

# *Bay Tree Lakes*

## *Property Owners Association*

### **Annual Meeting Minutes**

**April 11, 2015**

The Annual Meeting of the Bay Tree Lakes (BTL) Property Owners Association (POA) was held in the Clubhouse on Saturday, April 11, 2015.

President Roger Wright called the meeting to order at 10:05 am and welcomed all POA members to the meeting. Mr. Wright introduced the members of the POA Board of Directors (Board) and the staff serving the POA. Mr. Wright then asked Frances Daniel to provide us with the invocation, after which he explained that there will be a couple of items not on the agenda that will be inserted at appropriate spots in the proceedings. Mr. Wright expressed the appreciation of the Board and all members for the vision of Steve Jones, Sr. as exemplified by the beautiful community of Bay Tree Lakes which we all enjoy today. He further expressed appreciation of Steve Jones, Jr. in volunteering to register his Class B votes (which equal all Class A votes plus one, or 457.5 votes) in order to assure a quorum is present for the meeting. There were over 100 people at the meeting representing 151 members, either in person or by proxy. (This number was later corrected by the POA Clerk to be 156 members represented either in person or by proxy.)

**Approval of Prior Meeting Minutes (April 12, 2014):** Board Secretary Lee Hauser asked for any corrections or comments on the minutes for the previous Annual Meeting, the minutes having been posted on the POA web site ([www.baytreecommunity.com](http://www.baytreecommunity.com)) for several months. There being none, Mr. Hauser made a motion to approve those minutes and it was seconded by Junior Rideout. The motion was passed by an affirmative vote by the majority of those present.

**Financial Reports:** The Financial Report was presented by outgoing Treasurer Clark Valentiner and is attached herein as Exhibit B. The report covered the POA's actual expenditures versus the Budget for 2014. A motion to approve the report was made by a member in the assembly and was seconded by Brian Wolf. A unanimous affirmative vote by those present was made. Mr. Valentiner then presented the 2015 Budget and explained the line items therein. That budget is included here as Exhibit C.

**Auditor's Report:** Mr. Wright then introduced Bryon Scott of the firm Thompson, Price, Scott, Adams & Co., P.A. Mr. Scott had conducted two separate audits of the financial statements of the POA, one for 2013 and another for 2014, and he provided a summary of his findings for the two audits. The concluding opinion in both cases was that the financial statements represented fairly the financial position of the POA and its cash flows, in conformity with generally accepted accounting principles. In answer to a question from the assembly, Mr. Wright assured all that the audit reports would be made available for viewing on the POA web site.

**GRC Recommendations:** In addition to serving as the Secretary of the POA, Lee Hauser chaired the Board appointed Governance Review Committee (GRC), commissioned in May of 2014 to review the 1972 covenants and other governances, to define what is on the books today, what is needed to meet the needs and expectations of BTL today and in the future, and what we must do to be in harmony with state and county laws/rules, and to produce document(s) that define our governing rules and regulations. Several recommendations emanated from the GRC over the eleven months of its workings, two of which resulted in the proposed changes to the By-Laws to be voted on at this meeting. Mr. Hauser summarized the top twelve for the benefit of the members.

**BTL Volunteer Fire Department Report:** Bob Latham, Chairman of the Board of the BTL Volunteer Fire Department, provided a report on the highlights of the department's functioning over the past year. Key among these were the changing of the annual golf tournament fund raiser from the fall to the spring of the year (the next one coming on May 2, 2015), the negative affect the county-wide property value revaluation will have on the funds available to the department, the positive affect the anticipated improved rating of the department resulting from an ISO Inspection will have on the insurance rates for all property owners of BTL, and the need for more homeowners to purchase and install reflective house number signs, which the department had available at the meeting for \$10 per sign. Mr. Latham later spoke to the assembly about the need for more members of the community to serve as volunteer members of the department.

**BTL Women's Association Report:** Debbi Kettle announced this Association was conducting a 50/50 Raffle today, with all proceeds going to the Bladen Crisis Center, and encouraged all attendees today to participate.

