

Cove Pointe Owners Association Special Board Meeting

26 August 2015

338 Bunkers Cove Road

Attending: (officers)

John "Buddy" Dye

Tom Neubauer

Christine Reiss

Roger Spencer

Meeting was called to order at 6:04 by Mr. Dye.

Mr. Dye provided a copy of the meeting notice and certified its timely posting in advance of the meeting.

Agenda

1. Report on the neighborhood and our landscaping
2. Financial report
3. Status on building approvals
4. Lighting requirements
5. Set date for annual meeting

Mr. Dye provided the Board with a detailed report on the status of Cove Pointe and landscape care, noting that he just ordered the 3rd bush hog initiative of the year. He suggested a 4th and final mowing for the year would probably be needed in December.

Mrs. Reiss presented several reports containing historical operating data which included a detailed financial analysis of all CPOA operations. The Board reviewed a three tab spreadsheet. The first tab included actual financials for years 2007 through 2014 and year to date numbers for 2015 along with a column for projected income and expenses which were anticipated for the remainder of 2015. This year Mrs. Reiss had to add a few new columns to account for the fact that some significant amount of 2015 assessments (\$4,500 in 2015 assessments plus \$150 voluntary contributions) were paid in the prior year in the last days of December 2014. These columns were added to demonstrate the effect of "moving" these funds from the accounting period in which they were collected (2014) into the accounting period to which they are applied. To avoid this issue in coming years, Mrs. Reiss proposed waiting until January each year to issue the invoices for that calendar year's regular assessment. The spreadsheet also included a draft budget for 2016 based on a reduction of the CPOA current assessment to \$400 per lot.

The second tab of the spreadsheet provided information on the current cash position and reserves of CPOA and the projection for cash on hand at year end 2015, and also

for year end 2016 if the Board were to adopt the proposed budget, assuming we have done an accurate job of projecting 2016 expenses. Mrs. Reiss notes that each year we attempt to reduce our cash surplus, but it seems that unbudgeted income (primarily transfer fees) plus less than projected expenses means the CPOA achieves additional excess funds by the end the year without eating into any cash reserves, regardless of the fact that we have set the assessment at a level designed to produce a cash shortfall. For that reason, for the first time, Mrs. Reiss included some estimated transfer fees in the budgeted income. Although she anticipates that the income projection is somewhat conservative for 2016 and given the uptick in real estate sales, the Board concurred that we should no longer continue to ignore the transfer fees as a likely be a source of income for the coming year.

In the third tab of the spreadsheet, Mrs. Reiss created an internal "audit" of the CPOA reserve account which she typically completes at least once each year to confirm that funds have been properly transferred from the operating account the reserve portion of our regular assessment. Periodically the interest accrued on those funds is moved back into the operating account. Mrs. Reiss also noted that the balance we see in the account report matches exactly the collected reserves that have been assessed since the inception of Cove Pointe, less the expenses that have been approved from that account.

In addition, Mrs. Reiss provided the Board with a copy of the transaction register showing all income and expenses which flowed through CPOA's operating account in 2014. She noted that in 2014, the income received included collected 2015 regular assessments on 10 lots plus some related voluntary contributions. The second transaction register provided showed all income and expenses which flowed through CPOA's operating account year to date 2015 (without these "prepaid" items). The numbers from these reports formed the basis of the numbers found in the three tab spreadsheet budget worksheet discussed above.

Following the review of the financials and projections, Mrs. Reiss made a motion to adopt a 2016 assessment of \$400 per lot, noting that this amount would likely produce a shortfall of about \$7,000 at the end of 2016, projecting roughly an \$18,000 balance in the account. The motion was seconded by T. Neubauer and passed unanimously.

Status of Building Approvals: Mr. Dye reported the status of the Rohan Shed, Hamilton Plans and communication with the Baird's regarding the photos recorded with the restrictive covenants which are basically illegible. Mrs. Reiss reported that earlier in the day she emailed color versions of the photos to Richard Baird and asked T Neubauer to include these with the documents displayed on the CovePointe.com website.

Exterior Lighting

Mr. Dye raised the issue of exterior lighting guidelines as recommended by the ARB recently, as the ARB would like to get this board to recommend discussion at the 2015 annual meeting for possible adoption. ARB chair Mrs. Nancy Breland researched a

number of restrictions across a broad spectrum of communities, noting that most are quite detailed and way more restrictive than the ARB felt could be required. The ARB's main concern is the density of Cove Pointe neighborhood when the community built out. Mrs. Breland had noted in communication to the board that if outside lighting is not addressed residents will all be affected by our neighbors outside lighting, especially the floodlights of those in one story houses with 2 story neighbors. Based on these concerns, the ARB recommended the following guidelines for consideration:

- a) All exterior lighting be cut off & shielded fixtures. These are readily available from all lighting suppliers.
- b) Flood lights be on motion sensors.
- c) Mounted height of floodlights not be higher than neighboring houses. This is already a problem for some. When their neighbors lights are on, because they tower over the house next to them the lights are shining directly into windows.
- d) Wording in the declarations asking that continual use of flood lights when needed for outdoor activity be limited to the time of the outdoor activity. The ARB realizes that this cannot nor should be enforced or monitored, but hopes that bringing it to everyone's attention will cause residents to be more aware.

The ARB noted that these restrictions (a-c) can be easily enforced by the ARB at the time of plan review. Since the ARB currently has 3 houses in the preliminary review process, Ms. Breland suggested it would be helpful if the board could vote by email before your meeting so if passed this would be in effect for the houses we have on the drawing board.

Annual Meeting Date and Time: Mr. Dye suggested that the board set a date for the 2015 annual meeting and recommended September 24, 2015. The motion passed unanimously and he asked Mrs. Reiss if she could verify the availability of that date for the St Andrews Bay Yacht Club Sailing Center.

The meeting was adjourned at approximately 7:00.



Tom Neubauer
Tom@panamacityera.com
850-819-1955

Minutes Approved August 16, 2016