

# COMPASS POINTE

Compass Pointe  
Master Association  
Live Event  
October 20, 2021  
6:00 pm



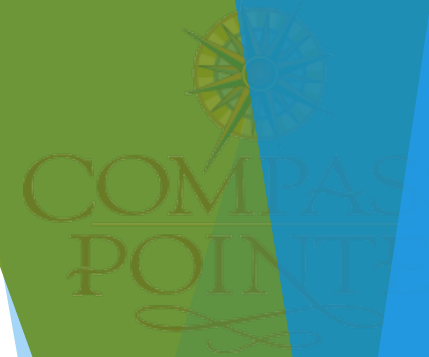
## Meeting Protocols:

- ▶ All participants have been muted upon entry to meeting.
- ▶ All questions are to be directed to Meeting Moderator –“ASK QUESTIONS HERE”. Board Members and Manager will not be monitoring their chats for questions.
- ▶ If using video, please be aware of surroundings and make sure any background that is visible is appropriate.
- ▶ All questions should be presented in a respectful manner.
- ▶ Questions with inappropriate language will not be addressed.
- ▶ Questions specific to your personal lot (ie violations/ARC) will not be addressed in the open session. These need to be sent to [compasspointe@kuester.com](mailto:compasspointe@kuester.com).



## Agenda:

- ▶ **Introduction & Welcome**
  - ▶ Michael Nieman
- ▶ **Call to Order**
- ▶ **Declarant & Developer Updates**
  - ▶ Greta Harrelson
  - ▶ Amanda Marks
- ▶ **Financial Review**
  - ▶ Chris Chaffin
    - ▶ Current 2021 Budget/Actuals Review
  - ▶ Bob Fiedler - Finance Committee
  - ▶ 2022 Budget Ratification
- ▶ **Closing Remarks**
- ▶ **Adjournment**
- ▶ **Questions and Answers**



# Welcome and Introductions:

## ▶ Declarant - CP Brunswick

- ▶ Bobby Harrelson
- ▶ Greta Harrelson

## ▶ Developers -

- ▶ CP Brunswick - Bobby Harrelson
- ▶ Renaissance Lifestyle - Steve Saieed

## ▶ Board of Directors -

- ▶ Greta Harrelson - President
- ▶ Jack Connor
- ▶ John Field
- ▶ JW Goloskov - Secretary
- ▶ Tim Kearney
- ▶ Amanda Marks
- ▶ Steve Triola

## ▶ Kuester Management Group -

- ▶ Chris Chaffin - Director of Management
- ▶ Michael Nieman - Community Manager
- ▶ Bridgette Jividen - Assistant Community Manager
- ▶ Suzanne Walton - Community Support Manager



CALL TO ORDER:

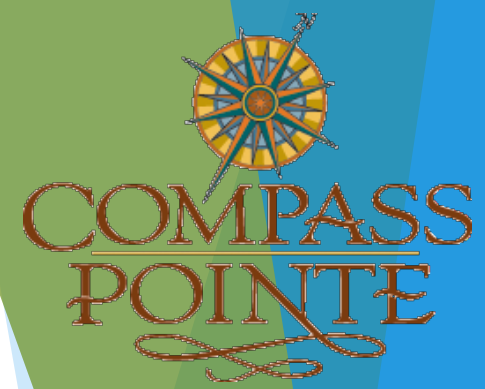
# Developer Updates



# Financial Review



# 2021 Financial Review - Balance Sheet (Through 09/30/2021)



Account		Balance
Operating Account	\$	231,113.28
Other Accounts	\$	90,748.20
Reserve Accounts	\$	<u>387,595.67</u>
TOTAL CASH		\$ 709,457.15
Accounts Receivable	\$	30,412.46

# 2021 Financial Review - Income Statement (Through 09/30/2021)

## INCOME STATEMENT

Year to Date Income (Assessments)	\$ 1,863,149.11	Monthly Member Assessments
Year to Date Developer Assessment	\$ 93,800.22	1/2 Current MOA Monthly Assessment Per Lot
Year to Date Income to Reserves	\$ 277,753.22	
Year to Date Income (Other)	\$ 1,815,488.60	Pass Thrus/Late Fee/Late Interest Fines/Interest/Amenities
Year to Date Operating Expense	\$ <u>2,984,659.00</u>	
	\$ <b>693,978.71</b>	Net Operating Income



