



**THE POINT**  
OWNERS ASSOCIATION, INC.



# 2023 Annual POA Meeting

**February 21, 2023**

PRESENTED BY:  
YOUR POA BOARD OF DIRECTORS

[www.thepointatlkn.com](http://www.thepointatlkn.com)

# Agenda

Welcome & Introductions	3
President's Report	4
Election of New Board Members	11
Treasurer's Report	16
Committee Reports	24
Water Rate Update	42
Closing Remarks	46

# POA Leadership

## POA BOARD MEMBERS

Charles Farrar, President

Ken Foster, Vice President

Donette Dewar-Black, Treasurer

Linda Bundens, Secretary

Bob Lorch, Member at Large

Rod Baldwin, Member at Large

Terry Ravas, Member At Large

## HAWTHORNE MANAGEMENT

Kristi Alexander, Community  
Manager

Ashleigh Jones, Administrative  
Assistant





# President's Report

# The Point Community

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Total Lots	865	865	867	867	867
Completed Homes/ Under Construction	831	834	836	843	851
<b>Remaining/ Undeveloped Lots</b>				<b>24</b>	<b>16</b>

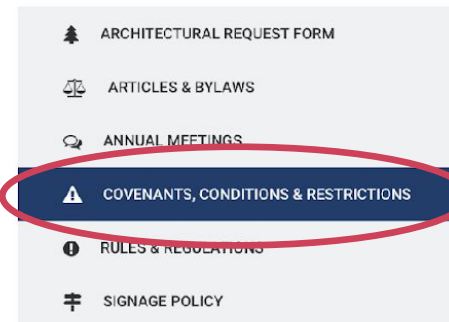
# The CCR's (Covenants, Conditions & Restrictions)

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.



## POA Documents

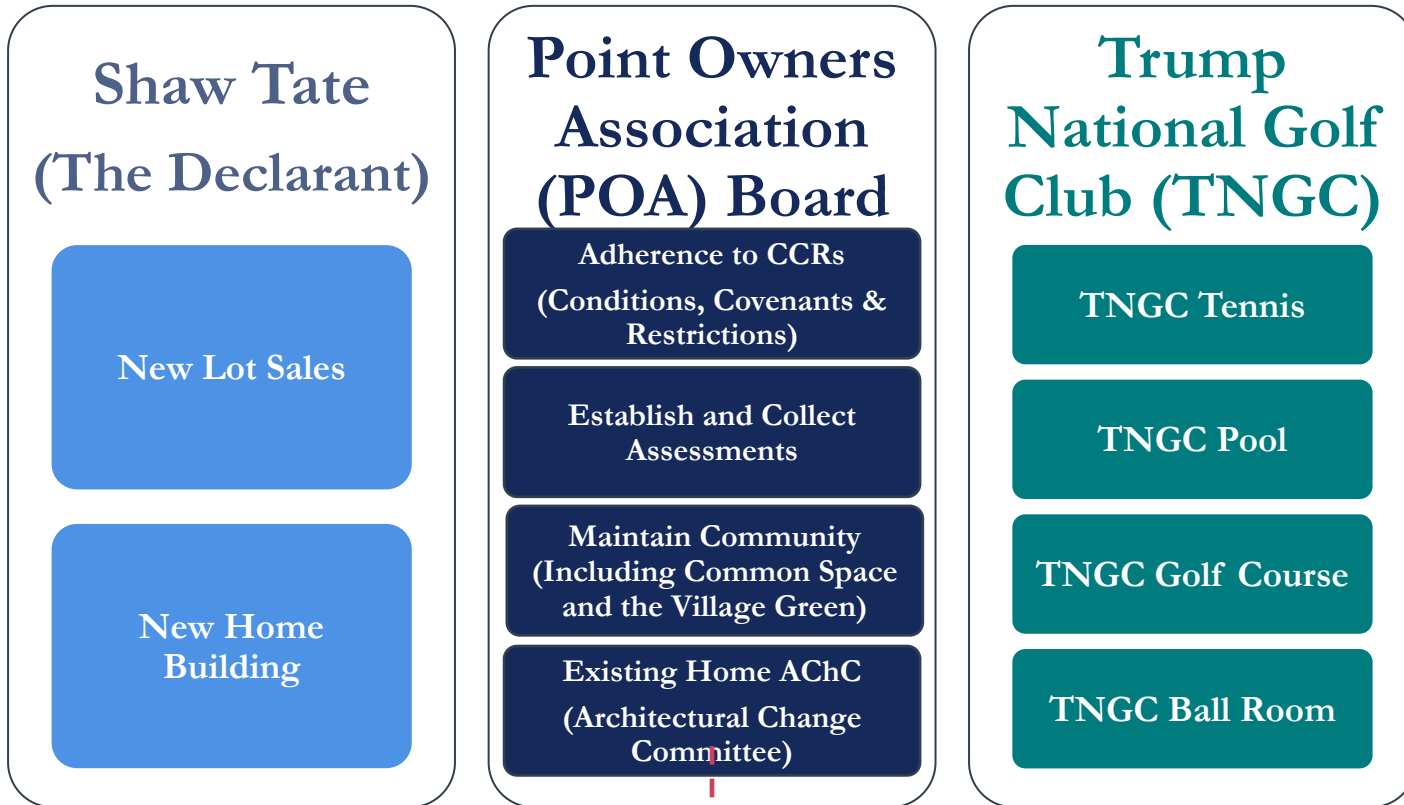
There are several types of important documents that describe various aspects of how our neighborhood operates. Click on each of the tabs to access our Articles of Incorporation, Bylaws, Declaration of Covenants, Conditions & Restrictions (and related amendments), Rules and Regulations and Architectural Change forms and guidelines.



