

PFFPOA Annual Meeting
Saturday – December 7, 2018 – 9 am
Little River Community Center

Meeting called to order at 9:10 A.M. Association members representing 133 votes were either in attendance or had submitted proxies, representing a quorum.

Opening Remarks by Jennifer Peyton

Board members introduced themselves. Jennifer reviewed community activity for the past year. Financial challenges included renegotiation of maintenance contract with Chan, a winter storm that caused a lot of downed trees as well as a major unanticipated road repair.

Notes:

- Currently 71 homes, 67 vacant lots, 87 different owners
- 9 homes & 1 lot exchanged hands during the year:
- Finances remain strong but reserves decreased during year
- Roads remain in decent shape, but paved roads are in need of maintenance
- Completed gravel refresh & grading of gravel roads
- Need to discuss a long-term plan to ensure fiscal stability & availability of funds for road maintenance, property management, etc.

Secretary's Report by Patrick Kelly

Patrick noted that the minutes of the 2018 meeting are posted on the association web site and reminded residents where minutes can be found on the website.

Treasurer's Report for 2019 by Barb Harrah

The 2019 YTD budget is included as Attachment 1

Notes:

- Landscape & Maintenance contract costs increased by a total of \$10,200 annually due to rising material & labor costs. This required significant changes to the proposed 2019 budget.
- In April we learned that the culvert at the bottom of Taylor curve had separated and eroded the roadbed. The estimated cost for repair exceeded \$31,000.
- The emergency audit committee approved spending of up to \$35,000 for the culvert replacement and road repaving. The total contract cost came in at \$31,720 with the repaving scheduled for early 2020.
- As a result of unbudgeted items, the Board severely curtailed any spending we could for the rest of the year.
- We collected 100.2% of assessments. One lien we had in place was repaid but then we had to place another lien on a different member. We don't expect payment anytime soon.

Committee Reports

Roads - submitted by Becky Dodrill & Harvey Adler

The maintenance manager contract had to be renegotiated in December of last year with a significant increase in costs. A copy of the contract is available for viewing on the PFFPOA.org website. Chan has fulfilled all obligations under the contract for the year.

Additional work Chan performed for the community include:

- Assisted with culvert repair on PFD
- Cleared the escape road to Reserve Road for use during the PFD closure
- Diverted drainage at the bottom of slope below back side of PFD
- Applied salt to roads after two freezing rain storms

Beginning in 2020 Firewise Spring cleanup will be restricted to debris close to homes only in an attempt to reduce ballooning costs.

New gravel was applied to Ridge View Drive, which completed the upgrade of all gravel roads in the community.

A landslide along and below Falcon Road had to be repaired. Debris was cleared and Chan did some hydroseeding to get some vegetation growing which stabilized the hillside. That section of Falcon Road was also regraded to direct the flow of water away from the downslope.

A large culvert flowing under PFD above Periwinkle Lane and below Taylor's Curve had cracks and gaps that allowed water to escape and wash out supporting material. The culvert had bent and partially collapsed putting that section of road in danger of collapse. We received three different bids for the work and approved the bid from Jerry Henderson. PFD was closed for three days while the work was completed, and The Reserve allowed us to make the escape road available to residents above the repair site during this time. That section of PFD will be repaved in the Spring.

Chan will continue to offer plowing & snow removal services for residents' driveways. Snow removal authorization forms were made available to those in attendance and can also be found on the PFFPOA website.

Architectural Review – Harry Weinhofer

Harry reported that he had received no communications from David Adams & that the committee needs to be re-formed and reorganized. A request was made for volunteers for the committee.

John Herriges inquired about the duties and responsibilities of committee members and volunteered to serve.

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

- Audit completed on 11/5/19
- No issues noted
- "Everything in order and checked out perfectly"

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

The PFFPOA Homeowner's Association Policy with Auto-Owners was renewed for the period of 7/15/19 to 7/15/20. There was a small decline in premium to \$972 from \$984.