Total Sales - Contracts written in 2021

Total Closings - Units closed in 2021

Pending - Units under contract but not closed

# 2021 Sales



2021 Total Sales	
Developer Lot	224
Resale Lots	31
Resale Homes	18
Builder Specs	69
Total	342

2021 Total Closings	
Developer Lot	219
Resale Lots	23
Resale Homes	19
Builder Specs	63
Total	324

2021 Pending	
Developer Lot	16
Resale Lots	7
Resale Homes	2
Builder Specs	20
Total	45



# COMPASS POINTE FINANCIAL STATUS AND PROJECTIONS

Finance Committee Presentation 2021



## MOA REVENUE

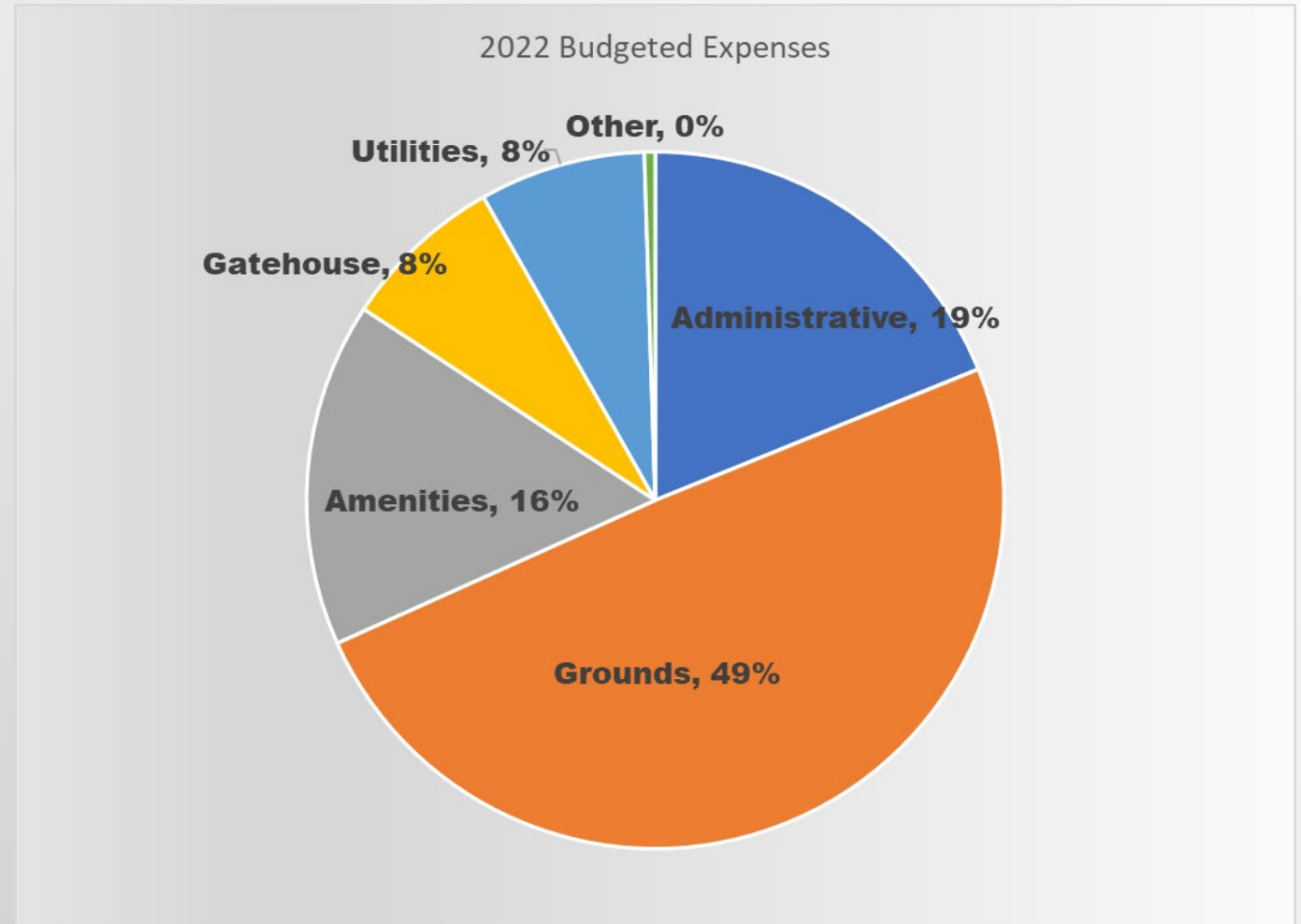
- Biggest Component Is Number Of Lots Owned X Monthly MOA Dues
- Capital Contributions Come From Each New Buyer(lots And Resale)
- Other Income Includes: Late Fees, Interest, Amenity Rental, Kayak And RV Space Rental Etc...

