

NPOA ANNUAL MEETING – 2017 Overview

PRESIDENT’S REPORT – by Bob Longo

Summary

2017 was a good year for the NPOA but it was not without its challenges. We missed our forecast of 15 new housing starts; we only had 10. And, since application fees from new housing starts represent a sizable portion of our income, we started falling behind our budget just after mid-year. We were headed for deficits, however, the Board took decisive action and looked at areas where we could drive efficiencies and savings during the 3rd Quarter. Since salaries and benefits represents the bulk of our annual expenses (67%), that was the first place we looked.

We first brought in three outside landscape providers to determine our landscaping needs. Their consensus was that National needs 2-3 people, 3-4 days per week (depending on the season). Since we had a staff of four, we laid-off one employee in this area. We now have three fulltime employees in Landscaping & Maintenance. Secondly, we looked at our administrative expenses and determined that by employing ADP and a biometric timeclock, we streamlined our payroll services considerably. Additionally, we recently outsourced our bookkeeping to Sandhills Accounting Services, LLC. This resulted in our being able to reduce administrative payroll by 25%. We believe we are now “right-sized.”

We also modified our employee benefits package. In the face of double-digit increases in medical, life insurance and (likely) dental insurance, we froze our subsidized payments to generous, but “capped” amounts. This will limit future cost increases to the NPOA. We also adjusted our method for awarding PTO (Paid Time Off), by conforming to the Tri-City and PCC employee formula. Further, all rules and policies have been formalized in an NPOA Employee Manual so future Boards and employees have guidance on all HR issues. The above changes were responsible for a dramatic turnaround in our financial position as you will see in the next section.

FINANCE

Our financial position is very solid! Actual 2017 revenue was \$664,052. While this was considerably less than our original forecast of \$690,825, we more than made up for the shortfall with our 3rd Quarter “right-size” initiative. At year-end, expenses were \$621,516....we underspent revenue by \$42,536. [As an aside, we actually spent less in 2017 than we did in 2016.] Additionally, our reserves grew from \$282,701 to \$334,388 or +18%. In our view, we are positioned to meet nearly any unforeseen financial emergency and will easily be able to continue our ongoing road improvement initiative. Our strong reserves, lack of debt, no pending litigation and no significant Accounts Receivable or Payable, coupled with our responsible fiscal policies make our community a desirable place to build a home. Our Treasurer, Margie James, CPA has done an excellent and tireless job leading this all-important area.

ARB

The ARB continues to do an excellent job screening builders, ensuring compliance and maintaining our architectural and landscaping standards. It is staffed by dedicated residents who are experts in the fields of engineering, law and architecture. The ARB is led by Chairman, Tim Buckley and Chairman Emeritus, Ray Kuntz. Recent changes to the ARB include the addition of Arlyle Jannuzzo, Steve Points and Kirk Velett (Architect). We welcome our newcomers and look forward to their contributions. Retirees from the ARB are Ray Deaton and Bill Fitzgerald. We recognize them for their dedication and many years of service to the community. On a separate note, we recently decided not to renew the contract of our Executive Director and a search is on for a new person. The next hire will likely be a part-time employee rather than a “consultant.”

LANDSCAPING & MAINTENANCE

The National continues to be one of the most beautiful and well-maintained community’s in the Sandhills. Our staff is doing an excellent job pruning, mowing, planting and maintaining our common areas. And, our push for more productivity will continue. Our roadway easements continue to be free and clear of constant yard debris and outside landscape contractors are at 100% compliance to our 3-year old yard debris policy. We also thank you for the nearly 100% compliance... it keeps our roadway easements clear and beautiful for our

neighbors and visitors. In 2017, we spent \$62,000 on road repaving (Leven Links, Circle at the end of Royal Dublin Drive, repairs at the end of Dungarven, etc.). In the coming year we are scheduled to spend approximately \$72,000 on our roads where the Board has determined it is most needed. Our Landscaping & Maintenance initiatives are Co-Chaired by Tom Krugel and David Cook.

SECURITY

We continue to enjoy a safe community. In 2017, apart from a few “domestic issues” we had no reported violent or serious property crimes on our common or private property. We do continue to have tailgating problems at the back gate as well as speeding problems. Warnings and fines are being issued for offences and the purchase of a “speeding camera” has been authorized for use in the community. Our Security Team is headed by Retired Pinehurst Police Department Lt. Mike Wilson. The Security Committee, Co-Chaired by Peter Mamuzic and Jim Smith have made many significant improvements in this area and Peter will discuss them in his review.




