced by the end of the year. The Town of Lake Lure is drawing down the lake for

repairs to the dam beginning December 1, 2014. During this time the Board allocated \$4,000 to dredge the area immediately surrounding the docks. The Town of Lake Lure is beginning a multi-year dredging of the entire lake in early 2015.

New Business:

Financial Report:

Treasurer Cobbett presented the financials of the association from January 2014 through September 2014. Treasurer Cobbett reported that the Board opened a separate reserve account. The amount projected in the reserve account at the end of 2014 will be approximately \$25,806. The amount projected in the operating account at the end of 2014 will be approximately \$26,429. Treasurer Cobbett presented the proposed 2015 budget to the property owners. (Attachment A) Treasurer Cobbett made the motion that the membership approves the proposed 2015 budget. The motion was seconded and approved by a unanimous vote.

Financial Procedures:

Secretary Kirkman presented an explanation on the 2015 Financial Procedures developed by the Board. (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. The changes for 2015 include the addition of Section 8 (Improvement to Common Area/Amenities) in the Financial Procedures as recommended by property owners.

The Dirty Dancing Festival 2015:

Director Hinkle reported that the Board was asked to examine the possibility of participating in The Dirty Dancing Festival in 2015 as a fund raiser. The Board concluded that participating in The Dirty Dancing Festival in 2015 would be detrimental to the property owners of Firefly Cove. The Board recommends that Firefly Cove not participate in The Dirty Dancing Festival in 2015. The recommendation was approved by motion, second, and unanimous vote.

Ridges Gate Choice:

President Cameron presented the 3 choices for the security gate to be built at the entrance to The Ridges at Firefly Cove. (See Attachment C) Property Owner Pam Buckingham stated that she wanted the gates and the stone columns to be exactly the same as the current security gate. If the columns are not built exactly the same now, perhaps they could be modified in the future to match the current security gate. President Cameron, with the approval of the Board, recommended that the membership approve option #2. The recommendation was approved by motion, second, and by a vote of 42-1.

Removal of the Walkway and Parking Area to the Lake:

President Cameron stated that the Board approved a request by a property owner to bring the removal of the walkway and parking area to the lake to the membership. Property Owner Tim Shellenberger voiced his disapproval to have the walkway and parking area to the lake and wants it removed. Property Owner Shellenberger offered to pay for the removal of the walkway and parking area to the lake. Other property owners voiced their approval of the walkway and parking area. President Cameron recommended that the membership not remove the walkway and parking area to the lake. The recommendation was approved by motion, second, and by a vote of 42-1.

Expansion of the Dock from 9 to 13 Boat Slips:

Vice President Pritchett started a discussion on increasing the number of boat slips at the dock from 9 to 13. Vice President Pritchett showed the architectural drawing of the expansion to the membership. (See Attachment D) Property Owner Doug Kelly expressed concern with the limitations of the small boat slips and the seniority list for boat slips. Vice President Pritchett stated that the Board will examine the existing seniority list and adjust the Boat Slip Policy if necessary. Vice President Pritchett presented a plan to pay for the construction of the additional boat docks. A Property Owner asks how the Board would deal with an unsightly boat. Secretary Kirkman stated that a property owner should notify him if they think a boat is in violation of the POA covenants. Property Owner Doug Kelly recommended that the membership approve moving forward with a variance, a zoning change, and approval from the Town of Lake Lure to increase the number of boat slips from 9 to 13, there will be no modification to the dock structure that currently exists and that the increased boat fees be used with the already collected boat fees to fund the construction of the new docks. The recommendation was approved by motion, seconded, and by a vote of 41-2.

Open Forum:

A property owner asked when the Board anticipates completing the final blacktop of the roads. President Cameron responded that the Board would like to see additional homes built before the final road is completed. The cost is estimated to be approximately \$60,000 and the Board is reserving the monies for it. Secretary Kirkman stated that new construction on Lot 15, Lot 26, and Lot 28 is expected to start in early 2015. Vice President Pritchett reported that the Board purchased historical documentation from the developer John Cloud. This included early pictures, post cards, etc. of Lake Lure and Firefly Cove. He stated that the documents would be in the Lodge for any property owners who was interested.

Adjournment of Meeting

- The meeting was adjourned at 11:18am by motion, second, and unanimous vote.

ATTACHMENT A

Firefly Cove Property Owners Association – 2015 Budget

	<u>2014 BUDGET</u>	<u>2014 PROJECTED</u>	<u>2015 PROPOSED</u>
INCOME:			
-Dues	99262	99262	99262
-Boat Slips	2100	2800	4200
-Right of Way	-----	514	500
-Misc (New/Transfers)	<u>-----</u>	<u>1200</u>	<u>1000</u>
TOTAL Revenue	101362	103776	104962

OPERATING EXPENSES:

ADMINISTRATIVE

	<u>2014 BUDGET</u>	<u>2014 PROJECTED</u>	<u>2015 PROPOSED</u>
LODGE EXPENSES			
-Cleaning Service	13000	11000	12000
-Electric	7000	6500	7000
-Maintenance	2400	2400	2400
-Cable	500	560	600
-Security	500	400	400
-Telephone/Internet	1500	1425	1500
-COA Payment	<u>4000</u>	<u>3938</u>	<u>4000</u>
Subtotal LODGE EXPENSES	28900	26223	27900
TOTAL OPERATING EXPENSES	71885	68423	71450

ATTACHMENT B

FIREFLY COVE FINANCIAL PROCEDURES
2015

**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**

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

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

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 (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 Spending on all non-emergency unbudgeted obligations/expenditures may not exceed \$5,000 in any fiscal year without POA membership approval.
- 7.2 The President of the Association is exempt from 7.1.1 and 7.1.2.

Article VIII
Improvement to Common Area/Amenity

ATTACHMENT C

THE RIDGES AT FIREFLY COVE GATE CHOICES

The Board has solicited bids for 3 types of gates.

1. An 18 foot Aluminum Single Leaf Gate. Similar to the existing Firefly Cove gate but designed to look like a dual gate but One Gate Only.
Cost: Approximately \$17,000.00
2. Two 9 foot Aluminum Single Leaf Swing Gates. The Gate entrance will be similar to the existing Firefly Cove gate only without the Telephone Entry. To grant access a visitor will need a code to gain entry and codes should be given to EMS, fire, police, postal workers, etc.
Cost: Approximately \$20,000.00

ATTACHMENT D

