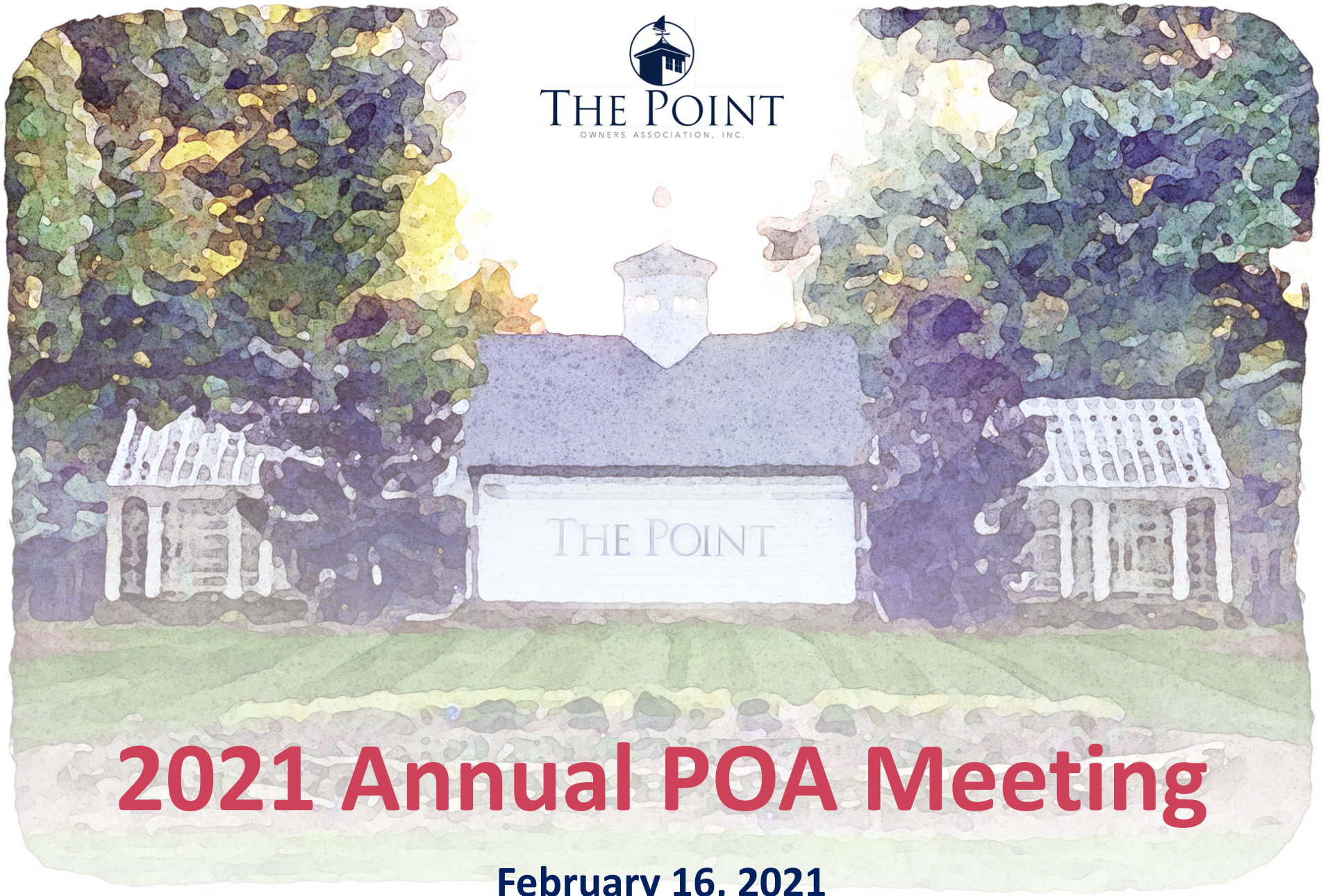

THE POINT
OWNERS ASSOCIATION, INC.

