

Proposed Minutes
Annual Meeting of the Members of the Colington Harbour Association, Inc.
Saturday, June 6, 2009

Present: Chairperson Stephanie Coleman, President Don Brady, Vice-President Secretary/Treasurer George Litwin, board members at large Keith Smaltz, Bill Combs. Community Manager Carol Hopkins.

Quorum Verification

Meeting called to order by Chairperson Stephanie Coleman. Secretary George Litwin reported that 281.75 lots were represented by proxy and 104 lots represented by 63 people present. A quorum of at least ten (10) percent of the voting membership is present.

Moment of Silence

The Chair called for a moment of silence for deceased members.

Approval of Previous Annual Meeting Minutes

The Secretary read the minutes of June 14, 2008 annual meeting. Point of order request by Terry Gannon. He made the comment he had attended 22 of the last 26 meetings and this was the first time the minutes of the previous annual meeting had not be provided to the membership. Chairperson stated the floor was not open for comments from the floor. Motion to approve minutes by Don Brady, Seconded by Keith Smaltz. The motion passed by unanimous vote of the Board.

President's Report

The President reported the completion of the following projects. Paving of Colington Drive, extending a walkway and new in the park, installed water at the marine and the wiring in place of the electricity, and standardized contracts for work with the Association. A Capital reserve study was done and the Board is looking into accepting payment by credit card. Activities for the children this year will include things like an Easter egg hunt, Halloween and Christmas party and the President asked for volunteers for these activities. He asked that complaints be provided in writing.

Old Business

None

New Business

The Volunteer of the Year Award was presented to Jerry Raveling.

Crime Watch Report

Jerry Raveling community watch coordinator reported that Dare County had passed an ordinance allowing the use of off-road vehicles in R-4 zones and had denied a request form Association to be exempted from the ordinance. The County further exempted off-road vehicle tracks from the noise ordinance. Jerry reported land transfers are down by 28% food stamp applications are up by 10-12%, local food banks are having difficulty meeting the needs of applicants and for the first time a problem of homelessness has surfaced in the area. Jerry reported in tough economic time's crime increases. From the satellite Sheriffs station at the water tower there are 12 deputies available on a daily basis. The shift schedules place 4 deputies on patrol a time. Jerry provided this to emphasize the need for community watch.

ACC Report

Keith Smaltz reported:

	2005-2006	2007-2008
Permits	43	7
Additions and remodels	10	12
Bulkheads and piers	34	22
Deck and fences	18	29

Reserve Study by Continental Building Consultants

Bill Combs Board member

The reserve study provided funding requirements for the capital reserve fund by determining the service life of capital assets.

12.86 miles of road
2466 l.f. of common property bulkhead
304 l.f. of breakwater

Study recommendations \$187,934 annual contribution to reserve fund.

Board is preparing for an audit going back to 2003 to present. Fuel dock shut down September 2008. East finger piers have been replaced. The Board is looking into adding fishing line recycling. The Board has been working to get waterfront property owners to repair between 38-43 failed bulkheads. The cutting of grass of 140 lots costs the Association between \$9,300 and \$11,800 per grass cutting year (approximately 6 months.). Bill outlined the need to update the Declarations of Protective Covenants. The traffic through the gate is about 3100 vehicles per day in the off season and over 4200 per day during the summer months. Mr. Combs estimated the Association assets value at about 40 million dollars. The capital reserve fund balance is about \$529,000. The reserve study five year projected cost to repair or replace current assets is \$1.08 million. To meet this need members will need to contribute an additional \$89 per lot per year for the next five years. Mr. Combs outlined the proposed budget with a 5% increase in assessments increase. It costs \$1476 per day to operate the office. Last years budget was \$517,354 this year's proposed budget is \$538,757. Salaries went up on 2008.

The floor was opened for comments on the budget

Terry Gannon of Craigy Court pointed out that the Association is the only one allowed to charge to use the community's facilities. He had issue with fees being charged by the Colington Harbour Yacht and Racquet Club and felt that the Association should be charging the Club market rate for the facilities. Mr. Gannon requested clarification on the working relationship between the Association and the Club.