2022 Budgeted Income		2027 Budgeted Income		2032 Budgeted Income	
Capital Contribution	6%	Capital Contribution	2%	Capital Contribution	2%
MOA Dues	86%	MOA Dues	90%	MOA Dues	94%
Developer Assessment	3%	Developer Assessment	1%	Developer Assessment	0%
Other income	5%	Other income	5%	Other income	4%
<b>Total</b>	<b>100%</b>	<b>Total</b>	<b>100%</b>	<b>Total</b>	<b>100%</b>



# MOA EXPENSES

- Grounds/Landscaping Maintenance
- Administrative Expenses
  - Kuester Management Fees
  - Insurance
- Amenities
  - Lanai
  - Outdoor Pool
  - Lazy River
  - Indoor Pool
  - Wellness Center
- Gatehouse
- Utilities



# BUDGET RECOMMENDATION

Recommendation of the finance committee:

**-2022: MOA fee be increased \$5 to \$125**

	2019	2020	2021 (EST.)	2022		2032
TOTAL LOTS OWNED EOY	1347	1496	1678	1798		2391
LOT SALES IN YEAR	175	149	182	120		48
MOA MONTHLY DUES	\$100	\$110	\$120	\$125		\$140
HOMEOWNER MOA DUES	\$1540k	\$1868k	\$2310k	\$2614k		\$3977k
OTHER INCOME	\$496k	\$672k	\$691k	\$423k		\$271k
TOTAL INCOME	\$2036k	\$2540k	\$3001k	\$3038k		\$4248k
EXPENSES	\$1997k	\$2244k	\$2655k	\$2631k		\$3275k
RESERVE CONTRIBUTION	\$40k	\$296k	\$346k	\$407k		\$972k
RESERVE FUND BALANCE	\$834k	\$1112k	\$1514k	\$1786k		\$4582k

# 2022 Assessments



2021 Monthly Assessment: \$120



2022 Monthly Assessment: \$125



Increase of \$5 per month



# COMPASS POINTE

## HOW ARE WE DOING IN 2021?

	Original 2021 <u>Budget</u>	Mid-year Special <u>Projects</u>	Adjusted 2021 <u>Budget</u>	2021 <u>Forecast</u>	<u>Delta</u>
<b>Lot Sales</b>	<b>98</b>		<b>98</b>	<b>182</b>	<b>84</b>
Assessments	2,382,720		2,382,720	2,432,076	49,356
Capital Contributions	141,120		141,120	364,200	223,080
Other Income	138,090		138,090	204,988	66,898
Total Income	2,661,930	-	2,661,930	3,001,264	339,334
Grounds	(1,362,008)	(10,000)	(1,372,008)	(1,242,859)	129,149
Administrative	(388,353)	(20,000)	(408,353)	(486,543)	(78,190)
Amenities	(280,679)	(173,000)	(453,679)	(551,718)	(98,039)
Gatehouse	(218,618)		(218,618)	(190,263)	28,355
Utilities	(180,970)		(180,970)	(183,756)	(2,786)
Total Costs	(2,430,628)	(203,000)	(2,633,628)	(2,655,139)	(21,511)
<b>EXCESS TO RESERVE</b>	<b>231,302</b>	<b>(203,000)</b>	<b>28,302</b>	<b>346,125</b>	<b>317,823</b>



