

PFFPOA Annual Meeting
Saturday – December 1, 2018 – 9 am
Little River Community Center

Meeting called to order at 9:10 A.M. Association members representing 34 properties and 106½ votes were either in attendance or had submitted proxies, representing a quorum.

Opening Remarks by Jennifer Peyton

Board members introduced themselves. Becky Dodrill was not present due to a family emergency. Jennifer reviewed community activity for the past year.

Notes:

- Currently 68 homes, 71 vacant lots, 89 different owners
- 2 homes & 6 lots exchanged hands during the year:
- Finances continue to remain strong with healthy reserves
- Roads remain in decent shape with no major storms creating issues

Secretary's Report by Patrick Kelly

Patrick noted that the minutes of the 2017 meeting are posted on the association web site and reminded residents where minutes can be found on the website. He asked for any questions, comments or revisions. The minutes were accepted as posted.

Treasurer's Report for Fiscal 2018 submitted by Barb Harrah

The 2018 budget is included as Attachment 1

Notes:

- There was significant variance between the proposed 2018 budget and the actual budget for this year. This was in response to the discussion of concerns at the last annual meeting.
- The Board did not pursue the overhaul of the covenants and thereby did not need what was budgeted for the attorney.
- The Association spent heavily on repair of all but one of the gravel roads. Falcon Rd-\$5303.07, PFD under power lines - \$5280.30, Overlook - 4918.52. Other big expenses were PDF Jct (Chan- culvert)- \$4242, Sunflower base repair- \$2470, PFD at Taylor Curve - \$2100. Paved road resurfacing was tabled and repair was limited to the culvert at bottom of the PFD junction due to road damage from construction trucks.
- There was an error on the 2016 taxes, incorrectly claiming our interest earnings exempt from taxes. The 2016 return was amended early this year, and we paid \$5.25 in interest. Our expected taxes going forward are in the \$170 range.
- The Association has collected 99.8% of assessments for this year. We will be over 100% with the monthly payment still due for December. We had to place 1 lien.
- We collected \$7500 in impact fees in 2018.
- There are currently 68 homes and 71 unimproved lots. We have 89 members in the Association.
- With rising interest rates, we earned more than expected on our Duke Premiere Notes.
- Assessments collected for year total \$47,880
- Approved spending for 2018 was \$50,718. We expect to have spent \$49,456 by year's end.

Committee Reports

Roads - submitted by Becky Dodrill (presented by Jennifer Peyton)

Roads remain in decent shape with no major storms creating issues.

- Elected to defer paving 2/10 mile to prioritize work on the gravel roads.
- Gravel Roads: \$15,500 for maintenance of Falcon, PFD (back side of loop), Overlook. Ridgeview to occur in early 2019 \$13K
- Paved Roads, Culverts & Drainage: \$8,800

The Board agreed to add gravel to existing roads in our neighborhood instead of paving this year. We did add gravel to Falcon Road, the back loop of Pisgah Forest Drive and Overlook and concreted the culvert at the intersection of Pisgah Forest Drive. Taylor's Curve has an asphalt patch repair, and the pot hole below Taylor's Curve will be repaired.

Hubbard Landscaping has elected not to renew the maintenance contract for 2019.

I have served as Road Committee Chair for the past two years and appreciate the help past Committee Chairs have shared.

Architectural Control - presented by David Adams

- Activity up in 2018 with three homes starting construction.
- There are currently only two members of ARC, John Popiel volunteered to serve as third member

Audit - submitted by Wanetta Carey (presented by Norton Carey)

- No issues noted
- All items easily found and balanced

Insurance - submitted by Joel Todd (presented by Jennifer Peyton)

The PFFPOA Homeowner's Association Policy with Auto-Owners was renewed for the period of 7/15/18 to 7/15/19. There was no increase in premium which remains at \$984.00. On 11/2/18 Auto-Owners added Equipment Breakdown coverage at no additional premium for property owned by the Association. The Insurance Committee is not aware of any property owned by the Association.

Brief coverage overview:

1. General Liability \$2,000,000
2. Personal Injury \$1,000,000
3. Association Directors/Officers Error and Omissions \$1,000,000

Note: The Policy provides specifics on coverage

Firewise - submitted by John Davis (presented by Jennifer Peyton)

Our association's status as an active Firewise Community has been renewed for next year, 2019. During 2018 we spent some \$2,100 (cost of \$30.88 per home) to clear brush from around homes and road debris. That expenditure plus estimated hours spent in gathering and removal of debris, a brief Firewise report at the annual picnic and at this annual meeting secured our continued active status in the program. When divided by the number of homes in our community, 68, this amounts to an average of \$31.62 per home, a miniscule amount to pay for the financial assistance we would be eligible to receive in event of a wildfire or severe ice or windstorm on the mountain.