2021 Annual POA Meeting

February 16, 2021

PRESENTED BY:
YOUR POA BOARD OF DIRECTORS

www.thepointatlkn.com

Agenda

Welcome & Introductions	3
President's Report	4
Election of New Board Members	9
Treasurer's Report	14
2020 Achievements	22
Projects for 2021	24
Closing Remarks	25

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POA Leadership

POA BOARD MEMBERS

Charles Farrar, President
Heather Ballard, Vice President
Donette Dewar-Black, Treasurer
Jennifer Byrd, Secretary
Michael Barton, Member at Large
Linda Bundens, Member at Large
Jerry Kaufman, Member At Large

.

HAWTHORNE MANAGEMENT

Kristi Alexander, Community Manager
Ashleigh Jones, Administrative Assistant
Kellie Griggs, Accounts Receivable

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President's Report

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The Point Community

	2018	2019	2020
Total Lots	865	865	867
Completed Homes/ Under Construction	831	834	836
Remaining/ Undeveloped Lots			**31**

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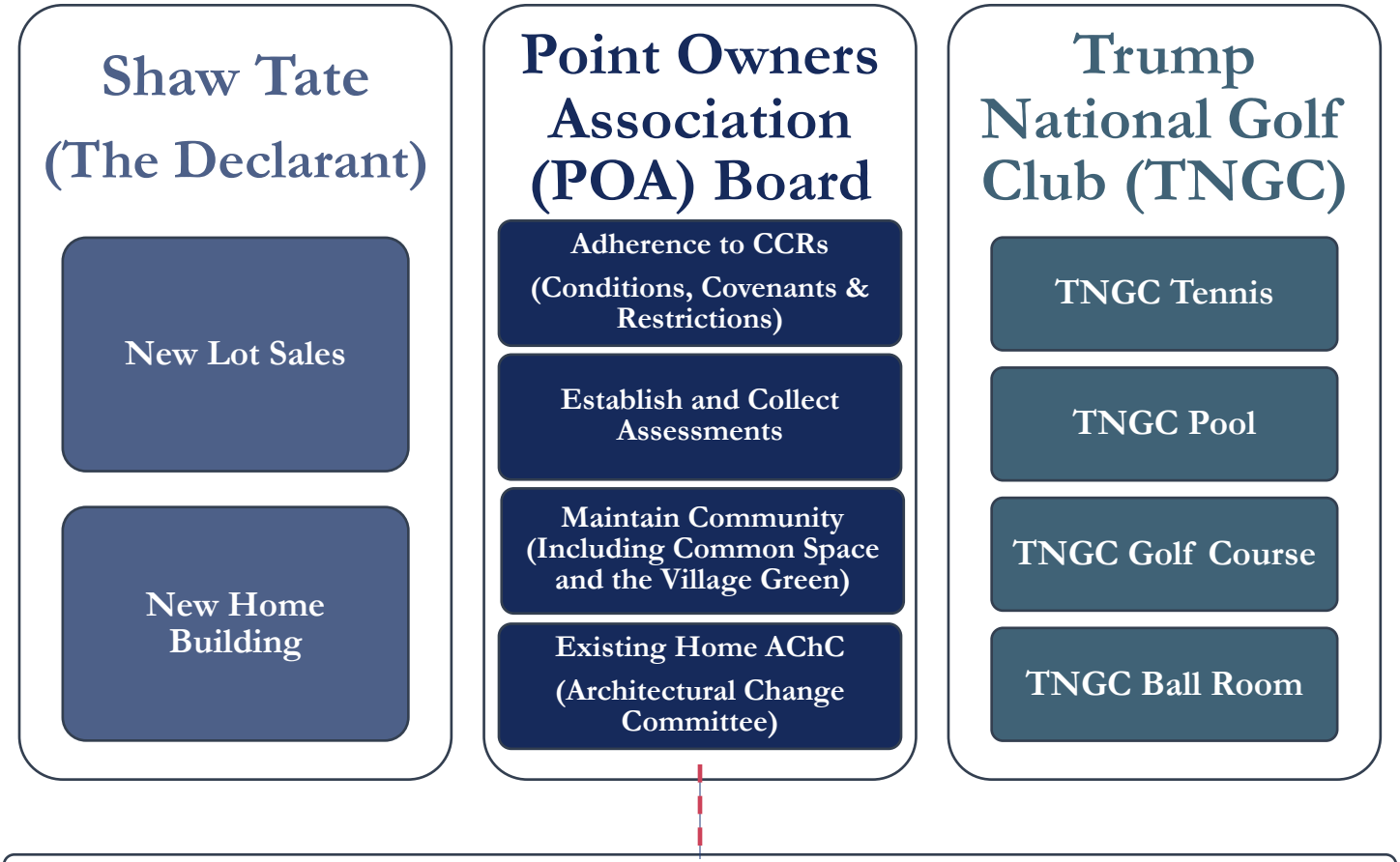
Three Parts of our Community