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## 2022 compared to 2021

	2021	2022	Change	
	<u>Forecast</u>	<u>Budget</u>	\$	%
Lot Sales	182	120	(62)	-34%
Monthly MOA Dues	\$ 120	\$ 125	\$ 5	4%
Assessments	2,432,076	2,708,750	276,674	11%
Capital Contributions	364,200	180,000	(184,200)	-51%
Other Income	204,988	148,960	(56,028)	-27%
Total Income	3,001,264	3,037,710	36,446	1%
Grounds	(1,242,859)	(1,300,000)	(57,141)	5%
Administrative	(486,543)	(496,274)	(9,731)	2%
Amenities	(551,718)	(433,369)	118,349	-21%
Gatehouse	(190,263)	(198,736)	(8,473)	4%
Utilities	(183,756)	(202,644)	(18,888)	10%
Total Costs	(2,655,139)	(2,631,023)	24,116	-1%
EXCESS TO RESERVE	346,125	406,687	60,562	17%



# Budget Ratification

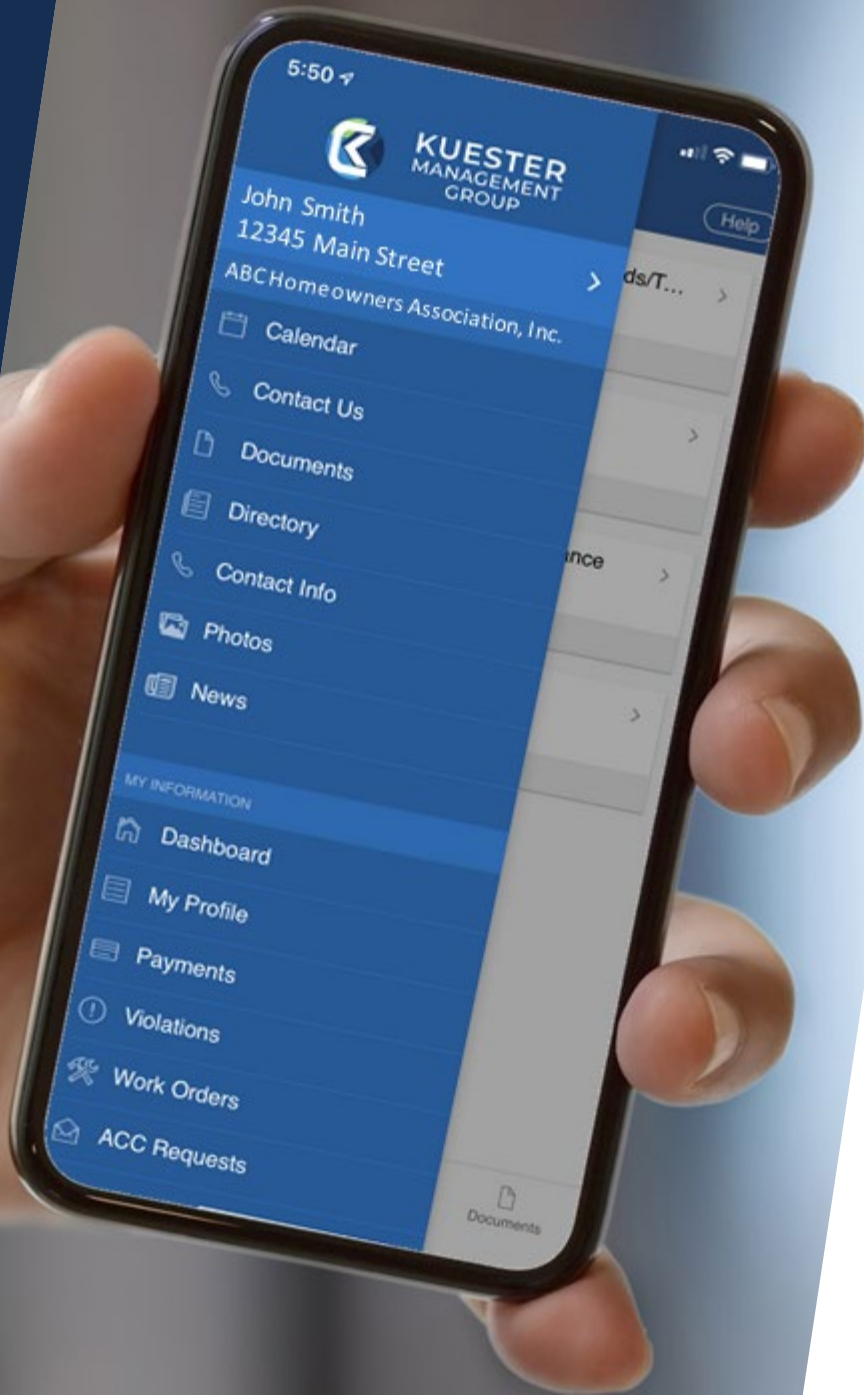
## NC Planned Community Act

NCGS 47F-3-103 (c):

“The budget is ratified unless at that meeting a majority of all the lot owners in the association or any larger vote specified in the declaration rejects the budget. In the event the proposed budget is rejected, the periodic budget last ratified by the lot owners shall be continued until such time as the lot owners ratify a subsequent budget proposed by the executive board.”

# Kuester Connect Homeowner App

- **Access your HOA Account from Anywhere**
  - Quickly access your HOA Account from your mobile device to make a payment, review the status of a work order, ACC request, or a compliance violation.
- **Review Community Documents in a Snap**
  - Have your community documents in the palm of your hand!
  - Find the document you need with a simple tap and easily navigate through important files.
- **The Entire WebPortal in a Simple App**
  - Connecting with your Homeowners Association has never been easier!
  - Download the app today!



# Closing Remarks ► and Adjournment

How to Contact the HOA:

Toll Free: 888-600-5044

Phone: 910-400-8567

Email: [compasspointe@kuester.com](mailto:compasspointe@kuester.com)

