

**Linville Land Harbor POA
PO Box 160
Linville NC 28646
Annual Meeting
September 10, 2011**

Members Present: Chuck Abrams, President; Warren Kempf, Vice President; Russ Anderson, Secretary; Bruce Clement, Treasurer, Joe Coleman, John Weber, Dick Collins, Charlie Sims and David Mills

I. Call to Order

Chuck Abrams called the meeting to order at 10:00 a.m. in the Recreation Complex.

II. Invocation-Joe Coleman

III. Pledge of Allegiance-Warren Kempf

IV. Introduction of Board Members-Abrams

Russell Anderson-Secretary	Warren Kempf-Vice President
Bruce Clement-Treasurer	David Mills
Joe Coleman	Charlie Sims
Dick Collins	John Weber

V. Financial Report(Previous, Current & Info Available on Budget for 2012)-Clement

The Monthly Financial reports are available for inspection by the Members at the POA office. The 2012 Budget (except tennis) was adopted on September 9th, 2011 and will also be available for review by the Members at the General Services/Library.

Page 1 you will see a recap of the 2010 Budget Analysis from our monthly budget/financial reports.

Page 2 is the Monthly Budget Analysis for August, 2011. Please note that 94.4% of our budgeted total General Fund income has been received. In the General Fund your departments have spent 64.7 % of the overall expense budget for the General Fund.

Page 3 & 4 is a Revenue Summary of all revenue items for 2010 Actual, the 2011 Budgeted and the 2012 Approved Budget except for tennis which is pending.

Page 5 is the Expenditure Summary for the 2010 Actual, the 2011 Budgeted and the 2012 Approved Budget. All departmental budgets including Enterprise budgets are covered.

The 2012 Budget did not have a salary/wage increase for fiscal 2012. We did have a 3% salary/wage increase for 2011. The 2012 macroeconomic picture did not look stable enough & no recent cost of living income increases for most of our members caused us to not increase our employee's salaries for 2012.

Some items of note about the income and expense budget for 2012 are the following:

1. GENERAL FUND REVENUE

- a. Increase in the Annual Fee from \$1,310 to \$1,356 (\$46)
- b. No increase in the utility fee which remains at \$378
- c. Increase in Cablevision from \$218 to \$252 (\$34) as a result of our contract renegotiation. Newland customers pay \$66 a month for the same CATV service we will be paying \$21 a month for in 2012.
- d. Special Assessment for the dam for 2012 is \$500 for those making partial payments.
- e. Increase in the Undeveloped Lot Annual Fee from \$923 to \$960 (\$37)
- f. Initiation Fee estimates by the Board for 2012 are for 30 new owners at \$4,500 each or \$135,000. In 2012 we are using all the Initiation Fee income to fund some badly needed capital items that have been previously delayed.

2. GENERAL FUND CAPITAL & IMPROVEMENT EXPENSE

- a. Administration Expense- We are not making any 2012 changes.
- b. Maintenance Expense- We have budgeted \$150,000 for road maintenance as we continue to improve our streets. Our paving funds for previous years were not used in order to conserve cash and to increase our reserves. We could no longer put off our road maintenance. Replacing 1 rusted out truck was approved in the 2012 budget as well as a commercial mower for landscaping, another 4WD chat spreader for winter road maintenance, & a 9 ft snowplow for a truck purchased in 2011.

- c. Company Police Expense- We are not making any 2012 changes.
 - d. Recreation Expense- A new summer pool cover was approved to help reduce heating and chemical costs.
 - e. Utilities Expense- We are adding a very accurate professional GPS system to MAP our utilities so that we can find all the water cut offs, etc. and will be able to dig up less of our newly paved streets by doing this. This GPS mapping will very shortly be a regulatory requirement so, we are getting a head start on this. We are replacing 2 rusted out trucks.
 - f. Food Service- The 19th Hole will be open from Memorial Day to September.
 - g. Non-Departmental- We plan to maintain our two Capital Reserve Funds near \$930,000 (unless pool repairs are approved) and still get all our capital items purchased and road maintenance completed that were approved in the budget. We have budgeted \$71,338 from the General Fund to the Golf Fund to balance their budget. Contingency is budgeted at \$25,000.
3. The overall General Fund Revenue and Expense Budget is anticipated at \$3,127,257.
4. The overall Fishing Revenue and Expense Budget is anticipated at \$18,340.
5. The overall Tennis Revenue and Expense Budget is anticipated at \$28,625. (Pending)
6. The overall Golf Revenue and Expense Budget is anticipated at \$488,163.
7. Dam Fund Restoration/Replacement – The permanent dam loan is at a low interest rate of 4.5% for 5 years. The dam loan balance is \$1,322,000 and 99.2% of our members have either paid in full or made their 2011 \$500 dam loan payments.

This makes the overall 2012 budget for Land Harbor at \$3,662,385.