Denise Collins of Harbour View Drive asked how with a proposed income of \$538,757 and expenses of \$557,468 the budget would work. She expressed concern with approving a budget that proposes spending more money than is taken in.

Mike Sallade Colington Drive stated he had been here from 1971. He did not want the fuel dock repaired. He requested an analysis of what the fuel dock brings to the Association.

Pete Turek of Lancer Court requested the \$150,000 budgeted for the fuel dock be removed from the proposed budget.

Eric Morrison of Colington Drive stated the budget is not realistic. He expressed concerns about maintenances expenses including an increase in the power bill and the addition of internet access at the yard.

Jim Roberts, Maintenance Supervisor and member residing on Juniper Court, correcting some false statement made by Mr. Morrison concerning maintenance operations.

Terry Gannon made a motion to suspend approval of budget pending further review and resubmission. The motion was ruled dilatory because it would have the effect of defeating the purpose of the main question to approve the annual budget of the Association.

Name not heard of Kitty Hawk Bay Court made a motion to approve \$459,841 operating expenses \$78,916 reserve funding for an annual budget of \$538,757. The motion was seconded by Pete Turek. John Collins made subsidiary motion requesting the removal of the 5% assessment increase. Mr. Collins challenged the validity of the 5% assessment increase. The subsidiary motion was seconded by Denise Collins. Discussion continued with no vote called.

Reid Hinson of Clipper Court supported a budget that went back to \$517,354 for the year. Mr. Hinson requested clarification on the community's managers input on the budget.

John Collins called the question on the motion on the floor that a vote be held to remove the 5% assessment increase from the budget and approve an annual operating budget based on last years total budget of \$517,354. Motion passed unanimously.

Mike Sallade of Colington Drive asked that an itemized budget based on the budget just approved be presented in the next 30-45 days.

Comments from the floor

Ken Johnson of Colington Drive bought here in 1975 built in 1979 when there were less than 100 houses. He felt mowing by the Association of vacant lots should continue. Mr. Johnson wanted mowing to start early enough to stop golden rod spread. Jim Roberts reported that lots begin being cut in May.

Al Murdock of Sunset Drive expressed concerns about standing water on Sunset Drive and in the right-of-way.

Carol Hopkins stated she had made the Board aware of the standing water on Sunset Drive. Mrs. Hopkins added it is her job to administer policies of the Board and not create policy.

Pete Turek of Lancer Court commented that charging a fee for mowing vacant lots will require a change of the Covenant. Mr. Turek requested open meetings of the Board and less workshops.

Reid Hinson of Clipper Court commended the maintenance crew. Mr. Hinson commended the community manager, the Association, and the Club on the Annual Picnic.

Bill Froehlich, Sr. asked for fewer workshops. Mr. Froehlich asked for Board meeting minutes that showed approval of the marina projects.

Terry Gannon of Craigy Court asked for updating of the covenants. Mr. Gannon asked that the new covenants be effective now and 30 years into the future.

Ken Johnson asked that empty lots not become parking lots.

Fred Robison of Kitty Hawk Bay Court wanted to clarify statements made by Carol Hopkins the community manager in the Harbour Headlines that implied his wife was the cause of the delayed assessment billings. Mr. Robison believed the delay was due to the community manager and not his wife. Stephanie Colman clarified that the delay was due to the Board making a decision on the assessment increase.

Bill Froehlich, Sr. displayed five pages of minutes from a board meeting. He felt he had been violated.

Barbara Henderson of Harbour View Drive wanted to know how Continental Building Consultants was selected. Ms. Henderson asked why a company in New Hampshire was selected to do our reserve study. She further questions the validity of Continental to advise the Association on how to run our community.

The Chair closed the floor for discussion.

Swearing in of new Board members

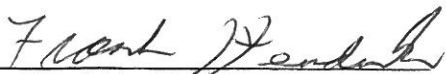
Melissa McAllister had to leave the meeting for an appointment. Frank Hendricks had an operation and could not make the meeting. They will be sworn in at the next meeting.

Keith Smaltz, Rikki Schuster and John Collins signed the oath of office.

Motion to Adjourn

Don Brady made a motion to adjourn. Motion carried. The Meeting was adjourned at 4:07 pm.

These minutes were approved at the 37th Annual meeting.



Frank Hendricks
Secretary