Website: [www.Kuester.com](http://www.Kuester.com)



# Questions and

## ► Answers

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## Submitted Questions:

### *Questions Submitted to the Finance Committee:*

**Are the costs for Yard Nique reflected in the 1,300,000 in Landscaping Cost?**

**How can we intelligently and reasonably begin reducing the enormous community landscaping expenses?**

**When are we going to bid out community landscaping? Aren't we still with Mr Bobby's company?**

**Why have we not bid the common area landscaping out for pricing for 2022? We are staying with the developers' old landscape crew. Why?**

The \$1.3 million for landscaping is the cost that the MOA pays to maintain the many common areas throughout the community. It does NOT include the amounts paid to Yardnique for the landscaping services that they provide to homeowners in the neighborhoods that they service. Those amounts are billed to the individual homeowners and are just a pass-through to the MOA.

A break-down of the costs includes:

Annual contract with Pride Landscaping	780,000
Seasonal work by Pride Landscaping	200,000
Common areas maintained by Yardnique	100,000
Signs, mailboxes, ponds and fountains	220,000

The Association anticipates bidding both the Yardnique and Pride Landscaping contracts in 2023



**Why do the gatehouses cost \$200,000 per year? Are they paid positions?**

**The \$198,736.00 gate costs: Does the golf course still pay a portion of the gate costs? Can you break that out as well?**

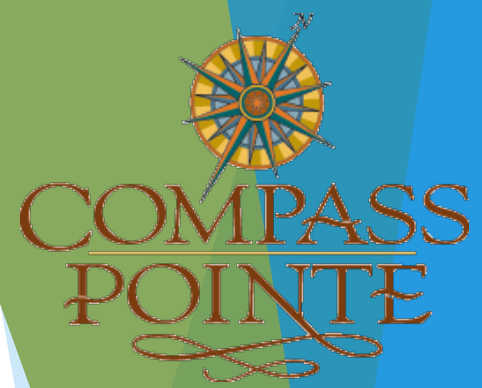
**Has there been any discussion on having the gatehouses staffed 24/7? What would be the additional cost in HOA fees if we went 24/7? Or maybe just the East Gatehouse could be staffed 24/7. I feel this service could provide peace of mind for residents and also help increase property values. Win win for all.**

