

**PFFPOA Annual Meeting**  
Saturday, December 3, 2016  
Little River Community Center

The meeting was called to order by Harry Weinhofer, at 9:10 am with a prayer.

**Opening Remarks by Harry Weinhofer**

In summary:

It's been a contentious year. We hope to resolve our problems this year and return to a stable situation.

**Secretary's Report by Ed Hauschild**

Ed said that the minutes of the 2015 meeting are posted on the association web site. He asked for any questions or comments or for a request that the 3 page document be read. The minutes were accepted as posted.

**Treasurer's Report - Fiscal 2016 by Barb Harrah**

98.2% of assessments were collected. 4 lot owners did not pay. The lots are up for sale. Liens have been placed. We have additional interest income of \$552.28 from Duke Power bonds. Our share of the cost of paving Butterfly Lane was \$9000. This required a \$6000 withdrawal from reserves as approved by vote of the members. The complete report is appended as Attachment 1.

**Committee Reports**

**Roads presented by Harry Weinhofer**

This was an expensive year that included Butterfly Lane paving, repaving of .4 mile of Pisgah Forest Drive, and striping. The repaving was delayed until after the striping. This caused need to do that portion of the striping over again. It was done by hand with a roller.

There was considerable contention about striping.

Some considerations:

- A quote for commercial striping was \$3500 for Pisgah Forest Drive only.
- The cost of rented machine plus paint was about \$750.
- Given the problems of maintenance and storage, it is probably not worth owning our own striping machine.
- We also considered striping with spray paint, but the paint is expensive and not as long lasting. Doug supported this approach. He would have preferred to use a small machine (\$200) that used spray cans. In Harry's experience this would be inefficient. The board agreed with Harry. Doug is unhappy that we overrode his approach.
- Comments from the floor.
  - It may be worth \$3500 to get a straight line on the road. Improved appearance may affect the ability to sell property.
  - Is a crooked line less safe?
  - Should the all members have made the decision, not just the board.? Or is it the boards job to make those kind of decisions?

**Additional Information**

- The ditch repair around Butterfly was done at the property owners expense.
- Future gravel road paving requires a request from property owners and the accumulation of additional reserves.
- A threatening tree on an owners lot is his responsibility. If it falls on the road, the association pays to clear it. If it hits a power line, Duke clears it. Note that our roads may also be affected by a couple of properties outside of our association.
- Suggestion from the floor --- Get an app to call or text road status to all members.

**Architectural Control presented by David Adams**

One house is in progress this year (Peyton's house on Pisgan Forest Drive).

Harry's comment. We have been lenient. Some houses have been too long in building. Covenants authorize the committee to monitor the building process but we don't do it.

**Audit presented by Norton Carey for Wanetta Carey**

No problems. Her report presented as Attachment 2.

**Insurance presented by Harry Weinhofer for Warren Alston**

The policy is designed to protect board members from liability. It has been paid for but not reviewed yet. We may need a new person for this job. Joel Todd volunteered to take over the job. Thanks, Joel.

**Firewise presented by John Davis**

We completed our submissions and we are a Certified Firewise Community until 2017. John is retiring. He will help bring a new person on board.

From John's experience, a fire is a terrifying experience. Even after the recent rain, the area is very dry. Don't challenge the burning ban. A fire pit with a screen can still send sparks. Mulching leaves makes them much more resistant to fire. Be careful.

We had one member who chose to burn. He had a Transylvania Times article that said burning is allowed within 100 feet of the house. It may be allowed, but it still violates common sense. Don't burn.

Comment from the floor: Should we have an inspection process to advise members of problems with respect to the firewise standards?

**Website presented by Ed Hauschild**

We have added minor items to the web site such as our Articles of Incorporation and a history of the annual assessments over the last 12 years. We continue to post board meeting minutes.

The web site was used to conduct a written discussion and vote for the Butterfly Lane paving issue. There was very little comment or criticism of the process. We take this as a sign the process was well received. Unless there is an objection, we will continue to use this approach for issues that arise between annual meetings.

Comment from the floor: The vote submission system should include feedback to indicate that a vote was received.

**Beautification presented by Jennifer Peyton**

Jennifer started this Spring with clean-up of the entrance area. She will clean up for the Winter. She asked for plantings and some members responded with contributions. She spent about \$100 for mulch and Round-Up. The Round-Up will last for several years.

**Annual Picnic presented by Donna Brim**

We had picnic on June 11<sup>th</sup> at the Community Center. It was well attended. Donna is open to any concerns or suggestions.