## Covenants, Conditions & Restrictions

- Declaration of Covenants, Conditions & Restrictions
- Amendment – Boat Slips & Pier Associations
- Amendment – Adding Sconset Village as a Sub-association
- Amendment – Purchase of Point Lake & Golf Club, Inc. by TNGC-Charlotte, LLC
- Amendment – Full integration of Sconset Village

# Three Parts of our Community



## Community Piers

- The POA owns 23 common piers containing 498 boatslips that are leased to individual property owners in the community
- Due to the age and condition of the common piers, BOD hosted two meetings of pier associations in 2022
  - Primary concerns were safety, maintenance, governance and insurance coverage
- Board is undertaking these actions
  - contracted for electrical inspection of all community piers
  - structural inspections in 2023
  - insurance coverage review
  - developing minimum maintenance standards



# POA Sponsored Committees

<b><u>COMMITTEE</u></b>	<b><u>CHAIRMAN/ COMMITTEE LEAD(S)</u></b>
Architectural	Ken Foster
Communications	Terry Ravas, Lori Smith-Patrick, Shauna Yardley
Club Covenants	Rod Baldwin
Finance	Donette Dewar-Black
Infrastructure	Tom Uhl
Landscape	Nancy Bigelow
Nominating	Roger Schwartz
Safety and Security	New for 2023
Pier Association	New for 2023

# POA Volunteers

**Our 70+ volunteers make The Point the exceptional community it is today. We are grateful for their time and dedication throughout the year and offer a heartfelt  
THANK YOU for all they do.**



# Board Member Election

# 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	2022	2023
Roger Schwartz (Chair)	X	X
Jerry Kaufman	X	
Denise Gregg	X	
Regina Watts	X	X
Charlie Farrar		X
Donette Dewar-Black		X

# Election of Board Candidates

## Election Parameters

- Per our Bylaws, three-year Board terms are “staggered” to allow for continuity as well as change
- Three Board seats are up for election in 2023

## Pre-Annual Meeting Process

- Solicit Candidates
  - » The Stroll– announcement of election in November issue
  - » POA Newsletters
- 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