**POA Accomplishments Last Year:** Roger Wright reviewed the completed projects and improvements over the last year, including

- Opened Pool in May
- Independence Day Celebrations
- Labor Day Weekend Pig Picking and Fishing Frenzy
- Beach Music and More at Pool Opening, July 4<sup>th</sup> and Labor Day
- Acquisition and Use of AED at the Pool
- Added “NO WAKE” Signs to the Canal
- Boating Safety Class & Free Boat Inspection, led by NCWRC
- Revised Clubhouse Rental Policy
- Established Clubhouse Use for Youth Activities
- Benevolence Fund and Team Established
- Property Value Revaluation Presentation by County Tax Administrator
- Town Hall Meetings
- Operating Budgets for 2014 and 2015
- Financial Audits for 2013 and 2014
- Established Governance Review Committee
- Devised Strategy to Accrue Funds for POA Capital Needs
- Developed Plan for Better Management of POA Business Affairs

Questions were taken concerning installation of a third AED outside the locked Clubhouse, concerning posting of the Benevolence Policy on the POA web site, and concerning activation of a Call List to notify all residents in the event of a resident's death or other special happening. All of these items were answered partially, and Mr. Wright said they would all be addressed by the new Board of Directors.

**By-Laws Change: Director Tenure, Term, Qualifications:** Lee Hauser introduced this change to the POA By-Laws, proposed by the POA Board, shown herein as the first change in Exhibit D. Mr. Hauser then moved that the POA approve this change, a motion that was seconded by Brian Wolf. Ballots had been issued at the beginning of the meeting and were then completed, collected and counted. The motion passed almost unanimously, with a vote of one hundred and thirty-nine (139) for YES, and one (1) for NO.

**By-Laws Change: Annual Budget and Report:** Mr. Hauser then introduced the second change to the POA By-Laws, proposed by the POA Board, shown herein as the second change in Exhibit D. Mr. Hauser then moved that the POA approve this change, a motion that was seconded by Brian Wolf. Ballots were completed, collected and counted. The motion passed unanimously, with a vote of one hundred and forty (140) for YES, and zero (0) for NO.

**Monthly Dues Change:** Roger Wright introduced this topic, explaining that the POA Board is proposing an increase to the monthly dues each member of the POA now pays, currently thirty dollars (\$30.00) per month. The increase is intended, primarily, to develop and maintain an accrual fund for capital projects and improvements. Mr. Wright emphasized that the ballot contains a statement that 80% of the increase, if any, will be deposited in an accrual account and remain in this account for the first three years. The ballot was designed to determine first if there would be an increase and second to show preference for the amount of the increase, either \$5, \$10, \$15 or \$20. This method of voting was questioned by many and Mr. Wright changed the process to include two separate votes. The first would be a simple YES or NO vote on a spare ballot. This ballot was completed, collected and counted. An increase was approved by a vote of one hundred and five (105) for YES and forty-five (45) for NO.

A ballot showing the four choices of the amount of the increase was then completed, collected and counted. The results showed

70 votes for \$5

44 votes for \$10

8 votes for \$15 and

28 votes for \$20.

(Three ballots were cast for an increase of zero (\$0) and these ballots were eliminated.) Since there were 153 votes cast, there was no amount that received a majority, but the 70 votes for \$5 represented a plurality. To clarify matters, Charles Atkinson moved that the POA raise the monthly dues by five dollars (\$5), effective July 1, 2015. Charles Massey seconded the motion and a vote was taken by showing hands. The motion passed with three (3) votes in opposition and over one hundred (100+) in favor.