**East Gate security: why is this needed anymore? I was told because the Discovery Center is still on the east side, is that true? If true then the developer should cover all costs associated with keeping a manned gate that he wants because he did not move the center like he was going to the West side.**

The gatehouses are staffed by employees of Allied Universal. In addition to the cost of these attendants, the \$198,736 budget includes maintaining the gate systems, the actual gatehouse structures, and the patrol vehicle.

Some residents have questioned why we have these entrances staffed at all, and others are asking why they can't be staffed 24/7. At this time, it is the Board of Directors' decision that the current staffing hours are the best solution to serve the community.

The gatehouses are staffed until 7:00 in the evening, and hours are not being extended for patrons of the golf course or Latitudes restaurant. Therefore, Renaissance is not paying any portion of those costs.



**The \$496,274.00 administrative fees: Can you break down the administrative fees?**

Kuester charges and fees	400,000
Insurance	41,000
Legal/professional fees	21,000
Supplies, postage, website fees	38,000

**Will the neighborhood signs be put back?**

After a cost/benefit analysis the Board has decided not to act on this request.

**Who is preparing the reserve study? Is it the same company as last year?**

Reserve Advisors. This is a different company from the one that did the last study.

**You mentioned the need for a separate "Bridge Study" to be conducted. Why won't the Reserve Study provide us enough information with which to plan for needed repairs?**

This is a highly specialized area and out of the scope and expertise of most reserve study providers, who primarily look at bridge surfaces. We need a further evaluation of the framework and construction to assess the condition of the bridges.





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**Why isn't there a specific amount of money, per month, dedicated to the reserve fund?**

We are currently awaiting the results of the updated reserve study. Once that report is received and accepted, we will use those projections to develop the budget for reserve contributions for 2023 and beyond.

**You suggested logging community problems/issues for repair with the Kuester site. Isn't there a charge to us (from Kuester) for each request we enter?**

No, there is no charge from Kuester for a service request.

**Despite your very good arguments in the presentation for the extremely low lot sales projection for 2022, why is the estimate so conservative?**

Our budget is based on the forecast we are provided by the Developer. If they are able to develop and sell more lots that will result in more funding which can be added to the reserve fund or used for additional improvements such as we were able to add this year. It is better to plan conservatively than to come up short of income to fund our expenses.





**I would like to know a bit more about what the Facilities Manager role mentioned in the summary we just received will be.**

**Is this a newly created position? If so, why are we creating this role?**

**Was this a planned addition for 2022 and included in our MOA budget?**

**How is this role different from the Kuester management positions?**

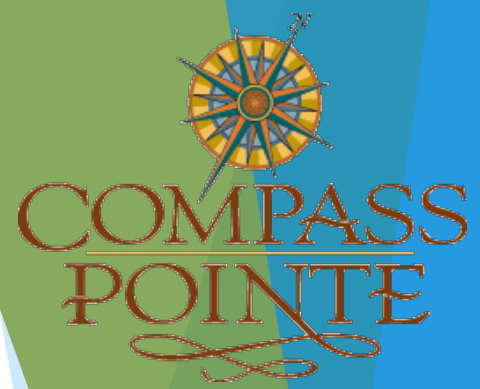
**What is the expected annual cost for this manager (Benefits + Salary)?**

For the 2022 budget we included a placeholder of \$50,000 for a facilities manager. This position would be in addition to the existing 2.5 Kuester staff and would focus on maintaining the value and availability of our facilities and amenities, which are valued in the millions. This individual would coordinate and supervise work done by outside contractors, as well as performing some minor maintenance duties.

A more detailed work description and scope will be developed as we proceed.