Brief coverage overview:

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

Firewise - submitted by John Davis (presented by Norton Carey)

In 2019 some \$8,580 was expended on Firewise activities due to an extreme winter with icing on limbs, hence more downed limbs, more trips to the shredder and more manhours.

Firewise is an important program for our mountain community. As we've seen in the West, wildfire, particularly in a mountainous area such as ours, is most often devastating. Informational materials, training workshops and expertise on fire-proofing our homes and community are available through the program and its partnership with local professionals. Grants, such as we benefited from several years ago when a massive ice storm closed Pisgah Forest Drive and left huge amounts of downed debris on all lots are also available through the program.

Pisgah Forest Farms has been certified as a Firewise community for 2020. John no longer able to serve and a new Firewise chair is needed as well as at least two committee members. John and Norton Carey agreed to "consult" with new volunteers if needed.

Norton and others answered questions about Firewise grants and benefits received from being a Firewise community. Grants difficult to get and grant process is very time consuming.

Amy Minton and Jeremy Peyton were named as possible volunteers.

Website presented by Jennifer Peyton

Ed Hauschild will continue as webmaster. Ed keeps the web site updated in accordance with requests by the board.

- We have purchased service in 3-year increments.
- The next bill will be due at the end of October in 2021
- The service provider records an administrative contact and a technical contact. Right now, the administrative contact is Barb Harrah. Ed is the technical contact. As the board changes, this should be kept up to date.

Beautification presented by Jennifer Peyton

Jennifer briefly reviewed the responsibility of the committee, which includes maintaining the main entry to the community as well as the entry at Forest Park. Jennifer recognized Laura Adler, Sandy Hollister and Kathy Szafranski for their hard work.

Annual Picnic presented by Donna Brim

The annual picnic was held in June at the Little River Community Center with 30-35 community members in attendance. Donna has chaired for the past three years and will continue as a volunteer, but a new chair will be needed for 2020. Amy Minton volunteered. The picnic will be moved to late June in 2020.

Old Business

There was no old business that needed to be addressed.

New Business

Proposed 2020 Budget / Assessments

The proposed budget is included as Attachment 2.

Notes:

- Assessments increasing by 15% for 2020 to \$694.31 per lot with a house and \$231.44 per unimproved lot.
- No money is allocated for paved road maintenance
- Over \$17,000 is projected to be added back to reserves to partially replenish funds needed for repairs in 2019.
- Road expenses and maintenance contract make up approximately 60% of the budget.
- \$3745 is being carried over from 2019 to complete repaving of repair below Taylor's Curve

A motion was made to approve the budget. A vote was taken by show of hands and the budget was passed by an overwhelming majority.

Long-term Financial Plan

Jennifer Peyton presented the long-term financial plan developed by the Board starting with a detailed review of the 2020 budget. Increases in association fees are needed for increased maintenance costs, replenishment of reserves and increases in road resurfacing costs in coming years. The 7-year plan is included as Attachment 3.

- Increases start out at 15% for 2020 & 2021, then decreases to 10% for 2022 & 2023 and then 5% for 2024 through 2027.
- Allows us to resurface all roads over the next 7 years
- Allows us to add nearly \$53K to reserves over the 7-year period.

The Board fielded a number of questions regarding projected costs as well as what other options were considered by the Board.

Election of Officers

There were two open seats on the Board as Becky Dodrill's and Barb Harrah's terms are ending. Becky was willing to serve another term and gave a summary of her qualifications as well as her reasons for wanting to serve.

A new owner, Don Fritz has volunteered to serve on the Board, but will not be moving here until the Spring. Harry Weinhofer was nominated by Barb Harrah and agreed to serve as long as needed. Upon Harry's resignation, the Board will appoint Mr. Fritz to complete the term.

A vote was taken by a show of hands and both Becky and Harry were elected by the overwhelming majority of members present.

The meeting was adjourned at 11:11 am

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

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

The next board meeting is Wednesday, January 15th, at noon.