**Golf Carts and ATV's in Bay Tree Lakes:** Several incidents involving young people, generally believed to be below the age required for a NC driver's license, driving Golf Carts and/or four-wheel ATV's, causing property damage and creating dangerous situations, occurred in the week just prior to the Annual Meeting. The Bladen County Sheriff had been invited to come to the meeting and speak to the members on the position of the Sheriff's department on this issue. Deputy John Kelly spoke on behalf of the Sheriff and explained that the Sheriff had no authority to enforce traffic rules within BTL because those roads are considered private, not public property. His main suggestion was that the POA should do its own enforcement. This prompted many questions from the attendees that the Deputy was not able to answer, but which Roger Wright assured everyone that those questions would be pursued by the new Board after this meeting.

**Business Manager Hire:** Roger Wright reviewed the several circumstances over the past years that exemplified the need for the POA to have a person skilled and experienced in financial matters to manage the business affairs of the POA. He presented the draft of a Job Description and summarized the duties and time requirements of the position as proposed. That Job Description draft is included herein as Exhibit E. Jim Crayton then moved that the POA approve the hiring of such a person for that position and responsibility. The motion was seconded by John Shaw and the ballots were completed, collected and counted. There were eighty-three (83) for YES and forty (40) for NO. Thus, the motion was approved.

**Youth Fishing Tournament:** Larry and Brenda Barnes organized and supervised this function last year as part of the POA Labor Day activities. It was intended to be held as part of the July 4<sup>th</sup> activities as has been done for the previous several years, but delays in preparation forced a postponement until the Labor Day weekend. Mr. and Mrs. Barnes are volunteering to head up this function again this year, as part of the July 4<sup>th</sup> functions, much to the satisfaction of all concerned. They want to get an early start so they announced at this meeting that the general rules and defining information were now available for all interested attendees, plus an application form to be filled out for all participants. The information and application will also be available on the POA web site.

**Church Services in the Clubhouse.** Carey Horrell, a member of the POA and a minister who conducted the worship services on the BTL pier last summer as well as some additional services in his home during this past winter, asked at this Annual Meeting to have the POA partner with him and to provide the Clubhouse as a facility for him to conduct Sunday morning services. Roger Wright explained that the Board has agreed to take the matter under advisement, as there are many layers to be peeled before a decision can be made.

**Developer Statement:** Steve Jones, Jr. was introduced by Roger Wright and spoke briefly to the membership. He expressed his satisfaction and appreciation for the hard work done by Roger Wright and the POA Board in their efforts to maintain the BTL common properties. He looks forward to continued good relations and to further improvements to increase the value of property ownership in BTL.

**Election of Three Directors:** The final agenda item was the election of three people to the three open positions on the Board of Directors. Clark Valentiner is completing his third two-years term and is not eligible for re-election. Roger Wright and Brian Wolf are eligible but have chosen not to accept a nomination for re-election. The floor was

opened for nominations. Jim Crayton nominated Troy Votaw; Junior Rideout nominated Charles Atkinson; Kathy Ross nominated John Ciccarelli; and Tish Herrmann nominated Bob Latham. There being no further nominations, the nominations were closed. Each nominator and nominee was given an opportunity to address the members prior to the voting. Each nominee did so, with the exception of Troy Votaw who was not present. Ballots were then completed, collected and counted, each ballot allowing for a vote for three different people. The results were:

101 votes for Charles Atkinson  
98 votes for Troy Votaw  
86 votes for Bob Latham and  
41 votes for John Ciccarelli

Thus, Mr Atkinson, Mr. Votaw and Mr. Latham were each elected to serve a two-years term.

**Adjournment:** There being no further business, a motion to adjourn was made by Junior Rideout, seconded by Clark Valentiner, and passed with no voiced opposition at 1:52 pm.