# Election of Board Candidates

## Annual Meeting Process

- Slate of candidates presented
- Nominations taken from the floor (Nominees must be members in good standing)
- Votes are counted and new board members announced via email

## 2023 Board Candidates

- Patti Alvarez
- Linda Bundens
- (Dominic) Paul Dascoli
- Joseph Klaja
- Joe Petrozza
- Joe Wolfsberger
- Nominations from the floor



# Treasurer's Report



# Financial Results December 31, 2022

	Actual	Budget	Variance
Gross Income	\$2,021,324	\$1,970,269	\$51,055
Operating Expense	<u>\$1,840,317</u>	<u>\$1,835,701</u>	<u>(\$4,616)</u>
Net Operating Results	\$181,007	\$134,568	\$46,439
Planned Contribution to Reserves	\$134,568	\$134,568	\$0
Sconset Positive Operating Variance Contributed to Reserves	\$586	\$0	(\$586)
POA Positive Operating Variance Contributed to Reserves	<u>\$45,000</u>	<u>\$0</u>	<u>(\$45,000)</u>
<b>Net Income/Loss</b>	<b>\$853</b>	<b>\$0</b>	<b>\$853</b>

### Gross Income Positive Variances:

- Zero Budget Items:
  - Interest \$4,000
  - ARC Fees \$4,500
  - Late Fees \$5,500
  - Fines \$4,900
- Prior Year and PrePaid Collections: \$32,000

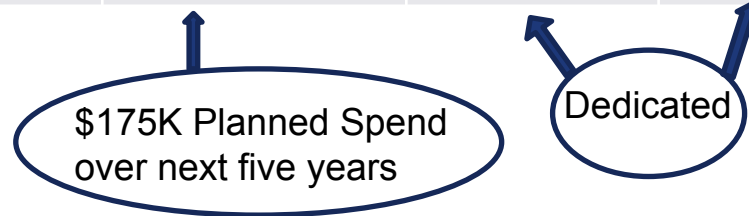


# Operating Expense Material Variances

Category:	Variance	Comments
Tree Removal	(\$137,000)	Continued Aging and Storm Damage
Sidewalks, Signs, Other	(\$19,700)	Unanticipated Repairs
Boat Slip Lease Payment	<u>(\$3,800)</u>	Annual Lease Increase Exceeded Projection
<b>TOTAL</b>	<b>\$160,000</b>	
Landscape Improvements	\$54,500	Deferred Entrance Refreshes and Irrigation Extensions
Landscape Contingency	\$15,500	Used
Infrastructure Contingent	\$15,000	Used
Shrub/Tree Replacements	\$9,000	Deferred Plantings
Irrigation Repairs	\$8,700	Utilized Preurchased Inventory
Communications	\$8,300	Reduced Attendees and Offerings of Member Events
Various Infrastructure	\$8,000	Deferred Maintenance and Cost Savings
Electricity	\$7,000	Annual Increase Less than Projections
Sip-N-Shop	\$6,300	Net Income to POA
Legal Costs of Collections	\$5,800	Fewer Liens and Foreclosures Occurred
Landscape Clean-Up	\$5,000	Minimized
Irrigation Contract	\$3,900	Vendor Relieved Sales Tax Burden
Website	\$3,100	No Maintenance Performed
Landscape Lights	\$3,000	Fewer Fixtures to Replace
Landscape Annuals	<u>\$3,000</u>	Changed to Lower Cost Items
<b>TOTAL</b>	<b>\$156,000</b>	

# Reserves Accounts

	General	Irrigation	Infrastructure	Private Drives	Sconset
Beginning Balance	\$136,148	\$89,841	\$34,000	\$153,790	\$212,613
Transfers	(\$55,182)	\$0	\$55,182	\$0	\$0
Planned Contribution	\$0	\$0	\$100,418	\$24,650	\$9,500
Uses	(\$5,303)*	(\$91,149)**	(\$10,738)***	\$0	\$0
Additional Contribution	<u>\$0</u>	<u>\$0</u>	<u>\$45,000</u>	<u>\$965</u>	<u>\$1,715</u>
Ending	\$75,663	(\$1,308)	\$223,862	\$179,405	\$223,828



\* Sip-N-Shop Contribution to Volunteer Fire Department and Tax Due on Prior Year Profit.