This year, California fires have dramatically shown how wildfires can totally destroy communities. A home on our mountain was struck by lightning and burned. Had that strike come under different conditions, or had even a small leaf pile fire down in the valley gotten out of control, our community could have faced a similar fate.

Firewise was created to help homeowners reduce the risk and impact of a wildfire on their property. The program also offers grants to help pay for natural disaster recovery efforts, such as the severe ice storm that stuck us in 2011.

I will be happy to serve on a Firewise committee, working with any permanent resident who steps up to take charge of the program.

Beautification presented by Jennifer Peyton

- Discussed putting funds in budget in future for upgrades to entry landscape. Ideally, it would require minimal maintenance.
- Discussed possibly getting some cost estimates to include in 2020 budget.
- Also discussed wall at Forest Park entry – some members thought it needed painting. Jim Phillips volunteered to pressure wash

Annual Picnic presented by Donna Brim

Annual picnic to be held in June - date TBD .

Old Business

Future Update of Covenants

Additional changes to covenants on hold for now.

New Business

Update of Covenants – Amendment to Article XIX

Much discussion both for and against. There were questions as to why the Board was proposing the Amendment, and why the majority required for approval would be increased to 67%. Jennifer and Patrick presented the Board position and answered a number of questions from residents.

The majority of the Board believes that the current process of requiring notarized signatures is too cumbersome. The proposed change would eliminate the need for notarized signatures and mirror current state statute regarding covenant changes for communities formed after January 1, 1999.

In order for the proposed amendment to pass, owners of a majority of lots in the community must sign and return their copy of the amendment. There are 139 properties, so 70 would be required for approval. A total of 15 signed amendments were collected at the meeting which represented 20 properties. The Board will continue to accept signed amendments through January 15, 2019.

By-Law Amendment

Harry Weinhofer made a motion to amend Article IV, Section 10 to preclude members from granting their proxy to the Board. Motion was seconded by Harvey Adler. After discussion and clarification, a vote was held, and the motion passed.

Beginning in 2019, a member may only appoint another individual property owner as their proxy

Ad-Hoc Truck Committee

After a suggestion by Doug Chick that the Association consider purchasing its own truck for snow plowing, Harry Weinhofer made a motion to form a committee to investigate the associated costs and make a recommendation. Motion was seconded by Norton Carey. After discussion, a vote was held, and the motion failed.

Elliott impact fee

There was a question regarding the Board not collecting an impact fee for the reconstruction of the Elliot house, which was struck by lightning. It appears that the level of damage and scope of construction are greater than initially thought. After discussion and a hand vote, it was decided that an impact fee should be assessed.

Proposed 2019 Budgets / Assessments

The proposed budget is included as Attachment 2.

Notes:

- Assessments increasing by 15% beginning in 2019 to \$603.75 per lot with a house and \$201.25 per unimproved lot.
- Increase needed for road maintenance as these costs continue to go up and we have not increased assessments for 4 years.
- Road Expenses make up over 57% of Proposed Budget.
- Planned expenditures include Ridge View Drive through to the end of the emergency exit and at least 0.4 mile of resurfacing on PFD.
- Planned expenditures exceed assessment revenue
- Asking for approval to use the \$7500 from 2018 impact fees in 2019 expenditures

A motion was made by Harry Weinhofer to approve the budget. Bill Harrah seconded the motion. After discussion, the budget was passed by an overwhelming majority.

Election of Officers

There was a single open seat on the Board as Tony Carollo's term had expired. Harvey Adler was nominated from the floor and was elected.

The meeting was adjourned at 11:30 am

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

Jennifer Peyton- President
Harvey Adler - Vice President
Patrick Kelly- Secretary
Barb Harrah- Treasurer
Becky Dodrill - Member at Large plus Roads Committee

The next board meeting is Friday, December 28th, at 10 am.