The Board of Directors are required by NC law to enforce the CCRs as they are written, and ensure the CCRs are administered in a fair and equitable basis.

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POA Sponsored Committees

The Board of Directors manages the business affairs of the Point Owners Association (POA) through the following committees which are all supported by our **VOLUNTEERS.**

COMMITTEE	CHAIRMAN/ COMMITTEE LEAD(S)
Architectural	Charlie Farrar
Communications	Lori Smith-Patrick, Shauna Yardley, Stella Cleveland, Judy Braun
Community Affairs	Mike Barton
Finance	Donette Dewar-Black
Infrastructure	Tom Uhl
Landscape	Nancy Bigelow
Nominating	Roger Schwartz

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Amazing Volunteers

A special thank you to everyone who dedicates their time on a committee.

"Our volunteers are the 'heart and soul' of the success of our community. Without their help and support, we would not be the community we are today."

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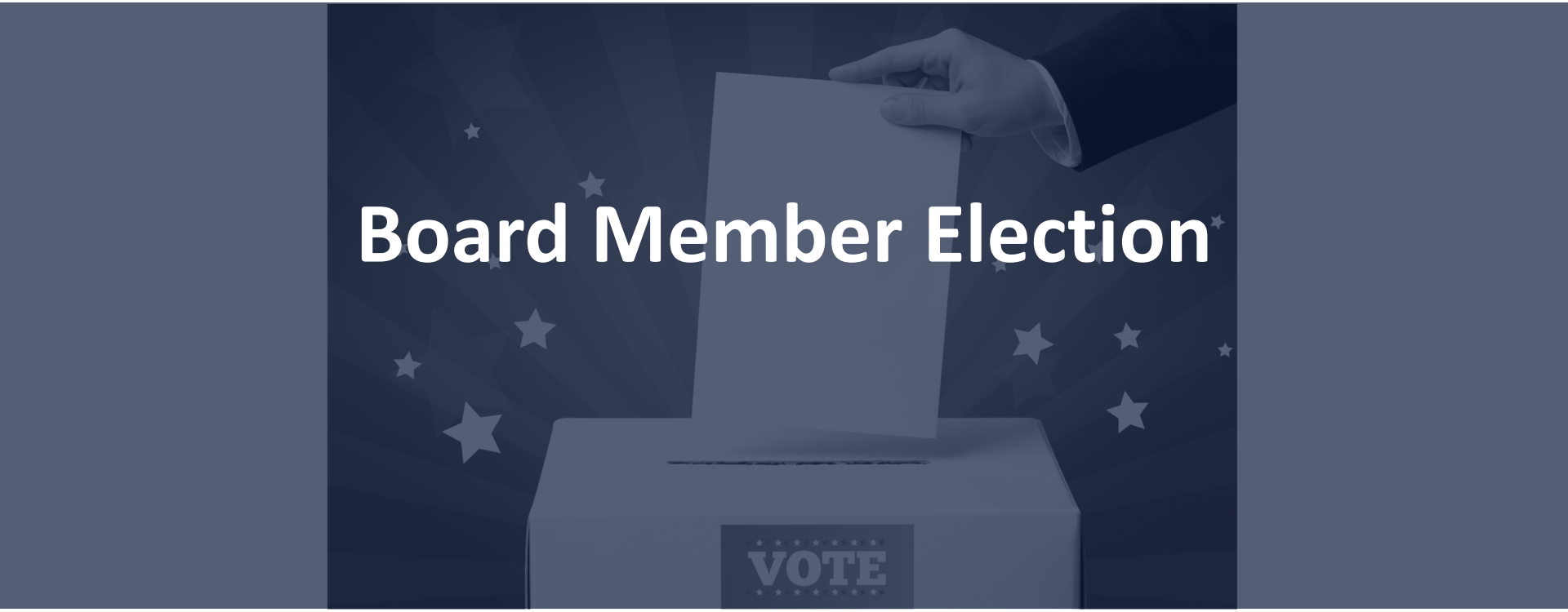