Respectfully submitted,

Bob Latham  
Secretary

**Exhibit A:**

***Bay Tree Lakes***  
***Property Owners Association***

**ANNUAL MEETING AGENDA**

**APRIL 11, 2015**

<b>Call to Order and Welcome</b>	<b>Roger Wright</b>
<b>Invocation</b>	<b>Frances Daniel</b>
<b>Minutes Approval 2014 Annual Meeting</b>	<b>Lee Hauser</b>
<b>Financial Report</b>	<b>Clark Valentiner</b>
<b>Auditor's Report</b>	<b>Bryon Scott</b>
<b>GRC Recommendations</b>	<b>Lee Hauser</b>
<b>BTL Volunteer Fire Department Report</b>	<b>Bob Latham</b>
<b>BTL Women's Association Report</b>	<b>Debbi Kettle</b>
<b>POA Accomplishments Last Year</b>	<b>Roger Wright</b>
<b>By-Laws Change: Director Tenure, Term, Qualifications</b>	<b>Lee Hauser</b>
<b>By-Laws Change: Annual Budget and Report</b>	<b>Lee Hauser</b>
<b>Monthly Dues Change</b>	<b>Roger Wright</b>
<b>Business Manager Hire</b>	<b>Roger Wright</b>
<b>Election of Three Directors</b>	<b>Roger Wright</b>
<b>Open Discussion</b>	

## Exhibit B:

# Bay Tree Lakes Property Owners Association Actuals thru December vs 12 month Budget January – December 2014

		Total	
	Actual	Budget	over Budget
<b>Income</b>			
<b>Non-Profit Income</b>			
Club Card	95.00		95.00
Contractor Code	500.00		500.00
Dues	160,143.69	159,600.00	543.69
Gate Access	3,310.00	1,150.00	2,160.00
POA Lot Mowing	425.00		425.00
Pool	64,650.00	63,816.00	834.00
Recovery	25.00		25.00
Rental	2,600.00	800.00	1,800.00
<b>Total Non-Profit Income</b>	<b>231,748.69</b>	<b>225,366.00</b>	<b>6,382.69</b>
<b>Total Income</b>	<b>\$231,748.69</b>	<b>\$225,366.00</b>	<b>\$6,382.69</b>
<b>Expenses</b>			
Building cleaning	5,662.00	4,950.00	712.00
Building fire protection	420.00	300.00	120.00
<b>Cost of Labor</b>			
<b>Cost of Labor</b>			
Asst Pool Operator - JA	270.00		270.00
Asst Pool Operator - KA	480.00		480.00
Asst Property Manager - JC	1,429.00	1,200.00	229.00
Asst Property Manager - JR		1,200.00	-1,200.00
Asst Property Manager - SL		1,200.00	-1,200.00
Certified Pool Operator	2,365.00	2,700.00	-335.00
Clerk	7,200.00	7,200.00	0.00
Guard	685.00	3,250.00	-2,565.00
Property Manager	11,267.20	11,500.00	-232.80
<b>Total Cost of Labor</b>	<b>23,696.20</b>	<b>28,250.00</b>	<b>-4,553.80</b>
<b>Total Cost of Labor</b>	<b>23,696.20</b>	<b>28,250.00</b>	<b>-4,553.80</b>
Funds transfer		63,600.00	-63,600.00
Interest Paid Pool	18,325.51		18,325.51
Principal Paid Pool	41,385.98		41,385.98
<b>Total Funds transfer</b>	<b>59,711.49</b>	<b>63,600.00</b>	<b>-3,888.51</b>
<b>Grounds</b>			
Mowing & cleaning	4,555.00	9,000.00	-4,445.00
Trash removal	197.50	275.00	-77.50
<b>Total Grounds</b>	<b>4,752.50</b>	<b>9,275.00</b>	<b>-4,522.50</b>
Insurance	10,227.15	11,000.00	-772.85
Legal & Professional Fees	10,375.96	15,000.00	-4,624.04
Member Event	7,866.68	7,500.00	366.68
<b>Office Expenses</b>			
Bank Charges	191.48	192.00	-0.52
Internet	869.37	876.00	-6.63
Postage	808.39	1,200.00	-391.61
Quick Books Online	323.40	320.00	3.40
Stationery & Printing	128.10	600.00	-471.90
Supplies	1,200.71	610.00	590.71
Telephone	3,067.19	1,860.00	1,207.19