\*\* Final Payment for Irrigation Pump Replacement and Installation

\*\*\* Sidewalk Replacements

# 2023 Budget

Operating Expense	\$1,921,499	4.7% increase of \$86K (same % increase as 2022). Only \$65K is direct POA costs - remainder is past-through costs
Planned Reserve Contribution	<u>\$287,050</u>	212% increase of \$152K (drives 71% of 2023 General Assessment increase)
<b>Total Income Needs</b>	<b>\$2,208,549</b>	
Pass-Through Assessments	(\$473,519)	Obligated to Offset Third Party Costs (Septic, Sconset, Pier Association, Property Tax and Boat Slip Lease)
Specified Reserve Assessments	(\$36,050)	Private Drives and Sconset
Income from Other Sources	<u>(\$64,815)</u>	TNGC Cost Contribution, ATC Cable Rent and Storage Lot Rent
<b>General Assessment Need:</b>	<b>\$1,634,165</b>	<b>Allocated among 867 Lots = \$1,884 General Assessment \$245 Increase from 2022</b>



# 2023 Assessment Increase

Material Drivers of Increase	Amount of Increase	
Tree Removal Costs	\$75,000	\$126,000 Op Ex
Irrigation Maintenance Contract Renewal	\$4,500	
Renegotiated Landscape Contract	\$37,000	
Anticipate Additional Sidewalk Repairs	\$10,000	\$216,000 Reserves
Reserve for Irrigation Controller Replacement (5 years)	\$6,000	
Reserve For Irrigation Pump Replacement (20 years)	\$15,000	
Berm Refresh Project (3 Years)	\$195,000	

Increase is offset, in part, by at least **\$128,000** of **cost cuts** across numerous expense and reserve accounts



## 2023 Reserve Account Activity

	General	Irrigation	Infrastructure	Landscape	Private Drives	Sconset
Beginning Balance	\$75,663	(\$1,308)	\$223,862	\$0	\$179,405	\$223,828
Transfers	\$0	\$1,308	(\$1,308)	\$0	\$0	\$0
Planned Contribution	\$0	\$21,000	\$35,000	\$195,000	\$26,550	\$9,500
Planned Uses	<u>\$0</u>	<u>\$0</u>	<u>(\$18,000)*</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Projected End Balances	\$75,663	\$21,000	\$239,554**	\$195,000	\$205,955	\$233,328