2019 Budget

1-Dec-19

<u>Line</u>		Beginning Balance 12/31/18 - \$79,293.37		
		<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIATION</u>
1	ADMINISTRATIVE EXPENSES			
2	Association Meetings	\$ 150	\$ 299.48	\$ (149.48)
3	Attorney - Legal	\$ 200	\$ -	\$ -
4	Beautification	\$ 100	\$ 97.04	\$ 2.96
5	Insurance	\$ 1,000	\$ 972.00	\$ 28.00
6	State / Federal Tax	\$ 175	\$ 301.00	\$ (126.00)
7	Office Supplies & Expenses	\$ 150	\$ 93.10	\$ 56.90
8	Sub-Total	\$ 1,775	\$ 1,762.62	\$ (187.62)
9	ROAD EXPENSES			
10	Gravel Road Maintenance	\$ 10,000	\$ 14,542.00	\$ (4,542.00)
11	Paved Road Maintenance	\$ 2,500	\$ 27,975.00	\$ (25,475.00)
12	Paved Road Resurfacing	\$ 10,000	\$ -	\$ 10,000.00
13	Snow Removal	\$ 4,050	\$ 1,680.00	\$ 2,370.00
14	Tree Removal	\$ 500	\$ 900.00	\$ (400.00)
15	Sub-Total	\$ 27,050	\$ 45,097.00	\$ (18,047.00)
16	MAINTENANCE MANAGER	\$ 28,200	\$ 25,850.00	\$ 2,350.00
17	Material Expenses	\$ 2,500	\$ -	\$ 2,500.00
	Sub-Total	\$ 30,700	\$ 25,850.00	\$ 4,850.00
18	FIREWISE COMMITTEE	\$ 2,100	\$ 8,580.00	\$ (6,480.00)
19	EMERGENCY / CONTINGENCY	\$ 2,500	\$ 3,210.00	\$ (710.00)
20	TOTAL EXPENSES	\$ 64,125	\$ 84,499.62	-\$20,574.62
21	ASSESSMENT INCOME	\$ 55,545	\$ 55,920.59	\$ 375.59
	Approved spending from 2018	\$ 9,293	\$ 9,293.00	
	Estimted emergency spending approved		\$ 35,000.00	
	TOTAL SPENDABLE AMOUNT	\$ 64,838	\$ 10,083.97	
	Amt available to spend		\$ -	
22	INTEREST INCOME	\$ 600	\$ 933.74	\$ 333.74
23	IMPACT FEES	\$ 0	\$ 2,500.00	
24	2018 CARRYOVER BALANCE	\$ 79,293	\$ 79,293.37	
25	TOTAL INCOME	\$ 56,145	\$ 59,354.33	\$ 3,209.33
26	TOTAL EXPENSES	\$ 64,125	\$ 84,499.62	\$ (20,374.62)
	Transfer from Duke		\$ 35,000.00	
27	PROJECTED YEAR-END BALANCE	\$ 71,313	\$ 54,148.08	(\$17,164.92)
28	ACTUAL BALANCES - CHECKING	\$26,387.99	\$ 35,355.73	
	- SAVINGS	\$601.22	\$ 601.39	
	- DUKE	\$52,304.16	\$18,222.73	
		\$79,293.37	\$54,179.85	