Board Member Election

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Nominating Committee

- Appointed by the Board annually
- Operates independently and is responsible for identifying and screening potential Board candidates
- The Board provides input if there are specific skills needed

Nominating Committee Members	2020	2021
Roger Schwartz (Chair)	X	X
Jerry Kaufman		X
Denise Gregg	X	X
Regina Watts	X	X

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Election of Board Candidates

Election Parameters

- Per our Bylaws, three-year Board terms are “staggered” to allow for continuity as well as change
- Two Board seats are up for election in 2021

Pre-Annual Meeting Process

- Solicit Candidates
  - » Talking Point – announcement of election in November issue
  - » POA Newsletter – October, November and December (three announcements total)
- Candidates interviewed; slate finalized
- Candidate biographies and proxy mailed in Annual Meeting notice; information also provided via POA Newsletter
- Members return proxy via E-mail (preferred) or US Mail to Hawthorne Management

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Election of Board Candidates

Annual Meeting Process

- Slate of candidates presented
- Nominations taken from the floor (Nominees must be members in good standing)
- Each candidate is provided two minutes to introduce him/herself
- Historically, votes are counted and new board members are announced at the end of the Annual Meeting
  - Since the meeting is virtual this year (due to COVID), voting will remain open for 5-days post the meeting before final results are announced.
  - All votes post-meeting should still be submitted directly to Hawthorne Management no later than 5PM Monday, February 22nd.
  - Final results will be announced Tuesday, February 23rd via e-mail blast and will also be posted on the community website.

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2021 Board Candidates

- Ken Foster
- Bob Lorch
- Garry Murphee
- Nominations from the floor
- Candidate Statements (2 minutes per candidate)

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Treasurer's Report

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Annual Overview

Fiscal Year Ending December 31, 2020:

- Significant Improvement in Collections
- Net Cash Decreased by ($36K)
- Net Operating Loss of ($42K)
- Negative results driven by Storm Damage, Aging Infrastructure and Cost Escalations

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Cash Balances

	Operating	Reserves*
Beginning	**$ 149,211**	**$ 635,346**
Funded	$ 1,664,913	$ 63,610
Interest	$ -	$ 4,439
Uses	$ (1,707,606)	$ (77,237)
Ending	**$ 106,519**	**$ 626,160**
Net Decrease	**$ (42,692)**	**$ (9,186)**

*Less Refundable Deposits

- Operating Cash and a portion of Reserve Cash held in interest bearing Checking Accounts
- Balance of Reserve Cash held in interest bearing CDs:
  - ✓ $211K at Bank of Ozarks earning 0.8% for 12 months (due 9/5/21)
  - ✓ $200K at Aquesta Bank earning 2.47% for 18 months (due 3/6/21)

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Reserves: Source & Use of Funds

	General	Irrigation	Infrastructure	Private Roads	Sconset	Interest
Beginning	**$ 135,151**	**$ 157,657**	**$ 50,000**	**$ 107,267**	**$ 185,270**	**$ -**
Funded	$ 20,000	$ 8,000	$ -	$ 21,476	$ 14,134	$ 44,309
Uses*	$ 40,813	$ 5,423	$ 31,000	$ -	$ -	$ -
Ending	**$ 114,337**	**$ 160,233**	**$ 19,000**	**$ 128,743**	**$ 199,404**	**$ 44,309**

*Uses:

- General
  - Swing set Replacement ($19K)
  - Greyfriars COS Restoration ($16.2K)
  - Sip-n-Shop Pass-through ($5.6K)
- Irrigation - Improvements ($5.4K)
- Infrastructure - Forestdale Loop repaving ($31K)