**Has the Committee ever been asked by the Board/Developer to look at the cost of installing speed humps (not bumps) on East and South Wynd(s)?**

This has been considered and it was decided not to proceed.



## *Questions Submitted to Kuester Management Group:*

### **Why are there issues that prevent the lights at the East and West Gates from consistently working?**

The Association is in the process of reviewing more permanent lighting solutions at the East and West entrances gazebos. There has been an overwhelmingly positive reaction to having the additional lighting, but the current temporary setup will not last.

### **Has it been determined that there will be additional amenities on the west side, we just don't know what they are? Or are additional amenities still to be determined? Is this solely up to the developer?**

Renaissance Lifestyle has informed the Association that there will be additional amenities on the west side. Renaissance has taken input from the Board of Directors and the Amenities Committee on the Community desires for this package. The final decision will be solely up to the Developer.

### **How are the Reserve funds invested? Do we seek safe investments such as certificates of deposit, money market accounts, etc., while not exceeding the FDIC insurance limits per financial institution? With an objective of growing the reserve fund, are investments monitored to ensure that we are realizing the best returns available without risk of loss of principal?**

Compass Pointe utilizes ICS accounts for protection. The Finance Committee is reviewing the best investment strategy with the Board of Directors. "Insured Cash Sweep (ICS) service is a smart, secure, and convenient way for bank customers to access multi-million-dollar FDIC protection on large deposits, earn a return, and enjoy flexibility. ICS deposits are sent to demand deposit accounts or money market deposit accounts at other ICS Network banks."



**Are the maintenance and repair assessments of the home and townhome alley ways throughout Compass Pointe included in the appropriate HOA and Townhome reserves?**

No, Alley Ways are the responsibility of the owners who back up to them. This is not budgeted by the Association.

**Is the budget estimate for exterior painting of the Heron Park townhomes included in the townhome reserves?**

The Townhomes are working to establish exterior painting schedules and budgeting. This can be completed as an operating or reserve expense depending on how it is budgeted.

**Does the committee issue annual financial reports? Is an annual audit conducted and results made available for review by the membership?**

Monthly Financial reports are available to all owners by the 25<sup>th</sup> of the following month. Compass Pointe conducts an independent audit annually. Both are available to all owners with your login at Kuester.com once completed.

**When will construction of the synchronized street on 74/76 near the east gate begin?**

There is additional work being done now with the traffic engineers. CP Brunswick is looking to have a follow up meeting with the DOT before the end of the year. There is not an exact date for construction to begin at this point.



**Who oversees the road drainage work that I see being done in Compass Pointe? Why do we already have failures of such recent underground drain systems? Poor install? Should not the developer be responsible for some of this cost and save the HOA some money?**

Where the roads have not been turned over, Renaissance is still responsible for all work being done. On the older sections, these roads are 8-14 years old and it is not unusual to have settlement, especially after such heavy rains. Asphalt shrinks over time and there will always be some repairs. These are normal repairs due to wear and tear and aging and as such are the responsibility of the Association.

**There seem to be several areas with sinkholes recently. In addition to the bridge study, should we budget to conduct a road study?**

The Association is in the process of finalizing an updated Reserve Study through Reserve Advisors. The need for any additional road study will be discussed after reviewing the Reserve Study. Reminder: Each Builder pays a Road Impact Fee toward the Reserve Fund for each home built to help offset any additional wear and tear caused.

**Are there any plans to move the 70+ geese from the lake as it was done several years ago?**

Not at this time. This is not a regularly budgeted item and will be reviewed by the Association on an as needed basis. The Board of Directors will review any current need for this service. It is quite costly to engage Geese removal services. Please refrain from feeding all wildlife as this will contribute to over population issues.



**What are the contributing factors that result in the lazy river needing to be resurfaced every year. Is it improper use, substandard contractors, or is this something that will need to be done every year from here on out?**

This is not something that will need to be done every year. The surface painting being completed this fall is the same repair needed last year. It was not completed last year as it would have impacted the opening of the Lazy River and the chipped paint was determined to have no negative impact on the functionality of the Lazy River.