**Old Business**

None Outstanding

## **New Business Proposed 2017 Budgets / Assessments**

The proposed budget is included as Attachment 3.

Chan has suggest new terms for the maintenance contract including a fixed price for snow removal.

- His monthly fee goes from \$950 to \$1,500 (\$6,600 per year)
- The new fee includes snow removal. We now budget \$7,000 although actual average cost over the last 6 years is about \$3,700 per year. We exceeded \$7,000 in only one year.
- Driveway plowing is included for those property owners who request the service and give permission. This would be done after roads are cleared.
- He will scrape gravel roads. This includes the evacuation route, Pisgah Forest Drive under the power lines, and Falcon Road.
- In case of ice, he will spread salt or brine. He pays for the materials.
- Our annual budget would be increased by \$6,600 for Chan's fee and lowered by \$7,000 for snow removal and \$1,000 for gravel road maintenance.
- Tree removal is included when not covered by Duke.
- Chan will buy a new tractor to be used only on our property.
- He will work on our property first.
- We guarantee to keep the contract in effect for 5 years.

Doug proposed that we own a plow vehicle and do our own plowing.

Questions:

- Who operates, maintains, insures, etc.? Better to pay to have it done.
- Where do we keep it (We don't own any land)?

More questions:

- Should quality of work take precedence over saving of money?
- Should we raise the assessment and get things done right?
- Why don't homes in our area sell faster?

By show of hands, members prefer quality of service over minimizing costs. But then the cost is important. The board could seek approval of the full membership in some situations.

Back to Chan's contract - more questions:

- Chan can be hard to work with. Make sure contract details are ironed out.
- What if Chan drops dead next year?
- Will he be more proactive in plowing?
- Can we work out something for Chan to handle the longer private drives?

Other the budget considerations.

- \$2000 added to fix Falcon Road
- Assessment income is reduced in anticipation that those who didn't pay last year will again not pay.
- There is a problem with the line on the impact fee - No income, but \$5000 variation. This is an error. It will be corrected.

The budget was approved by a show of hands.

## **Covenant Change for Violations Enforcement**

The only means of enforcing the covenants is through a law suit. This has only happened once. A member wanted to combine 6 lots for tax and assessment purposes. We did not want to lose the assessments. Property owner sued. Legal cost was \$5000.

A procedure detailed in the previous letter to members encourages members to come to agreement. If they can't, then the board imposes a solution with a possible fee of up to \$100 / month for non-compliance. Note that we have never received a written complaint.

Comments from the floor:

- We should still keep the right to sue in case there is still conflict after this procedure.
- Should the procedure pit neighbor against neighbor?
- The intent is good but the wording is bad.
- Anything we do has to be upheld in court.
- A lawyer should be consulted to determine final wording.

Table this issue – raise again in the future covenant update.

### **Plans Update of Covenants and Bylaws**

We had hoped to make more progress on this issue in the previous year, but we didn't have a fully involved board. The concern today is with the process for change rather than the specific changes to come. We plan to conduct the update in a manner similar to, but much more elaborate than the Butterfly Lane paving issue.

The board will prepare a ballots that are copies of the existing bylaws and covenants. Where changes are recommended, the old wording and one or more update options will be listed. During a discussion period (2 months?) members can comment and have additional options added to the ballot.

Two notes about voting:

1. There will be an option to abstain. In this case, no vote will be counted, but the ballots will be counted for the purpose of establishing a quorum.
2. If there are more than two options for a particular change, voters will be asked to rank order their choices. If no option receives a majority, the option receiving the fewest votes will be deleted, and voters choosing that option will get their second choice. The process continues until some option receives a majority of the votes. This is similar to the process defined in Robert's Rules of Order.

We hope to have the ballot prepared by mid-year and start the discussion period then. This timetable was discussed by the existing board. We will see what the new board has to say.

### **Chat Box Construction**

Previously, boxes were built by volunteers. We have some unboxed chat. Can we get volunteers to build more?

### **Send Annual Meeting Documents by Email**

In the future we would like to use email to send the annual meeting announcement and ballot. The cost for postage alone is about \$75. The email letter would include a link to a web page that would contain the ballot and proxy. Voting would be done by entering information on that web page. Paper ballots will be sent to those few members who do not have email.

### **Removal of Doug Chick from the Board**

Comments from Doug:

- After election, he sent a letter to members to learn about their problems.
- We had differences over the method of road striping.
- He called for open meetings.
- He wants to be a person of service.
- He spent too long building his house, in part due to injury.
- He wants to be kept on the board.