		<b>Total</b>	
	<b>Actual</b>	<b>Budget</b>	<b>over Budget</b>
Web site	695.38	840.00	-144.62
<b>Total Office Expenses</b>	<b>7,284.02</b>	<b>6,498.00</b>	<b>786.02</b>
<b>Repair &amp; Maintenance</b>			
Boat Lift	96.08	2,400.00	-2,303.92
Boat Ramps		250.00	-250.00
Cabana		5,040.00	-5,040.00
Canals	487.74	3,600.00	-3,112.26
Clubhouse	1,028.02	12,000.00	-10,971.98
Exercise Room	4,772.13	600.00	4,172.13
Gate	8,818.38	7,000.00	1,818.38
Pest Control	1,930.15	1,800.00	130.15
Pier		2,500.00	-2,500.00
Playground	75.00	2,700.00	-2,625.00
Pool	7,709.63		7,709.63
Supplies & Equipment	48.08		48.08
<b>Total Repair &amp; Maintenance</b>	<b>24,965.21</b>	<b>37,890.00</b>	<b>-12,924.79</b>
Road Repair & Maintenance	3,152.50	13,236.00	-10,083.50
Taxes & Licenses	220.00	300.00	-80.00
Trailer storage facility	1,212.00	1,380.00	-168.00
<b>Utilities</b>			
Electricity	10,808.74	9,900.00	908.74
Sewer	1,040.00	960.00	80.00
Water	980.97	1,480.00	-499.03
<b>Total Utilities</b>	<b>12,829.71</b>	<b>12,340.00</b>	<b>489.71</b>
VFD Support	2,100.00	3,600.00	-1,500.00
<b>Total Expenses</b>	<b>\$174,475.42</b>	<b>\$215,119.00</b>	<b>\$ -40,643.58</b>
<b>Net Operating Income</b>	<b>\$57,273.27</b>	<b>\$10,247.00</b>	<b>\$47,026.27</b>
<b>Net Income</b>	<b>\$57,273.27</b>	<b>\$10,247.00</b>	<b>\$47,026.27</b>

Tuesday, Apr 07, 2015 04:38:26 PM PDT GMT-4 - Cash Basis

This report was created using QuickBooks Online Plus.

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## Exhibit C:

### Bay Tree Lakes 2015 Operating Budget

Reserve (CD)	\$55,000 +/-	
Income		
<b>Dues (452.5 lots)</b>	<b>162,900.00</b>	
<b>Rental</b>	<b>2,500.00</b>	
<b>Gate Cards</b>	<b>2,000.00</b>	
<b>Lot Mowing</b>	<b>500.00</b>	
Basic Income	167,900.00	
Pool Assessment	65,160.00	
Pool Operating Costs		
<b>Labor</b>	<b>4,000.00</b>	
<b>Cleaning</b>	<b>1,650.00</b>	(22 times)
<b>Phone</b>	<b>600.00</b>	
<b>Sewer</b>	<b>480.00</b>	
<b>Water</b>	<b>750.00</b>	
<b>Electricity</b>	<b>4,200.00</b>	
<b>Repairs</b>	<b>3,000.00</b>	-----
<b>Supplies</b>	<b>6,000.00</b>	_____
Total Pool Op. Exp.	20,680.00	
Debt Service	63,564.00	
Total Pool Op. Exp		\$84,244.00
Income (\$12/mo assmnt)		- \$65,160.00
Shortfall (@ \$12/mo.)		<b>\$19,084.00</b>

#### Administration

Salaries			
<b>Clerk/Finance</b>	<b>15,000.00</b>	--- New Position	
<b>Prop. Mgr</b>	<b>12,000.00</b>		
<b>Asst. PM</b>	<b>2,500.00</b>		
<b>Gate Guard</b>	<b>1,000.00</b>	<b>\$30,500.00</b>	
Utilities			
<b>Phone (office)</b>	<b>600.00</b>		
(gate X 2)		1,344.00	
(clubhouse)		600.00	
<b>Sewer</b>		480.00	
<b>Water</b>			250.00
<b>Electricity</b>		8,000.00	<b>\$10,794.00</b>