**Pisgah Forest Farms Property Owners Association
Proposed 2020 Budget**

<u>Line</u>		Beginning Balance 12/31/19	1-Dec-19
		<u>BUDGET</u>	<u>ACTUAL</u>
			\$ 48,816
			<u>VARIATION</u>
1	ADMINISTRATIVE EXPENSES		
2	Association Meetings	\$ 150	
3	Attorney - Legal	\$ -	
4	Beautification	\$ 100	
5	Insurance	\$ 1,000	
6	State / Federal Tax	\$ 175	
7	Office Supplies & Expenses	\$ 150	
8	Sub-Total	\$ 1,575	
9	ROAD EXPENSES		
10	Gravel Road Maintenance	\$ 2,000	
11	Paved Road Maintenance	\$ -	
12	Paved Road Resurfacing	\$ 3,745	
13	Snow Removal	\$ 4,050	
14	Tree Removal	\$ 500	
15	Sub-Total	\$ 10,295	
16	MAINTENANCE MANAGER	\$ 28,200	
17	Material Expenses	\$ 2,500	
	Sub-Total	\$ 30,700	
18	FIREWISE COMMITTEE	\$ 2,500	
19	EMERGENCY / CONTINGENCY	\$ 2,500	
20	TOTAL EXPENSES	\$ 47,570	
21	ASSESSMENT INCOME	\$ 64,782	
	Approved spending from 2019	\$ 3,745	
	Estimated emergency spending approved		
	TOTAL SPENDABLE AMOUNT	\$ 68,527	
	Amt available to spend		
22	INTEREST INCOME	\$ 450	
23	IMPACT FEES	\$ -	
24	2019 CARRYOVER BALANCE	\$ 48,816	
25	TOTAL INCOME	\$ 64,782	
26	TOTAL EXPENSES	\$ 47,570	
27	PROJECTED YEAR-END BALANCE	\$ 66,478	
28	ACTUAL BALANCES - CHECKING	\$ 29,961	
	- SAVINGS	\$ 601	
	- DUKE	\$ 18,253	
		\$ 48,816	