Comments from the board:

- The issue is not personality, but participation.
- When appointed as acting president, he said he would respond to email. He didn't. He didn't attend meetings.

Lots of back and forth ensued with little new substance.

- Note that Doug claimed credit for starting open meetings. Actually, Warren did that. In any case, all meetings are open. We just moved quarterly meetings to a larger venue - the Community Center.

There was a questions about process - The association elects members to the board. Specific assignments on the board are decided by the board. If someone leaves mid-term, the board appoints a replacement for the remainder of the year. The slot is then filled by an election at the next annual meeting.

### **Election of Officers**

Candidates introduced themselves.

Results:

Doug is removed from the board.

All four candidates are on.

The meeting was adjourned at 12:20 pm

Following the open meeting, the board met to determine assignments for next year.

Jennifer Peyton- President

Tony Carollo - Vice President

Ed Hauschild- Secretary

Barb Harrah- Treasurer

Becky Dodrill - Member at Large

The next board meeting is Wednesday, January 18<sup>th</sup>, at 10 am.

30-Nov-16

| <u>Line</u> |                                   | <u>BUDGET</u>    | <u>ACTUAL</u>       | <u>VARIATION</u>     |
|-------------|-----------------------------------|------------------|---------------------|----------------------|
| 1           | <b>ADMINISTRATIVE EXPENSES</b>    |                  |                     |                      |
| 2           | Annual Meetings                   | \$ 120           | \$ 379.03           | \$ (259.03)          |
| 3           | Attorney - Legal                  | \$ 250           | \$ 37.50            | \$ 212.50            |
| 4           | Beautification                    | \$ 200           | \$ 101.77           | \$ 98.23             |
| 5           | Insurance                         | \$ 1,000         | \$ 927.00           | \$ 73.00             |
| 6           | State / Federal Tax               | \$ 10            | \$ 13.70            | \$ (3.70)            |
| 7           | Office Supplies & Expenses        | \$ 450           | \$ (157.46)         | \$ 607.46            |
| 8           | <b>Sub-Total</b>                  | <b>\$ 2,030</b>  | <b>\$ 1,301.54</b>  | <b>\$ 728.46</b>     |
| 9           | <b>ROAD EXPENSES</b>              |                  |                     |                      |
| 10          | Gravel Road Maintenance           | \$ 2,000         | \$ 10,622.14        | \$ (8,622.14)        |
| 11          | Paved Road Maintenance            | \$ 3,500         | \$ 3,950.42         | \$ (450.42)          |
| 12          | Paved Road Resurfacing            | \$ 20,000        | \$ 19,740.00        | \$ 260.00            |
| 13          | Snow Removal                      | \$ 7,000         | \$ 4,235.26         | \$ 2,764.74          |
| 14          | Tree Removal                      | \$ 1,000         | \$ 310.00           | \$ 690.00            |
| 15          | <b>Sub-Total</b>                  | <b>\$ 33,500</b> | <b>\$ 38,857.82</b> | <b>\$ (5,357.82)</b> |
| 16          | <b>MAINTENANCE MANAGER</b>        | \$ 11,400        | \$ 10,450.00        | \$ 950.00            |
| 17          | Material Expenses                 | \$ 1,000         | \$ 209.10           | \$ 790.90            |
|             | <b>Sub-Total</b>                  | <b>\$ 12,400</b> | <b>\$ 10,659.10</b> | <b>\$ 1,740.90</b>   |
| 18          | <b>FIREWISE COMMITTEE</b>         | \$ 1,000         | \$ 875.00           | \$ 125.00            |
| 19          | <b>EMERGENCY / CONTINGENCY</b>    | \$ 2,500         | \$ 1,793.00         | \$ 707.00            |
| 20          | <b>TOTAL EXPENSES</b>             | <b>\$ 51,430</b> | <b>\$ 53,486.46</b> | <b>-\$2,056.46</b>   |
| 21          | <b>ASSESSMENT INCOME</b>          | \$ 47,250        | \$ 46,235.04        | (\$1,014.96)         |
| 22          | <b>INTEREST INCOME</b>            | \$ 400           | \$ 552.28           | \$152.28             |
| 23          | <b>IMPACT FEES</b>                | \$0              | \$ 2,500.00         | \$ 2,500.00          |
| 24          | <b>2015 CARRYOVER BALANCE</b>     | \$ 70,299        | \$ 70,298.76        |                      |
| 25          | <b>TOTAL INCOME</b>               | \$ 47,650        | \$ 49,287.32        | \$1,637.32           |
| 26          | <b>TOTAL EXPENSES</b>             | \$ 51,430        | \$ 53,486.46        | \$ (2,056.46)        |
| 27          | <b>PROJECTED YEAR-END BALANCE</b> | \$ 66,519        | \$ 66,099.62        | (\$419.14)           |
| 28          | <b>ACTUAL BALANCES - CHECKING</b> |                  | <b>\$ 14,840.39</b> |                      |
|             | <b>- SAVINGS</b>                  |                  | <b>\$ 600.83</b>    |                      |
|             | <b>- DUKE</b>                     |                  | <b>\$50,658.40</b>  |                      |
|             |                                   |                  | <b>\$66,099.62</b>  |                      |