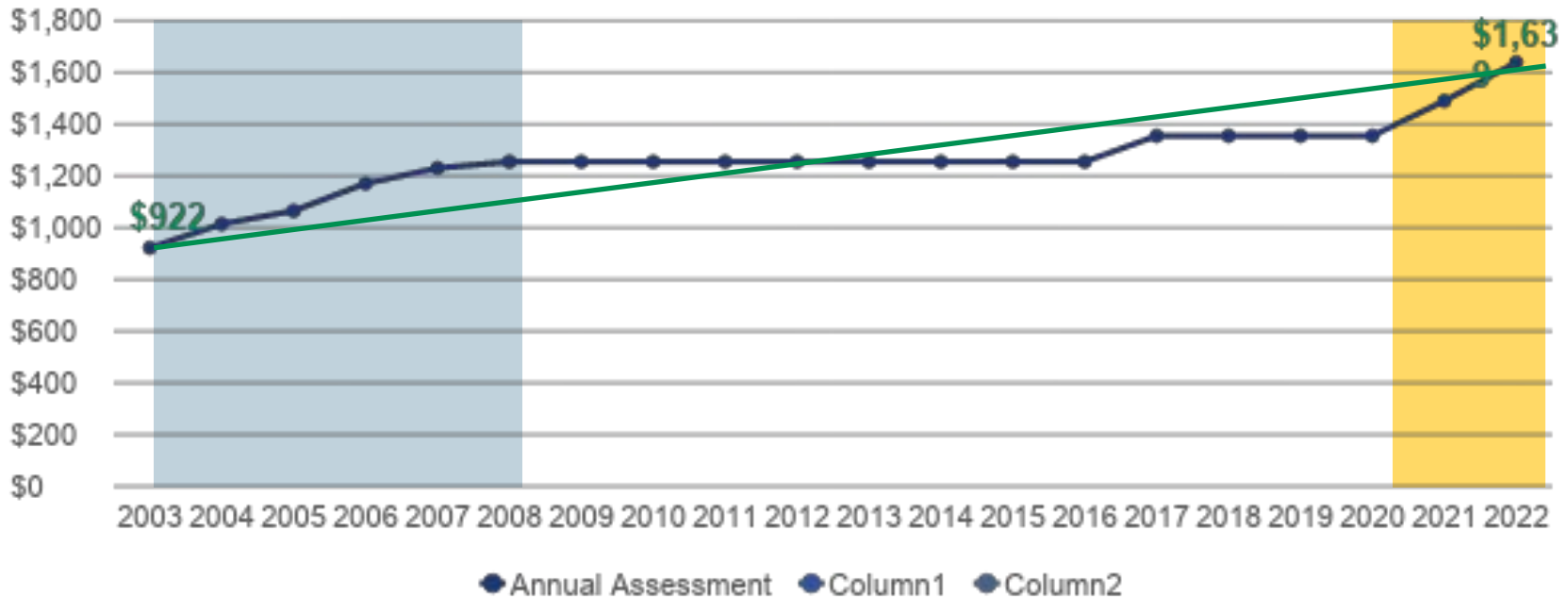
**\*Planned Uses in 2023**

- \$3,000 Sidewalk Drains
- \$10,000 Sidewalk Replacements
- \$5,000 Miscellaneous Replacements

**\*\*Projected Uses in 2024 through 2027: \$148,000**



# Annual Assessment History



From 2003 to 2022, Annual Assessments increased at an average annual rate of **3.07%**.

**Future Challenge: Contain cost increases while preserving the aesthetics and integrity of the Association’s Landscape and Infrastructure.**

# Committee Reports



**Volunteers in Action!**



# Landscape Committee

## **Members**

Nancy Bigelow (chair)

Anthony Johnson

Cathy Grossu

Cindy Fitzharris

Stephen Taylor

Garry Murphee

## **Contractors**

Bland Landscaping

Box of Rain

Arborguard

## **Carolina Land Consultants**

Brad Vice

David McDonnell

## **Board Liason**

Linda Bundens

# Landscape Committee

## 2022 Accomplishments

- Tree work, tree work and more tree work
  - Pruning
  - Many, many removals
- Treating of insect and disease related issues
- Trail renovation projects
- Holiday Lighting upgrades -lights, cords, add'l starbursts
- 10 Dog Waste stations added
- Spring and Fall flower plantings
- Enacted contract extensions to keep costs down and manageable over the next 3 year.

## 2022 Challenges

- Increased costs of materials and labor from all of our contractors.
- Deferred BSR berm plantings to 2023 so as to create a comprehensive 3 year plan in coordination with a formal design and budget management



# Landscape Committee

## 2023 Upcoming Project Priorities

- More tree work throughout community
- Year 1 of 3 year Brawley School Road Refresh Project
  - Coordination between landscape architect and CLC
  - Systematic approach to renovation on a finite timeline