**What are the plans for the East Side walking nature trail?**

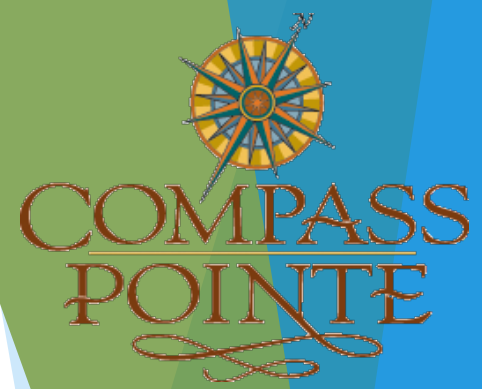
There are no additional plans at this time beyond making the land accessible to Compass Pointe members. The Association is responsible for mowing these existing walking/nature trails.

**Is their consideration given to a salt water pool for the projected new pool area?**

No. The maintenance of saltwater pools is about 35% higher and it is not recommended to install a saltwater pool.

**I see by your budget estimates that the reserve budget could possibly triple by 2027. What major capital outlays do you foresee that justifies such a large increase to the reserves?**

Compass Pointe has an extensive amenities package, many common areas and miles of private roadways to maintain. The updated Reserve Study will be an excellent tool to assist the Association with budgeting and planning for up coming maintenance or replacement. Any estimates made beyond the current year are based on conservative projections.



### **Is the developer paying the same monthly HOA fees as lot/home owners?**

No, the Developer pays half of the monthly master assessment. These Declarant/Developer payment options are located in the Master Declaration.

“During the Class "B" Control Period, Declarant may satisfy its obligation for assessments on Units which it owns either by either: (i) paying such assessments in the same manner as any other Owner; (ii) by paying the difference between the amount of assessments levied on all other Units subject to assessment and the amount of actual expenditures by the Master Association during the fiscal year; or (iii) paying one-half of the assessments for an unimproved Unit for all Units which are platted and Recorded but which have not yet been sold to an Owner other than Declarant or a Builder.”

### *Questions Submitted during the Annual Meeting:*

#### **Will the cost for irrigation change in 2022?**

No, there will be no change of cost for the irrigation in 2022.

#### **Are there plans to remove sand on the street (even if you are not in a construction area)?**

Anytime there is an accumulation of sand on the street or sidewalk you can go to [www.kuester.com](http://www.kuester.com) and submit a work order. Please provide the location and pictures if possible. If the accumulation of sand is substantial it will be cleaned by Pride Landscaping.





**Why are some, but not all, residents of Pointe Village required to have their landscaping done by Yardnique at an additional monthly fee?**

Eleven homes on the initial side of Blue Papaya were sold without landscaping as a part of their contract. They are not part of The Pointe Village Landscaping Village, however they are part of the Pointe Village neighborhood. The additional homes built after these eleven comprise the Landscaping Village and were sold with landscaping service included.

**What is the status of the executive/9 hole golf course?**

There are no established plans for an additional golf course at this time.

**Will there be a third entrance developed?**

There are no plans for a third entrance at this time.

**Please clarify the use of Compass Pointe amenities by Arbor Landing residents.**

The residents at Arbor Landing will not have any access to Compass Pointe amenities. They are affiliated with the Association.



**Do we have a projected date for the new amenities on the West end? (Pickleball, tennis courts, pool, etc.)**

As of right now we do not have an exact date for the new amenities. Renaissance has been working with the county to secure all required permits. No further information will be available until permitting is resolved.







How to Contact the HOA:

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Phone: 910-400-8567

Email: [compasspointe@kuester.com](mailto:compasspointe@kuester.com)

Website: [www.Kuester.com](http://www.Kuester.com)

Committee Sign-up Form:

[https://kuester1.formstack.com/forms/committee\\_application\\_form](https://kuester1.formstack.com/forms/committee_application_form)

Finance Committee Presentation:

<https://www.youtube.com/watch?v=PWYUJSNyMWE>

Community Map:

<https://www.compasspointenc.com/community/interactive-map/>

Brunswick County GIS Map:

<https://www.brunswickcountync.gov/gis/>