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Operating Funds

	Actual	Budget	Variance
INCOME	**$ 1,728,524**	**$ 1,719,868**	**$ 8,656**
Less Reserve Provision	$ (63,610)	$ (57,975)	$ (5,635)
TOTAL Operations Income	**$ 1,664,914**	**$ 1,661,893**	**$ 3,021**
EXPENSES	**Actual**	**Budget**	**Variance**
Landscape	$ (897,515)	$ (849,600)	$ (47,915)
Infrastructure	$ (68,351)	$ (69,400)	$ 1,049
Building & Grounds	$ (585,906)	$ (594,847)	$ 8,941
Administrative	$ (155,833)	$ (148,046)	$ (7,787)
TOTAL Expenses	**$ (1,707,605)**	**$ (1,661,893)**	**$ (45,712)**
NET INCOME/LOSS	**$ (42,691)**	**$ -**	**$ (42,691)**

Notable Variances:

- Sconset net income increased Sconset Reserves (+$4K)
- Storm damage clean-up and tree removal (-$59K)
- Septic Inspection costs exceeded Septic Assessments (-$9K)
- Electricity invoiced for less than budget amount (+12K)
- Tax on “non-exempt function income” (e.g., telecom rental income) (-$11K)

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2021 Budget

	2020 Budget	Increase	2021 Budget
INCOME	$ 1,719,868	$ 103,878	$ 1,823,746
Less Reserve Provision	$ (57,975)	$ (14,035)	$ (72,010)
TOTAL Operations Income	**$ 1,661,893**	**$ 89,843**	**$ 1,751,736**
EXPENSES	**2020 Budget**	**Increase**	**2021 Budget**
Landscape	$ (849,600)	$ (69,000)	$ (918,600)
Infrastructure	$ (69,400)	$ (7,000)	$ (76,400)
Building & Grounds	$ (594,847)	$ 1,892	$ (592,955)
Administrative	$ (148,046)	$ (15,735)	$ (163,781)
TOTAL Expenses	**$ (1,661,893)**	**$ (89,843)**	**$ (1,751,736)**
NET INCOME/LOSS	**$ -**	**$ -**	**$ -**

Key Increases:

General Reserve	$ 11,460
Private Road	$ 2,575
Tree Removal/Thinning	$ 40,000
Landscape Projects/Imp	$ 27,000
Infrastructure Projects	$ 8,500
Storm Water Maint	$ 4,500
Legal Expense	$ 7,000
Tax Expense	$ 8,000