## 3 Year BSR Berm Refresh Project

- Why spend money to update Brawley School Road Landscape?
  - BSR corridor is the gateway to our the community
  - We are getting close to 30 years old and updating is needed
  - Trees have matured and are growing into each other, thinning is necessary
  - Disease, emerald ash borer, has infected some of our trees
  - Some plant material, especially compacta holly, have outlived their lifespan
  - There are gaps in the plantings where material has died out over the years
  - More groundcover is being introduced to help save \$ over time
  - We have to protect our investment and our property values

## Examples of what we are seeing: Missing plant Materials

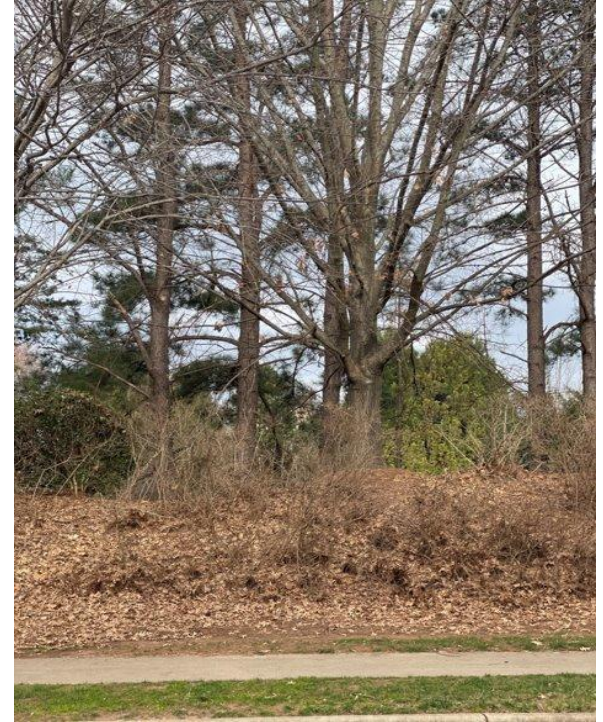


## Renovation Challenges: Overgrown areas, aged out plant material

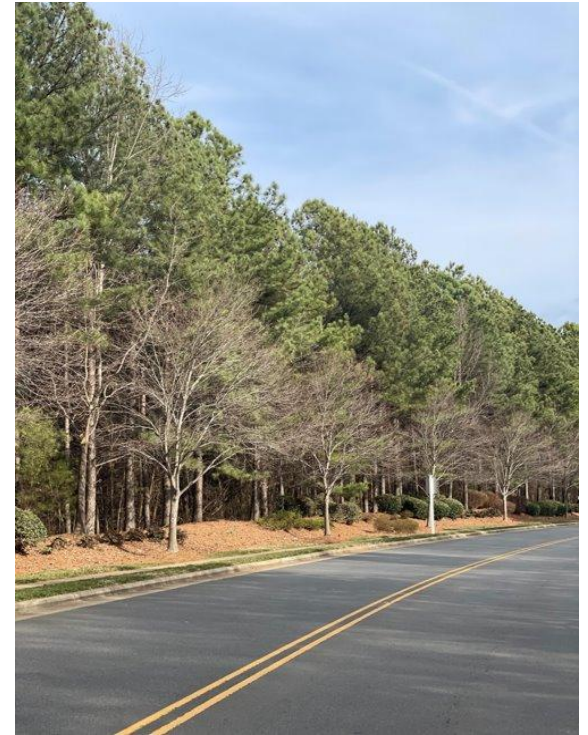


# Competition with trees:

Large maturing tree are being shaded out



# Pine are growing into each other & need thinning





# Dying trees and we need more groundcover



# BSR Berm Refresh Project - Our Approach

We have divided BSR into 10 sections, each about .3 - .4 miles

- #1: Chuckwood – Bay Harbor / Great Point
- #2: Bay Harbor – 1728 Private Drive roadway
- #3: 1728 PD - Quaker
- #4: Quaker - Center Circle Round-about
- #5: Center Circle - 2006 Private Drive roadway
- #6: 2006 PD – Yacht Road
- #7: Yacht Road – New Haven
- #8: New Haven – Broadsound
- # 9: Broadsound – Grey Friars
- #10: Grey Friars - Hopkinton