Nov 23, 2016

I have completed the audit  
for PFFPOA from Oct 2015 - Oct 2016  
Everything is correct and in great  
order. Thanks Barb!

Kannetta Casey

**Pisgah Forest Farms Property Owners Association  
Proposed 2017 Budget**

22-Nov-16

| <u>Line</u> |                                   | <u>BUDGET</u>    | <u>ACTUAL</u> | <u>VARIATION</u>    |
|-------------|-----------------------------------|------------------|---------------|---------------------|
| 1           | <b>ADMINISTRATIVE EXPENSES</b>    |                  |               |                     |
| 2           | Association Meetings              | \$ 320           |               | \$ 320.00           |
| 3           | Attorney - Legal                  | \$ 1,000         |               | \$ 1,000.00         |
| 4           | Beautification                    | \$ 200           |               | \$ 200.00           |
| 5           | Insurance                         | \$ 1,000         |               | \$ 1,000.00         |
| 6           | State / Federal Tax               | \$ 150           |               | \$ 150.00           |
| 7           | Office Supplies & Expenses        | \$ 450           |               | \$ 450.00           |
| 8           | <b>Sub-Total</b>                  | <b>\$ 3,120</b>  |               | <b>\$ 3,120.00</b>  |
| 9           | <b>ROAD EXPENSES</b>              |                  |               |                     |
| 10          | Gravel Road Maintenance           | \$ 1,000         |               | \$ 1,000.00         |
| 11          | Paved Road Maintenance            | \$ 3,500         |               | \$ 3,500.00         |
| 12          | Paved Road Resurfacing            | \$ 10,000        |               | \$ 10,000.00        |
| 13          | Snow Removal                      | \$ -             |               | \$ -                |
| 14          | Tree Removal                      | \$ 1,000         |               | \$ 1,000.00         |
| 15          | <b>Sub-Total</b>                  | <b>\$ 15,500</b> |               | <b>\$ 15,500.00</b> |
| 16          | <b>MAINTENANCE MANAGER</b>        | \$ 18,000        |               | \$ 18,000.00        |
| 17          | Material Expenses                 | \$ 3,000         |               | \$ 3,000.00         |
|             | <b>Sub-Total</b>                  | <b>\$ 21,000</b> |               | <b>\$ 21,000.00</b> |
| 18          | <b>FIREWISE COMMITTEE</b>         | \$ 1,000         |               | \$ 1,000.00         |
| 19          | <b>EMERGENCY / CONTINGENCY</b>    | \$ 2,500         |               | \$ 2,500.00         |
| 20          | <b>TOTAL EXPENSES</b>             | <b>\$ 43,120</b> |               | <b>\$43,120.00</b>  |
| 21          | <b>ASSESSMENT INCOME</b>          | \$ 46,375        |               | (\$46,375.00)       |
| 22          | <b>INTEREST INCOME</b>            | \$ 600           |               | (\$600.00)          |
| 23          | <b>IMPACT FEES</b>                | \$0              |               | \$5,000.00          |
| 24          | <b>2015 CARRYOVER BALANCE</b>     | \$ 63,000        |               |                     |
| 25          | <b>TOTAL INCOME</b>               | \$ 46,975        |               | (\$46,975.00)       |
| 26          | <b>TOTAL EXPENSES</b>             | \$ 43,120        |               | \$ 43,120.00        |
| 27          | <b>PROJECTED YEAR-END BALANCE</b> | \$ 66,855        |               | (\$66,855.00)       |
| 28          | <b>ACTUAL BALANCES - CHECKING</b> |                  |               |                     |
|             | <b>- SAVINGS</b>                  |                  |               |                     |
|             | <b>- DUKE</b>                     |                  |               |                     |