COMMUNICATIONS

The Communications Committee serves as an important link between the NPOA and ARB and the NPOA members. The Committee publishes The National Bulletin which has been converted to a PDF format for ease of email blasting. The National Bulletin is also published on our website (www.thenpoa.org). We recently decided to digitize most all communications and will begin a big push to secure everyone’s accurate email address. This saves us \$1,000-\$1,500 per mailing....\$2.00 to \$3.00 per member for each mailing. We will “snail-mail” correspondence to the very few members who are not digital savvy. Please ensure that we receive your email address at your earliest convenience. Our Communications Committee is led by Dot Kennihan and Chaired by Philip Bailey.

In conclusion, 2017 was a good year for the community. In many respects, the Board was “transformational.” Many issues such as employee productivity, reductions in spending, ARB guideline adherence and safety were tackled head-on. It has been a pleasure and privilege working on behalf of the NPOA membership and Board members. Here’s to a great 2018!

Election 2018 - NPOA's New Board Members

2018-2019 NPOA Board Members

	<p><u>John Bullard:</u> Kay and I have lived in the Pinehurst area for just over 10 years. We moved to Pinehurst National a couple of years ago.</p>
	<p><u>Mike Cobb:</u> Charlene and I have lived at National Golf Club for 19 years. We are North Carolina natives.</p>
	<p><u>Josephine S. (Jo) Cooper:</u> I'm a North Carolina native. I have been a property owner at Pinehurst National # 9 since 2013.</p>

Maureen Buckley	President	maureen@tandmbuckley.com
	Vice-President	
Jo Cooper	Secretary	Jo@josephinecooper.com
Margie James	Treasurer	margiealan@gmail.com
<u>Peter Mamuzic</u>	Security	petermamuzic@gmail.com
James Smith	Security	jimbo5788@gmail.com
<u>Tom Krugel</u>	Communication	tommykruz@sbcglobal.net
David Cook	Beautification	dcook7@nc.rr.com
Mike Cobb		mikecobb224@gmail.com
John Bullard	ARB	jbullard22@gmail.com

2018-2019 ARB Members

Tim Buckley	Chairman	tim@tandmbuckley.com
Tom Duggan		on18@nc.rr.com
Dick Horvath		richardrocky946@aol.com
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The Spotlight is on Bob Longo...

If you are wandering on National Drive these days, and you hear the faint strum of a guitar, it may be Bob Longo practicing his new hobby! Having served on the NPOA board for the last three years (the past two years as President), Bob is now focusing his energies on his recreational hobbies, especially golf!

Bob hails from the south side of Chicago, and after four years in the Navy and three tours of duty in Vietnam, he relocated to Los Angeles, where he pursued his educational degrees at UCLA. His careers in marketing, sales promotion, management, and business development spanned the last forty years. During that time, he devoted time to several board positions in California and here in Pinehurst, including the Pinehurst Forum.

Bob and his wife, Mary moved from Playa del Rey, California to Pinehurst nearly four years ago. Mary was born here, lived as a child in Southern Pines, and still has a large extended family in Moore County. Visits to Pinehurst enamored them to the area, so they joined Pinehurst Country Club and invested in some real estate and rental properties. In 2014, they became residents of Pinehurst, choosing Pinehurst National, basing their decision on its sheer beauty, the quality of the golf course, and the friendliness of the residents.

Bob's desire to participate in the community and to have impact on its future direction was his motivation to run for the NPOA Board of Directors. Following the stewardship of previous boards, Bob cites many accomplishments achieved by the Board during his tenure. Amongst those are the reorganization of the Security team, hiring Lt. Mike Wilson as Director of NPOA Operations; resizing the staff for maximum efficiency and creating an Employee Handbook; achieving improved beautification by gaining compliance regarding roadside debris; and collecting outstanding debt, as well as building the reserves to an unprecedented \$330,000.

Bob continues to cite the hard work of all the volunteer members of the Board, who give of their time and talent to continue the current standards of our community. He relates that it was a true pleasure serving the community, and he encourages all residents to get involved.

Thank you, Mary, for buying Bob that guitar to cross one more item from his bucket list! He is certain that learning an instrument will create new neural pathways, and who knows... we may find him entertaining on the patio some evening!