## BSR Berm Project Timeline

- We have approved and funded a comprehensive 3-year timespan beginning in 2023
- Some areas will require more work than others.
  - Sections 2-4 have had previous plant renovation and tree removal work already completed, thus will require less expenditure whereas areas south of the circle will require more.
- **Year 1** (Planned to begin November of 2023)
  - Section 3, 4, Section 5, Section 6
- **Year 2** (either early 2024 or late 2024)
  - Section 1, Section 7, Section 8
- **Year 3** ( January – March of 2025)
  - Section 2, Section 9, Section 10

# Infrastructure Committee

## 2022 Accomplishments

- Replaced irrigation pump in parallel with TNGC's replacement
- Leveled and replaced multiple sidewalks
- Replaced and repaired numerous street and village signs
- Repaired and pressure washed village stone structures and fences

## 2023 Projects/Improvements

- Sidewalk & storm water drainage enhancements
- Level and replace additional sidewalks
- Village Green - pressure wash stone structures and pergola
- Circle Building - Pressure wash



# Architectural Committee

## Purpose:

The **CCR's** and **Architectural Guidelines** have been developed to maintain the overall design philosophy of **The Point ...** to blend structures, lake, golf course and landscaping into a pleasing residential community. **The ACC** is responsible for their application and to insure the community objectives are applied equally to all residents.

## Key Considerations:

- Community Objectives
- CCR's & Guidelines
- Tree Canopy & Preservation
- Setbacks & Sightlines
- Privacy & quiet enjoyment of property:
  - ✓ Sound, lighting, screening, etc.
- Golf Course & Lake restrictions
- Duke Energy & NCDENR
- Environment & Safety



# Architectural Committee

## 2022 Activity:

- 250+ Projects
- 70+ Consults
- $\geq 50\%$  Involve Trees
- 33 Pools

## Updates & Clarification of Guidelines:

- Solar power permitted on rear roof surface
- Minimum landscape & street tree requirements
- Exterior lighting clarified

*Tesla Tile = Preferred*



*Flush Mounted = OK*



*String Lighting = Prohibited*



# TNGC Club Covenant Committee Report Card

- Limited number of issues, so reviewing need for this committee.
- Intent of the covenants was to protect original members (3 years).

## Dues:

- Food & Beverage: May be increased up to 5% per year; remains at \$150 per quarter
- Social Membership: May be increased up to 5% per year; \$267/month in 2022; \$280/month in 2023 (a 4.5% increase)
- Other Memberships: Must be aligned with “Highest comparable clubs in Charlotte & no assessment to members”

## Memberships:

- Full Golf: Limited to 510 total members; current is 459 Full Golf, Corporate and Junior Golf members
- Limited Sports: Eliminated, some grandfathered

## Club:

- Property must always be used as a private club
- Facilities must be maintained
- Tennis - 8 courts

# Communications Committee

## 2022 Accomplishments:

- Regular communications via email and The Stroll magazine
- Village Ambassadors personally welcomed 63 families to our neighborhood. Special recognition to the 20+ volunteers dedicating their time to this initiative
- Annual New Resident Welcome Event
  - Co-hosted alongside TNGC
  - Welcome new residents and club members
    - Opportunity to meet POA and Club leadership
    - Meet other new residents



## New for 2023:

- New subcommittee to plan family-friendly events on the Village Green - e.g. yoga on the green, family movie night, etc
- **We need a co-chair for Village Green Events and a chair for New Resident Welcome Event**



## Contact Information

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



## Carolina Water Service

### Issues Affecting the POA:

- Past and Proposed Rate Increases
- Closing of Numerous Wells
- Disposition of Well Site Lots
- Ability to Install Irrigation Wells on privately owned Lots