VI. President's Report-Abrams

Mr. Abrams presented a power point on rentals and property sales, as follows:

Property Sales

- *Have gone down significantly since beginning of recession.
- *has this been caused by having rentals?

Rental Facts

- *Perception is rentals have increased significantly.
- *Spent considerable time validating accuracy.
- *Rentals include as little as 2 days up to 1 year.
- *Sometimes there is confusion of whether occupants are renters/family/guests.
- *Renters are more visible in various activities.

Trends

- *Both sales and rentals have gone down significantly.

Why?

- *It's the economy!
- *Unemployment is UP!
- *Stock Market is DOWN!
- *Home foreclosures are UP!
 - Not in Linville Land Harbor
- *Property values are DOWN!
- *People afraid to make investments!

Are Rentals Good or Bad

- *Rentals help POA owners pay their assessments
 - Annual Fees-99.7%
 - Dam Payments-99.2
- *Rental income to owners-approximately \$500,000 annually.
- *Has helped our POA finances stay in excellent condition compared to other communities.
- *Some renters become owners.

*Some renters were POA property owners.

- Age
- Financial Planning
- Continue to pay to participate

*We do not want to become a rental community.

*We are not becoming a rental community.

Property Sales

*Improved landscaping

*Increased facilities

- Pergola & Beach
- Camp Adventure
- Volleyball Court
- Horse Shoes
- Wiffle Ball
- Dog Park

*Rebuilding roads

*Improved website

*Local magazine articles

*Billboards

What will POA do next?

*Clean ditches.

*Cut back limbs, bushes, weeds, etc.

*Issue clean-up notices.

*Fines, if necessary.

*Educate owners on what is needed to sell their homes.

Owner's Responsibility

*What can property owners do?

- Stage their property for sale.
- Yards presentable.
- Inside de-cluttered/cleaned up.
- Paint, as necessary.
- Select right realtor
 - zillow.com
- Set the right price.

What can all Land Harbor Residents do?

*Keep their property cleaned up.

*Recommend Linville Land Harbor to friends/neighbors.

*You are our best sales representative!

*Linville Land Harbor is a great place with extensive amenities to spend a cool summer at a very reasonable price!

Conclusion

*Renters are not a real problem.

*Renters assist our property owners.

*Renters volunteer for many things

- Show Group
- Concerts
- Landscaping
- Teaching classes
- Fish Fry
- Etc

Note: The power point presentation may be viewed on our website.

VII. General Manager's Report- Simpson

The General Manager's presented a power point of a review of this year.

VIII. Report of September 9, 2011 Meeting-Anderson

These minutes are available at the POA office, by email or on the website.

IX. Introduction of New Board-Abrams

Chuck Abrams presented a plaque to Charlie Sims and thanked him for his 6 years on the Board of Directors and his hard work on the new Wastewater Treatment Plant and the Dam.

Mr. Abrams welcomed back to the Board: Russ Anderson and Bruce Clement who were re-elected. He also welcomed newly elected Board Member Elaine Johnson

X. Questions and Answers

- Dorothy Chris-34 Mountain View Ln-expressed her concerns regarding the striping of the roads on Laurel Hills Rd and Ridge Road.

Mike Simpson stated that the road had been missed during all the striping but they are trying to get it done sometime in October.

- Charlie Sims-146 Summit Ln-reminded the members the Speaker Series will be taking place on Sunday September 11, 2011 at the Golf House. The speakers will be speaking about 9/11/01.
- Ty Prior-90 Tulip Ln-expressed his concern about too many trees being cut down and hemlocks are in bad shape. He feels we should get a committee together replace some of the trees and fill in the void.
- Trish Winger-418 River Hollow Rd-expressed her concerns about the speed limits and people not driving the appropriate speed. She also questioned if Golf, Fishing or Tennis had ever been self sustaining.

Chuck Abrams stated that golf is not self sustaining, tennis has been but we do spend considerable money to help. Fishing is self sustaining and has been.

Bruce Clement stated that we put \$71,338 from General Fund to Golf. We paid \$8,540 to repair the two hard courts and spent some other miscellaneous money towards tennis.

- Chuck Abrams stated the speeding on Highland Hills Rd going down towards the Meadows speeding is a big issue and we need to get it under control. There will be an article in the Harbor Lights and Weekly Briefs to emphasize this matter. Also there is golf carts that are being drove by underage people and being driven on areas other than the golf cart paths. We are going to have people driving around to help get this matter under control.
- Sharon Everhart-199 River Rd-questioned if the POA supported Golf in the past and if so is the amount being given going down?

Chuck Abrams stated that in general the POA is supporting golf less than the years before. A few years ago the POA contributed over \$120,000 and in 2012 they will be giving slightly over \$71,000.

Dick Collins stated that on average every property owner spends \$45-\$50 a year towards golf and \$55-\$60 towards swimming.

XI. Adjournment

The meeting was adjourned at 11:18 a.m.

Russ Anderson, Secretary

Lynn Townsend, Recording Secretary