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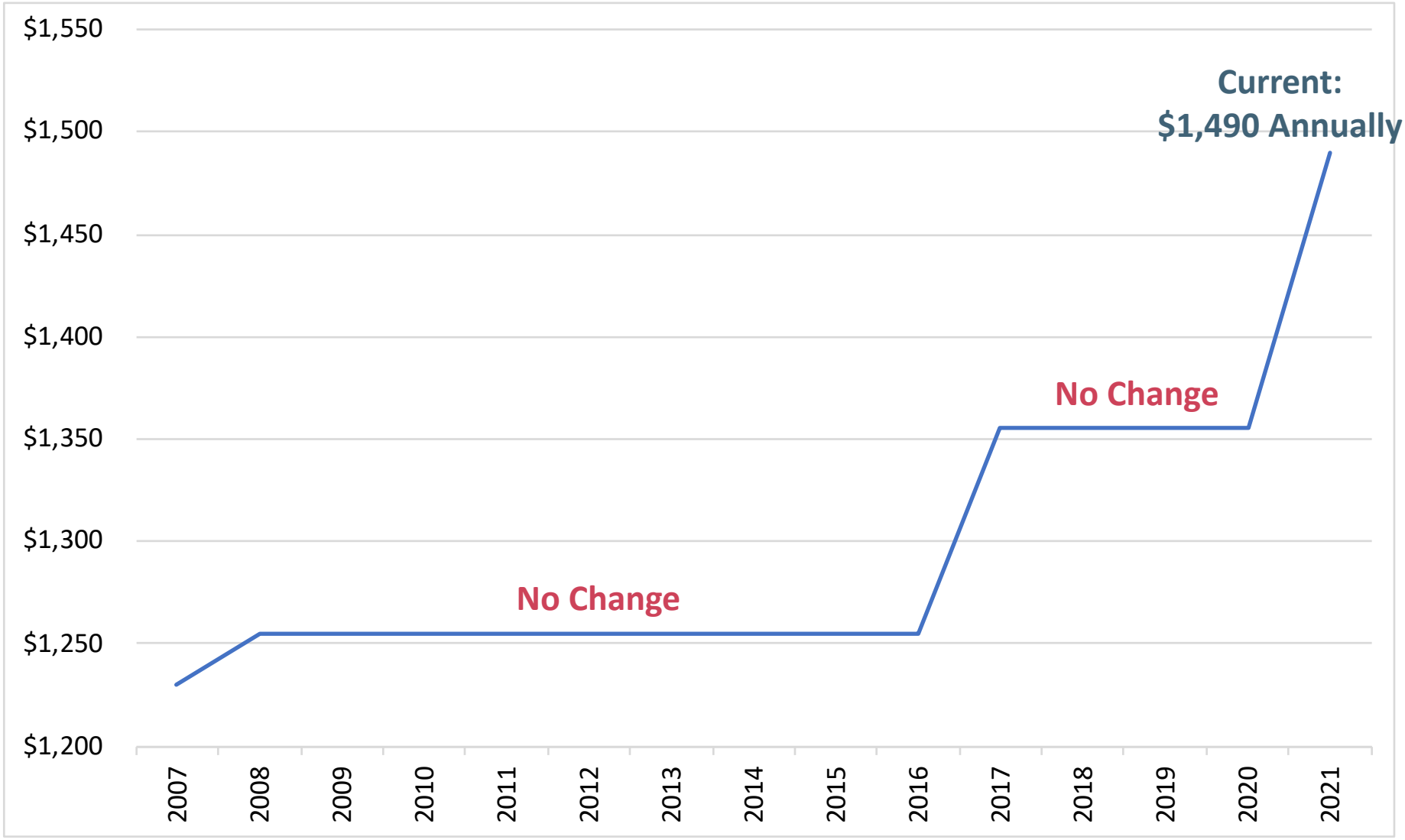
Annual Assessments (Historical)



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Future Outlook

- Several contract escalations/expirations are looming:
  - New Landscape contract cost escalation (full impact in 2022)
  - Irrigation contract expires (2023 impact)
  - Landscape Consulting contract expires (2023 impact)
  - Other?
- Operating cost increases are likely in several areas:
  - Electricity
  - Inspections
  - Materials & Supplies
- Increased Reserve Funding requirements for:
  - Paving four streets for turnover to NCDOT (study to determine cost)
  - Sidewalk replacements/repairs (study to determine costs)
  - Other?

Increased Assessments are likely for 2022…
and possibly beyond.

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2020 Achievements

Infrastructure

- Upgraded swing sets with commercial grade units featuring durable, metal parts and increased mulch beds.
- Repaved Forestdale Loop; road can now be turned over to NCDOT to maintain.
- Repaired sidewalks and added drainage along Brawley School Road

Landscaping

- Underwent intense bid process for The Point's landscaping contract. Successful negotiations led to a 3-year term with Bland Landscaping (favorable vs. rate increase presented by Providence).
- Upgraded entrance lights (with LED) from The Point's entrance to Yacht Road
- Major tree work (thinning and removal); 2020 storms had a big impact
- Rejuvenation pruning along Brawley School Road.
- Enhanced holiday decorations

Communications

- Delivered 104 Welcome Gifts to new Point neighbors
- Special recognition of Village Ambassadors for their continued dedication delivering welcome gifts as they faced multiple challenges due to the pandemic
- Revamped the POA Newsletter

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Contact Information

Please reach out to Hawthorne Management to ensure they have a correct e-mail address on file for you and your spouse.

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Upcoming Improvements

1. Upgrade 9 remaining Village Entrances to LED lighting (includes villages west of Yacht Road)
2. Berm planting and carissa holly replacement continue as an ongoing project
3. Revamp POA Website
4. On-going sidewalk and storm drain maintenance and repair
5. Repair community trail off of Wild Harbor due to storm damage

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Questions?
More Information?

- **WEBSITE: THEPOINTATLKN.COM**
- **E-MAIL: admin@hawthornemgmt.com**
- **PH. 704-377-0114**

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