Misc. Expenses			
Internet		876.00	
Web site		400.00	
Quickbooks		340.00	
Bank Fees		192.00	
Postage/supplies		2,400.00	
Taxes & License		300.00	
Fire Alarms/Insp.	450.00		
Insurance	<u>11,000.00</u>	<u>\$15,762.00</u>	
Total	57,056.00		\$57,056.00
Maintenance			
Roads		4,000.00	
Boat Lifts	2,000.00		(includes conversion of Horsepen Lift plus annual inspection)
Ramps		600.00	
Playground		500.00	
Fitness Ctr.		1,400.00	
Gate		5,000.00	
Trailer Stor.		400.00	
Clubhouse		2,000.00	
Cabana (bldg.)		500.00	
Grounds	5,500.00		(all grass mowing and trimming in common areas)
Pest Treatment		1,400.00	
Cleaning (clubhouse)		4,000.00	
Burning trash pile		3,000.00	
Trash removal		<u>450.00</u>	
Total		30,750.00	\$30,750.00
Legal & Professional Fees			
Lawyer		7,000.00	
Accountant		<u>9,000.00</u>	
		16,000.00	\$16,000.00
Fire Department			\$3,600.00
Member Events			
4 <sup>th</sup> of July	7,200.00		
Annual Mtg	200.00		
Christmas	<u>600.00</u>		
	\$8,000.00		\$8,000.00
Total Operating Budget (w/o pool)			\$115,406.00
Projected Income (except pool)		<u>\$167,900.00</u>	
		\$ 52,494.00	
Estimated pool deficit		<u>- \$ 19,084.00</u>	
Projected income w/pool deficit		\$ 33,410.00	

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**Exhibit D:**

**By-Laws Changes - 2015**

Characters in color and underlined are to be added to current By-Laws.  
Characters with strikethrough are to be deleted from current By-Laws.

By-Laws Change: Director Tenure, Term, Qualifications

**ARTICLE IV**

Board of Directors

**Section 2. Number, Tenure, and Qualifications**

The number of directors shall be five (5). Each director shall continue in office until the annual meeting of members held ~~next~~ two years after his election and until his successor shall have been elected and qualified. A director may be re-elected no more than twice in succession. Directors need not be residents of North Carolina, ~~and need not~~ but must be members of the corporation when elected.

By-Laws Change: Annual Budget and Report

**ARTICLE IV**

Board of Directors

Section 13. Budget Preparation

The Board of Directors is required to prepare and present at each annual meeting a budget for the anticipated expenses of the corporation for the current year, plus a report on expenditures versus budget for the previous year.

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# **Exhibit E:                    Job Description for Business Manager**

## **DRAFT**

**Position:** Business Manager Bay Tree Lakes POA

**Purpose:** The Bay Tree Lakes Business Manager will work under the supervision of the Bay Tree Lakes POA Board to accomplish the following:

1. Understand and manage the Financial Affairs of the Property Owners Association
2. Work in concert with the Property Manager to manage and maintain the common areas and to assist in the enforcement of the Covenants and Restrictions
3. To insure the POA operates for the benefit and well being of all residents and property owners of Bay Tree Lakes.

**Facilitated through the following:**

- Assist with Association Management and Governance
- Handle all Association finances and record maintenance
- Perform necessary accounting function to include:
  - Billing and Dues Collection
  - Budget Management
  - Accounts receivable and payable
  - Monitor and interpret cash flow and predict future trends
- Work with the Property Manager to maintain and manage Technology and Communications Systems
- Perform Strategic Analysis and develop financial management mechanisms that minimize financial risk
- Produce and interpret accurate financial reports
- Maintain regular office hours to serve as a point of contact with the membership
- Monitor community clubhouse activities and assist as needed

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