Pisgah Forest Farms Property Owners Association
Long Term Financial Plan

Line	Chan's contract ends										6-YR Svgs Plan*	
	2019	2019	2020	2021	2022	2023	2024	2025	2026	2027	Steady-State	
	BUDGET	ESTIMATE	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	
1	ADMINISTRATIVE EXPENSES											
2	Association Meetings	\$ 150	\$ 299	\$ 150	\$ 299	\$ 299	\$ 299	\$ 299	\$ 299	\$ 299	\$ 150	
3	Attorney - Legal	\$ 200	\$ -									
4	Beautification	\$ 100	\$ 97	\$ 100	\$ 97	\$ 97	\$ 97	\$ 97	\$ 97	\$ 97	\$ 100	
5	Insurance	\$ 1,000	\$ 972	\$ 1,000	\$ 1,030	\$ 1,061	\$ 1,093	\$ 1,126	\$ 1,159	\$ 1,150	\$ 1,200	
6	State / Federal Tax	\$ 175	\$ 301	\$ 175	\$ 301	\$ 301	\$ 301	\$ 301	\$ 301	\$ 301	\$ 200	
7	Office Supplies & Expenses	\$ 150	\$ 93	\$ 150	\$ 93	\$ 93	\$ 93	\$ 93	\$ 93	\$ 93	\$ 150	
8	Sub-Total	\$ 1,775	\$ 1,763	\$ 1,575	\$ 1,821	\$ 1,852	\$ 1,883	\$ 1,916	\$ 1,950	\$ 1,941	\$ 1,800	
9	ROAD EXPENSES											
10	Gravel Road Maintenance	\$ 10,000	\$ 14,542	\$ 2,000	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 25,000	\$ -	\$ 5,000	
11	Paved Road Maintenance	\$ 2,500	\$ 27,975	\$ 3,745	\$ 5,000	\$ 5,000					\$ 2,500	
12	Paved Road Resurfacing	\$ 10,000	\$ -	\$ -	\$ 10,000	\$ 30,000	\$ 40,000	\$ 45,000	\$ 25,000	\$ 50,000	\$ 33,333	
13	Snow Removal	\$ 4,050	\$ 3,180	\$ 4,050	\$ 4,050	\$ 4,050	\$ 4,172	\$ 4,297	\$ 4,426	\$ 4,025	\$ 5,000	
14	Tree Removal	\$ 500	\$ 2,500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	
15	Sub-Total	\$ 27,050	\$ 48,197	\$ 10,295	\$ 22,050	\$ 42,050	\$ 47,172	\$ 52,297	\$ 54,926	\$ 54,525	\$ 46,333	
16	MAINTENANCE MANAGER											
17	Material Expenses	\$ 28,200	\$ 28,200	\$ 28,200	\$ 28,200	\$ 28,200	\$ 29,610	\$ 31,091	\$ 32,645	\$ 34,277	\$ 45,000	
	Sub-Total	\$ 30,700	\$ 28,200	\$ 30,700	\$ 30,775	\$ 30,852	\$ 32,342	\$ 33,904	\$ 35,543	\$ 36,977	\$ 49,000	
18	FIREWISE COMMITTEE	\$ 2,100	\$ 8,580	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 3,250	
19	EMERGENCY / CONTINGENCY	\$ 2,500	\$ 3,210	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	
20	RESERVE FUND/ Carryover		\$ 3,745	\$ 20,957	\$ 14,854							
21	TOTAL EXPENSES	\$ 64,125	\$ 93,695	\$ 68,527	\$ 74,499	\$ 79,754	\$ 86,397	\$ 93,117	\$ 97,419	\$ 98,443	\$ 102,883	
22	ASSESSMENT INCOME											
23	Approved spending from prior year	\$ 55,545	\$ 55,344	\$ 64,782	\$ 74,499	\$ 81,949	\$ 90,144	\$ 94,651	\$ 99,384	\$ 104,353	\$ 104,353	
24	Est. emergency spending approved	\$ 9,293	\$ 9,293	\$ 3,745	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
25	TOTAL SPENDABLE AMOUNT	\$ 64,838	\$ 64,637	\$ 68,527	\$ 74,499	\$ 81,949	\$ 90,144	\$ 94,651	\$ 99,384	\$ 104,353	\$ 104,353	
26	INTEREST INCOME	\$ 600	\$ 1,000	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	
27	IMPACT FEES	\$0	\$2,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
28	CARRYOVER BALANCE	\$ 79,293	\$ 79,293	\$ 44,442	\$ 62,154	\$ 77,508	\$ 80,204	\$ 84,451	\$ 86,485	\$ 88,951	\$ 95,361	
29	TOTAL INCOME	\$ 56,145	\$ 58,844	\$ 65,282	\$ 74,999	\$ 82,449	\$ 90,644	\$ 95,151	\$ 99,884	\$ 104,853	\$ 104,853	
30	TOTAL EXPENSES	\$ 64,125	\$ 93,695	\$ 68,527	\$ 74,499	\$ 79,754	\$ 86,397	\$ 93,117	\$ 97,419	\$ 98,443	\$ 102,883	
31	Amount Available to spend/Reserves	\$ 713	\$ (29,058)	\$ -	\$ -	\$ 2,195	\$ 3,747	\$ 1,534	\$ 1,965	\$ 5,910	\$ 1,470	
32	PROJECTED YEAR-END BALANCE	\$ 71,313	\$ 44,442	\$ 62,154	\$ 77,508	\$ 80,204	\$ 84,451	\$ 86,485	\$ 88,951	\$ 95,361	\$ 97,331	
33	ACTUAL BALANCES - CHECKING	\$26,388										
	- SAVINGS	\$601										
	- DUKE	\$52,304										
		\$79,293										
	HOA Dues Increase			15%	15%	10%	10%	5%	5%	5%	0%	
33	HOA Dues Lot	\$201.25	\$201.25	\$221.38	\$243.51	\$267.86	\$294.65	\$324.12	\$356.53	\$392.18	\$431.14	\$35.95 per month
	Home	\$603.75	\$603.75	\$664.13	\$730.54	\$803.59	\$883.95	\$972.35	\$1,069.58	\$1,176.54	\$1,294.19	\$107.85 per month

4.0 miles paved roads resurfaced by 2026 with this plan

* Assumes \$200K & \$30K saved for paved/gravel road maintenance over a 6-year period = \$230K saved every 6 years towards road maintenance