

**Colington Harbour Association**  
**Annual Meeting Minutes**  
**4/8/2017**

The 2017 Colington Harbour Association Annual meeting was called to order at 10:00am by the President, Dennis Donaldson. The Secretary confirmed there was a quorum with 246 present and/or represented by signed proxies.

The membership observed a moment of silence.

The President asked the members for a motion to adopt the presented agenda as written. Reid Hinson made a motion to adopt the agenda, and it was seconded by Jane Wirth. The motion was carried unanimously by the membership with no opposition.

Steve Ornstein, Assistant to the Secretary, read the minutes from the 2016 Annual meeting aloud. Mr. Donaldson asked the members for a motion to approve the minutes. Jean House made a motion to approve and it was seconded by Scott Morton. The motion was carried unanimously by the membership with no opposition.

Officer Reports:

President: Dennis Donaldson thanked the membership for their involvement throughout the year and continued support.

Chairman: Frank Hendricks stated that he has been attending flood control and mapping meetings with the county.

Treasurer: John Collins reported on the disposal of real property at 202 Sir Richard Drive, road resurfacing, 2017 Reserve Study and Fund, banking transfers, dredging, fiscal year change, the proposed 17/18 Budget, monthly billing of overdue accounts and gave current financials. John introduced Teresa Burgess our CPA to discuss the re-building of the books and answer questions from the members regarding the need for an audit. (Items Attached)

1<sup>st</sup> Vice President and 2<sup>nd</sup> Vice President did not provide reports.

Secretary: Sharon Wheless reported the results of the election, and announced that Carol Warnicki and Hickman Finch would be filling the 2 open seats.

The Assistant Secretary did not have a report.

New Business:

Mr. Donaldson asked for a motion to adopt the proposed budget for 2017-2018 Fiscal Year & make a distribution of Surplus Funds from 2016-2017 to the Capital Account. The motion was made by Jane Wirth and seconded by Jim Soles. The motion was carried unanimously by the membership with no opposition.

Mr. Donaldson asked for a motion for the Ratification of formatting changes in the Bylaws as presented. The motion was made by Steve Ornstein and seconded by Sharon Hilderbrant. The motion carried unanimously.

Mr. Donaldson charged the new directors, Carol Warniki and Hickman Finch with the Oath of Office.

The membership was given an opportunity to speak with a 3-minute time limit.

Earlier question by a member regarding the need for an audit was answered by Teresa Burgess.

There was a discussion surrounding the creation of a dredging committee and volunteers agreed to sign up with the Secretary after the meeting.

A member questioned Elisabeth Silverthorne on the issue of billing the association for emails from members other than the Board or Community Manager.

With no additional business, a motion was made to adjourn by Sharon Wheless, and seconded by Jane Wirth. All were in favor.

Respectfully submitted,

## CHA – 2017 Annual Meeting Report

1. **The disposal of the Real Property** – 202 E. Sir Richard Drive has taken place and the proceeds have been deposited in the Capital Reserve account as approved by a vote (163 to 1) by the membership in 2016 ( \$18,209.91).
2. **Road Resurfacing:** As reported last year 2016/17 was the final year of a five year test program to determine if our roads can be maintained on a budget of 80-85K per year. The board will need to evaluate our road conditions and determine how to handle/budget road maintenance and resurfacing in the future. In the meantime for 2017/18 \$85,000 has been proposed in the budget.
3. **2017 Reserve Study and Fund.** The association has received an update to its reserve requirements by an independent third party contractor, Association Reserves Inc. who has conducted similar studies for the Association in the past. An update to our projected replacement costs was prepared and certified by Emily Lewis of Village Realty. After awarding two contracts to Ivan Sawyer Marine for replacement of the park bulkhead and extending both north and south jetties by 100 feet at a cost of \$196,090 our current balance in the Association reserves is \$356,046. Leaving it 76 % funded down from 95%. After deposit of 2016/17 budgeted \$50,000 plus the 2017/18 proposed budget amount of \$58,000, and \$12,000 from the CHYRC the projected balance will be \$476,045 or 102% funded an increase of 7% over last year and would be considered a very strong position.


The next major expenditure from Capital is expected to occur in 2019 with the replacement of the boat launch area bulkhead at an expected cost of \$90,250. Currently allocated for that project in the reserves is \$81,225.

4. **Banking Transfers.** On March 24, 2017 \$265,141.01 was transferred from the operating account at First National Bank (Yadkin) to a new Capital Reserve Account at Sothern Bank. This transfer amount was supplied to us by Teresa Burgess, CPA after a careful analysis of all the records from June 20, 2015 to present. In addition \$48,013.59 was transferred from the Money Market at First National Bank (Yadkin) to a CHYRC dedicated reserve account at Southern Bank. The accounts that we had for our Capital Reserves had been in an account called CDARS. This account allowed FDIC insurance on all balances. FNB did not have the same or similar product available but offered a collateral investment backed account, which was not FDIC insured. The Board voted to move the monies to an account that offered FDIC coverage on all reserve monies on deposit.
5. **Dredging:** The 2016 budget for dredging was \$25,000. This proved to be inadequate to keep the channel open. It was necessary to dredge an additional 1,650 cubic yards plus realign the channel approximately 25-30 feet in a southerly direction to get a clear channel. This resulted in an additional unbudgeted cost of \$46,250 for dredging and \$3500 for new outer

markers for a total dredging cost of \$79,750 or \$59,750 over budget. These monies came from the operating account and was approved by a Board vote.

6. **Fiscal Year Change.** The membership approved (149 -3) at the 2016 annual meeting to establish a new fiscal year of May 1 to April 30. This resulted in a shortened 2016/17 fiscal year by two months. A one-time credit for these two months appears on your annual assessment and a breakdown of those credits was included in your annual billing notice. The total amount of those credits was \$98,408 and is reflected on the proposed upcoming budget on line item 732.
7. **Proposed 2017/1018 Budget.** Included in your annual meeting notice packet was the proposed 2017/2018 budget which includes a 4% increase in assessments. Due to a change in management and bookkeeping systems of the association along with the shortened fiscal year, we were unable to supply a timely budget vs actual report with your meeting notice packet. One was provided at the door. Please note that on line item 402 that credit appears as an expense credit in the amount of \$98,408.36. The budget is set at an anticipated breakeven of \$807,015. The board recommends that the membership adopt this budget as presented, (or alternately consider increasing the budgeted dredging to \$60,000 and lowering item 784 (Drainage control) to \$10,000, 785 Discretionary to \$8,000, and 786 Contingency to \$13,000 and thereby continue to have a balanced budget but with increased funds available for additional dredging if required.)
8. On January 1, 2017 a change was initiated to send out monthly statements on unpaid balances which would include late payment and interest charges. This simple change has resulted in the collection of \$40,082.52 in a three month period and as of April 5, 2017 has reduced our accounts receivables from \$133,192 to \$93,110.
9. At this time it is uncertain if there will remain any unspent 2016/17 budgeted funds in this shortened fiscal year. The board recommends that any remaining funds if any from this year's operating budget be transferred to the Capital Reserve Fund.

Respectfully,

  
John Collins, Treasurer