**Pisgah Forest Farms Property Owners Association
2018 Budget**

26-Nov-18

<u>Line</u>		Beginning Balance 12/31/17		\$72,460.59
		<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIATION</u>
1	ADMINISTRATIVE EXPENSES			
2	Association Meetings	\$ 375	\$ 124.73	\$ 250.27
3	Attorney - Legal	\$ 5,000	\$ 422.50	\$ 4,577.50
4	Beautification	\$ 100	\$ 24.77	\$ 75.23
5	Insurance	\$ 1,000	\$ 984.00	\$ 16.00
6	State / Federal Tax	\$ 25	\$ 322.07	\$ (297.07)
7	Office Supplies & Expenses	\$ 400	\$608.06	\$ (208.06)
8	Sub-Total	\$ 6,900	\$ 2,486.13	\$ 4,413.87
9	ROAD EXPENSES			
10	Gravel Road Maintenance	\$ 1,000	\$ 15,501.89	\$ (14,501.89)
11	Paved Road Maintenance	\$ 5,200	\$ 7,601.12	\$ (2,401.12)
12	Paved Road Resurfacing	\$ 10,000	\$ -	\$ 10,000.00
13	Snow Removal	\$ -	\$ -	\$ -
14	Tree Removal	\$ 500	\$ -	\$ 500.00
15	Sub-Total	\$ 16,700	\$ 23,103.01	\$ (6,403.01)
16	MAINTENANCE MANAGER	\$ 18,000	\$16,500.00	\$ 1,500.00
17	Material Expenses	\$ 3,500	\$ 1,211.37	\$ 2,288.63
	Sub-Total	\$ 21,500	\$17,711.37	\$ 3,788.63
18	FIREWISE COMMITTEE	\$ 1,750	\$ 2,100.00	\$ (350.00)
19	EMERGENCY / CONTINGENCY	\$ 2,500	\$ -	\$ 2,500.00
20	TOTAL EXPENSES *	\$ 49,350	\$ 45,400.51	\$3,949.49
21	ASSESSMENT INCOME *	\$ 47,600	\$ 47,880.17	\$280.17
22	INTEREST INCOME	\$ 600	\$ 792.75	\$192.75
23	IMPACT FEES	\$0	\$ 7,500.00	
24	2017 CARRYOVER BALANCE	\$ 72,460	\$ 72,460.59	
25	TOTAL INCOME	\$ 48,200	\$ 56,172.92	\$7,972.92
26	TOTAL EXPENSES	\$ 49,350	\$ 45,400.51	\$ 3,949.49
27	PROJECTED YEAR-END BALANCE	\$ 73,357	\$ 83,233.00	\$9,875.60
28	ACTUAL BALANCES - CHECKING	\$20,577.35	\$ 30,537.01	
	- SAVINGS	\$601.04	\$ 601.19	
	- DUKE	\$51,302.20	\$52,094.80	
		\$72,460.59	\$83,233.00	

Pisgah Forest Farms Property Owners Association
2019 Proposed Budget 4

26-Nov-18

<u>Line</u>		Beginning Balance 12/31/18 - \$		
		<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIATION</u>
1	ADMINISTRATIVE EXPENSES			
2	Association Meetings	\$ 150		\$ 150.00
3	Attorney - Legal	-		-
4	Beautification	\$ 100		\$ 100.00
5	Insurance	\$ 1,000		\$ 1,000.00
6	State / Federal Tax	\$ 175		\$ 175.00
7	Office Supplies & Expenses	\$ 150		\$ 150.00
8	Sub-Total	\$ 1,575	\$ -	\$ 1,575.00
9	ROAD EXPENSES			
10	Gravel Road Maintenance	\$ 13,000		\$ 13,000.00
11	Paved Road Maintenance	\$ 2,500		\$ 2,500.00
12	Paved Road Resurfacing	\$ 20,000		\$ 20,000.00
13	Snow Removal	\$ -		\$ -
14	Tree Removal	\$ 500		\$ 500.00
15	Sub-Total	\$ 36,000	\$ -	\$ 36,000.00
16	MAINTENANCE MANAGER	\$ 18,000		\$ 18,000.00
17	Material Expenses	\$ 2,500		\$ 2,500.00
	Sub-Total	\$ 20,500	\$0.00	\$ 20,500.00
18	FIREWISE COMMITTEE	\$ 2,150		\$ 2,150.00
19	EMERGENCY / CONTINGENCY	\$ 2,500	\$ -	\$ 2,500.00
20	TOTAL EXPENSES *	\$ 62,725	\$ -	\$62,725.00
21	ASSESSMENT INCOME *	\$ 55,545		(\$55,545.00)
22	INTEREST INCOME	\$ 600		(\$600.00)
23	IMPACT FEES	\$0		
24	2017 CARRYOVER BALANCE			
25	TOTAL INCOME	\$ 56,145	\$ -	(\$56,145.00)
26	TOTAL EXPENSES	\$ 62,725	\$ -	\$ 62,725.00
27	PROJECTED YEAR-END BALANCE	\$ 81,633	\$ -	(\$81,633.00)
28	ACTUAL BALANCES - CHECKING	\$30,537.01		
	- SAVINGS	\$601.19		
	- DUKE	\$52,094.80		
		\$83,233.00	\$0.00	