### What We've Done to Address these Issues:

- Working as concerned citizens, Board Members participated in a Working Group with members of The Harbour and The Farms to address the issues
- Met with CWS to identify mutually acceptable resolutions to the issues
- Investigated feasibility of irrigation from existing well sites or individual lot wells
- Consulted attorney regarding
  - Disposition implications of closed well site Lots
  - Ability to allow irrigation wells

## Carolina Water Service

### What We've Learned:

- Rate Increases:
  - 41.2% water rate increase that went into effect April 2022 is sustained  
Proposed 19.6% increase for 2023 and 3% increase for 2024 currently before the NCUC
  - Decision deadline is April 27, 2023
  - Highly likely to be approved
  - CWS agreed to provide the Working Group with financial rationale for increase
- Closing of Numerous Wells:
  - Targeted for 3Q 2023
  - For safety reasons, the POA Board Members recommended the wells be abandoned (complete dismantlement and plugging) rather than merely decommissioned (capped and available for future use)
  - CWS agreed to provide the Working Group with a closure schedule and liaise through the process
- Disposition of Well Sites:
  - CWS intends to sell the Well Site Lots after completing closure activities
  - Utilities Commission requires Well Site Lots to be sold at “fair market value”
  - The POA’s CCRs do not apply to the Well Site Lots (only zoning restrictions apply)
  - CWS agreed to liaise with the Working Group throughout the sale process

## Carolina Water Service

### Irrigation Wells:

- Shut In Wells do not have capacity to irrigate all Lots that cannot draw from the Lake
- Septic concerns not likely to prohibit Irrigation Wells on individual Lots
- CCRs can be amended to allow Irrigation Wells on individual Lots
  - Requires 67% of property owners to vote “yes” to amend CCRs
  - The Board will support the amendment subject to installation and maintenance guidelines
  - The Board will coordinate the process to vote on the amendment

**Whether the Amendment is Approved is Up to YOU!**

## Carolina Water Service

### Working Group Actions:

- Coordinated homeowners filing individual complaint with the NCUC
- Testified at public hearing on 10/26/22
- Investigated alternative water sources (no good alternative)
- Met with State Senator Vickie Sawyer and State Representative Grey Mills several times
  - State reps sent letter to NCUS on our behalf
  - State reps drafting new legislation to cap future utility increases
- Consulted attorney about feasibility of filing a lawsuit and injunction against the commission to vote against the proposed additional increase (not a viable option)
- Sent Letter to Governor to request relief from rate increases

# Questions?



## Questions? More Information?

- **WEBSITE: [THEPOINTATLKN.COM](http://THEPOINTATLKN.COM)**
- **E-MAIL:  
[admin@hawthornemgmt.com](mailto:admin@hawthornemgmt.com)**
- **PH. 704-377-0114**







# Income

**KEY:**

Determined by The POA

Received from 3<sup>rd</sup> Parties

Passthrough to 3<sup>rd</sup> Parties

Category	Actual	Budget	Variance
General Assessment	\$1,449,597	\$1,421,013	\$28,584
Sconset Assessment	\$19,175	\$19,950	(\$775)
Private Drive Assessment	\$24,275	\$24,650	(\$375)
Storage Lot Rent	\$19,787	\$19,950	(\$162)
ARC Fees, Late Fees, Fines	\$16,856	\$0	\$16,856
TNGC Cost Contribution	\$25,710	\$25,710	\$0
ATC (Cable) Rent	\$17,352	\$17,352	\$0
Interest on Bank Funds	\$3,943	\$0	\$3,943
Septic Assessment	\$206,974	\$207,250	(\$275)
Pier Associations Assessments	\$135,472	\$131,991	\$3,481
Boat Slip Lease Reimbursement	\$80,996	\$81,672	(\$675)
Property Tax Reimbursement	\$21,187	\$20,731	\$456
<b>Total Cash In:</b>	<b>\$2,021,324</b>	<b>\$1,970,269</b>	<b>\$51,055</b>